

**CHAPTER 538**

**CEYLON ELECTRICITY BOARD**

Acts  
Nos. 17 of 1969,  
31 of 1969,  
29 of 1979.

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF AN ELECTRICITY BOARD FOR THE DEVELOPMENT AND CO-ORDINATION OF THE GENERATION, SUPPLY AND DISTRIBUTION OF ELECTRICAL ENERGY ; FOR THE TRANSFER TO SUCH BOARD OF THE GOVERNMENT ELECTRICAL UNDERTAKINGS, AND, IN CERTAIN CIRCUMSTANCES, OF THE ELECTRICAL UNDERTAKINGS OF LOCAL AUTHORITIES; FOR THE EMPLOYMENT BY THE BOARD OF EMPLOYEES OF THE DEPARTMENT OF GOVERNMENT ELECTRICAL UNDERTAKINGS; FOR THE ENTERING INTO JOINT SCHEMES BY SUCH BOARD WITH ANY GOVERNMENT DEPARTMENT OR APPROVED BODY FOR THE GENERATION OF ELECTRICAL ENERGY, THE IRRIGATION OF LANDS, THE CONTROL OF FLOODS OR OTHER LIKE OBJECTS; AND TO MAKE PROVISION FOR ALL MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

[15th July, 1969.]

Short title. **1.** This Act may be cited as the Ceylon Electricity Board Act.

(c) one member appointed by the Minister, in consultation with the Minister in charge of the subject of Industries, to represent the field of industry, and

**PART I**

**CONSTITUTION, POWERS AND DUTIES OF THE CEYLON ELECTRICITY BOARD**

Establishment of the Ceylon Electricity Board.

**2.** (1) There shall be established a Board which shall be called the Ceylon Electricity Board, hereinafter referred to as " the Board ".

(d) one member being an officer of the General Treasury nominated by the Minister in charge of the subject of Finance.

(2) A person shall be disqualified for being appointed or continuing as a member of the Board if he is a Member of Parliament.

(2) The Board shall, by the name assigned to it by subsection (1), be a body corporate and shall have perpetual succession and a common seal and may sue and be sued in such name.

Members of the Board.

**3.** (1) The Board shall consist of—

(a) four members appointed by the Minister from persons who appear to the Minister to have had experience and shown capacity in engineering, commerce, administration or accountancy,

(b) one member appointed by the Minister, in consultation with the Minister in charge of the subject of Local Government, to represent local authorities,

(3) Before appointing a person to be a member of the Board, the Minister shall satisfy himself that such person has no such financial or other interest as is likely to affect prejudicially the discharge by such person of his functions as a member of the Board, and the Minister shall satisfy himself, from time to time, with respect to every member of the Board appointed by the Minister, that such member has no such interest. Any person who is appointed by the Minister, or whom the Minister proposes to appoint, as a member of the Board shall, whenever requested by the Minister so to do, furnish to the Minister such information as the Minister considers necessary for the performance of his duties under this subsection.

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

(5) Subject to the provisions of subsections (6) and (7) every member of the Board, other than the member nominated by the Minister in charge of the subject of Finance, shall—

(a) hold office for a period of five years, and

(b) be eligible for reappointment:

Provided that a member appointed by the Minister to fill a vacancy in the office of a member of the Board, other than any such vacancy as shall have occurred by virtue of the operation of subsection (6), shall, subject to the provisions of subsection (7), hold office for the unexpired portion of the term of office of the member whom he succeeds.

(6) The term of office of three of the six members of the Board first appointed by the Minister shall terminate at the expiry of a period of three years from the date of appointment; and, for the purpose of securing compliance with the preceding provisions of this subsection, the Board shall at its first meeting under this Act determine by lot the three members appointed by the Minister whose term of office shall so terminate.

(7) Where in the interests of the efficient performance of the functions or the discharge of the duties of the Board, it is considered necessary to do so,—

(a) any member of the Board, appointed under paragraph (a) of subsection (1), may be removed by the Minister,

(b) any member appointed under paragraph (b) of subsection (1) may be removed by the Minister in

consultation with the Minister in charge of the subject of Local Government,

(c) any member appointed under paragraph (c) of subsection (1) may be removed by the Minister in consultation with the Minister in charge of the subject of Industries, and

(d) any member nominated by the Minister in charge of the subject of Finance may be removed by the Minister in charge of the subject of Finance.

(8) The removal of any member of the Board from office under subsection (7) shall not be called in question in any court.

(9) A member of the Board who is not a public officer may resign from the Board by letter addressed to the Minister.

(10) Where a member of the Board becomes, by reason of illness or other infirmity or absence from Sri Lanka, temporarily unable to perform the duties of his office, then, if he is a member appointed by the Minister, the Minister may appoint any fit person to act in his place, and, if he is the member nominated by the Minister in charge of the subject of Finance, that Minister may nominate another officer of the General Treasury to act in his place.

(11) All or any of the members of the Board may be paid such remuneration from the funds of the Board and shall be subject to such conditions of service, as may be determined by the Minister with the concurrence of the Minister in charge of the subject of Finance.

(12) (a) 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, the Vice-Chairman shall preside at such meeting, and in the absence of both the Chairman and the Vice-Chairman, a member chosen by the majority of the members present shall preside at such meeting.

(b) The Chairman or Vice-Chairman or other member of the Board, as the case may be, who presides at any meeting of the Board shall have, in addition to his own vote, a casting vote.

(13) The quorum for any meeting of the Board shall be three members of the Board, and, subject as aforesaid, the Board may regulate its own procedure.

4. The Board may act notwithstanding a vacancy among the members thereof.

5. (1) The Board shall, with the approval of the Minister, appoint a competent and experienced person as General Manager of the Board.

(2) The General Manager shall, subject to the general direction of the Board on matters of policy, be charged with the direction of the business of the Board, the organization and execution of the powers, functions and duties of the Board, and the administrative control of the employees of the Board.

(3) The General Manager may, with the approval of the Board, delegate to any other employee of the Board such of his powers, functions or duties as he may, from time to time, consider necessary, and any employee to whom any such powers, functions or duties are so delegated shall exercise them subject to the general or special directions of the General Manager.

(4) The General Manager shall retire from office on reaching the age of sixty years:

Provided, however, that his term of office may be extended thereafter by the Board with the prior approval of the Minister.

(5) The General Manager may not be removed from office except for good and sufficient cause and without the prior approval of the Minister.

6. (1) The Minister shall appoint a Chairman, and may appoint a Vice-Chairman, of the Board from the members of the Board.

(2) If the Chairman or the Vice-Chairman is, by reason of illness or other infirmity or absence from Sri Lanka, temporarily unable to perform the duties of his office, the Minister may appoint one of the members of the Board to act in his place.

(3) The Minister may, without assigning a reason, terminate the appointment of the Chairman, or the Vice-Chairman, of the Board. The termination of the appointment of the Chairman, or the Vice-Chairman, of the Board shall not be called in question in any court.

(4) Where the Chairman, or the Vice-Chairman, of the Board is not a public officer, he may resign the office of such Chairman or Vice-Chairman by letter addressed to the Minister.

(5) Subject to the provisions of subsections (3) and (4), the term of office of the Chairman of the Board shall be the period of his membership of the Board, and the term of office of the Vice-Chairman of the Board shall be the period of his membership of the Board.

7. (1) The seal of the Board shall be in the custody of the Board.

Seal of the Board.

(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 in token of their presence.

8. (1) The Minister may, after consultation with the Board, give to the Board in writing general or special directions as to the performance of the duties and the exercise of the powers of the Board in relation to matters which appear to him to affect the national interest, and the Board shall give effect to such directions.

Powers of the Minister in relation to the Board.

