

PUBLIC SERVICE MUTUAL PROVIDENT ASSOCIATION

AN ORDINANCE TO INCORPORATE THE PUBLIC SERVICE  
MUTUAL PROVIDENT ASSOCIATION.

Ordinance Nos,

5 of 1891  
19 of 1894  
5 of 1926  
5 of 1938  
36 of 1942  
6 of 1943

Law Nos,

54 of 1973  
2 of 1978

Act Nos,

19 of 1949  
13 of 1953  
15 of 1966  
18 of 1983 [ 29<sup>th</sup> April , 1983 ]  
9 of 1986 [ 22<sup>nd</sup> April , 1986 ]  
35 of 1991 [ 28<sup>th</sup> August , 1991 ]  
13 of 1996 [ 9<sup>th</sup> July , 1996 ]

[4<sup>th</sup> October , 1891 ]

Short title. **1.** This Ordinance may be cited as the Public Service Mutual Provident Association Ordinance.

Public Service Mutual Provident Association incorporated. **2.** From and after the passing of this Ordinance, such public officers as the Secretary to the Treasury may be pleased to nominate and appoint under section 4 (1) (a) and (6), and such and so many persons as now are members of the said association, or shall hereafter be admitted members of the corporation hereby constituted, whose names shall be inscribed in the register mentioned in section 12, shall be and become a corporation with continuance for ever under the name of " The Public Service Mutual Provident Association " (hereinafter referred to as the corporation), and by that name shall and may sue and be sued in all courts, and shall have full power and authority to have and to use a common seal, and change and alter the same at their will and pleasure.

General objects. **3.** The general objects for which the corporation is constituted are hereby declared to be to promote thrift, to give relief to the members in times of sickness or distress, to aid them when in pecuniary difficulties, to provide them benefits on retirement, and to make provision for their spouses, legitimate children, children in respect of whom adoption orders have been made by virtue of the Adoption of Children Ordinance and the legitimate issue of any such legitimate or adopted child, fathers, mothers, brothers, sisters, nephews and nieces.

Committee of management. **4.**  
[3,54 of 1973]  
[ 2,18 of 1983 ]  
[ 2, 9 of 1986 ]  
[ 2,13 of 1996 ]  
(1) The affairs of the shall, subject corporation to the rules of management consisting of  
(a) such public officer stationed within the administrative limits of the municipality of Colombo,

being a member of the association and not below the status of an officer whose name appears in the Sri Lanka Civil List\* as the Secretary to the Treasury may be pleased to appoint to be president;

(b) such two public officers, stationed within the administrative limits of the municipality of Colombo, being members of the association and not below the status of officers whose names appear in the Sri Lanka Civil List\* as the Secretary to the Treasury may nominate; and

(c) eleven members of the corporation to be elected once a year at the annual general meeting, subject to the condition that no such member shall hold office for a period of more than three years in succession and that if in service, they should be officers stationed within the administrative limits of the Municipality of Colombo or the administrative limits of the Urban Council of Sri Jayawardenapura, kotte.

For the purpose of this paragraph, the period of three years shall be deemed to commence on the date of the annual general meeting at which the member is first elected to the committee of management and end on the date of the annual general meeting held in the third year following the date on which the member was first elected.

(2) The members of the committee of management nominated by the Secretary to the Treasury under subsection (1) (b) shall be designated as nominated members.

(3) Such nominated members shall receive such remuneration from the funds of the Corporation as the Secretary to the Treasury may from time to time direct : Provided that such remuneration shall not exceed the sum of one hundred rupees each per month or proportionately for any part of a month.

(4) A member of the committee of management who absents himself from more than three consecutive meetings of such committee without a reason which is satisfactory to the members of such committee shall be deemed to have vacated office as a member of such committee.

Powers of committee. **5.** The committee of management shall, subject to the provisions of this Ordinance and of any rules made under section 16, have full power and authority generally to govern, direct, and decide all matters whatsoever connected with the appointment of officers, agents, and servants, and with the administration of the affairs of the corporation and the accomplishment of the objects thereof:

Provided that the said committee shall not exercise any powers which are by this Ordinance or by any rules made under section 16 declared to be exercisable by the corporation in general meeting;

Provided also that no rule made by the corporation in general meeting shall invalidate any

prior act of the said committee which would have been valid if such rule had not been made.

**President. 6.**

[ 4,54 of 1973]

[ 3, 9 of 1986]

(1) Such public officer, stationed within the administrative limits of the municipality of Colombo, being a member of the association and not below the status of an officer whose name appears in the Sri Lanka Civil List\*, as the Secretary to the Treasury may be pleased to appoint, shall be president of the said corporation and committee, and in case of his absence at any meeting a chairman for the occasion shall be chosen by the members present.

