

COCONUT DEVELOPMENT ACT

Arrangement of Sections

1. Short title.

PART I

ESTABLISHMENT OF BOARDS AND THEIR CONSTITUTION

2. Establishment of Boards.
3. Members of the Board.
4. Disqualification.
5. Terms of office of members.
6. Resignation and removal of members.
7. Appointment of acting members.
8. Eligibility of members for re-appointment.
9. Quorum for meeting of the Board.
10. Procedure at meeting of the Board.
11. Who may preside at meetings
12. Vacancy among members not to invalidate the acts of the Board.
13. Remuneration of members the Board.
14. Seal of the Board.
15. Board subject to direction and control by the Authority.
16. Member to disclose interest in contract proposed to be made by the Board.
17. Members and employees of the Board deemed to be public servants.
18. Board deemed to be a scheduled institution within the meaning of the Bribery Act.
19. Delegation of functions and powers by the Board.

PART II

FUNCTIONS AND POWERS OF THE BOARD

20. Functions of the Board.
21. No function of the Board to be enforceable in court.
22. Powers of the Board.
23. Special powers of the Board.

PART III

COCONUT DEVELOPMENT AUTHORITY—ITS CONSTITUTION, FUNCTIONS AND POWERS

24. Coconut Development Authority.
25. Authority to be a corporation.
26. Members of the Authority.

- 27. Quorum for meeting of the Authority.
- 28. Authority subject to direction and control by Minister.
- 29. Provisions of sections 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 16, 17, 18 and 19 to apply.
- 30. Functions of the Authority.
- 31. Powers of the Authority.

PART IV

FINANCE AND ACCOUNTS OF THE BOARD AND THE AUTHORITY

- 32. Capital of the Board.
- 33. Coconut cess.
- 34. Authority to receive sums voted or authorised by Parliament.
- 35. Financial year.
- 36. Budget to be approved by Minister.
- 37. The Authority to make payments to the Board.
- 38. Incurring of expenditure.
- 39. Power to borrow.
- 40. Exemption from customs duty.
- 41. Accounts.
- 42. Audit of accounts.
- 43. The Auditor-General's report.
- 44. The Auditor-General's report to be transmitted to the Minister.

PART V

MANAGEMENT AND ACQUISITION

- 45. Management of coconut plantation by Authority or Board.
- 46. Expenses of management to be recovered from proprietor.
- 47. Prevention of or obstruction to persons acting under section 45 or section 46.
- 48. Acquisition of a coconut plantation.
- 49. Absolute title to acquired coconut plantation.
- 50. Provisions of Sri Lanka State Trading corporations Act to apply.

PART VI

GENERAL

- 51. Regulations.
- 52. Transfer of State property and certain contracts and liabilities to the Board or to the Authority.
- 53. Power to acquire land compulsorily.
- 54. Appointment of public officers to the staff of the Board or of the Authority.
- 55. Protection for action taken under this Act or on the direction of the Board or the Authority.

56. No writ to issue against person or property of a member of the Board or the Authority.
57. Offences.
58. Board to take over business of other Boards.
59. Boards which are subject to direction and control of the Authority.
60. Minister's power to mitigate hardship.
61. This Act to have precedence over other written law.
62. Interpretation.
63. Reference to coconut to be construed as including reference to Palmyrah and certain other palms.

24 of 1975,
46 of 1971,
7 of 1986,
8 of 1986,
40 of 1987,
40 of 2003.

AN ACT to provide for the development and regulation of the coconut industry and the utilisation of land in and for coconut plantations; to establish Boards and a public authority known as the Coconut Development authority and to regulate their powers and functions; to provide for a cess on coconut products; to provide for the management and acquisition of coconut plantations, and to make provision for matters connected therewith or incidental thereto.

[Date of Commencement: *30th October, 1971*]

1. Short title.

This Act may be cited as the Coconut Development Act.

PART I

ESTABLISHMENT OF BOARDS AND THEIR CONSTITUTION

2. Establishment of Boards.

(1) Where the Minister considers it desirable that a Board should be established for the purpose of performing any one or more, or any part, of the functions specified in section 20, the Minister may, by Order published in the Gazette:

- (i) specify, subject to the provisions of section 20, the functions to which the Order relates;
- (ii) declare that a Board shall be established to perform the specified functions;
- (iii) assign a corporate name to the Board;
- (iv) specify the initial capital of the Board which shall not exceed such amount as shall have been approved by Parliament;
- (v) specify the special powers, if any, of the Board;
- (vi) state the principal place of business of the Board;
- (vii) fix the number of members of the Board, the number so fixed being not more than eleven;

[S 2(1)(vii) subs by s 2 of Act 40 of 2003.]

(viii) appoint, in accordance with the provisions of section 3, the members of the Board;

(ix) appoint one of the members of the Board as the Chairman of the Board; and

(x) determine the *quorum* for any meeting of the Board.

(2) Upon the publication of an Order under subsection (1) in the Gazette, a Board (in this Act referred to as the "Board") consisting of the persons who are for the time being members thereof by virtue of the provisions of section 3 shall, with the corporate name specified in such Order, be deemed to have been established. The Board shall be a body corporate and shall have perpetual succession.

(3) The Minister may, from time to time, by Order published in the Gazette, amend or rescind any Order made under subsection (1).