(2) The Minister may, from time to time, direct the Board in writing to furnish to him in such form as he may require,

Board may act despite vacancy.

General Manager of the Board, his powers and duties and their delegation.

Chairman and Vice-Chairman of the Board.

returns, accounts and other information with respect to the property and business of the Board, and the Board shall carry out every such direction.

(3) The Minister may order all or any of the activities of the Board to be investigated and reported upon by such person or persons as he may specify and upon such order being made, the Board shall afford all such facilities and furnish all such information as may be necessary to carry out such order.

Officers and servants of Board deemed to be public servants.

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

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

10. 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.

Duties of the Board.

11. (1) It shall be the duty of the Board, with effect from the date of the transfer to the Board of the Government Electrical Undertakings under section 18, to develop and maintain an efficient, co-ordinated and economical system of electricity supply for the whole of Sri Lanka.

(2) For the purpose referred to in subsection (1), it shall be the duty of the Board—

- (a) to take over and carry on the Government Electrical Undertakings with effect from the date of the transfer to the Board of such Undertakings;
- (b) to take over and carry on any electrical undertakings transferred to the Board under section 26 ;
- (c) to generate or acquire supplies of electricity;
- (d) to construct, maintain and operate the necessary works for the generation of electricity by all means;
- (e) to construct, maintain and operate the necessary works for the inter-connection of generating stations

and sub-stations and for the transmission of electricity in bulk from generating stations and sub-stations to such places as may be necessary from time to time;

- (f) to distribute and sell electricity in bulk or otherwise ; and
- (g) to develop a sound, adequate and uniform electricity policy, and, for that purpose, to control and utilize national power resources.

(3) Nothing in this section 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 will not otherwise be subject.

12. The Board may exercise all or any of Powers of the following powers:— the Board.

- (a) to purchase electrical energy in bulk;
- (b) to carry out investigations and to collect and record data concerning the generation, distribution and utilization of power, and the development of power resources ;
- (c) to maintain shops and showrooms for the display, sale, or hire of electrical equipment, and to conduct displays, exhibitions and demonstrations thereof, and generally to do all things incidental to such sale and hire and for the promotion and encouragement of the use of electricity ;
- (d) to promote the standardization of the system of supply of all types of electrical fittings and equipments;
- (e) to acquire, hold, take or give on lease or hire, mortgage, pledge or sell or otherwise dispose of, any immovable or movable property;
- (f) to enter into and perform, either directly or through duly authorized agents, all such contracts as may be necessary for the performance of the duties and the exercise of the powers of the Board ;

- (g) to do anything necessary for the purpose of advancing the skill of persons employed by the Board or the efficiency of the equipment of the Board, or for improving the manner in which that equipment is operated;
- (h) to conduct research into matters affecting the generation, distribution, transmission, supply and use of electricity;
- (i) to provide facilities for training persons required to carry out the work of the Board, including the arrangement by the Board with any body or agency for such facilities ;
- (j) to establish provident funds and pension funds, and to provide welfare and recreational facilities, houses, hostels and other like accommodation, for the persons employed by the Board ;
- (k) subject to the provisions of section 5 and of Part III of this Act, to make rules in relation to the officers and servants of the Board, including their appointment, promotion, remuneration, disciplinary control, conduct and the grant of leave to them;
- (l) to enter into joint schemes with any Government Department or any body approved by the Minister, for the generation of electrical energy, the irrigation of lands, the control of floods or other like purposes;
- (m) to make rules in respect of the administration of the affairs of the Board; and
- (n) to do all other things which, in the opinion of the Board, are necessary to facilitate the proper carrying on of its business.

the Board and pay them such remuneration as it thinks proper.

**14.** It shall be the duty of the Board and the Board shall have the power to supervise and control the design, construction and operation of all electrical generating stations, high voltage transmission lines, switching stations and other electrical installations installed for the purpose of any joint scheme entered into by the Board under the provisions of paragraph (l) of section 12 with any Government Department or any body approved by the Minister:

Power of the Board to supervise and control generating stations installed for joint schemes.

Provided, however, that in the exercise of such supervision and control, the Board shall have due regard to the needs of such Department or body,

**15.** Where any dispute arises between the Board and any Government Department or body referred to in section 14 in connexion with the exercise of the powers of the Board under that section, such dispute shall be referred to the Minister, and the decision of the Minister thereon shall be final.

Disputes arising from exercise of powers of Board under section 14.

**16.** No person or body other than the Board shall, except with the written permission of the Board given with the approval of the Minister, undertake the transmission of high voltage electrical energy in bulk from one place to another in Sri Lanka.

Board to undertake exclusively transmission of high voltage electrical energy in bulk.

## PART II

### TRANSFER TO THE BOARD OF THE GOVERNMENT ELECTRICAL UNDERTAKINGS AND OTHER ELECTRICAL UNDERTAKINGS

**\*18.** (1) As soon as may be convenient after the coming into operation of this Act, the Minister shall, by Order, transfer the Government Electrical Undertakings to the Board, and may, subject to the provisions of

Transfer to the Board of the Government Electrical Undertakings.

Consulting engineers.

**13.** The Board may, from time to time, appoint persons who are qualified as engineers to be, or to act as, consultants to

\* Proviso to section 16, referring to the repealed Anuradhapura Preservation Board, and section 17 are omitted. Amendments effected to the Electricity Act by section 17, read with the Schedule to this Act, are incorporated in the Electricity Act.

f 1st November, 1969—transfer of Government Electrical Undertakings to Electricity Board—vide Gazette Extraordinary No. 14,868/5 of 1969-08-29 and Gazette Extraordinary No. 14,871/9 of 1969-09-14.

subsection (4) of this section and the provisions of section 39, by the same Order or by a subsequent Order\* provide—

- (a) for the transfer to, and the vesting in, the Board of any movable or immovable property of the State required for the purposes of the Board;
- (b) for the transfer to the Board of all or any rights, obligations and liabilities relating to or connected with such Undertakings and for the adaptation or modification of contracts or other instruments for the purpose of giving effect to the transfer of such rights, obligations and liabilities to the Board ;
- (c) for the adaptation or modification of any written law to such extent as may be necessary for the purpose of enabling the Board to carry on such Undertakings in lieu of the Government;

for such financial adjustments between the Government and the Board as may be necessary in consequence of any such transfer; and

- (e) for any other matter supplementary to or consequential on the matters aforesaid including the continuation of legal proceedings.

(2) Subject to the provisions of subsection (3) the provisions of any Order made by the Minister under subsection (1) may be amended or varied by him, from time to time, by a subsequent Order.

(3) No Order shall be made by the Minister under subsection (1) or subsection (2)-

- (a) affecting any immovable property of the State without the concurrence of the Minister to whom the subject of State lands is for the time being assigned ; or

- (b) affecting any matter referred to in paragraph (d) of subsection (1) without the prior concurrence of the Minister in charge of the subject of Finance.

(4) Subject to the provisions of subsection (5), every Order made by the Minister under this section shall be brought before the Senate and the House of Representatives or before Parliament, as the case may be, by a motion that such Order be approved. Where such Order is approved, notification of such Order shall be published in the Gazette. Every such Order shall come into force on the date of the publication of such notification of approval or on such later date as may be specified in the Order. Every such Order shall, on its coming into force as hereinbefore provided, be as valid and effectual as if it were herein enacted.

(5) The first Order made under this section after the coming into operation of this Act, shall be published in the Gazette, and shall have effect from the date of such publication or from such later date as may be specified in the Order.

**19.** (1) With effect from the date of the transfer to the Board of the Government Electrical Undertakings, no licence shall be granted under the Electricity Act except in consultation with the Board.

Licences under the Electricity Act to be granted in consultation with Board.

