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2nd Session 1971-72



State Film Corporation Act, No. 47 of 1971

Date of Assent : November 3, 1971

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AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF A
STATE FILM CORPORATION IN CEYLON.

[Date of Assent: November 3, 1971]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of 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 State Film Corporation Act, No. 47 of 1971, and shall come into operation on such date as may be appointed by the Minister by Order published in the *Gazette*.

Short title
and date of
operation.

PART I

CONSTITUTION, POWERS AND DUTIES, &C., OF THE
STATE FILM CORPORATION

2. (1) There shall be established a corporation which shall be called the State Film Corporation (hereinafter referred to as "the Corporation"), and which shall consist of the persons who are for the time being members of the Corporation under section 3.

Establishment
of the State
Film
Corporation.

(2) The Corporation shall by the name assigned to it by sub-section (1) be a body corporate and shall have perpetual succession and a common seal and may sue and be sued in its corporate name.

3. The members of the Board of Directors shall be the members of the Corporation.

Members of the
Corporation.

4. The general objects of the Corporation shall be—

General
objects of the
Corporation.

(a) to import films, photographic equipment and material or accessories necessary for the production or exhibition of films;

(b) to export films, including the purchase and stocking of such films for the purpose of such exportation;

(c) to distribute and supply films, photographic equipment and material or accessories for the production or exhibition of films;

(d) to establish, instal and operate studios and cinemas and to provide facilities for the production of films in Ceylon;

- (e) to engage in and to assist financially or otherwise in the production of films in Ceylon;
- (f) to promote, encourage and develop the film industry and maintain high standards in regard to films produced in Ceylon, by—
 - (i) awarding prizes and distinctions of recognition to producers of films of outstanding merit,
 - (ii) sponsoring and holding conferences and seminars,
 - (iii) holding or participating in film festivals, and
 - (iv) publishing film journals and magazines;
- (g) to promote and expand the demand for and trade in films produced in Ceylon both within and outside Ceylon;
- (h) to conduct market research on films in Ceylon and outside Ceylon;
- (i) to foster co-operation and co-ordination among persons connected with or engaged in the film industry in and outside Ceylon;
- (j) to advise the Minister on matters connected with the film industry.

Powers of the Corporation.

5. The Corporation shall have such powers, rights and functions as may reasonably be necessary to carry out its objects and in particular may—

- (a) acquire in any manner whatsoever and hold and take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of, any movable or immovable property;
- (b) acquire, establish, instal and operate studios and cinemas;
- (c) acquire by purchase or otherwise any rights or privileges considered necessary for the purpose of the business of the Corporation;
- (d) exercise the exclusive right to import, sell, hire, supply and distribute films, equipment and raw material necessary for the production and exhibition of films;

- (e) export films produced in Ceylon;
- (f) engage in the production of films either alone or in collaboration with any other organization or person;
- (g) register, inspect, control and regulate contracts and agreements relating to the production of films in Ceylon;
- (h) appoint, employ, remunerate and have disciplinary control over its officers, servants and agents;
- (i) establish and maintain provident funds, and provide welfare and recreational facilities for its employees;
- (j) make rules in respect of the administration of the affairs of the Corporation;
- (k) delegate to any Director, officer or agent of the Corporation any such function as may be considered necessary for the efficient transaction of its business;
- (l) levy fees or charges for services, facilities or equipment provided by the Corporation;
- (m) establish, maintain and operate training institutions for technicians, artistes or other personnel engaged in or connected with the film industry for the purpose of advancing the skill of such persons;
- (n) provide credit facilities for the production of films; and
- (o) adopt all such measures as may be considered necessary for, conducive or incidental to the attainment of the objects of the Corporation.

6. In the exercise of its powers and the carrying out of its objects under this Act, the Corporation shall comply with the general policy of the Government with respect to the film industry and with any general or special directions issued by the Minister in relation to such policy.

Corporation to exercise its powers under the directions of the Minister.

7. (1) The Corporation shall have a Board of Directors consisting of—

Board of Directors of the Corporation.

- (a) three *ex officio* members, namely—
 - (i) the Director of Information,

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- (ii) the Director of Cultural Affairs,
 - (iii) the Director-General of Broadcasting;
- and

(b) six members appointed by the Minister of whom—

(i) two shall represent the Universities and shall be appointed in consultation with the Minister in charge of the subject or function of education, and

(ii) two at least shall be from persons who appear to the Minister to have had experience in matters relating to the film industry.

(2) A person shall be disqualified for being appointed, or for continuing, as a Director—

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

(b) if he, directly or indirectly, by himself or by any person on his behalf or for his use or benefit, holds or enjoys any right or benefit under any contract made by or on behalf of the Corporation; or

(c) if he has any such financial or other interest as is likely to affect prejudicially the discharge by him of his functions as a Director.

(3) (a) Where a Director appointed under paragraph (b) of sub-section (1) dies or resigns or is removed from office, the Minister may, having regard to the provisions of that paragraph of that sub-section, appoint any other person to be a Director in place of the Director who dies, resigns or is removed from office.