(4) An Order made under subsection (1), as amended from time to time, is in this Act referred to as the "Incorporation Order".

(5) The Board may sue and be sued in its corporate name.

(6) The functions of the Board shall be those specified in the Incorporation Order.

(7) The special powers of the Board shall be those specified in the Incorporation Order.

(8) The principal place of business of the Board shall be that specified in the Incorporation Order.

3. Members of the Board.

(1) The Board shall consist of such number of members as is fixed by the Incorporation Order and from time to time appointed by the Minister:

Provided that, on any Board that handles coconut products for foreign markets, one such member shall be nominated for appointment by the Minister in charge of the subject of Trade.

(2) The Minister shall appoint one of the members of the Board to be the Chairman of the Board.

4. Disqualification.

A Member of Parliament shall not be qualified to be a member of the Board.

5. Terms of office of members.

Every member shall hold office for a period of three years, unless he is removed from, or otherwise vacates, office earlier:

Provided that a member appointed in place of a member who is removed from, or otherwise vacates, office shall hold office for the unexpired period of the term of office of the member whom he succeeds, unless he earlier is removed from or otherwise vacates office.

6. Resignation and removal of members.

(1) A member may resign office by letter addressed to the Minister.

(2) The Minister may, if he thinks it expedient to do so, remove a member from office without assigning any reason.

7. Appointment of acting members.

Where a member is temporarily unable to discharge the duties of his office on account of ill health, absence from Sri Lanka or any other cause, the Minister may appoint some other person to act as member in his place.

8. Eligibility of members for re-appointment.

Any member of the Board shall be eligible for reappointment.

9. Quorum for meeting of the Board.

The *quorum* for any meeting of the Board shall be such number as may be determined by the Minister in the Incorporation Order.

10. Procedure at meeting of the Board.

Subject to the other provisions of this Act, the Board may regulate its procedure in regard to the meetings of the Board and the transaction of business at such meetings.

11. Who may preside at meetings.

(1) The Chairman of the Board shall preside at every meeting of the Board at which he is present. In the absence of the Chairman from any meeting of the Board, a member chosen by a majority of the members present shall preside at such meeting.

(2) The Chairman of any meeting of the Board shall, in addition to his own vote, have a casting vote.

12. Vacancy among members not to invalidate the acts of the Board.

Any act or proceeding of the Board shall not be deemed to be invalid by reason only of the existence of any vacancy among its members or any defect in appointment of any of its members.

13. Remuneration of members the Board.

The members of the Board may be remunerated in such manner and at such rates as the Minister may, in consultation with the Minister in charge of the subject of Finance, determine.

14. Seal of the Board.

(1) The Board shall have a common seal which shall be in the custody of such person as the Board may decide from time to time.

(2) The seal of the Board may be altered in such manner as may be determined by the Board.

(3) The seal of the Board shall not be affixed to any instrument or document except in the presence of two members of the Board, both of whom shall sign the instrument or document in token of their presence.

(4) The Board shall maintain a register of the instruments or documents to which the seal of the Board is affixed.

15. Board subject to direction and control by the Authority.

In the exercise, discharge and performance of its powers and functions, the Board shall be subject to direction and control by the Authority established by section 24.

16. Member to disclose interest in contract proposed to be made by the Board.

A member who is directly or indirectly interested in a contract proposed to be made by the Board shall disclose the nature of his interest at a meeting of the Board. The disclosure shall be recorded in the minutes of the Board, and that member shall not take part in any deliberation or decision of the Board with respect to such contract.

17. Members and employees of the Board deemed to be public servants.

All members and employees of the Board shall be deemed to be public servants within the meaning and for the purposes of the Penal Code.

18. Board deemed to be a scheduled institution within the meaning of the Bribery Act.

The Board shall be deemed to be a scheduled institution within the meaning of the Bribery Act and the provisions of that Act shall be construed accordingly.

19. Delegation of functions and powers by the Board.

(1) Subject to the provisions of this Act, the supervision, control and administration of the affairs and business of the Board shall be vested in the Board.

(2) The Board may delegate to any member of the Board or to any employee of the Board any of its powers or functions.

(2a) Where the powers referred to in paragraph (h) of subsection (1) of section 23 in respect of the export of any coconut product, are assigned to the Board, the Board may, with the approval of the Minister, delegate to any commercial bank the power to issue licenses for the export of that coconut product in accordance with the qualifications, terms and conditions and procedure for the issue of such licenses as may return mind by the Board.

[S 19(2a) ins by s 2(a) of Act 8 of 1986.]

(3) Every delegate appointed under subsection (2) or Subsection (2a) shall exercise or perform the power or function delegated to him subject to direction and control by the Board.

[S 19(3) am by s 2(b) of Act 8 of 1986.]