(2) The preceding provisions of this section shall have effect notwithstanding anything to the contrary in the Electricity Act.

**20.** (1) Subject to the provisions of subsection (2), the Board and any local authority who is a licensee within the meaning of the Electricity Act may, of their own motion, jointly prepare a transfer scheme, hereinafter in this Act referred to as a "voluntary transfer scheme", for the transfer to the Board of the electrical undertakings carried on by such authority in its capacity as such licensee.

Voluntary transfer scheme.

(2) The Board shall refer to arbitration through the Minister, as hereinafter provided, any dispute between the Board

\* Movable and immovable property etc., vested in the Board with effect from 31st October, 1969 — vide Gazette Extraordinary No. 14,868/5 of 1969-08-29 and Gazette Extraordinary No. 14,871/9 of 1969-09-14.

and the local authority upon any matter or question in connexion with the preparation of a voluntary transfer scheme. In such preparation the Board and the local authority shall have regard to and be bound by the decision given upon any dispute so referred to arbitration.

**21.** The Board shall, whenever it is directed so to do by the Minister under section 22, prepare a transfer scheme, hereinafter in this Act referred to as a "compulsory transfer scheme", for the compulsory transfer to the Board of the electrical undertakings carried on by a local authority in its capacity as a licensee under the Electricity Act.

**22.** Where, as respects the electrical undertakings carried on by a local authority in its capacity as a licensee within the meaning of the Electricity Act, the Minister is satisfied, after consultation with the Minister in charge of the subject of Local Government and after such inquiry as he may deem necessary, at which such local authority and the Board shall be given an opportunity of being heard,—

- (a) that such authority has been guilty of neglect, default or mismanagement in carrying on such undertakings, or
- (b) that such authority has defaulted in the payment of the charges for the supply of electricity by the Board,

the Minister may, with the concurrence of the Minister in charge of the subject of Local Government, issue a written direction to the Board to prepare a compulsory transfer scheme for the transfer to the Board of such undertakings.

**23.** (1) A transfer scheme prepared under this Act in respect of the electrical undertakings carried on by a local authority in its capacity as a licensee within the meaning of the Electricity Act shall provide for the transfer to the Board of such undertakings, and may, subject to the provisions of subsection (2), also provide—

- (a) for the transfer to, and the vesting in, the Board of any movable or

immovable property of such authority used for the purposes of such undertakings;

- (b) for the transfer to the Board of all or any rights, obligations and liabilities of such authority relating to or connected with such undertakings, and for the adaptation or modification of contracts or other instruments for the purpose of giving effect to the transfer of such rights, obligations and liabilities from such authority to the Board;
- (c) for the adaptation or modification of any written law to such extent as may be necessary for the purpose of enabling the Board to carry on such undertakings in lieu of such authority;
- (d) for such financial adjustments between such authority and the Board as may be necessary in consequence of any such transfer; and
- (e) for any other matter supplementary to or consequential on the matters aforesaid including the continuation of legal proceedings.

(2) A voluntary transfer scheme shall provide for the grant to the local authority by the Board of compensation in respect of the transfer of the electrical undertakings of such local authority to the Board.

(3) A voluntary transfer scheme shall bear the seal of the Board and the local authority in token of its preparation by the Board and such authority.

(4) A compulsory transfer scheme shall bear the seal of the Board in token of its preparation by the Board.

**24.** (1) For the purposes of the preparation of a transfer scheme under this Act in respect of the electrical undertakings carried on by a local authority in its

Powers of Board for the purposes of the preparation of a transfer scheme.

Compulsory transfer scheme.

Direction for preparation of compulsory transfer scheme.

Contents of transfer scheme.

capacity as a licensee within the meaning of the Electricity Act, the Board may—

- (a) hold such inquiries and inspect such movable or immovable property of the local authority as the Board may consider necessary ; and
- (b) direct such local authority, or any officer of such local authority, to furnish to the Board such particulars and other information as the Board may consider necessary relating to such undertakings and other matters for which provision is to be made in such scheme, and to produce for examination books or documents containing such particulars or information.

(2) It shall be the duty of a local authority or any officer of such local authority to comply with any direction issued to such local authority or such officer, as the case may be, by the Board under subsection (1).

(3) Any officer of a local authority who without reasonable cause fails to comply with any direction issued to him under subsection (1), shall be guilty of an offence and shall, on conviction after summary trial before a Magistrate, be liable to imprisonment of either description for a period not exceeding one year, or to a fine not exceeding one thousand rupees, or to both such imprisonment and fine.

25. (1) Upon the completion of the preparation of a voluntary transfer scheme by the Board and any local authority under this Act, the Board shall present such scheme to the Minister for his approval, and upon such presentation the Minister shall, with the concurrence of the Minister in charge of the subject of Local Government, either approve such scheme without modification, or approve such scheme with any such modifications as may be agreed upon by the Minister, the Board and such authority, or, in the absence of such agreement, as may be decided upon a reference by the Minister to arbitration, as hereinafter provided, of any matter which cannot be so agreed upon.

(2) Upon the completion of the preparation of a compulsory transfer scheme by the Board under this Act, the Board shall present such scheme to the Minister for his approval, and upon such presentation the Minister shall, with the concurrence of the Minister in charge of the subject of Local Government, either approve such scheme without modification, or approve such scheme with any such modifications as the Minister may deem necessary.

(3) In exercising his power of approval in respect of any transfer scheme under subsection (1) or subsection (2), the Minister shall have particular regard to the necessity of ensuring that the transfer scheme makes adequate provision in respect of the matters specified in section 23.

(4) The Minister, the Board and any local authority shall be bound by the decision given on any matter referred to arbitration under subsection (1).

26. (1) Where a voluntary transfer scheme has been approved by the Minister under this Act, the Minister shall prepare and publish in the Gazette, an Order, hereinafter in this Act referred to as a "voluntary transfer Order", embodying the provisions of such scheme and such other provisions as the Minister may deem necessary to give full force and effect to such scheme.

Orders to give effect to transfer schemes.

(2) Where a compulsory transfer scheme has been approved by the Minister under this Act, the Minister shall prepare and publish in the Gazette an Order, hereinafter in this Act referred to as a "compulsory transfer Order", embodying the provisions of such scheme and such other provisions as the Minister may deem necessary to give full force and effect to such scheme.

(3) A voluntary transfer Order may, from time to time, be amended, by the Minister by Order published in the Gazette, in such manner and to such extent as may, after prior consultation with the Minister in charge of the subject of Local Government, be agreed upon by the Minister, the Board and the local authority in respect of whose electrical undertakings such Order was

Presentation of schemes to Minister for approval.



made, or, in the absence of such agreement, as may be decided upon a reference by the Minister to arbitration, as hereinafter provided, of any matter which cannot be so agreed upon.

(4) The Minister, the Board and the local authority shall be bound by the decision given on any matter referred to arbitration under subsection (3).

(5) A compulsory transfer Order may, from time to time, be amended by the Minister by Order published in the Gazette.

[§ 2, 29 of 1979.]

(6) Every Order made by the Minister under this section shall come into force on the date of its publication in the Gazette or on such later date as may be specified in the Order.

[§ 2, 29 of 1979.]

(7) Every Order made by the Minister under this section shall, as soon as convenient after the date of its publication in the Gazette, be laid before Parliament.

Effect of a transfer Order.

**27.** (1) With effect from the date of the transfer to the Board of the electrical undertakings carried on by a local authority in its capacity as a licensee within the meaning of the Electricity Act, that local authority shall cease to be a licensee under that Act.

(2) The provisions of subsection (1) shall have effect notwithstanding the provisions of the Electricity Act.

Reference of certain disputes to arbitration.