(2) Such president shall receive such remuneration from the funds of the corporation as the Secretary to the Treasury may from time to time direct:

Provided that such remuneration shall not exceed the sum of seven hundred and fifty rupees per month or proportionately for any part of a month.

Joint secretary and treasurer.

**7.** The committee of management shall subject to his consent select an officer of the public service with the approval of Government to act in the joint office of secretary and treasurer to the corporation, and the officer so appointed shall be duly seconded by Government on such terms and conditions as may be agreed upon from time to time between the Government and the said committee with the consent of the said officer, and he shall furnish security in such amount and in such manner as the said committee may from time to time direct.

Duties of joint secretary and treasurer.

**8.** The joint secretary and treasurer shall receive and keep account of all the moneys and funds belonging to the corporation, and shall pay all claims, loans, advances, and expenses authorized by the committee of management. He shall also prepare and submit monthly to the said committee an account of the transactions of the corporation and generally act under the direction of the president.

Committee meetings.

**9.** Meetings for the transaction of the business of the said committee shall be held at least once in every month, and the president, on the requisition of two committee members, shall call a meeting of the committee at any time for the transaction of such business as may be mentioned in the requisition.

Quorum, President to have a casting vote.

**10.** Five members of the committee shall constitute a quorum, and the president, or, in his absence, the chairman, shall have a casting vote in addition to his original vote.

Vacancies how filled.

[ 2,13 of 1996]

**11** On the death, resignation, transfer from the administrative limits of the Municipality of Colombo or within the administrative limits of the Urban Council of Sri Jayawardenepura, kotte (if in service), vacation of office under subsection (3) of section 4, or absence from Sri Lanka of any member of the committee of management not being the president or one of the two nominated members, or in the event of such member of the committee of management ceasing to be a member of the corporation under the rules made as hereinafter provided, it shall be lawful for the remaining members of the committee of management to elect any member of the corporation as his successor, and the member so elected shall continue in office until the annual general meeting of the corporation next following his election :

Provided that the member so elected, if in service, shall be stationed within the administrative limits of the Municipality of Colombo or within the administrative limits of the Urban Council of Sri Jayawardenepura, kotte.

Register. **12.**

(1) The committee of management shall cause a register to be kept in which every person who at the date of the passing of this Ordinance is a member of the said association, and every person thereafter duly admitted a member of the corporation hereby constituted shall have his name inscribed.

(2) Every person holding an appointment in the public service or in any quasi public department who fulfils the requirements of the rules shall be eligible for admission as a member, and may, in the discretion of the said committee, be admitted a member.

(3) The register shall contain the following particulars:

(a) the name, age on admission, address, and occupation of each member;

(b) the date at which the name of any person was inscribed in the register as a member;

(c) the date at which any person ceased to be a member;

(d) such other information as may be required by the committee of management from time to time.

Books of account. **13.** The committee of management shall also cause proper books of account to be kept, which shall be open at all reasonable times to the inspection of members of the corporation, and of any person or persons whom the Secretary to the Treasury may at any time appoint to examine the same.

Remuneration to member or members of committee. **14.** It shall be lawful for the corporation, by resolution passed at any general meeting, to remunerate the services of any member or members of the committee of management, and from time to time to fix the amount of such remuneration, and to require such security from such member or members of the committee of management so remunerated as may be deemed sufficient.

Benefits to employees.

[5,15 of 1966]  
[ 3,18 of 1983]  
[ 4,13 of 1996]

**15.**

(1) It shall be lawful for the corporation out of its moneys and funds

(a) to contribute to any provident fund duly established for the benefit of its employees and to pay gratuities to its employees upon their retirement and to the dependants of employees who have died while in the service of the corporation, and

[ 6,54 of 1973] (b) to grant loans to its employees for-

(i) the relief of distress, including sickness of themselves and members of their families,

(ii) the redemption of debts,

(iii) the tiding over financial difficulties,

(iv) the purchase of push bicycles and motor

cycles to facilitate their daily travel to and from the office: Provided, however, that in the case of any single employee, the sum so granted shall not exceed the amount approved by the Secretary to the Treasury or the cost of the means of transport, whichever is less,

(v) the celebration of festivals and,

(vi) the purchase of a land or a building for the purpose of dwelling, or for construction of a building for the purpose of dwelling, subject however, to the rules of the corporation,

(2) The sum total of the loans granted by the corporation under paragraph (b) of subsection (1) shall not exceed such maximum as the Secretary to the Treasury may fix from time to time.