(b) Any Director appointed under paragraph (a) of this sub-section, unless he earlier resigns or vacates his office by death or removal, shall hold office for the unexpired part of the term of office of the Director whom he succeeds.

(4) Where a Director appointed under paragraph (b) of sub-section (1) is, by reason of illness or other infirmity or absence from Ceylon, temporarily unable to perform the duties of his office, the Minister may, having regard to the provisions of that paragraph, appoint any person to act in his place.

**Term of office
of Directors.**

8. (1) Every Director appointed under paragraph (b) of sub-section (1) of section 7 shall, unless he vacates office earlier by death, resignation or removal, hold office for a period of three years.

(2) Every *ex officio* Director shall hold office as long as he holds the post by virtue of which he was appointed as a Director.

9. (1) The Minister may, if he considers it expedient to do so, remove, by Order published in the *Gazette*, any Director appointed under paragraph (b) of sub-section (1) of section 7 without reasons stated.

Power of Minister to remove from office a Director.

(2) A Director in respect of whom an Order under sub-section (1) is made by the Minister shall vacate his office on the date of the publication of such Order in the *Gazette*.

(3) The removal of any Director under sub-section (1) shall not be called in question in any court.

10. A Director, other than an *ex officio* Director, may at any time resign his office by letter addressed to the Minister.

Resignation of Directors.

11. Any Director who vacates his office, other than a Director who is removed from office under section 9, shall be eligible for reappointment.

Eligibility for reappointment as Director.

12. No act or proceeding of the Corporation shall be deemed to be invalid by reason only of the existence of any vacancy among its Directors or defect in the appointment of any Director thereof.

Acts or proceedings of the Corporation deemed not to be invalid by reason of any vacancy or defect in the appointment of a Director.

13. All or any of the Directors may be paid such remuneration out of the funds of the Corporation, as may be determined by the Minister with the concurrence of the Minister of Finance.

Remuneration of Directors.

14. A Director who is directly or indirectly interested in a contract proposed to be made by the Corporation shall disclose the nature of his interest in such contract at a meeting of the Directors of the Corporation and shall not take part in any deliberation or decision of the Directors with respect to such contract.

Directors to disclose interest in contract proposed to be made by the Corporation.

15. (1) Rules may be made under this Act in respect of the meetings of the Corporation and the quorum for and the procedure to be followed at such meetings.

Meetings of the Corporation.

(2) The financial year of the Corporation shall be the period of twelve months commencing on the first day of January.

Chairman of any meeting of the Board to have a casting vote.

16. The Chairman of any meeting of the Board of Directors shall, in addition to his own vote, have a casting vote.

Board of Directors to administer the affairs of the Corporation.

17. The Board of Directors shall administer the affairs, may exercise the powers, and shall perform the duties, of the Corporation.

Delegation of powers and duties of Board of Directors.

18. (1) The Board of Directors may delegate to the Chairman or any other Director or any employee of such Board any of its powers and duties.

(2) The Chairman, other Director or employee to whom any of the powers or duties of the Board have been delegated under sub-section (1) shall exercise or perform the powers or duties so delegated subject to the general or special directions of the Board.

Chairman of Board of Directors.

19. (1) The Minister shall appoint a Chairman of the Board of Directors from among the Directors.

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

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

(4) The Chairman may resign the office of Chairman by letter addressed to the Minister.

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

Seal of the Corporation.

20. (1) The seal of the Corporation shall be in the custody of the Board of Directors.

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

(3) The seal of the Corporation shall not be affixed to any instrument or document except in the presence of a Director who shall sign the instrument or document in token of his presence.

PART II

EMPLOYEES OF THE CORPORATION

21. (1) The Corporation may in consultation with the Minister appoint to the staff of the Corporation a General Manager who shall be the chief executive officer.

Appointment of General Manager and other officers and servants of the Corporation.

(2) The General Manager shall, subject to the provisions of sub-section (3), hold office for a period of five years and may at the termination of that period be reappointed for a further period as the Corporation may, with the concurrence of the Minister, determine.

(3) The General Manager—

(a) shall retire from office on reaching the age of compulsory retirement for public servants; and

(b) may at any time with the approval of the Minister be removed from office by the Corporation.

(4) The Corporation may appoint to the staff of the Corporation such other officers and servants as may be necessary for the purposes of the Corporation.

22. (1) Subject to the other provisions of this Act, the Corporation may—

Powers of the Corporation in regard to the staff of the Corporation.

(a) appoint, dismiss and exercise disciplinary control over the staff of the Corporation;

(b) fix the wages or salary or other remuneration of such staff;

(c) determine the terms and conditions of the service of such staff; and

(d) establish and regulate provident funds and schemes for the benefit of such staff, and make contributions to any such fund or scheme.

(2) Rules may be made under this Act in respect of all or any of the matters referred to in sub-section (1).

(3) At the request of the Corporation, any officer in the public service may, with the consent of that officer and the Permanent Secretary to the Ministry in charge

of the Minister to whom the subject of public administration has been assigned, be temporarily appointed to the staff of the Corporation for such period as may be determined by the Corporation with like consent or be permanently appointed to such staff.