**28.** (1) Any dispute between the Board and any local authority upon any matter or question relating to, or connected with, the giving effect to, or the interpretation of, any provision of any voluntary transfer Order or compulsory transfer Order which has come into force, shall be referred by the Board to arbitration through the Minister.

(2) The parties to any dispute referred to arbitration under subsection (1) shall be bound by the decision given upon such arbitration.

Procedure for taking possession of property for and on behalf of Board.

**29.** (1) For the purpose of giving effect to any voluntary transfer Order or compulsory transfer Order which has come into force, any officer of the Board authorized in writing in that behalf by the

Chairman of the Board may, subject to the provisions of subsection (2), take possession of any property transferred to and vested in the Board by such Order.

(2) The officer referred to in subsection (1) shall, by notice in writing—

(a) inform the local authority that such officer intends to take possession of such property for and on behalf of the Board on such date and at such time and place as shall be specified in the notice, and

(b) require an authorized agent of the local authority to be present on the date and at the time and place so specified and to assist such officer to take possession of such property.

(3) After any property has been taken possession of by an officer of the Board under subsection (1), such officer shall send a certificate to the local authority to the effect that he has taken possession of such property.

(4) The notice required to be given under subsection (2) shall be deemed to be given if it is sent by registered post to the local authority.

(5) Any person who fails, without reasonable cause, to comply with any requirement of a notice given under subsection (2), shall be guilty of an offence and shall, on conviction after summary trial before a Magistrate, be liable to imprisonment of either description for a period not exceeding one year, or to a fine not exceeding one thousand rupees, or to both such imprisonment and fine.

**30.** (1) Every person who prevents or obstructs any officer of the Board from taking possession of any property for and on behalf of the Board under section 29, shall be guilty of an offence and shall, on conviction after summary trial before a Magistrate, be liable to imprisonment of either description for a period not exceeding one year, or to a fine not exceeding one thousand rupees, or to both such imprisonment and fine.

Prevention of, or obstruction to, taking possession of property for and on behalf of Board.

(2) Where any officer of the Board authorized under section 29 to take possession of any property for and on behalf of the Board, is unable or apprehends that he will be unable to take possession of such property because of any obstruction or resistance that has been or is likely to be offered, he shall, on making an application in that behalf to the Magistrate's Court having jurisdiction over the place where that property is kept or situated, be entitled to an order of the court directing the Fiscal to deliver possession of that property to him for and on behalf of the Board.

(3) Where an order under subsection (2) is issued to the Fiscal by a Magistrate's Court, he shall forthwith execute that order and shall in writing report to the court the manner in which that order was executed.

(4) For the purpose of executing an order issued by a Magistrate's Court under subsection (2), the Fiscal or any person acting under his direction may use such force as may be necessary to enter any place where any movable property to which the order relates is kept and seize such movable property, or to enter any land, building or other structure to which that order relates and to eject any person in occupation thereof, and to deliver possession of such movable property, land, building or other structure to the person who is authorized to take possession thereof for and on behalf of the Board.

PART III

STAFF OF THE BOARD

Appointments to the staff of the Board.

**31.** Subject to the provisions of section 5, the Board may appoint to its staff such officers and servants as the Board may deem necessary, and determine their terms of remuneration and other conditions of employment.

Notice required to be given by certain public officers of the Department before the transfer date. [§2,31 of 1969.]

**31A.** (1) Every public officer of the Department, not being any such officer in a transferable service of the Government, shall, before the date on which the Government Electrical Undertakings are transferred to the Board under section 18 (in this Act referred to as the " transfer date " ),

give notice in writing to the General Manager of the Department that such officer intends, on that date,—

- (a) to continue in office as a public officer of the Department and to perform, so long as he so continues, work for and on behalf of the Board in his capacity as such officer; or
- (b) to retire from the public service and become an employee of the Board if, being a pensionable officer of the Department, he would on that date have had not less than ten years' pensionable service; or
- (c) to leave the public service and become an employee of the Board if, being a pensionable officer of the Department, he would on that date have less than ten years' pensionable service; or
- (d) to leave the public service and become an employee of the Board if he is a contributor to the Public Service Provident Fund established under the Public Service Provident Fund Ordinance; or
- (e) to both leave the public service and not become an employee of the Board.

(2) A notice given to the General Manager of the Department before the transfer date by a public officer of the Department under subsection (1) shall be final.

**31B.** (1) Any public officer of the Department who does not give the notice required by subsection (1) of section 31 A before the transfer date, or gives such notice under paragraph (a) of that subsection, shall continue in office as such officer on and after that date and, for so long as he so continues in office, shall perform work for and on behalf of the Board in his capacity as such officer and be subject to the same conditions of service as he was subject to while doing work for the Department in his capacity as such officer, and accordingly the rules made by the Public Service Commission, and the Administrative Regulations, the Financial Regulations, and

Effect of not giving notice under section 31A(1) or giving such notice under section 31A(1)(a). [§2,31 of 1969.]

the Treasury Circulars of the Government, shall continue to apply to and in relation to such officer.

(2) Where any public officer of the Department continues in office as such officer on and after the transfer date performing work for and on behalf of the Board in his capacity as such officer, the Board shall pay out of the funds of the Board to the Deputy Secretary to the Treasury to be credited to the Consolidated Fund, such sum not exceeding such amount as may be determined by the Minister in charge of the subject of Finance as sufficient to cover the salary, and other expenses including pension or provident fund contributions, payable by the Government in respect of such officer.

(3) In the event of any conflict or inconsistency between the provisions of subsection (1) and any other provisions of this Act, the provisions of that subsection shall to the extent of such conflict or inconsistency prevail over such other provisions.

Effect of a notice given under any of the paragraphs (b) to (e) of section 31A (1). [§2,31 of 1969,]

**31C.** (1) Any public officer of the Department who gives notice under any of the paragraphs (b) to (e) of subsection (1) of section 31A before the transfer date shall,—

- (a) if such notice is so given by him under paragraph (b) of that subsection, become an employee of the Board on that date and shall, subject to the provisions of section 32, be eligible for such a pension under the Minutes on Pensions as would have been awarded to him had he retired from the public service on the ground of abolition of office on that date ; or
- (b) if such notice is so given by him under paragraph (c) of that subsection, become an employee of the Board on that date and shall be deemed to have left the public service on that date and shall, subject to the provisions of section 32, be eligible for such an award under the Minutes on Pensions as would have been awarded to him if

he had left the public service on the ground of abolition of office on that date; or

- (c) if such notice is so given by him under paragraph (d) of that subsection, become an employee of the Board on that date, and shall be deemed for the purposes of the Public Service Provident Fund to have left the service of the Government upon the determination of contract with the consent of the Government otherwise than by dismissal; or
- (d) if such notice is so given by him under paragraph (e) of that subsection, and—
  - (i) if he is a public officer of the class or description referred to in paragraph (b) of that subsection, be deemed to have retired from the public service on that date and shall be eligible for such a pension under the Minutes on Pensions as would have been awarded to him had he retired from the public service on the ground of abolition of office on that date, or
  - (ii) if he is such an officer of the class or description referred to in paragraph (c) of that subsection, be deemed to have left the public service on that date and shall be eligible for such an award under the Minutes on Pensions as would have been awarded to him if he had left the public service on the ground of abolition of office on that date, or
  - (iii) if he is any such public officer of the class or description referred to in paragraph (d) of that subsection, be deemed for the purposes of the Public Service Provident Fund Ordinance to have left the service of the Government upon the determination of

contract with the consent of the Government otherwise than by dismissal.

(2) In the event of any conflict or inconsistency between the provisions of subsection (1) and any other provisions of this Act, the provisions of that subsection shall to the extent of such conflict or inconsistency prevail over such other provisions.