PART II

FUNCTIONS AND POWERS OF THE BOARD

20. Functions of the Board.

(1) The Minister may, in the Incorporation Order, assign to the Board any one or more, or any part, of the following functions, namely—

- (a) the development and assistance in the development of the productivity of land in coconut plantations;
- (b) the cultivation and assistance in and promotion and regulation of the cultivation of land with coconut;
- (c) the identification of land in coconut plantations suitable for inter-planting with other crops (including pasture) and the promotion, direction, carrying out and assistance in the carrying out of inter-planting programmes on such land;
- (d) the promotion and regulation of, assistance to, and engagement in, animal husbandry on land in coconut plantations;
- (e) the specification, popularisation, promotion and direction of proper cultivation practices in respect of the growing of coconut and other crops in coconut plantations;
- (f) the manufacture, and assistance in and promotion and regulation of the manufacture, of coconut products;
- (g) the promotion of new techniques in the processing of coconut products;
- (h) the promotion and direction of the modernisation, and assistance in increasing the efficiency, of establishments manufacturing coconut products;
- (i) the prescription and maintenance of standards of quality of coconut products manufactured in or exported from Sri Lanka;
- (j) the purchase and sale, and the regulation of the purchase and sale, of coconut products, and the formulation and implementation, or assistance in the formulation and implementation, of minimum and maximum price schemes and price stabilisation schemes for coconut products in general, and for small holders' coconut products in particular;

- (k) the export and import, and the regulation of the export and import and of the export price and import price, of coconut products;
- (l) the maintenance, promotion and creation of demand for coconut products, both within and outside Sri Lanka, by advertising, by initiating, financing, supporting and supervising promotional work, by establishing, managing, supervising and supporting sales rooms and agencies, by organising, assisting and participating in, exhibitions and fairs, and by any other means necessary for the purpose;
- (m) the conducting of market research into all aspects of the transport and marketing of coconut products within and outside Sri Lanka;
- (n) the conducting and furthering of scientific research in respect of, the growth and cultivation of coconut palms, the growing of other crops and the engagement in animal husbandry in coconut plantations and the prevention and cure of diseases and pests;
- (o) the establishment and maintenance of research institutes, experimental stations and nurseries;
- (p) the conducting and furthering of scientific research in connection with the processing and utilisation of coconut products;
- (q) the establishment and maintenance of pilot plants for the processing of coconut products, and the fabrication of experimental processing equipment;
- (r) the training of advisory and extension workers to assist the coconut industry;
- (s) the guiding and advising of the coconut industry on all matters of a technical nature;
- (t) the promotion of co-operative and collective forms of management and ownership of coconut plantations and of establishments manufacturing or trading in coconut products.

(2) The Minister may, in the Incorporation Order, limit the scope of any one or more, or any part, of the functions assigned to the Board, to a region or to a coconut product or to a class or size of coconut plantation, or in any other way specified in a manner determined by the Minister.

21. No function of the Board to be enforceable in court.

Nothing in section 20 shall be construed as imposing on the Board, either directly or indirectly, any form of duty or liability enforceable by proceedings before any court or tribunal to which the Board would not otherwise be subject.

22. Powers of the Board.

(1) The Board shall have the power to do all such acts and take all such steps as may be necessary for, or conducive or incidental to, the performance of its functions.

(2) Without prejudice to the generality of the powers conferred by subsection (1), the Board shall have the power:

- (a) to acquire in any manner whatsoever and hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of, any movable or immovable property;
- (b) to enter into and perform or carry out, whether directly or through any officer or agent authorised in that behalf by the Board, all such contracts or agreements as may be necessary for, or conducive or incidental to, the performance of the functions and the exercise of the powers of the Board;

- (c) to construct, manufacture, purchase, maintain and repair anything necessary for, or conducive or incidental to, the performance of the functions of the Board;
- (d) to purchase, transport, store and supply any commodity, equipment or machinery necessary for, or conducive or incidental to, the performance of the functions of the Board;
- (e) to train, or assist financially the training of, persons to do work necessary for, or conducive or incidental to, the performance of the functions of the Board;
- (f) to provide services of any kind that may be necessary for, or conducive or incidental to, the performance of the functions of the Board;
- (g) to levy fees or other charges for services performed, or facilities or equipment provided, by the Board;
- (h) to provide assistance, including financial assistance through loans, guaranteeing of loans, subsidies and grants, to any co-operative society, union of co-operative societies, local authority, State-Sponsored Corporation or Government Department or any person or body of persons (whether corporate or not) engaged in the cultivation of coconut or of other crops in coconut plantations, animal husbandry on land in coconut plantations, manufacturing or trading in coconut products, or in the provision of any service, facility, commodity or equipment, or in the doing of any act or thing necessary for, or conducive or incidental to, the performance of the functions and the exercise of the powers of the Board;
- (i) to own or manage, or participate in the ownership or management of, or assist in or supervise the management of, any land, property, undertaking, or activity connected with the cultivation of coconut or other crops in coconut plantations, animal husbandry in coconut plantations, or the manufacture of or trading in coconut products;
- (j) to appoint, employ, remunerate and control such officers, servants and agents as may be necessary for, or conducive or incidental to, the performance of the functions and the exercise of the powers of the Board;
- (k) to establish and maintain provident funds, gratuity schemes and pension funds, and provide financial assistance, welfare and recreational facilities, houses, hostels and other like accommodation, for the persons employed by or serving the Board;
- (l) subject to the provisions of this Act, to make rules in respect of the administration of the affairs of the Board; and
- (m) —
 - (i) to require any person to maintain true and accurate records, in a form and containing the particulars specified by the Board, relating to any matter as may be necessary for, or conducive or incidental to, the performance of the functions or the exercise of the powers of the Board;
 - (ii) to require any person to furnish, within a specified period of time, all such returns, information and explanations as are within the knowledge of that person relating to any matter as may be necessary for, or conducive or incidental to, the performance of the functions or the exercise of the powers of the Board;
 - (iii) to require any person to produce or cause to be produced before a specified date such documentary or other evidence as the Board may require for the purpose of verifying any facts, entered in any record maintained under sub-paragraph (i), or stated in any return, information or explanation furnished under sub-paragraph (ii);