(4) Where any officer in the public service is temporarily appointed to the staff of the Corporation, sub-section (2) of section 9 of the Motor Transport Act, No. 48 of 1957, shall *mutatis mutandis* apply to and in relation to him.

(5) Where any officer in the public service is permanently appointed to the staff of the Corporation, sub-section (3) of section 9 of the Motor Transport Act, No. 48 of 1957, shall *mutatis mutandis* apply to and in relation to him.

Officers and servants of the Corporation deemed to be public servants.
Cap. 19.

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

The Corporation deemed to be a scheduled institution within the meaning of the Bribery Act.
Cap. 26.

24. The Corporation 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.

PART III

FINANCE

Capital of the Corporation.

25. (1) The initial capital of the Corporation shall be ten million rupees.

(2) The amount of the initial capital of the Corporation shall be paid to the Corporation out of the Consolidated Fund of Ceylon in such instalments as the Minister of Finance may, after consultation with the Minister, determine.

(3) The capital of the Corporation may be increased from time to time by such amount as may be determined by resolution of the House of Representatives and that amount shall be paid out of the Consolidated Fund of Ceylon.

(4) The capital of the Corporation contributed by the Government by way of grants shall not be reduced except in such manner as may be determined by resolution of the House of Representatives.

(5) The Board of Directors may request the Minister for such advances from the Consolidated Fund of Ceylon as may be necessary for meeting the obligations of the Corporation or the discharge of its duties under this Act and the Minister may in consultation with the Minister of Finance authorize such advances as may be required by way of loan carrying interest, repayable in such instalments and under such terms and conditions as may be determined by the Minister of Finance.

26. The Corporation may with the concurrence of both the Minister and the Minister of Finance or in accordance with the terms of any general authority given with like concurrence, borrow by overdraft or otherwise, or negotiate and obtain on credit terms, such sums as the Corporation may require for meeting the obligations of the Corporation or carrying out its objects:

Borrowing powers.

Provided that the aggregate of the amounts outstanding in respect of any loans raised by the Corporation under this section shall not at any time exceed such sum as may be determined by the Minister with the concurrence of the Minister of Finance.

27. Any funds of the Corporation which are not immediately required for the purposes of the business of the Corporation may be invested by the Board of Directors in such manner as the Board may determine with the approval of the Minister given with the concurrence of the Minister of Finance.

Investment of the funds of the Corporation.

28. The revenue of the Corporation in any year shall be applied in defraying the following charges in the order of priority set out hereunder:—

Application of the revenue of the Corporation.

- (a) the working and establishment expenses (including allocations to the insurance reserve and depreciation reserve), in connection with the exercise and performance of the powers and duties of the Corporation, properly chargeable to revenue account and the payment of taxes;
- (b) the interest on any temporary loan raised by the Corporation;
- (c) any sums required to be transferred to any sinking fund or redemption fund; and
- (d) the interest on, and the repayment of, the principal of any Government loan to the Corporation.

Appropriation of
net surplus
revenue of the
Corporation.

29. (1) The net surplus for any year out of the revenue of the Corporation after defraying the charges mentioned in section 28, and after payment of the contribution to the Consolidated Fund, may be appropriated by the Board of Directors for any or all of the following purposes with the approval of the Minister given with the concurrence of the Minister of Finance:—

- (a) writing off the preliminary expenses incurred in the formation of the Corporation;
- (b) writing off any accumulated losses brought forward;
- (c) writing off any unproductive expenditure not properly chargeable to revenue;
- (d) transfers to any assets replacement reserve which the Board of Directors may establish and maintain;
- (e) transfers to any loan redemption reserve which the Board of Directors may establish and maintain;
- (f) transfers to any development reserve which the Board of Directors may establish and maintain.

(2) No debits against or transfers out of the reserves mentioned in sub-section (1) shall be made by the Board of Directors except with the approval of the Minister given with the concurrence of the Minister of Finance.

Accounts and
audit of
accounts.

30. (1) The Board of Directors shall cause proper accounts of the income and expenditure of the Corporation and of all its other transactions to be kept and shall prepare an annual statement of accounts and statistics relating to the business of the Corporation in such form and containing such particulars as the Minister with the concurrence of the Minister of Finance may from time to time specify.

(2) The accounts of the Corporation for each financial year shall be submitted to the Auditor-General for audit within four months of the close of the financial year. 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 Corporation, the Auditor-General shall be paid by the Corporation such remuneration as the Minister may, with the concurrence of the Minister of Finance, determine. Any remuneration received from the Corporation by the Auditor-General shall, after deducting any sums paid by him to any qualified auditor or auditors employed by him for the purposes of such audit, be credited to the Consolidated Fund of Ceylon.

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

Powers of
the Auditor-
General, &c.

(2) The Auditor-General shall examine the accounts of the Corporation 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 Corporation; and
- (c) drawing attention to any item in the accounts which in his opinion may be of interest to the House of Representatives in any examination of the activities and accounts of the Corporation.