**32.** The following provisions shall apply to and in relation to any employee of the Board who became such an employee on the transfer date by virtue of the operation of the provisions of section 31c :—

- (1) Such employee shall be employed by the Board on such terms and conditions as may be agreed upon by such employee and the Board:

Provided, however, that such terms and conditions shall be not less favourable than the terms and conditions on which such employee was previously employed in the Department.

- (2) If on the transfer date, such employee was a public officer of the Department holding a post declared to be pensionable and who had less than ten and not less than eight years' pensionable service, then,—

- (a) he shall be deemed, for the purposes only of the Minutes on Pensions, to be holding the post in the Department that he held on the transfer date until such period of time as, when added to his pensionable service under the Government, makes an aggregate of ten years' pensionable service (service under the Board being counted as pensionable service under the Government for the computation of such aggregate);
- (b) in respect of him the Board shall pay out of the funds of the Board to the Deputy

Secretary to the Treasury to be credited to the Consolidated Fund for every complete month of the period of service during which he is deemed for the purposes only of the Minutes on Pensions to be holding the post in the Department that he held on the transfer date such sum as may be determined by the Minister in charge of the subject of Finance; and

- (c) at the end of such period he shall be deemed to have retired from the public service and shall be eligible for such a pension under the Minutes on Pensions as would have been awarded to him had he retired from the public service on the ground of abolition of office on the termination of such period.

(3) Notwithstanding—

- (a) the provisions of section 31C and the preceding provisions of this section; and
- (b) anything to the contrary in any other written law,

where a public officer of the Department becomes an employee of the Board by virtue of the operation of the provisions of section 31c,—

- (a) if such officer is eligible for a pension and elects to draw his full pension, he shall not be paid such pension during the period of his employment with the Board ;
- (b) if such officer is eligible for a pension and elects to draw a gratuity in partial commutation of one-fourth part of his pension in accordance with the provisions of section 2A (1) (i) of the Minutes on Pensions—
  - (i) such gratuity shall not be paid to him but shall be credited to his account in a provident fund of the Board established under section 12 (j) ;

Special provisions applicable to certain employees of the Board. [§3.31 of 1969.]

- (ii) the remaining three-fourths part of the pension payable to him under the said Minutes shall not be paid to him during the period of his employment by the Board; and
- (iii) for the purposes of the computation of the period of "twelve years and six months\* from the date of his retirement " referred to in section 2A (1) (ii) of the said Minutes, the date of his retirement shall be deemed to be the last date of his employment under the Board ;
- (c) if such officer is eligible for a gratuity and not a pension under the Minutes on Pensions such gratuity shall not be paid to him but shall be credited to his account in a provident fund of the Board established under section 12 (j); and
- (d) if such officer is eligible for the receipt of any sum of money under the Public Service Provident Fund Ordinance, such sum shall not be paid to him but shall be credited to his account in a provident fund of the Board established under section 12(j).

**32A.** (1) Any person who on and after the transfer date continues in office as a public officer of the Department performing work for and on behalf of the Board in his capacity as such officer may at any time be permanently appointed to the staff of the Board.

(2) Where any public officer is permanently appointed to the staff of the Board under subsection (1), the provisions of subsection (3) of section 9 of the Motor Transport Act, No. 48 of 1957, shall, *mutatis mutandis*, apply to and in relation to him.

**33.** Where the electrical undertakings carried on by a local authority in its capacity as a licensee under the Electricity Act are transferred to the Board under this Act, the provisions of section 32 shall, *mutatis mutandis*, apply to and in relation to all officers and servants of the local authority, including members of the Local Government Service, subject to such modifications, alterations or additions as may be prescribed by regulation made in that behalf by the Minister in consultation with the Minister in charge of the subject of Local Government:

Provided, however, that the application of the provisions of section 32 shall not be construed to, and any regulation made as aforesaid shall not, adversely affect the terms of service of any public officer employed by the Board under the said provisions.

**34.** (1) At the request of the Board, any public officer, other than an officer referred to in section 31 A, may, with the consent of that officer and of the Secretary to the Treasury, be temporarily appointed to the staff of the Board for such period as may be determined by the Board with like consent, or be permanently appointed to such staff.

(2) Where any public officer is temporarily appointed to the staff of the Board under subsection (1), the provisions of subsection (2) of section 9 of the Motor Transport Act, No. 48 of 1957, shall, *mutatis mutandis*, apply to and in relation to him,

(3) Where any public officer is permanently appointed to the staff of the Board under subsection (1), the provisions of subsection (3) of section 9 of the Motor Transport Act, No. 48 of 1957, shall, *mutatis mutandis*, apply to and in relation to him.

(4) At the request of the Board, any officer or servant of any local authority (whether he be a member of the Local Government Service or not), other than an officer or servant referred to in section 33

Employment of personnel in case of transfer of electrical undertakings of a local authority to the Board.

Appointment of public officers and officers and servants of local authorities, other than those referred to in sections 31 A and 33, to the staff of the Board.

Special provisions applicable to certain persons who continue as public officers of the Department on and after the transfer date while performing work for and on behalf of the Board in their capacity as such officers. [§4,31 of 1969.]

\* Subsequently changed into ten years by Gazette No. 316 of 1978-05-05.  
f Repealed by Law No. 19 of 1978.

may, with the consent of such officer or servant and the local authority or the Local Government Service Advisory Board, as the case may be, be temporarily appointed to the staff of the Board for such period as may be determined by the Board with like consent, or be permanently appointed to such staff, on such terms and conditions including those relating to pension or provident fund rights as may be agreed upon by the Board and that Advisory Board or authority.

(5) Where an officer or servant of any local authority, whether he be a member of the Local Government Service or not, is temporarily appointed to the staff of the Board under subsection (4), he shall be subject to the same disciplinary control as any other member of the staff of the Board.

Service to the Board to be regarded as service to the Government for the purposes of contracts to serve the Government.

35. Where any person 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 by that person shall be regarded as service to the Government for the purpose of discharging the obligations of such contract.

Employment by Board of persons already in receipt of pensions.

36. Notwithstanding anything to the contrary in any other law, where any person who is already in receipt of a pension from the Government or from any local authority is employed by the Board he shall not be paid such pension during the period of his employment by the Board.

Interpretation.

37. For the purposes of this Part—

"pensionable public officer" means a public officer who—

- (a) holds a post declared to be a pensionable post under section 2 of the Minutes on Pensions; and
- (b) who does not belong to a transferable service of the Government;

"pensionable service" means service under the Government which is reckonable for pension under the Minutes on Pensions.

PART IV

FINANCE, AUDITING AND ANNUAL REPORT

38. It shall be the duty of the Board so to exercise its powers and perform its functions under this Act as to secure that the total revenues of the Board are sufficient to meet its total outgoings properly chargeable to revenue account including depreciation and interest on capital, and to meet a reasonable proportion of the cost of the development of the services of the Board.

General duty of the Board in financial matters.

39. Notwithstanding anything to the contrary in any other written law—

Transfer of certain moneys to the Board and investment of equity capital by Government in the Board and the payment of certain moneys to the Government by the Board.

