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SRI LANKA**

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SUPPLEMENT

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**MILCO MILK PRODUCERS' FOUNDATION
(INCORPORATION)**

(Private Members' Bill)

A

BILL

to incorporate the Milco Milk Producers' Foundation

*To be presented in Parliament by Hon. Samanpriya Herath, M.P.
for Kurunegala District*

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Milco Milk Producers' Foundation
(Incorporation)

AN ACT TO INCORPORATE THE MILCO MILK PRODUCERS'
FOUNDATION

WHEREAS a Foundation called and known as the “Milco Milk Producers’ Foundation” has heretofore been established in Sri Lanka for the purpose of effectually carrying out its objects and transacting all matters connected with the said Foundation according to the rules agreed to by its members :

Preamble

AND WHEREAS the said Foundation has heretofore successfully carried out and transacted the several objects and matters for which it was established and has applied to be incorporated and it will be for public advantage to grant the said application :

BE it therefore enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows :—

1. This Act may be cited as the Milco Milk Producers’ Foundation (Incorporation) Act, No. of 2021.

Short title

2. (1) From and after the date of commencement of this Act, such and so many persons now are members of the Milco Milk Producers’ Foundation (hereinafter referred to as the “Foundation”) and shall hereafter be admitted as members of the body corporate hereby constituted shall have perpetual succession under the name and style of the Milco Milk Producers’ Foundation (hereafter referred to as the “body corporate”) and by that name may sue and be sued with full power and authority to have, and use a common seal and alter the same at its pleasure.

Incorporation
of the Milco
Milk
Producers’
Foundation

(2) The body corporate shall be deemed to be a voluntary social service organization within the meaning and for the purpose of the Voluntary Social Services Organization (Registration and Supervision) Act, No. 31 of 1980 and the provisions of that Act shall apply to and in relation to the management of the affairs of the body corporate.

5 (2) (a) The Council of the Foundation holding office on the day immediately preceding the date of commencement of this Act shall, subject to the rules made under paragraph (b) function as an Interim Council of the body corporate until the first Council is appointed or elected in the manner provided for by rules made under section 7.

10 (b) Subject to the provisions of section 7, the Interim Council shall have the power to make rules for the interim administration of the body corporate and for election or appointment of the members of the first Council not inconsistent with the provisions of this Act or any other written law.

(c) Any decision of the Interim Council shall be taken by the majority of its members present at such meeting.

15 (d) The first Council shall be appointed or elected within one year of the date of commencement of this Act.

20 (3) (a) Every office bearer of the Council including the patrons and advisers, if any, shall be appointed or elected for a period of three years and any such office bearer, patron or advisor shall be eligible for re-appointment or re-election after lapse of the said period of three years.

25 (b) In the event of a vacancy occurring due to the death, resignation incapacity or removal from office of an office bearer, the Council shall, having regard to the rules of the body corporate, elect or appoint a person to fill such vacancy.

(c) The person elected or appointed under paragraph (b) shall hold office only for the unexpired portion of the term of office of the member whom he succeeds.

30 **6.** Subject to the provisions of this Act, and any other written law, the body corporate shall have the power to do, perform and execute the following acts for the achievement of the objects of the body corporate:— Powers of the body corporate

(a) subject to the consent of the Chairperson of Milco, to purchase, construct, renovate, rent and otherwise

- (g) to undertake, accept, execute, perform and administer any lawful trust or any real or personal property with a view to promoting the objects of the body corporate;
- 5 (h) to appoint, employ, dismiss or terminate the services of officers and servants of the body corporate and exercise disciplinary control over them and to pay them such salaries and allowances and gratuities as may be determined by the body corporate;
- 10 (i) to liaise and co-ordinate with other local or foreign institutions having similar objects to that of the body corporate;
- (j) to train officers and servants for the purposes of the body corporate; and
- 15 (k) to do all such lawful things as are necessary or expedient for the attainment of the objects of the body corporate.

7. (1) It shall be lawful for the body corporate, from time to time, at any annual general meeting of the body corporate and by a majority of not less than two - thirds of the members present and voting, to make rules, not inconsistent with the provisions of this Act or any other written law, for all or any of the following matters :—

Rules of the
body
corporate

- 25 (a) the classification of membership, admission, withdrawal, expulsion or resignation of members and fees payable by such members;
- (b) the election of office bearers of the Council or vacation of or removal from office of office bearers and the powers, duties and functions and
30 remuneration of the office bearers;

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 (Incorporation)

- (c) the terms and conditions of appointment, powers, functions, duties and remuneration of various officers and servants of the body corporate;
- 5 (d) the procedure to be followed in the summoning and holding of meetings of the body corporate and of the Council, or notices and agenda of such meetings, the quorum and the conduct of business thereat;
- 10 (e) the qualifications and disqualifications to be a member of the Council and the body corporate;
- (f) the administration and management of the property of the corporate;
- 15 (g) the powers, functions, duties and any matter relating to the working committees and farmer societies established by the Council; and
- (h) generally, the management of the affairs of the body corporate and the accomplishment of its' objects and dissolution of the body corporate.