(3) The Auditor-General shall transmit his report to the Corporation within four months of the receipt of the accounts of the Corporation by him.

(4) 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 Ceylon, possesses a certificate to practise as an Accountant issued by the Council of the Institute; or

- (b) a firm of Chartered Accountants each of the partners of which, being a member of that Institute, possesses a certificate to practise as an Accountant issued by the Council of that Institute.

Report of the Board of Directors and copies of the auditor's report, the Auditor-General's comments and supplement and the statement of accounts and statistics to be sent to the Minister and laid before the House of Representatives.

32. (1) The Board of Directors shall, as soon as possible after the end of each financial year of the Corporation, make to the Minister a report on the exercise and performance by such 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 of Directors during that year.

(2) The Board of Directors shall, on receipt of the Auditor-General's report in respect of any year, cause a copy of each of the following documents relating to that year to be transmitted to the Minister:—

- (a) the Auditor-General's report;
- (b) the balance sheet;
- (c) the operating and profit and loss accounts;
- (d) the statement of accounts and statistics prepared under sub-section (1) of section 30; and
- (e) the report of the Chairman of such Board giving an account of the work of the Corporation.

(3) The Minister shall lay copies of the documents transmitted to him under sub-section (2) before the House of Representatives before the end of the year next following the year to which such report and accounts relate.

Programme of work to be undertaken by the Corporation during a financial year to be transmitted to the Minister for his approval.

33. The Corporation shall before the first day of November in each financial year transmit to the Minister for his approval a programme of the work involving capital expenditure which is to be undertaken by the Corporation during the next financial year, and the Corporation shall have regard to any directions given by the Minister in respect of that programme.

PART IV

ACQUISITION, REQUISITION AND USE OF PROPERTY FOR
OR BY THE CORPORATION

34. (1) Where any immovable property whatsoever, other than notified property, is required to be acquired for any purpose of the Corporation 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 Corporation.

Acquisition of immovable property under the Land Acquisition Act.

Cap. 460.

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

35. (1) Any officer of the Corporation authorized by the Minister may, by notice (in this Act referred to as a "notice of claim") published in the *Gazette* declare that such movable or immovable property, other than money, as has been, or is being, or is, or was intended to be, used by any person for the purpose of engaging in or carrying on any business which is similar or substantially similar to any business of the Corporation, is required for the purposes of the Corporation. Such property is in this Act referred to as "notified property".

Notice of claim or disclaimer in respect of property required for purposes of the Corporation.

(2) The publication of a notice of claim made under sub-section (1) in respect of any property shall be conclusive proof that such property is required for the purposes of the Corporation.

(3) Where a notice of claim is published under sub-section (1), any officer of the Corporation authorized by the Minister may from time to time, by notice (in this Act referred to as a "notice of disclaimer") published in the *Gazette*, disclaim the need, for the purposes of the Corporation, of the whole or any part of the property included in the notice of claim and specified in the notice of disclaimer.

(4) No person shall lease, hypothecate, alienate, transfer or dispose of in any manner whatsoever to any person, other than the Corporation, the whole or any part of—

(a) any property which is specified in a notice of claim and is not disclaimed by a notice of disclaimer; or

(b) any rights in respect of that property.

(5) Any lease, hypothecation, alienation, transfer or disposal made or effected in contravention of the provisions of sub-section (4) shall be null and void, and shall be of no force or avail in law.

(6) Any person shall, if requested by any authorized officer so to do, furnish to such person as shall be specified in the request information with regard to any movable or immovable property included in a notice of claim as shall be so specified.

(7) Any person who—

(a) leases, hypothecates, transfers, or otherwise disposes of any notified property in contravention of sub-section (4); and

(b) wilfully fails to furnish the information referred to in sub-section (6), or who wilfully withholds all or any part of such information, or who furnishes information knowing such information to be false or inaccurate; or

(c) wilfully or negligently destroys or damages or causes to be destroyed or damaged any notified property; or

(d) removes, changes the situation or location, or alters the character, or causes such removal, change or alteration, of any notified property,

shall be guilty of an offence under this Act.

(8) For the purposes of this section, the expression "authorized officer" means the Chairman of the Board of Directors, or any Director or officer of the Corporation authorized in that behalf by such Chairman.

Report on
condition of
any notified
property.

36. The Chairman of the Corporation may—

(a) cause a report to be prepared as to the condition of any notified property;

(b) cause a copy of such report to be sent by registered post to persons having an interest in the property to which the report relates; and

(c) require such persons to notify in writing to the Chairman whether or not they agree with such report and if they are not in agreement, to specify any objections they

may have and the grounds of such objections and to produce all documents relied on by them in support of such objections.

37. (1) The Minister may, by Order (in this Act referred to as a "vesting Order") published in the *Gazette*, vest in the Corporation, with effect from such date as shall be specified in the Order, any such notified property as has not been disclaimed by a notice of disclaimer.

Compulsory transfer to the Corporation of certain property.