(a) the balance lying to the credit of the Reserve, Renewals and Extensions Fund and the balance lying to the credit of the Net Revenue Account of the Government Electrical Undertakings shall, with effect from the date of the transfer to the Board of such Undertakings, be transferred to the Board, and the Board shall place such balances in an appropriate reserve fund or funds established by the Board with the General Treasury;

(b) all sums due to the Government from the Department in respect of moneys advanced by the Government (other than moneys advanced from loans obtained by the Government from the International Bank for Reconstruction and Development upon any agreement referred to in paragraph (c) of this section or upon any other agreement) to the Department for expenditure on capital works shall, with effect from the date of the transfer to the Board of the Government Electrical Undertakings, be deemed to be an investment of equity capital in the Board by the Government, and the Board shall pay to the Government a dividend on such equity capital at such rate not exceeding eight *per*

*centum* per annum as the Minister in charge of the subject of Finance may in consultation with the Minister determine;

- (c) the payments by way of interest and repayment of capital that have to be made by the Government to the International Bank for Reconstruction and Development upon agreement No. 101 CE dated July 9, 1954, agreement No. 209 CE dated September 17, 1958, and agreement No. 283 CE dated June 6, 1961, entered into between the Government and that Bank shall, with effect from the date of the transfer to the Board of the Government Electrical Undertakings, be made by the Board to the Government as such payments fall due; and
- (d) the payment of all sums by way of interest and repayment of capital that have to be made by the Government to the International Co-operation Administration and to the Export Credit Insurance Corporation of Canada shall, with effect from the date of the transfer to the Board of the Government Electrical Undertakings, be made by the Board to the Government as such payments fall due.

obligations or discharging its duties under this Act:

Provided that the aggregate of the amounts outstanding in respect of any temporary loans raised by the Board under this subsection shall not at any time exceed such sum as may be determined by the Minister in consultation with the Minister in charge of the subject of Finance.

(2) The Board may, with the consent of the Minister given with the concurrence of the Minister in charge of the subject of Finance, borrow money, otherwise than by way of a temporary loan under subsection (1), for all or any of the following purposes:—

- (a) the provision of working capital;
- (b) the provision of money for meeting any expenses incurred in connexion with any permanent work or other thing, the cost of which is properly chargeable to capital account;
- (c) the redemption of any stock issued or any loan raised by the Board;
- (d) the provision of money necessary for the making of any payment to any local authority under the provisions of this Act; and
- (e) any other purpose for which capital moneys are properly applicable, including the repayment of any money temporarily borrowed under subsection (1).

(3) The Board may, with the consent of the Minister given with the concurrence of the Minister in charge of the subject of Finance, borrow money for any of the purposes mentioned in subsection (2) by way of loans from the Government, by the issue of Ceylon Electricity Stock under section 43, or in any other manner whatsoever.

Grant to the Board from the Consolidated Fund.

**40.** As soon as practicable after the coming into operation of this Act, there may be granted to the Board, with the prior approval of the House of Representatives, from the Consolidated Fund such sum of money and on such terms as may be determined by the Minister in charge of the subject of Finance in consultation with the Minister.

Borrowing powers of Board.

**41.** (1) The Board may, with the consent of the Minister, or in accordance with the terms of any general authority given by him, borrow temporarily, by way of overdraft or otherwise, such sums as the Board may require for meeting its

**42.** (1) The Government is hereby authorized to guarantee, on such terms and conditions as the Government may determine, loans raised by the Board from the International Bank for Reconstruction and Development, or from any other international or foreign organization Board may borrow from the International Bank for Reconstruction and Development, &c.

approved by the Government. The loans authorized to be guaranteed under this subsection may be denominated in foreign currency.

(2) All sums payable by the Government under any guarantee given under subsection (1) are hereby charged on the Consolidated Fund.

(3) All sums payable by the Board in respect of principal, interest and other charges on any loan to the Board from the International Bank for Reconstruction and Development or from any other international or foreign organization approved by the Government, or by the Government under any guarantee given under subsection (1) shall, notwithstanding anything to the contrary in any law of Sri Lanka, be paid—

- (a) without a deduction for, and free from, any taxes, duties or fees now or hereafter imposed by or under any law of Sri Lanka, and
- (b) free from all restrictions now or hereafter imposed by or under any law of Sri Lanka:

Provided, however, that the preceding provisions of this subsection shall not apply to any taxes, duties, fees or restrictions upon payments under any bond or promissory note to a holder thereof other than the International Bank for Reconstruction and Development or any other international or foreign organization approved by the Government when such bond or promissory note is beneficially owned by an individual or a corporation resident in Sri Lanka.

(4) For the purposes of subsection (3), the question whether an individual or a corporation is or is not resident in Sri Lanka shall be determined in accordance with the provisions of section 54 of the Inland Revenue Act, No. 4 of 1963, or section 67 of the Inland Revenue Act (No. 28 of 1979).

(5) Every guarantee agreement between the Government and the International Bank for Reconstruction and Development or any other international or foreign organization

approved by the Government pursuant to this Act and every guarantee given by the Government pursuant to any such guarantee agreement shall, notwithstanding anything to the contrary in any law of Sri Lanka, be valid and enforceable in accordance with their respective terms.

(6) In the case of any loan made to the Board by the International Bank for Reconstruction and Development or any other international or foreign organization approved by the Government and guaranteed by the Government, the Government shall bear any loss, and be entitled to any profit, resulting from any revaluation of the Sri Lanka rupee in relation to the currency or currencies in which that loan is expressed.

The amount of every such loss is hereby charged on the Consolidated Fund.

(7) The President, or any person authorized in that behalf by the President by instrument under his hand, is hereby empowered, on behalf of the Government, to sign any guarantee agreement between the Government and the International Bank for Reconstruction and Development or any other international or foreign organization approved by the Government.

(8) Notwithstanding anything in any other written law, no agreement, bond or other document executed by the Board in respect of any loan which may be raised by the Board from the International Bank for Reconstruction and Development, or from any other international or foreign organization approved by the Government, shall be subject to, or be charged with, any stamp duty or duties whatsoever.

(9) As soon as possible after the end of each financial year, the Minister in charge of the subject of Finance shall cause to be laid before Parliament a report containing a statement of every loan, bond and guarantee entered into under this section, during the course of that financial year.

43. (1) The Board may create and issue any stock required for the purpose of exercising the powers of the Board under subsection (3) of section 41, and the stock so created and issued is hereinafter in this Act referred to as "Ceylon Electricity Stock".

Ceylon  
Electricity  
Stock.



(2) Ceylon Electricity Stock shall be issued, transferred, dealt with, redeemed and cancelled in accordance with such terms as may be determined by the Board with the approval of the Minister given with the concurrence of the Minister in charge of the subject of Finance.

Government guarantee.

**44.** (1) The Minister in charge of the subject of Finance may, with the concurrence of the Minister, guarantee the repayment of, and the payment of the interest on, any Ceylon Electricity Stock created and issued under section 43.

(2) Any sum required for the fulfilment of a guarantee provided under subsection (1) may, with the prior approval of Parliament, be paid out of the Consolidated Fund.

(3) Any sum paid out of the Consolidated Fund in fulfilment of a guarantee provided under subsection (1) shall be repaid, together with interest thereon at such rate as the Minister in charge of the subject of Finance may with the concurrence of the Minister determine, by the Board in such manner and over such period as the Minister in charge of the subject of Finance may with such concurrence determine.

Minister in charge of Finance to inform Parliament about guarantee.

**45.** (1) Immediately after a guarantee is provided under section 44, the Minister in charge of the subject of Finance shall lay or cause to be laid a statement of the guarantee before Parliament.

(2) Where any sum is paid under section 44, out of the Consolidated Fund in fulfilment of any guarantee provided under that section, the Minister in charge of the subject of Finance shall forthwith lay or cause to be laid before Parliament a statement that such sum has been paid.

Investment of the funds of the Board.

**46.** Any funds of the Board which are not immediately required for the purpose of the business of the Board shall be invested by the Board in such manner as the Minister may, with the concurrence of the Minister in charge of the subject of Finance, determine,

Reserves.

**47.** (1) The Board may establish and maintain with the General Treasury—

- (a) an insurance reserve to cover the insurance of movable and

immovable property of the Board and to meet third-party risks and liabilities arising under the Workmen's Compensation Ordinance;

- (b) a sinking fund in respect of the repayment of loans taken by the Board ;

- (c) a redemption fund in respect of the redemption of Ceylon Electricity Stock; and

- (d) any other reserve fund that the Board may consider necessary.

(2) The Board shall establish and maintain with the General Treasury—

- (a) a depreciation reserve to cover the depreciation of the movable and immovable property of the Board ; and

- (b) a general reserve for the purpose of financing capital works from revenue moneys, ensuring the financial stability of the Board, and for such other purposes as the Board may, from time to time, determine.

(3) The sums to be carried, from time to time, to the credit of each of the reserves and funds specified in subsections (1) and (2), shall be such sums as may be determined by the Board.

(4) The moneys comprised in the reserves and funds referred to in subsections (1) and (2) may be applied in such manner as the Board may determine.

**48.** (1) The revenue of the Board in any year shall be applied in defraying the following charges:—

Application of the revenue of the Board.

- (a) the working and establishment expenses (including allocations to the insurance reserve and the depreciation reserve), in connexion with the exercise and performance of the powers and duties of the Board, properly chargeable to revenue account ;

**CEYLON ELECTRICITY BOARD**

- (b) the interest on any temporary loan raised by the board ;
- (c) any sums required on account of the payments that have to be made to the Government under paragraph (c) of section 39;
- (d) the interest due on Ceylon Electricity Stock issued under section 43 ;
- (e) the interest on and the repayment of the principal of any loan from the Government or any other source; and
- (f) any sums required on account of the payment of a dividend under paragraph (d) of section 39.

(2) The surplus of the revenue of the Board in any year which remains after the charges mentioned in subsection (1) have been defrayed, shall be allocated to any one or more of the reserves and funds established under section 47.

Accounts of the Board and audit of such accounts.

**49.** (1) The Board shall cause proper accounts of its income and expenditure and of all its other transactions to be kept in a form which shall conform to the best commercial standards, and shall prepare an annual statement of accounts and statistics relating to its business in such form and containing such particulars as the Minister, with the concurrence of the Minister in charge of the subject of Finance, may from time to time specify. The financial year of the Board shall commence on such date as may be determined by the Board.\*

(2) The accounts of the Board for each financial year shall be audited by the Auditor-General. For the purpose of assisting him in the audit of such accounts, the Auditor-General may employ the services of any qualified auditor or auditors who shall act under his direction and control.

(3) For the purpose of meeting the expenses incurred by him in the audit of the accounts of the Board, the Auditor-General shall be paid by the Board such

remuneration as the Minister may, with the concurrence of the Minister in charge of the subject of Finance, determine. Any remuneration received from the Board by the Auditor-General shall, after deducting any sums paid by him to any qualified auditor employed by him for the purposes of such audit, be credited to the Consolidated Fund.

(4) The Auditor-General shall examine the accounts of the Board 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; 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.

(5) The Auditor-General shall transmit his report to the Board.

(6) For the purposes of this section, the expression " qualified auditor " means—

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

\* The Financial Year has since been fixed as commencing on the 1st day of January of each year — See Sections 23 and 24 of the Finance Act, No. 38 of 1971.

Powers of Auditor-General and his assistants.

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

Report of the Board and copies of Auditor-General's report and statement of accounts and statistics to be sent to the Minister and laid before Parliament, and copies of such reports and statistics to be made available for purchase by the public.

**51.** (1) The Board shall, as soon as possible, after the end of each financial year of the Board, make to the Minister a report on the exercise and performance by the Board of its powers and duties during that year and on its policy and programme. Such report for any year shall set out any direction given by the Minister to the Board during that year unless the Minister has notified to the Board his opinion that it is against the interest of national security to do so. The Minister shall lay a copy of such report before Parliament.

(2) The Board shall, on receipt of the Auditor-General's report in each year, transmit to the Minister—

- (a) a copy of such report; and
- (b) a copy of the statement of accounts and statistics prepared under subsection (1) of section 49.

(3) The Minister shall lay copies of the report and statement referred to in subsection (2) before Parliament.

(4) The Board shall cause copies of the report of the Board and of the Auditor-General's report and the statement of accounts and statistics referred to in subsection (2) to be printed at the expense of the Board and to be made available for purchase by the public at such price as shall be determined by the Board.

**PART V**

**TARIFFS AND CHARGES**

Board to fix tariffs and charges.

**52.** (1) Subject to the provisions of this Act, the prices to be charged by the Board for the supply of electrical energy by the

Board shall be in accordance with such tariffs as may be fixed, from time to time, by the Board with the approval of the Government:

Provided, however, that—

- (i) the tariffs in force—
  - (a) immediately prior to the date of the transfer to the Board of the Government Electrical Undertakings, in any area of supply of such Undertakings, or
  - (b) immediately prior to the date of the transfer to the Board of the electrical undertakings carried on by a local authority in its capacity as a licensee within the meaning of the Electricity Act, in the authorized area of supply of such licensee,

shall continue in force and be deemed to be tariffs fixed by the Board under this section until varied or replaced by tariffs fixed by the Board in accordance with this section; and

- (ii) the preceding provisions of this section shall not preclude the Board from charging special prices by agreement with any person or body.

(2) Before any tariffs are fixed by the Board under subsection (1), the Board shall, by notification published in the Gazette, give publicity to such tariffs and a period of one month shall be fixed by the Board to enable any person or body or local authority to make representations relating to such tariffs.

(3) The tariffs fixed by the Board under subsection (1)—

- (a) shall be published in the Gazette and in such other manner as may appear to the Board best calculated to give publicity to such tariffs;

- (b) shall come into force on the date of their publication in the Gazette or on such later date as may be specified therein; and
- (c) may include rent and other charges in respect of electrical fittings provided by the Board.

No undue preference to be shown in fixing tariffs and making agreements under section 52.

53. The Board, in fixing tariffs and making agreements under section 52, shall not show undue preference as between persons similarly placed, having regard to the place and time of the supply of electrical energy, the quantity of such energy supplied, the consumer load and power factor and the purpose for which such supply is taken.

Board to determine tariff in cases of doubt.

54. If any question arises as to whether or not a tariff is applicable in any case, or as to which tariff is so applicable, the Board shall determine that question, and such determination shall be final and conclusive.

Recovery of electricity supply charge from a local authority.

55. (1) In this section, the expression "electricity supply charge" means the sum payable to the Board for electrical energy supplied by the Board.

(2) (a) The electricity supply charge of a local authority in respect of any month shall be paid by such authority—

- (i) within a period of thirty days from the date of the receipt by such authority of a bill relating to such charge from the Board, or
- (ii) where such authority, upon receipt of such bill, disputes, under subsection (3), a part or the whole of the amount of such charge—
  - (aa) in respect of the undisputed part of such bill, within a period of thirty days from the date of receipt of the bill; and
  - (bb) in respect of the disputed part of such bill, within a period of thirty days from the date of the final determination of such disputed part as hereinafter provided.

(b) A bill relating to the electricity supply charge sent by the Board to a local authority shall be dispatched by registered post and shall be deemed to have been received by that authority on the day on which that bill would have been delivered in the ordinary course of post.

(3) Where a local authority receives a bill from the Board for the payment of the electricity supply charge of such authority in respect of any month, such authority may, within a period of twenty-one days from the date of receipt by that authority of such bill, dispute a part or the whole of the amount of such charge by a written communication to that effect to the Board. Such communication shall specify the portion of such amount so disputed and the reasons therefor.

(4) No local authority shall be entitled to dispute the amount of the electricity supply charge of such authority in respect of any month except under and in accordance with subsection (3).

(5) Where a part or the whole of the amount of the electricity supply charge of any local authority in respect of any month is disputed by such authority, such disputed part of the amount —

- (a) shall be finally determined by agreement between the Board and such authority, or
- (b) in the absence of such agreement within a period of thirty days from the date of the receipt by the Board of a communication as to such dispute from such authority under subsection (3), shall be finally determined by arbitration, and for that purpose, the Board is hereby required and authorized to refer the dispute to arbitration through the Minister.

(6) A final determination as to the disputed part of the amount of the electricity supply charge of any local authority, whether by agreement or on arbitration, shall be binding on the Board and such authority.

(7) Where the electricity supply charge of a local authority in respect of any month is not paid by such authority to the Board

within the period it is so required to be paid under subsection (2), the Chairman of the Board shall certify in writing the amount which is due from such authority on account of such charge that has not been so paid.

(8) Upon the production of a certificate issued by the Chairman of the Board under subsection (7) before any District Court or Primary Court within whose jurisdiction the whole or any part of the area of administration of the local authority in respect of which such certificate is issued is situated, according as the sum specified in such certificate exceeds or does not exceed one thousand five hundred rupees, the court shall direct a writ of execution to issue to the Fiscal authorizing him and requiring him to seize and sell all or any of the property movable or immovable of such authority or such part thereof as may be necessary for the recovery of that sum, and the provisions of sections 226 to 297 of the Civil Procedure Code\* shall, *mutatis mutandis*, apply to the execution of such writ and to such seizure and sale.

(9) Where the Chairman of the Board issues the certificate referred to in subsection (7), he shall in writing notify the local authority specified in the certificate that the sum so specified is payable, but the non-receipt of such notice by such local authority shall not invalidate the proceedings under this section.

(10) Nothing in the provisions of subsections (8) and (9) of this section shall affect or be deemed or construed to affect the right of the Board to recover in any other manner any sum payable to the Board by a local authority on account of the electricity supply charge of that authority.

(11) Any sum due to the Board from a local authority in respect of the electricity supply charge of that authority shall, notwithstanding anything to the contrary in any other written law, be the first charge on the moneys in the fund of that authority.

PART VI

GENERAL

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

(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 one of the following matters :—

- (a) any matter required by this Act to be prescribed or in respect of which regulations are authorized by this Act to be made ; and
- (b) the prevention of theft of, or damage to, or the commission of nuisances on, any property used by the Board, and the imposition of penalties on, and the recovery of compensation from, persons responsible for such theft, damage or nuisance.

(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 in the regulation.

(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 the provisions of any regulation made under this Act shall be guilty of an offence and shall, on conviction after summary trial before a Magistrate, be liable to imprisonment of either description for a period not exceeding one year or to a fine not exceeding one thousand rupees, or to both such imprisonment and fine.

\* Vide section 78 of the Primary Courts Procedure Act.

Acquisition of immovable property under the Land Acquisition Act for the Board.

**57.** (1) Where any immovable property is required to be acquired for any purpose of the Board and the Minister, by Order published in the Gazette, approves of the proposed acquisition, that property shall be deemed to be required for a public purpose and may accordingly be acquired under the Land Acquisition Act and be transferred to the Board.

(2) Any sum payable for the acquisition of any immovable property under the Land Acquisition Act for the Board, shall be paid by the Board.

Power of companies, &c.. to enter into contracts with the Board.

**58.** Any company or other body of persons may, notwithstanding anything to the contrary in any written law or instrument relating to its functions, enter into and perform or carry out all such contracts and agreements with the Board as may be necessary for the performance of the duties and the exercise of the powers of the Board.

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

**59.** (1) No suit or prosecution shall lie-

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

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

(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 shall, if the court holds that such act was done in good

faith, be paid out of the funds of the Board, unless such expense is recovered by him in such suit or prosecution.

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

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

**61.** Where any immovable property of the State is required for the purpose of the Board, such purpose shall be deemed to be a purpose for which a special grant or lease of such property may be made under section 6 of the State Lands Ordinance, and accordingly, the provisions of that Ordinance shall apply to a special grant or lease of such property to the Board.

Special grant or lease of State property to Board.

**62.** (1) Where any matter or dispute is required to be referred to arbitration by the Minister under this Act or is referred to arbitration through the Minister under this Act, such matter or dispute shall be so referred by the Minister, as soon as practicable, to a Board of Arbitration consisting of one arbitrator appointed by the Board, another arbitrator appointed by the other party to the matter or dispute, and an umpire (who shall be appointed by the Minister to be the Chairman of the Board of Arbitration) agreed upon by the two arbitrators or, in the event of an absence of such agreement within two months, nominated by the Minister.

Arbitration.

(2) In the event of any difference of opinion among the members of the Board of Arbitration, the decision or determination of the majority shall be the decision of that Board.

(3) Regulations may be made—

- (a) in respect of all matters relating to or connected with the conduct of proceedings upon arbitration under this section; and
- (b) providing for the payment of fees to the persons appointed under this section as arbitrators or as members of the Board of Arbitration.

(4) The decision or determination given upon arbitration under this section in respect of any matter or dispute shall be final and conclusive.

Penalty for causing failure of electricity supply of the Board.

**63.** (1) Any person who, unlawfully and maliciously, does any act which causes or is likely to cause a failure of electrical energy supplied by the Board, shall be guilty of an offence.

(2) Any person who aids or abets any other person in the commission of an offence under subsection (1), shall be guilty of an offence.

(3) Every person who is guilty of an offence under subsection (1), or subsection (2), shall upon conviction be liable to rigorous imprisonment for a term not exceeding seven years.

(4) Every offence under subsection (1) or subsection (2) shall, notwithstanding anything in the Code of Criminal Procedure Act, be a cognizable offence within the meaning and for the purposes of that Act.

Amendment of other written laws, &c.

**64.** (1) Wherever, in any provision of any other written law or in any notice, permit, communication, form or other document issued, made, required or authorized by or under any other written law—

(a) the expression "Department of Government Electrical Undertakings" occurs, there shall be substituted therefor, the expression "the Ceylon Electricity Board"; and

(b) the expression "General Manager, Department of Government Electrical Undertakings" occurs, there shall be substituted therefor, the expression "General Manager, Ceylon Electricity Board",

and accordingly, wherever in any such provision, notice, permit, communication, form or other document—

(i) the abbreviation "Department" is used to denote the Department of Government Electrical Undertakings, such abbreviation shall be read and construed as a reference to the Ceylon Electricity Board; and

(ii) the abbreviation "General Manager" is used to denote the General Manager of the Government Electrical Undertakings, such abbreviation shall be read and construed as a reference to the General Manager of the Ceylon Electricity Board.

(2) The provisions of subsection (1) shall take effect on the date on which the Government Electrical Undertakings are transferred to the Board under section 18.

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

This Act to prevail over other written laws.

**66.** In this Act, unless the context otherwise requires—

Interpretation.

"Department" means the Department of Government Electrical Undertakings;

"local authority" includes any Municipal Council, Urban Council, Town Council or Village Council;

"Local Government Service", "Local Government Service Advisory Board", and "member of the Local Government Service" have the same meanings, respectively, as in the Local Government Service Law;

"Minister in charge of the subject of Local Government" means the Minister who is in charge of the subjects and functions relating to or connected with Local Government, whether with or without any other subjects or functions;

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- "prescribed" means prescribed by regulation ; section 20 or a compulsory transfer scheme prepared under section 21;
- "public officer" has the same meaning as in the Constitution; "transferable service of the Government" means a service of the Government to which appointments are made subject to transfer within that service-
- "transfer scheme" means a voluntary transfer scheme prepared under

[NOTE—Amendments effected to the Electricity Act by section 17 of this Act, read with the Schedule to this Act, are omitted and incorporated in the Electricity Act.]