(iv) to enter and inspect, at any reasonable time, any land, building, office, store, factory, shed or premises for the purpose of examining and verifying any records or for the purpose of verifying any particulars furnished in any return made or information or explanation given to the Board under sub-paragraphs (i) and (ii); and

(v) to enter at any reasonable time any land, building, office, store, factory, shed or premises for the purpose of inspecting and checking stocks of any coconut products.

(3) Any person who fails, without reasonable cause to comply with the provisions of sub-paragraph (i) or sub-paragraph (ii) or sub-paragraph (iii) of paragraph (*m*) of subsection (2), or who knowingly maintains false records or furnishes false returns, information, explanations, or documentary or other evidence, or who obstructs the Board in the exercise of the powers conferred on it by sub-paragraph (iv) or sub-paragraph (v) of paragraph (*m*) of subsection (2), shall be guilty of an offence under this Act.

(4) Any particulars obtained by the Board under the provisions of sub-paragraphs (ii), (iii), (iv) and (v) of paragraph (*m*) of subsection (2) shall be treated as confidential by the Board and by every member, officer or servant thereof, except where the person furnishing such particulars otherwise agrees, or when the disclosing or publishing of such particulars is necessary for the purposes of this Act or of any legal proceedings thereunder; and any person who knowingly discloses or publishes any such particulars shall be guilty of an offence:

Provided that nothing in this subsection shall be deemed to prohibit the disclosure or publication for statistical purposes of facts and figures which make no reference to any particular individual or business.

23. Special powers of the Board.

(1) The Minister may, in the incorporation Order, assign to the Board any one or more, or any part, of the following special powers, namely the power—

(a) to register—

- (i) coconut plantations and the proprietors of such plantations,
- (ii) millers and other manufacturers of coconut products,
- (iii) auctioneers and brokers engaged in the purchase and sale of coconut products, and
- (iv) dealers in and shippers of coconut products;

(b) to determine the qualifications, terms and conditions, procedure and annual fees payable for such registration, and in its discretion to remove from or restore to the register any name:

Provided that any applicant for registration dissatisfied with any decision of the Board may appeal to the Minister in the prescribed manner, and provided also that no such registration or removal or restoration thereof shall operate as *res adjudicata* on any question in any civil action in which title is in issue;

(c) to engage in, regulate, control, supervise, direct, manage and inspect the cultivation and utilisation of land in coconut plantations and the cultivation of land with coconut;

(d) to engage in, regulate, control, supervise, direct, manage and inspect the manufacture, packing, storing, transport and sale of coconut products;

(e) to inspect, supervise, regulate and control the factories, stores, yards, buildings, premises, equipment and machinery used or to be used for the manufacture, packing or storing of coconut products;

- (f) to engage in, regulate, control, supervise, direct, manage and inspect the purchase, sale, transport, storing, import and export of coconut products;
- (g) to establish sales rooms for the purchase and sale of coconut products and to determine the procedure at such sales rooms, and the procedure for the delivery and receipt of and payment for any product sold at the sales rooms; and
- (h) to issue licenses for the export of coconut products, and to determine the qualifications, terms and conditions and procedure for the issue of such licenses, and in its discretion to refuse to issue a licence, or cancel a licence already issued, to any person:

Provided that any applicant for a licence dissatisfied with any decision of the Board may appeal to the Minister in the prescribed manner.

(2) The Minister may, in the Incorporation Order, limit the exercise of any one or more, or any part, of the special powers assigned to the Board, to a region, or to a coconut product, or to a class or size of coconut plantation, or in any other way specified in a manner determined by the Minister.

PART III

COCONUT DEVELOPMENT AUTHORITY ITS CONSTITUTION, FUNCTIONS AND POWERS

24. Coconut Development Authority.

There shall be established an Authority which shall be called the Coconut Development Authority (in this Act referred to as the "Authority").

25. Authority to be a corporation.

The Authority shall, by the name assigned to it by section 24, be a body corporate and shall have perpetual succession and a common seal and may sue and be sued in such name.

26. Members of the Authority.

(1) The Authority shall consist of nine members all of whom shall be appointed by the Minister.

[S 26(1) am by s 2 of Act 40 of 1987.]

(2) The Minister shall appoint one of the members of the Authority to be the Chairman of the Authority.

27. Quorum for meeting of the Authority.

The *quorum* for any meeting of the Authority shall be five,

[S 27 am by s 3 of Act 40 of 1987.]

28. Authority subject to direction and control by Minister.

In the exercise, discharge and performance of its powers and functions the Authority shall be subject to direction and control by the Minister.

29. Provisions of sections 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 16, 17, 18 and 19 to apply.

The provisions of Sections 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 16, 17, 18 and 19 shall apply *mutatis mutandis* to the Authority in regard to the matters specified therein.

30. Functions of the Authority.

(1) The functions of the Authority shall be—

- (a) to assist the Minister in the formulation of policy and in the determination of development priorities in respect of the coconut industry and the economic utilisation of land in and for coconut plantations;

- (b) to formulate or assist in the formulation of projects and schemes in accordance with the development priorities so determined;
- (c) to implement or assist in the implementation of the projects and schemes so formulated;
- (d) to co-ordinate the activities of the Boards established by the Minister under this Act;
- (e) to approve the annual budget of the Boards and to provide them with funds;
- (f) to advise and assist the Boards in the formulation, implementation and maintenance of proper management accounting systems;
- (g) to evaluate the progress of the Boards in relation to the policy and development priorities determined by the Minister;
- (h) to assist financially and in any other way any person or body of persons (whether corporate or not) engaged in scientific research in respect of any aspect of the coconut industry and its products, or the utilisation of land in and for coconut plantations, and to co-ordinate such research activities;
- (i) to enter into co-operation, with the consent of the Minister, with international organisations having allied interests and functions;
- (j) to advise the Minister on all matters relating to or affecting the coconut industry;
- (k) to take all such measures which, in the opinion of the Authority, are necessary for the development and revitalisation of the coconut industry.

(2) Where the Minister considers it desirable he may, by Order published in the Gazette, assign to the Authority any one or more, or any part, of the functions specified in section 20.

(3) The Minister may, from time to time, by Order published in the Gazette, amend or rescind any Order made under subsection (2).

31. Powers of the Authority.

(1) The Authority shall have the power to do all such acts and take all such steps as may be necessary for, or conducive or incidental to, the performance of its functions.

(2) Without prejudice to the generality of the powers conferred by subsection (1), the Authority shall have all the powers provided for in section 22 (2) in like manner as the Board.

(3) Where the Minister considers it desirable, he may, by Order published in the Gazette, assign to the Authority any one or more, or any part, of the special powers provided for in section 23 in like manner as the Board.

(4) The Minister may, from time to time, by Order published in the Gazette, amend or rescind any Order made under subsection (3).

PART IV

FINANCE AND ACCOUNTS OF THE BOARD AND THE AUTHORITY

32. Capital of the Board.

(1) The initial capital of the Board shall be that specified in the Incorporation Order.

(2) The capital of the Board may be increased from time to time by such amount as may be voted by Parliament or authorised by resolution of Parliament to be paid to the Board for the purpose of increasing such capital.

33. Coconut cess.

(1) For the purposes of this Act there shall be charged, levied and paid, in addition to any tax or export duty imposed under any written law other than this Act, a cess called the coconut cess, in respect of any coconut product, in such manner and of such amount as may from time to time be determined by resolution of Parliament.

(2) This section shall have effect as though it formed part of the Customs Ordinance and the provisions of that Ordinance shall apply accordingly in so far as the cess is levied at the point of export.

(3) The proceeds of the coconut cess shall be paid to the Authority.

(4) Regulations may be made in respect of all matters necessary for the effective levy and collection of the coconut cess, and its payment to the Authority.

34. Authority to receive sums voted or authorised by Parliament.

The Authority may receive such sums of money as may, from time to time, be voted or authorised by resolution of Parliament.

35. Financial year.

The financial year of the Board and the Authority shall commence on the first day of January of each year and terminate on the thirty-first day of December of that year.

36. Budget to be approved by Minister.

The annual budget of the Board as approved by the Authority and the annual budget of the Authority shall be submitted to the Minister for his approval. Any subsequent amendments to the budget of the Board or the Authority shall also be submitted to the Minister for his approval.

37. The Authority to make payments to the Board.

The Authority shall out of its funds pay out to the Board, from time to time, such sums of money as are necessary to finance the activities of the Board.

38. Incurring of expenditure.

The moneys of the Board and the Authority may be utilised by the Board and the Authority respectively for the purpose of incurring any expenditure, necessary for, or conducive or incidental to, the performance of their functions and the exercise of their powers under this Act, and provided for in the budget or amended budget approved by the Minister.

39. Power to borrow.

(1) It shall be lawful for the Board or the Authority, subject to the approval of the Minister given with the concurrence of the Minister in charge of the subject of Finance, to borrow from the Government or any person or persons such sum or sums of money as may be necessary for, or conducive or incidental to, any of the purposes of the Board or the Authority respectively.

(2) Every loan raised by the Board or the Authority shall be subject to such rate or rates of interest and to such conditions for the repayment thereof as may be approved by the Minister.

(3) For the purpose of securing the repayment of any sums borrowed and the payment of interest accruing thereon, the Board or the Authority may mortgage or assign to the lender by or on whose behalf such sum or

any part thereof may be lent, any properly belonging to the Board or the Authority respectively or assign to such lender any right to any sums of money accruing to them.

40. Exemption from customs duty.

In any specific case where the Board or the Authority imports or purchases out of bond any goods other than goods relating to any commercial activity of the Board or the Authority, the Minister in charge of the subject of Finance may, at the request of the Minister, exempt such goods from the payment of any customs duty.

41. Accounts.

The Board and the Authority respectively shall, in respect of each financial year, cause proper accounts of their income and expenditure and of all their other transactions to be kept and shall prepare annual statements of accounts and statistics relating to their activities, in such form and containing such particulars as the Minister may determine.

42. Audit of accounts.

(1) The accounts of the Board and the Authority, referred to in section 41, in respect of each financial year, shall be submitted to the Auditor-General for audit before the lapse of four months from the end of the financial year. For the purpose of assisting him in the audit, the Auditor-General may employ the services of any qualified auditor or auditors who shall act under his direction and control.

(2) For the purpose of meeting the expenses incurred by him in auditing the accounts of the Board and the Authority, the Auditor-General shall be paid from the funds of the Board or the Authority such remuneration as the Minister may, with the concurrence of the Minister in charge of the subject of Finance, determine. Any remuneration received by the Auditor-General shall, after deducting any sums paid by him to any qualified auditor employed by him for the purpose of such audit, be credited to the Consolidated Fund.

(3) The Auditor-General and any person assisting him in the audit of the accounts of the Board or the Authority shall have access to all such books, deeds, contracts, accounts, vouchers and other documents of the Board or the Authority as the Auditor-General may consider necessary for the purposes of the audit, and shall be furnished by the Board or the Authority or their officers with such information within their knowledge as may be required for such purposes.

43. The Auditor-General's report.

(1) The Auditor-General shall examine the accounts of the Board and the Authority and furnish a report:

- (a) stating whether he has or has not obtained all the information and explanations required by him;
- (b) stating whether the accounts referred to in the report are properly drawn up so as to exhibit a true and fair view of the affairs of the Board or the Authority; and
- (c) drawing attention to any item in the accounts which in his opinion may be of interest to Parliament in any examination of the activities and accounts of the Board or the Authority.

(2) The Auditor-General shall transmit his report to the Board and the Authority respectively together with the audited accounts within four months of the receipt of the accounts by him.

44. The Auditor-General's report to be transmitted to the Minister.

(1) The Board and the Authority shall, on the receipt of the audited accounts and the Auditor-General's report each year, transmit such report and such accounts together with statements by the Board and the Authority respectively of their activities and performance during the financial year to which such report

relates, to the Minister who shall cause copies thereof to be laid before Parliament within ten months of the close of the financial year to which the accounts relate.

(2) The statement by the Board referred to in subsection (1) shall contain such statistics and information relating to the coconut industry as determined by the Minister.

(3) The statement by the Authority referred to in subsection (1) shall include a report on the state of the coconut and allied industries in Sri Lanka and the world, prepared in a manner determined by the Minister.

PART V

MANAGEMENT AND ACQUISITION

45. Management of coconut plantation by Authority or Board.

The Minister may, by Order published in the Gazette, direct the Authority or any Board to manage any coconut plantation, where, in his opinion, such management is necessary to ensure the full and efficient use of such plantation. The Authority or the Board, when so directed, shall manage such plantation either through their own employees, officers and servants or through any person or body of persons (whether corporate or not) acting under their direction and control.

46. Expenses of management to be recovered from proprietor.

All the expenditure incurred by the Authority or the Board or by any person or body of persons acting on behalf of the Authority or the Board, in the management of any coconut plantation referred to in section 45, shall be recoverable by the Authority or the Board from the proprietor of such plantation, and the Authority or the Board shall also have a lien on the produce of such coconut plantation.

47. Prevention of or obstruction to persons acting under section 45 or section 46.

Any person who prevents or obstructs any person authorised in that behalf by the Authority or the Board in the carrying out of the provisions of section 45 or section 46, shall be guilty of an offence.

48. Acquisition of a coconut plantation.

Where, in the opinion of the Minister, the acquisition of any coconut plantation is necessary for the purposes of this Act, he may by Order published in the *Gazette* vest such coconut plantation in the Authority or the Board with effect from such date as shall be specified in the Order.

49. Absolute title to acquired coconut plantation.

An Order referred to in section 48 shall have the effect of giving the Authority or the Board absolute title to any such coconut plantation specified in the Order with effect from the date specified therein and free from all encumbrances.

50. Provisions of Sri Lanka State Trading corporations Act to apply.

Where any coconut plantation is acquired under the provisions of section 48, the provisions of sections 33, 34, 35, 41, 44, 45, 46, 47, 48, 49 and 50 of the Sri Lanka State Trading Corporations Act shall, *mutatis mutandis*, apply to such acquisition.

PART VI

GENERAL

51. Regulations.

(1) The Minister may make regulations for the purpose of carrying out or giving effect to the principles and provisions of this Act.

(2) In particular and without prejudice to the generality of the powers conferred by subsection (1) the Minister may make regulations in respect of all or any of the following matters:

- (a) the regulation, control, supervision, direction, management and inspection of—
 - (i) the cultivation and methods of cultivation of prescribed coconut plantations;
 - (ii) with the concurrence of the Minister in charge of the subject of Lands, the utilisation of land in prescribed coconut plantations, including the utilisation for other crops and for animal husbandry;
 - (iii) the cultivation of prescribed land with coconut;
 - (iv) with the concurrence of the Minister in charge of the subject of Trade, the manufacture, packing, storing, transport and sale of any coconut product;
 - (v) with the concurrence of the Minister in charge of the subject of Trade, the purchase, sale, transport, storing, import and export of any coconut product;
- (b) prescribing standards of quality to which all manufacturers or shippers of a specified coconut product shall conform;
- (c) prescribing the manner in which all manufacturers of a specified coconut product shall dispose of effluent and waste;
- (d) the inspection, supervision, regulation and control of factories, stores, yards, buildings, premises, equipment and machinery used or to be used for the manufacture, packing or storing of any coconut product;
- (e) prescribing the methods, techniques, processes and equipment that shall be used by all manufacturers of a specified coconut product;
- (f) the regulation of the price at which any dealer, manufacturer, importer or shipper shall buy and sell any coconut product;
- (g) the prohibition of the manufacture or shipment of any coconut product except by a manufacturer or shipper registered under section 23 (1)(a) of this Act;
- (h) the prohibition of the export of any coconut product except upon a licence issued under section 23(1)(h) of this Act;
- (i) the disposal of the assets and liabilities of any Board established under this Act;
- (j) the cultivation of land with coconut, and the cultivation and utilisation of land in any coconut plantation, on a collective basis;
- (j) prohibiting for such period as the Minister may deem necessary in the interest of national economy—
 - (i) the transport, sale or offer or exposure for sale of any young coconut other than king coconut, within the administrative limits of any Municipal Council or Urban Council;
 - (ii) The cutting, damaging, mutilation or destroying of coconut flowers or the tender leaves of any coconut tree;
 - (iii) the taping for commercial purposes, any coconut tree in any area other than an area in respect of which a licence has been issued by the Commissioner of Excise, permitting such tapping; and
 - (iv) the felling, lopping or killing or causing or permitting the felling, lopping or killing of any coconut tree on any land in any administrative district, other than on State land, unless the felling, lopping or killing

of such tree has been authorised in writing by the Government Agent of that administrative district or any other officer acting under his authority;

[S 51(2)(jj) ins by s 2 of Act 7 of 1986.]

- (k) the assigning, to any Board or the Authority constituted under this Act, of the function and power of enforcing any one or more, or any part, of the regulations made under this section;
- (l) all matters which are required by this Act to be prescribed, or in respect of which regulations are required to be made;
- (m) all matters incidental to or connected with the matters referred to in this subsection.

(3) Every regulation made by the Minister shall be published in the *Gazette* and shall come into operation on the date of such publication, or on such later date as may be specified therein.

(4) Every regulation made by the Minister shall, as soon as convenient after its publication in the *Gazette*, be brought before Parliament for approval. Any regulation which is not so approved shall be deemed to be rescinded as from the date of disapproval, but without prejudice to anything previously done thereunder.

(5) Any person who contravenes or attempts to contravene the provisions of any regulation made under this Act and approved by Parliament shall be guilty of an offence under this Act.

52. Transfer of State property and certain contracts and liabilities to the Board or to the Authority.

(1) The Minister may, subject to the provisions of subsection (2) and subsection (3), by Order published in the *Gazette*, transfer to the Board or to the Authority—

- (a) any movable or immovable property of the State required for the purposes of the Board or the Authority, and
- (b) any contracts and liabilities of the State connected with such purposes.

(2) No movable property, and no contract or liability, of the State shall be transferred to the Board or to the Authority under subsection (1) without the concurrence of the Minister in charge of the subject of Finance.

(3) No immovable property of the State shall be transferred to the Board or to the Authority under subsection (1) without the concurrence of the Minister in charge of the subject of Finance and the Minister in charge of the subject of State Lands.

(4) Upon the publication of an Order under subsection (1) in the *Gazette*—

- (a) the properties specified in that Order shall vest in and be the properties of the Board or of the Authority, as the case may be;
- (b) the contracts specified in that Order shall be deemed to be the contracts of the Board or of the Authority, as the case may be, and all subsisting rights and obligations of the State under such contracts shall be deemed to be the rights and obligations of the Board or of the Authority, as the case may be; and
- (c) the liabilities specified in that Order shall be deemed to be the liabilities of the Board or of the Authority, as the case may be.

53. Power to acquire land compulsorily.

The Minister may by Order published in the *Gazette* approve of the proposed acquisition of any land, or any interest in any land, other than State land, for any purpose of the Board or of the Authority, and where such an Order is so published, the land or the interest in any land specified shall be deemed to be required for a public

purpose and may be acquired under the Land Acquisition Act, and when so acquired, shall be transferred to the Board or to the Authority, as the case may be, under that Act.

54. Appointment of public officers to the staff of the Board or of the Authority.

(1) At the request of the Board or the Authority, any officer in the public service may, with the consent of that officer and of the Secretary to the Ministry charged with the subject of Public Administration be temporarily appointed to the staff of the Board or the Authority, for such period as may be determined by the Board or the Authority respectively with like consent or be permanently appointed to such staff.

(2) Where any officer in the public service is temporarily appointed to the staff of the Board or the Authority, the provisions of subsection (2) of section 44 of the Industrial Development Act shall, *mutatis mutandis*, apply to and in relation to him.

(3) Where any officer in the public service is permanently appointed to the staff of the Board or the Authority, the provisions of subsection (3) of section 44 of the Industrial Development Act shall, *mutatis mutandis*, apply to and in relation to him.

(4) Where the Board or the Authority employs any person who has entered into a contract with the Government by which he has agreed to serve the Government for a specified period, any period of service to the Board or the Authority by that person shall be regarded as service to the Government for the purpose of discharging the obligations of such contract.