(2) Before a vesting Order takes effect, the Minister may from time to time, after consultation with the Board of Directors, alter, by Order published in the *Gazette*, the date on which such vesting Order takes effect.

(3) A vesting Order shall have the effect of giving the Corporation absolute title to any property specified in the Order with effect from the date specified therein and free from all encumbrances.

38. (1) The Minister may by Order (in this Act referred to as a "requisitioning Order") published in the *Gazette*, requisition, with effect from such date as shall be specified in the Order, any notified property as is movable or immovable property in order that it may be temporarily used by the Corporation for the purposes of any business of the Corporation.

Requisitioning of notified property for the purpose of the Corporation.

(2) Before a requisitioning Order takes effect the Minister may from time to time, after consultation with the Board of Directors, alter, by Order published in the *Gazette*, the date on which such requisitioning Order takes effect.

(3) A requisitioning Order shall have the effect of authorizing the Corporation, with effect from the date specified in the Order, to take possession of the property specified in the Order and to use such property temporarily for the purposes of any business of the Corporation.

(4) Where any property is requisitioned by a requisitioning Order, the Minister may, by Order (hereinafter in this Act referred to as "derequisitioning Order") published in the *Gazette*, derequisition such property with effect from such date as shall be specified in the derequisitioning Order.

(5) Before a derequisitioning Order takes effect, the Minister may from time to time, after consultation with the Board of Directors, alter by Order published in the *Gazette*, the date on which such derequisitioning Order takes effect.

(6) Where, immediately before the date on which any property is requisitioned for the Corporation, a person, other than the owner of such property, was entitled to possession of such property under the terms of a lease, that lease shall be deemed for all purposes to have expired on that date.

(7) Where any property is derequisitioned by a derequisitioning Order, such Order shall be deemed to have the effect of reviving any lease subsisting on the date on which the property was requisitioned, and any question which may arise as to any right, title or interest, in or over that property shall be determined accordingly.

Compulsory
acquisition of
requisitioned
property.

39. Where any property requisitioned for the Corporation is permanently required for the purposes of any business of the Corporation, such property may be vested in the Corporation by a vesting Order.

Revocation of
vesting Orders.

40. (1) Notwithstanding that any movable or immovable property has vested in the Corporation by virtue of a vesting Order, the Minister may, at any time before a determination as to compensation is made in respect of that property under this Act, by subsequent Order published in the *Gazette* (in this section referred to as a "divesting Order") revoke that vesting Order.

(2) The following provisions shall apply in any case where a vesting Order in respect of any movable or immovable property is revoked by a divesting Order:—

(a) that property shall be deemed never to have vested in the Corporation by virtue of that vesting Order, and any question which may arise as to any right, title or interest, in or over that property shall be determined accordingly;

(b) that property shall be deemed to have been and to be property which was requisitioned by a requisitioning Order with effect from the date on which that vesting Order took effect

and was derequisitioned by a derequisitioning Order with effect from the date of the revocation of that vesting Order;

- (c) all claims made under this Act to the compensation payable in respect of that property and all proceedings taken under this Act in regard to such claims before that vesting Order was revoked shall be deemed to be null and void, and fresh claims to compensation in respect of that property may be made under this Act.

(3) The preceding provisions of this section shall have effect notwithstanding anything in any other provision of this Act or in any other written law.

41. (1) Any officer of the Corporation specially or generally authorized in that behalf by the Chairman of the Board of Directors may take possession of any property vested in or requisitioned for the Corporation.

Taking possession of property vested in or requisitioned for the Corporation.

(2) Any officer of the Corporation authorized in that behalf by the Chairman of the Board of Directors shall, by notice given to the person in occupation or in possession of any property vested in or requisitioned for the Corporation or exhibited in some conspicuous place on or in the vicinity of such property,—

- (a) inform such person that such authorized officer intends to take possession of such property for and on behalf of the Corporation on such date and at such time and place as shall be specified in the notice; and
- (b) require any person interested or his authorized agent to be present on the date and at the time and place so specified, and to allow and assist such authorized officer to take possession of such property for and on behalf of the Corporation.

Where such property is a motor vehicle, the notice aforesaid may be given to the registered owner of that vehicle within the meaning of the Motor Traffic Act instead of being given to the person in possession of that motor vehicle.

(3) Any notice required to be given to any person under the preceding provisions of this section shall be deemed to be given to him if such notice is sent to him by registered letter.

(4) Any person who contravenes any requirement of any notice given to him under this section, shall be guilty of an offence under this Act.

Prevention of
or obstruction
to taking
possession of
property for
and on behalf
of the
Corporation.

42. (1) Every person who—

(a) prevents, obstructs, or resists, or

(b) directly or indirectly causes anyone to prevent, obstruct or resist,

any person from or in taking possession, under section 41 of any property for and on behalf of the Corporation shall be guilty of an offence under this Act.

(2) Where an officer authorized by the Chairman of the Board of Directors under section 41 to take possession of any property for and on behalf of the Corporation 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 his making an application in that behalf to the Magistrate's Court having jurisdiction over the place where that property is ordinarily 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 Corporation.

(3) Where an order under sub-section (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) Where an order under sub-section (2) is issued to the Fiscal by a Magistrate's Court the execution of such order shall not be stayed in any manner by reason of any step taken or proposed to be commenced in any court with a view to questioning, varying or setting aside such order.

(5) For the purpose of executing an order issued by a Magistrate's Court under sub-section (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 that order relates is kept and seize such movable property, or to enter any

land, building, structure or other immovable property to which that order relates and eject any person in occupation thereof, and to deliver possession of such movable property, land, building, structure or other immovable property to the person who is authorized to take possession thereof for and on behalf of the Corporation.

43. Where any immovable property of the Crown is required for the purpose of any business of the Corporation, 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 Crown Lands Ordinance, and accordingly the provisions of that Ordinance shall apply to a special grant or lease of such property to the Corporation.

Grants or leases of immovable property to the Corporation under the Crown Lands Ordinance.

Cap. 454.

44. (1) The Chairman of the Board of Directors, or any person authorized in that behalf by such Chairman, may—

Power to require information and to inspect.

- (a) inspect any movable or immovable property which had been, or is being or is or was intended to be, used for engaging in or carrying on any business similar or substantially similar to the business of the Corporation;
- (b) inspect any movable or immovable property which had been, or is being or is or was intended to be, used for the engaging in or carrying on of such other business as may be incidental or conducive to any business referred to in paragraph (a) of this sub-section;
- (c) request any person to furnish information with regard to any matter within his knowledge relating to any movable or immovable property referred to in paragraph (a) or paragraph (b) of this sub-section; and
- (d) request any person to furnish information with regard to any matter within his knowledge relating to any business referred to in paragraph (a) of this sub-section, whether carried on by himself or any other person, and the persons employed for the purposes of such business.

(2) Any person who fails, without reasonable cause, to comply with the provisions of sub-section (1) (c) or sub-section (1) (d), or who furnishes information knowing such information to be false, or obstructs any person in the exercise of the powers conferred on him by sub-section (1) (a) or sub-section (1) (b), shall be guilty of an offence under this Act.

Power of Corporation to make use of equipment and facilities of other persons.

45. Any person who engages in or carries on any business similar or substantially similar to any business of the Corporation shall, if a written request in that behalf is made to him by the Corporation, make available for use by the Corporation any equipment or facilities maintained by him for the purpose of that business subject to such terms and conditions (including terms as to charges to be made for such use) as may be determined by the Minister.

PART V

COMPENSATION

Compensation in respect of property vested in the Corporation.

46. (1) The amount of compensation to be paid under this Act in respect of any property vested on any date in the Corporation shall be the actual price paid by the owner for the purchase of such property and an additional sum which is equal to the reasonable value of any additions and improvements made to such property by any person who had an interest in such property, or if such purchase price is not ascertainable, be an amount equal to the price which such property would have fetched if it had been sold in the open market on the day on which the property was vested in the Corporation:

Provided, however, that where such property consists of movable property a reasonable amount for depreciation shall be deducted from the amount which represents the price actually paid for its purchase by the person entitled to the compensation payable in respect of such property, if such compensation is based on such price.

(2) Where any interest in any movable or immovable property derived under the terms of any lease is vested in the Corporation, the amount of compensation to be paid under this Act shall be the actual price paid by the holder for the acquisition of such interest:

Provided that a proportionate amount shall be deducted on account of the period for which the holder has enjoyed such interest.

47. In respect of any property requisitioned for the Corporation, the Corporation shall pay compensation equal to the amount which might reasonably be expected to be payable for the temporary use of such property.

Compensation in respect of property requisitioned for the Corporation.

48. No person shall be entitled to compensation for any loss incurred by him, whether directly or indirectly, or by way of business or otherwise, by reason of the fact that the exclusive right to engage in or carry on any business has been vested in the Corporation by virtue of the operation of the provisions of this Act or any Order made thereunder.

No compensation for damage or loss incurred by reason of the fact that the exclusive right to engage in or carry on any business is vested in the Corporation.

49. Any compensation payable, less any deduction that may be made from such compensation under this Act, shall carry interest, as from the date on which it accrues due until payment, at such rate as may be determined by the Minister with the concurrence of the Minister of Finance.

Interest on compensation.

50. The compensation payable in respect of any property shall be considered as accruing due from the date on which that property was vested in or requisitioned for the Corporation.

Date of commencement of accrual of compensation.

51. The mode of payment of compensation shall be determined by the Minister in consultation with the Minister of Finance.

Mode of payment of compensation.

52. (1) The Board of Directors shall refer to the Chief Valuer the determination of the compensation payable in respect of any property, and such Valuer shall submit his determination to the Board of Directors for final decision thereon.

Determination of compensation.

(2) The Chief Valuer shall, before making his determination of the compensation payable in respect of any property, give the person from whom that property was acquired or requisitioned for the Corporation, an opportunity to adduce before such Valuer, by himself or by a representative authorized by him in that behalf, evidence with regard to the value of that property.

(3) The Board of Directors shall communicate in writing to the person from whom any property was acquired or requisitioned for the Corporation the final decision of the compensation payable in respect of that property.

(4) The Board of Directors shall cause a notice to be published in the *Gazette* and in at least one Sinhala, one Tamil and one English newspaper, specifying the compensation that it proposes to pay in respect of any property, being the compensation determined by the Board of Directors, and inviting any person who had any interest in that property, immediately before that property was vested in or requisitioned for the Corporation and who claims any compensation in respect of that property, to communicate to the Chairman of the Board of Directors his claim in writing, stating the nature and the basis thereof, before such date as shall be specified in the notice.

Payment of
compensation.

53. (1) Where no claim to the compensation payable in respect of any property is received in response to the notice under section 52 from any person other than the person from whom that property was acquired or requisitioned for the Corporation, the Chairman of the Board of Directors shall cause such compensation, less any sum required by or under this Act to be deducted therefrom, to be paid to the person from whom that property was so acquired or requisitioned.

(2) Where any claim to compensation payable in respect of any such property is received in response to the notice under section 52 from any person other than the person from whom that property was acquired or requisitioned for the Corporation, then, if every such claimant and the person from whom that property was so acquired or requisitioned amicably agree in writing as to the persons entitled to the compensation and the apportionment of the compensation among them, the Chairman of the Board of Directors shall cause the compensation, less any sum required by or under this Act to be deducted therefrom, to be apportioned and paid to such persons according to such agreement. If there is no such agreement, the Chairman of the Board of Directors shall cause the compensation, less any sums required by or under this Act to be deducted therefrom, to be paid to any District Court or Court of Requests according as the amount to be so paid exceeds or does not exceed seven hundred and fifty rupees to be drawn by the persons entitled thereto.

Provision for
cases where
compensation
is not
accepted, &c.

54. Where any compensation payable to any person under this Act is not accepted by him when it is tendered to him, or where such person is dead or is

not in existence or is not known, it shall be paid to any District Court or Court of Requests, according as the amount of compensation exceeds or does not exceed seven hundred and fifty rupees, to be drawn by the person or persons entitled thereto.

55. (1) Where a person is entitled to compensation in respect of any property vested in or requisitioned for the Corporation, the Board of Directors shall pay from the amount of such compensation to the Commissioner of Inland Revenue any sum certified under the hand of the Commissioner of Inland Revenue to the Corporation to be due from such person as tax on income or profits, or as personal tax.

Deduction from compensation.

(2) For the purposes of this section, the expression "compensation" includes any interest which has accrued due on such compensation.

56. Any person dissatisfied with the determination of compensation under this Part may within thirty days of the communication of such decision appeal therefrom to the Minister whose decision thereon shall be final and conclusive and shall not be called in question in any court.

Appeal from determination of compensation.

PART VI

GENERAL

57. (1) Subject to the provisions of section 58, on or after such date (hereafter in this Act referred to as the "relevant date") as the Minister may specify by Order published in the *Gazette*, no person shall import into Ceylon or sell, supply or distribute within Ceylon any films, photographic equipment or any material, equipment or accessory necessary for the production or exhibition of films, without the written authority of the Chairman.

Prohibition of the importation or distribution of films, &c., by any person other than the Corporation.

(2) On or after the relevant date, no person shall, except with the written authority of the Chairman of the Board of Directors, exhibit any film which has not been distributed through the Corporation.

(3) A certificate under the hand of the Chairman of the Board of Directors that any person has not complied with the provisions of sub-section (2) shall be received in any proceedings as conclusive evidence of such non-compliance.

Provisions relating to contracts or agreements for the importation or distribution of films existing on the relevant date.

58. All contracts and agreements, entered into or made by any person prior to the relevant date, for the importation into Ceylon or the distribution within Ceylon of any film, photographic equipment or any material, equipment or accessory necessary for the production of films, as may be declared by the Minister by Order published in the *Gazette*, shall be deemed to be contracts and agreements of the Corporation and all subsisting rights and obligations under such contracts and agreements so declared shall be deemed to be rights and obligations of the Corporation, and may be enforced or acted upon as fully and effectually as if the Corporation had been a party to or had made such contracts or agreements.

Special provisions relating to employees of persons who were carrying on business as importer and seller, &c., of films, &c.

59. (1) No person other than the Corporation who on the relevant date, was carrying on business as exhibitor of films or as importer, seller, supplier or distributor of any films, photographic equipment or any equipment or accessory for the production or exhibition of films shall terminate the employment of any person (hereafter referred to as an "employee") employed by him except with the written approval of the Commissioner, and otherwise than in accordance with the terms and conditions subject to which such approval is granted.

A person who was carrying on the business referred to in the preceding provisions of this sub-section is hereafter in this section referred to as an "employer".

(2) The following provisions shall apply in the case of the exercise of the powers conferred on the Commissioner to grant his approval to an employer terminating the employment of any employee:—

(a) Such approval may be granted or refused on application in that behalf made by such employer.