20 (2) Any rule made by the body corporate may be amended, altered, added to or rescinded at a like meeting and in like manner, as a rule made under subsection (1).

 (3) The rules made under this section shall be published in the *Gazette* within three months upon making of such rules and shall come into effect on the date thereof.

25 (4) The members of the body corporate shall at all times be subject to the rules of the body corporate.

8. The Council shall maintain a register of members in which the name, address and other essential details of the members shall be inscribed. Register of members

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9. (1) The body corporate shall have its own Fund. Fund of the

body
corporate

(2) All moneys received by way of gifts, bequests, donations, subscriptions, fees or grants for and on account of the body corporate shall be deposited in one or more banks approved by the council to the credit of the body corporate subject to the provisions of section 6(c).

(3) All sums of money lying to the credit of the Milco Milk Farmers' Community Protection Fund (hereinafter referred to as the "Fund") shall from the date of coming into operation of this Act, be credited to the Fund of the body corporate.

(4) There shall be paid out of the Fund, all such sums of money as are required to defray any expenditure incurred by the body corporate in the exercise, performance and discharge of its powers, duties and functions under this Act.

10. (1) The financial year of the body Corporate shall be the calendar year. Accounts and auditing

(2) The body corporate shall cause proper accounts to be kept of its income and expenditure, assets and liabilities and all other transactions of such body corporate.

(3) The accounts of the body corporate shall be audited annually by the Auditor-General or a qualified auditor appointed by the Auditor-General in terms of the provisions of Article 154 of the Constitution and be certified by the Auditor-General or such qualified auditor.

(4) For the purpose of this section "qualified auditor" means-

(a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute establishment by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute; or

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(Incorporation)

5 (b) a firm of Accountants, each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute.

10 **11.** (1) The Council shall prepare a report of the activities of the body corporate for each financial year and submit such report together with the audited statement of accounts certified by the Auditor-General or qualified auditor referred to in section 10 to the Secretary of the Ministry of the Minister assigned the subject of Social Services and to the Registrar of Voluntary Social Services Organizations appointed under the Voluntary Social Services Organizations (Registration and Supervision) Act, No. 31 of 1980 before the expiration of six months of the year succeeding the year to which such report relates.

Annual report

20 (2) A separate statement of Account relating to the foreign and local Funds received by the body corporate during the financial year shall be attached to the report referred to in subsection (1).

25 **12.** All debts and liabilities of the Foundation existing on the day immediately preceding the date of commencement of this Act, shall be paid by the body corporate hereby constituted and all debts due to and subscriptions and contributions payable to the Foundation on that day shall be paid to the body corporate for the purpose of this Act.

Debts due by and payable to the Foundation

30 **13.** Subject to the provisions of this Act, the body corporate shall be able and capable in law to take and hold any property, movable and immovable, which may become vested in it by virtue of any purchase, grant, gift, testamentary disposition or otherwise, and all such property shall be held by the body corporate for the purpose of this Act and subject to the rules made under section 7, with power to sell, mortgage, lease, exchange, or otherwise dispose of the same.

Body corporate may hold property movable and immovable

14. The moneys and property of the body corporate shall be applied solely towards the promotion of the objects of the body corporate and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or profit or otherwise to the members of the body corporate.

Application of moneys and property

15. (1) The Seal of the body corporate shall be affixed to any instrument except in the presence of the Chairperson and the Secretary who shall sign their names to the instrument in token of their presence and such signing shall be independent of the signing of any person as a witness.

Seal of the body corporate

(2) The seal of the body corporate shall be in the custody of an officer bearer of the Council as may be decided by the Council.

16. (1) If upon the dissolution of the body corporate there remains after the satisfaction of all its debts and liabilities any property whatsoever, such property shall not be distributed among the members of the body corporate but shall be given or transferred to any other institution having objects similar to those of the body corporate, and which is by the rules thereof, prohibited from distributing any income or property among their members.

Property remaining on dissolution

(2) For the purposes of subsection (1) the appropriate institution shall be determined by the members of the body corporate immediately before the dissolution at a general meeting by the majority of votes of the members present.

17. Nothing in this Act contained shall prejudice or affect the rights of the Republic or any body politic or corporate.

Saving of the rights of the Republic

18. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency

