

PARLIAMENT OF CEYLON

2nd Session 1953-54



Milk Board Act, No. 12 of 1954

Date of Assent : February 26, 1954

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L. D—O. 54/49.

AN ACT TO PROVIDE FOR THE CONSTITUTION OF A BOARD TO ESTABLISH AND MAINTAIN FACILITIES AND SERVICES FOR THE EFFICIENT AND CHEAP PRODUCTION AND MARKETING OF MILK, TO PROMOTE THE ESTABLISHMENT AND MAINTENANCE OF SUCH FACILITIES AND SERVICES BY LOCAL AUTHORITIES AND OTHER BODIES AND PERSONS AND TO PROVIDE FOR MATTERS INCIDENTAL TO OR CONNECTED THEREWITH.

[Date of Assent: February 26, 1954]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Representatives of Ceylon in this present Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Milk Board Act, No. 12 of 1954, and shall come into operation on such date as the Minister may appoint by Order published in the *Gazette*.

Short title
and date of
operation.

PART I.

ESTABLISHMENT OF MILK BOARD.

2. (1) A Board to be called the Milk Board (in this Act referred to as "the Board") is hereby established for the purposes of this Act.

Establishment
of Milk Board.

(2) The Board shall be a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name.

3. The common seal of the Board shall be officially and judicially noticed and shall be kept by such person and in such manner as the Board may from time to time determine. The seal shall not be used except by the authority of the Board and in the presence of at least two members thereof who shall sign the document to which the seal is affixed.

Common seal of
the Board.

4. (1) The Board shall consist of five members appointed by the Minister. The Minister shall appoint one of the members to be the Chairman of the Board.

Constitution
of Board.

(2) A person shall be disqualified for appointment as a member of the Board or for continuing as a member of the Board—

(a) if he is a Senator or a Member of Parliament;
or

(b) if he has, directly or indirectly, any interest in a subsisting contract with, or in any work being done for, the Board except as a shareholder (other than a director) in an incorporated company consisting of more than twenty-five members.

(3) Where a member of the Board is a shareholder (other than a director) in an incorporated company referred to in sub-section (2) (b) which has entered into any contract with, or is doing any work for, the Board, he shall disclose to the Minister the nature and the extent of the shares held by him in such company.

(4) The Minister may, if he thinks it expedient to do so, remove, by Order published in the *Gazette*, any member of the Board from office without reason stated.

(5) Any member of the Board in respect of whom an Order under sub-section (4) is made by the Minister shall vacate his office on the date of the publication of such Order in the *Gazette*.

(6) Any member of the Board who has been removed from office shall not be eligible for re-appointment as a member of the Board or to serve the Board in any other capacity.

(7) If the Chairman or any member of the Board is temporarily unable to discharge the duties of his office on account of ill-health or absence from Ceylon or for any other cause, the Minister may appoint some other member to act in his place as Chairman or, as the case may be, may appoint some other person to act in his place as a member.

(8) Every member of the Board shall, unless he earlier vacates office by death, resignation or removal, hold office for a period of five years. Any such member who vacates office by effluxion of time shall be eligible for re-appointment.

(9) No act or proceeding of the Board shall be invalid by reason only of the existence of any vacancy among its members or any defect in the appointment of a member thereof.

5. The members of the Board shall be remunerated in such manner and at such rates as may be determined by rules made under this Act.

Remuneration
of members
of the Board.

6. (1) The Board may appoint such officers and servants as it considers necessary for the efficient discharge of its functions under this Act:

Appointment
of officers
and servants.

Provided that a person who is not a citizen of Ceylon, according to the law for the time being in force relating to citizenship of Ceylon, shall not be appointed an officer or servant of the Board without the prior sanction of the Minister.

(2) The officers and servants of the Board shall be remunerated in such manner and at such rates, and shall be subject to such conditions of service, as may be determined by rules made under this Act.

(3) The Board may, in accordance with rules made under this Act, establish and regulate a provident fund for the benefit of its officers and servants and make contributions to the fund out of the moneys of the Board.

(4) No person who has directly or indirectly, by himself or his partner or agent, any share or interest in any contract made by or on behalf of the Board shall become or remain an officer or servant of the Board.

7. Contracts on behalf of the Board may be made as follows:—

Contracts.

(a) a contract which if made between private persons would be by law required to be in writing, may be made on behalf of the Board in writing under the common seal of the Board;

(b) a contract which if made between private persons would be by law required to be in writing signed by the parties to be charged therewith, may be made on behalf of the Board in writing, signed by any person or persons duly authorised thereto by the Board; and

(c) a contract which if made between private persons would in law be valid although made by parol only and not reduced into writing;

may be made by parol on behalf of the Board by any person duly authorised thereto by the Board.

Delegation of
functions and
powers of Board.

8. The Board may delegate any of its functions or any of its powers (other than the power to make rules or to appoint officers) to any member or officer of the Board, and may from time to time revoke any such delegation either wholly or in part and either as to persons or purposes; but every such member or officer shall, in the discharge of the functions or exercise of the powers delegated to him, conform to all such directions as are given by the Board. All acts done by any such member or officer, in conformity with such directions and in fulfilment of the purposes of his appointment, but not otherwise, shall have the like force and effect as if done by the Board.

PART II.

FUNCTIONS AND POWERS OF THE BOARD.

Functions of
the Board.

9. (1) The functions of the Board shall be to establish and maintain efficient and cheap milk production and marketing services, and to promote the establishment and maintenance of such services by local authorities, and by other bodies and persons approved by the Minister, for the purpose of ensuring that an adequate supply of milk of good quality at reasonable prices is available to consumers of milk in Ceylon.

(2) For the purposes of this Act, milk production and marketing services mean facilities and services for the production and marketing of milk, including--

- (a) dairies and dairy farms;
- (b) the breeding, sale and purchase of livestock;
- (c) the purchase, sale and distribution of milk;
- (d) the grading, packing, storage, adaptation for sale, insurance and advertisement of milk;
- (e) the purchase, storage, sale and distribution of forage;
- (f) depots and establishments for the storage, sale, distribution and marketing of milk and forage;
- (g) the acquisition and maintenance of all such livestock, land, buildings, plant, machinery, vehicles and other equipment as may be necessary for the purposes aforesaid; and

- (h) all such other matters and things as may be ancillary to the matters or things referred to in the preceding paragraphs.

10. The Board may establish its own departments or agencies for the purpose of the discharge of its functions and the exercise of its powers under this Act, or make contracts or other arrangements for such purpose with Government departments, local authorities or any person or body of persons.

Power of Board to establish its own departments, etc.

11. The Board may sell or otherwise dispose of any movable or immovable property belonging to the Board which in its opinion is not required for the proper discharge of its functions.

Power of Board to sell property.

12. The Board may, subject to such conditions or restrictions as may be prescribed by rules made under this Act,—

Assistance to local authorities and other bodies.

- (a) grant a loan to any local authority or to any other body or person approved by the Minister for the purpose of assisting such authority, body or person to defray the cost of establishing and maintaining milk production and marketing services;
- (b) make a grant of money to such authority, body or person for the purpose aforesaid;
- (c) sell or let for hire to such authority, body or person any plant, machinery, vehicles and other equipment required for the establishment or maintenance of such services; and
- (d) make available, whether for fee or otherwise, to such authority, body or person any milk production and marketing services maintained by the Board.

13. The Board may, with the approval of the Minister given with the concurrence of the Minister of Finance, raise loans from the Government or any person or body of persons for the purpose of discharging its functions under this Act.

Power to raise loans.

14. (1) The Board may make rules in respect of all or any of the following matters:—

Power to make rules.

- (a) any matter which is required to be prescribed;
- (b) any matter which has to be determined under section 5 or sub-section (2) of section 6;

- (c) the matters referred to in sub-section (3) of section 6, including in the case of a provident fund the contributions to be made thereto by officers and servants of the Board and the deduction of such contributions from the salaries of such officers and servants;
- (d) the appointment, promotion, dismissal and disciplinary control of its officers and servants;
- (e) the meetings of the Board and the quorum for, and the procedure to be followed at, such meetings.

(2) No rule made under sub-section (1) shall have effect until it has been approved by the Minister, confirmed by the Senate and the House of Representatives, and published in the *Gazette*.

(3) The Minister shall not, without the concurrence of the Minister of Finance, approve of any rule made by the Board in respect of any matter referred to in paragraphs (b), (c) and (d) of sub-section (1).

(4) Every rule made under sub-section (1) and approved by the Minister and confirmed by the Senate and the House of Representatives shall, upon its publication in the *Gazette*, be as valid and effectual as if it were herein enacted.

PART III.

FINANCE AND ACCOUNTS.

Fund and
General
Reserve of
the Board.

15. (1) The Board shall have its own Fund and a General Reserve.

(2) All moneys received by the Board, including such sums as may be voted by Parliament for the use of the Board, shall be credited to the Fund, and all payments made by the Board shall be made therefrom.

(3) Save as otherwise provided in section 21, the amount standing to the credit of the General Reserve shall not be expended for any purpose except with the prior approval of the Minister.

Accounts of
the Board.

16. (1) The Board shall cause its accounts to be kept in such form and in such manner as may be prescribed.

(2) The books of account of the Board shall be kept at the head office of the Board.

(3) The Board shall cause its books to be balanced on the thirty-first day of December in each year and shall, before the first day of July of the following year, cause to be prepared a profit and loss account and a balance sheet containing a summary of the assets and liabilities of the Board made up to date aforesaid. The profit and loss account and the balance sheet shall be signed by the Accountant and such other officer as may be named by the Board.

17. The Board shall have its accounts audited each year by the Auditor-General.

Audit.

18. (1) The Auditor-General shall examine the accounts of the Board, and ascertain the correctness of the balance sheet and furnish a report stating—

Auditor's
report.

(a) whether he has or has not obtained all the information and explanations required by him; and

(b) whether the accounts referred to in the report are properly drawn up so as to exhibit a true and correct view of the Board's affairs.

(2) The report of the Auditor-General shall be transmitted by him to the Board and a copy thereof shall be furnished by him to the Permanent Secretary.

(3) The Board shall, on receipt of the Auditor-General's report in each year, transmit the report, together with the profit and loss account and the balance sheet to which the report relates, to the Minister who shall cause copies thereof to be laid before the Senate and the House of Representatives.

19. A receipt signed by two members of the Board or by an officer expressly authorised by the Board to give receipts shall be an effectual discharge for moneys paid to the Board.

Receipts
of Board.

20. The nett annual profits of the Board for each financial year may be applied to such purposes, including the payment of a bonus to members of the staff of the Board, as may be determined by the Board with the approval of the Minister given with the concurrence of the Minister of Finance; and all sums not so applied for any purpose shall be carried to the General Reserve.

Application of
profits.

Investment
of General
Reserve.

21. The amount standing to the credit of the General Reserve may be invested in securities of any description referred to in section 20 of the Trusts Ordinance; and the moneys realised from the sale of any such securities may be re-invested in securities of the like description.

PART IV.

MISCELLANEOUS.

Local
authorities.

22. (1) The public services which any local authority is authorised to establish and maintain by or under any written law regulating its powers and duties shall be deemed to include milk production and marketing services; and the provisions of such written law shall be construed accordingly.

(2) The powers vested in any local authority by or under any written law regulating its powers and duties shall be deemed to include the power to make any contracts or other arrangements with the Board for the purpose of establishing and maintaining milk production and marketing services; and the provisions of such written law shall be construed accordingly.

Minister's
directions
to the Board.

23. In the discharge of its functions and the exercise of its powers the Board shall be subject to, and act in accordance with, such general or special directions as the Minister may issue from time to time.

Interpretation.

24. In this Act unless the context otherwise requires—

“Chairman” means the person appointed by or under this Act to be or to act as the Chairman of the Board;

“local authority” means any Municipal Council, Urban Council, Town Council, Village Committee, or any other authority designated as such for the purposes of this Act by the Minister by Order published in the *Gazette*.

“milk” means the milk of the cow or the buffalo, or the goat, or any article manufactured or produced from such milk; and

“Permanent Secretary” means the Permanent Secretary to the Ministry in charge of the Minister.