55. Protection for action taken under this Act or on the direction of the Board or the Authority.

(1) No Suit or prosecution shall lie—

- (a) against the Board or the Authority for any act which in good faith is done or purported to be done by the Board or the Authority under this Act; or
- (b) against any member, officer, servant or agent of the Board or the Authority for any act which in good faith is done or purported to be done by him under this Act or on the direction of the Board or the Authority.

(2) Any expense incurred by the Board or the Authority in any suit or prosecution brought by or against the Board or the Authority before any court shall be paid out of the funds of the Board or the Authority respectively, and any costs paid to, or recovered by, the Board or the Authority in any such suit or prosecution shall be credited to the funds of the Board or the Authority respectively.

(3) Any expense incurred by any such person as is referred to in paragraph (b) of subsection (1) in any suit or prosecution brought against him before any court in respect of any act which is done or is purported to be done by him under this Act or on the direction of the Board or the Authority shall, if the court holds that such act was done in good faith, be paid out of the funds of the Board or the Authority respectively, unless such expense has been advanced to such person by the Authority or the Board or such expense is recovered by him in such a suit or prosecution.

56. No writ to issue against person or property of a member of the Board or the Authority.

No writ against person or property shall be issued against a member of the Board or the Authority in any action brought against the Board or the Authority.

57. Offences.

Every person who commits an offence under this Act shall, on conviction after summary trial before a Magistrate, be liable to imprisonment of either description for a period not exceeding six months, or to a fine not exceeding one thousand rupees or to both such imprisonment and fine.

58. Board to take over business of other Boards.

(1) On and after such date as the Minister may fix by Notification published in the *Gazette* the Board shall take over and carry on the business or any part of the business of any one or more of the following Boards—

- (a) the Ceylon Coconut Board established under the Coconut Products Ordinance;
- (b) the Coconut Research Board established under the Coconut Research Ordinance; and
- (c) the Coconut Fibre Board established under the Coconut Fibre Act.

(2) Every employee of each of the said Boards the business of which is taken over in terms of subsection (1), who loses employment as a consequence of such taking over, shall be offered employment in any one or other, as determined by the Authority, of the Boards established under this Act upon terms and conditions not less favourable than those enjoyed by such employee before the taking over.

(3) Regulations may be made in respect of any unforeseen or special circumstances, or for determining or adjusting any question or matter that may directly or indirectly arise, in connection with the carrying out of the provisions of subsection (1) and subsection (2).

59. Boards which are subject to direction and control of the Authority.

Notwithstanding the provisions of any other Act, the Boards referred to in paragraphs (a), (b) and (c) of subsection (1) of section 58 shall, in the exercise, discharge and performance of their powers and functions, be subject to direction and control by the Authority.

60. Minister's power to mitigate hardship.

If in the operation of this Act, any case shall arise in which, in the opinion of the Minister, substantial hardship is likely to be caused to any person by reason of an unintentional failure on the part of such person to observe any formality prescribed by this Act or by any regulations made thereunder, the Minister may give such directions as may be necessary to mitigate or prevent such hardship.

61. This Act to have precedence over other written law.

The provisions of this Act shall have effect notwithstanding anything contained in any other written law and accordingly, the event of any conflict or inconsistency between the provisions of this Act and such other written law, the provisions of this Act shall prevail.

62. Interpretation.

In this Act unless the context otherwise requires—

"coconut plantation" means any land on which the coconut palm is grown, and includes any interest in or any benefit arising out of such land and any leasehold or other interest held by any person in any State land and also any buildings, fixtures, machinery and implements thereon;

"coconut product" means any part or product of the coconut palm, or any product, by-product or waste product obtained by processing any part or product of the coconut palm;

"Commercial bank" means any person or body of persons corporate or unincorporated, which carries on in Sri Lanka the business of accepting from the public, or of creating demand deposits, but does not include the Central Bank;.

[Ins by s 3 of Act 8 of 1986.]

"dealer" means a dealer in coconut products;

"management" with its grammatical variations and cognate expressions includes cultivation, re-plantation, fertilisation, soil conservation, inter-cropping, animal husbandry and manufacture, processing, sale and disposal of produce;

"member" means a member of the Board or of the Authority, as the case may be;

"miller" means a manufacturer of desiccated coconut, coconut oil, or coconut fibre;

"proprietor" means the owner, lessee or usufructuary mortgagee of a coconut plantation and includes the local agent of an owner who is absent from Sri Lanka;

"public officer" has the same meaning as in the Constitution;

"purchase" includes a purchase by sample or grade and a purchase for immediate or future receipt;

"sale" includes a sale by sample or grade and a sale for immediate or future delivery;

"shipper" means a person who exports coconut products from Sri Lanka or obtains shipping facilities to enable another person so to export coconut products.

63. Reference to coconut to be construed as including reference to Palmyrah, and certain other palms.

Any reference in sections 20, 22, 23, 30, 44, 45, 46, 48, 49, 50, 51 and 62 to coconut, shall unless the context otherwise requires, be construed as including a reference to Palmyrah and to such other palms as may be specified by the Minister by Order published in the Gazette, and the expressions "coconut product", "coconut plantation", "coconut palm", and "coconut industry", occurring in these sections shall be construed accordingly.

[S 63 ins by s 2 of Law 24 of 1975.]