(b) The Commissioner may, in his absolute discretion, decide to grant or refuse such approval.

(c) The Commissioner may, in his absolute discretion, decide the terms and conditions subject to which his approval should be granted, including in particular terms and conditions relating to the payment by such employer to such employee of a gratuity or compensation for the termination of employment.

(d) Any decision made by the Commissioner under the preceding provisions of this sub-section shall be final and conclusive, and shall not be called in question in any court, whether by way of writ or otherwise.

(3) Where, on or after the relevant date, any employer has granted or grants to any employee, in addition to any benefit such employee was or would be entitled to receive in the ordinary course of his employment, any *ex gratia* gratuity or compensation or other benefit (hereafter in this sub-section referred to as "*ex gratia* benefits"), then, every person who was an employee of that employer on the relevant date, shall be entitled, with the approval of the Commissioner given upon application in that behalf made by such person, to receive the same *ex gratia* benefits so however that the amount thereof shall be as determined by the Commissioner. The preceding provisions of this sub-section shall apply to any person notwithstanding that he ceased or ceases to be an employee of that employer after the relevant date, for any reason whatsoever other than misconduct. Any approval or determination of the Commissioner under the preceding provisions of this sub-section shall be final and conclusive, and shall not be called in question in any court, whether by way of writ or otherwise.

(4) Where an *ex gratia* gratuity or compensation or other benefit is granted by any employer to an employee, such employer shall furnish to the Commissioner, within thirty days of the grant thereof, full details of the gratuity, compensation or other benefit so granted. Such details shall be furnished in such form and manner as may be determined by the Commissioner.

(5) In this section, "Commissioner" means the Commissioner of Labour, and includes a Deputy Commissioner of Labour.

60. (1) The Corporation may make rules in respect of all or any matters for which rules are authorized or required by this Act to be made.

Power of
Corporation
to make rules.

(2) No rule made by the Corporation under this Act shall have effect until it has been approved by the Minister.

Regulations.

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

(2) Without prejudice to the generality of the powers conferred by sub-section (1), the Minister may make regulations in respect of all or any of the following matters:—

- (a) the control, supervision, inspection, maintenance and operation of cinemas and studios or institutions engaged in the film industry;
- (b) the exhibition of films and the prices and rates chargeable by the Corporation for the purposes of section 5 (d);
- (c) the form and manner in which contracts may be entered into by the Corporation;
- (d) the allocation of screen time for the exhibition of local and foreign films, for advertisements and for Government newsreels;
- (e) the rates to be charged at cinemas;
- (f) the fees to be charged for the use of studios of the Corporation by film producers;
- (g) the provision of financial or other assistance to the producers of films in Ceylon;
- (h) the regulation of the import of foreign films or the production of films in Ceylon;
- (i) the regulation of the use and distribution of raw film;
- (j) the dubbing of films;
- (k) the registration of film societies;
- (l) all matters conducive or incidental to the attainment of any of the objects of the Corporation or to the exercise of its powers.

(3) Every regulation made by the Minister under this Act 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 the date of its publication, be brought before the House of Representatives 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.

62. (1) Every person who—

Offences.

- (a) knowingly makes any false or incorrect statement in any return or other document made or furnished under or for the purposes of this Act or of any regulation made thereunder; or
- (b) fails or refuses to furnish any information or return required by this Act, or any regulation made thereunder, to be so furnished by him; or
- (c) resists or obstructs any person in the exercise, discharge or performance of any power, function or duty conferred or imposed upon that person by or under this Act, or any regulation made thereunder; or
- (d) contravenes or fails to comply with any provision of this Act or any regulation made thereunder,

shall be guilty of an offence under this Act.

(2) Every person who commits an offence under this Act shall on conviction after summary trial before a Magistrate be liable to imprisonment of either description for a period not exceeding one year or to a fine not exceeding one thousand rupees or to both such fine and imprisonment, and the Magistrate may order the forfeiture of any property in respect of which the offence was committed.

(3) Notwithstanding anything to the contrary in the First Schedule to the Criminal Procedure Code, every offence under this Act shall be a cognizable offence within the meaning of that Code.

63. Where an offence under this Act is committed by a body of persons, then—

Offences by bodies of persons.

(a) if that body of persons is a body corporate, every director and officer of that body corporate, or

(b) if that body of persons is a firm, every partner of that firm,

shall be deemed to be guilty of that offence:

Provided, however, that a director or an officer of such body corporate or a partner of such firm shall not be deemed to be guilty of such offence if he proves that such offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

This Act to
prevail over
other written
law.

64. 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.

Interpretation.

65. In this Act unless the context otherwise requires—

“Board of Directors” means the Board of Directors constituted under this Act;

“Director” means a member of the Board of Directors;

“Director of Cultural Affairs” means the person for the time being holding office as the Director of Cultural Affairs;

“Director of Information” means the person for the time being holding office as the Director of Information;

“Director-General of Broadcasting” means the person for the time being holding office as the Director-General appointed under the Ceylon Broadcasting Corporation Act, No. 37 of 1966.