## Rules. 16.

(1) It shall be lawful for the corporation from time to time at any general meeting of the members and by a majority of votes to make rules for

(a) the admission, withdrawal, or expulsion of members;

(b) the imposition of fines and forfeitures for breaches of rules;

(c) the conduct of the duties of the committee of management and of the various officers, agents, and servants of the corporation ;

(d) the procedure in the transaction of business;

(e) the establishment and regulation of a provident fund for the benefit of the employees of the corporation or any of them and for all matters incidental thereto, including the determination of the amounts from time to time to be paid into such provident fund, whether by such employees or by the corporation from its funds, on account of contributions, bonus, interest, or otherwise, and the manner and conditions of making payments from such provident fund ;

(f) the payment of gratuities from the funds of the corporation to specified employees of the corporation upon the retirement of such employees from the service of the corporation or for the benefit of the dependants of specified employees who have died while still in the service of the corporation and for all matters incidental thereto, including the method of calculation and the conditions of payment of such gratuities, and otherwise;

(g) the granting of loans to employees for the purposes specified in section 15 ;

(h) generally for the management of the affairs of the corporation and the accomplishment of its objects.

(2) Such rules when made may at a like meeting be altered, amended, or cancelled, subject however to the requirements of section 21:

Provided that no rule or alteration, amendment, or cancellation of any

rule shall have effect until the same is confirmed by the Minister in charge of the subject of Finance.

(3) Notice of such confirmation shall be published in the Gazette, and thereupon the same shall be as valid and effectual as if it had been herein enacted. Declaration of construction of powers conferred by this section.

[7,54 of 1973]

(4) For the removal of doubts, it is hereby declared that the powers conferred co on the corporation by this section to make rules at any general meeting of the members thereof for the management of the affairs the corporation and the accomplishment of its objects include, and shall from the commencement of this Ordinance be deemed to have included, the power to make rules containing provision to the effect that, upon the death of any such member, the benefits accruing to his spouse and legitimate children may be paid only to such of them as he may nominate, or be apportioned among all or any of them in such shares as he may specify.

(5) It is hereby declared that the powers of conferred on the corporation by this section to make rules at any general meeting of the members thereof for the management of the affairs of the corporation and the accomplishment of its objects include, and shall from the twenty-fourth day of May, 1949, be deemed to have included, the power to make rules containing provision to the effect that, upon the death of any such member, the benefits accruing to his father, mother, brothers, sisters, nephews and nieces may be conditional only upon no legitimate child or the legitimate issue of a legitimate child surviving him, and that such benefits so accruing to his father, mother, brothers, sisters, nephews and nieces may be paid only to such of them as he may nominate, or be apportioned among all or any of them in such shares as he may specify.

## General 17. meeting

[7, 15 of 1966]

[5,13 of 1996]

(1) The joint secretary and treasurer, upon the request of the committee of management, or upon the written requisition of two hundred or more members of the corporation, shall call a general meeting.

(2) No general meeting shall be held unless the quorum of members prescribed by the rules be present, and unless at least seven days' notice, specifying the time and place of such meeting and the purpose for which it is to be held, has been given by advertisement in two or more of the local newspapers, or in such other manner as may be required by any rule made by the corporation; and no business shall be brought before or transacted at such meeting other than the business specified in such notice.

## Business of 18. annual general meeting.

[3,2 of 1978]

[4,35 of 1991]

(1) An annual general meeting of the members of the corporation shall be held not later than the thirty-first day of August in each year, when there shall be submitted a balance sheet, a profit and loss account, and an account of receipts and disbursements during the twelve months ending on the thirty-first day of December preceding, all of which shall be prepared by the joint secretary and treasurer and duly audited. Election of committee members.

(2) Such statement and account shall be examined, and the correctness of the balance sheet ascertained by the Auditor-General.

(3) At such annual general meeting the required number of members of the committee of management shall be elected and all business shall be transacted of which due notice shall have been given.

Who shall preside **19.** The president of the corporation shall preside at all general meetings of the corporation, and in his absence the members present shall elect a chairman for the occasion. The president, or in his absence the chairman, shall have a casting vote.

Security from officers, agents, and servants. **20.** It shall be lawful for the committee of management to require security to be given by any of the officers, agents, or servants appointed by them, and to determine the nature and value of such security.

Mode in which rule or order once made maybe subsequently altered, amended, or cancelled. **21.** No rule passed and no decision come to by the corporation in general meeting shall be altered, amended, or cancelled, except by at least a majority of two-thirds of the members present and voting at any subsequent general meeting.

Property vested in corporation. **22.**

(1) On the coming into operation of this Ordinance all and every the property belonging to the said' association, whether held in the name of the said association or in the name of any person or persons in trust for the said association, shall be and the same are' hereby vested in the corporation hereby constituted, and the same together with all after-acquired property and all subscriptions, contributions, donations, fines, amounts of loans and advances received or to be received, shall be held by the said corporation for the purposes of this Ordinance.

Debts due and payable to association. (2) All debts and liabilities of the said by association existing at the time of the coming into operation of this Ordinance shall be paid by the corporation hereby constituted, and all debts due to, and subscriptions, contributions, fines, and amounts of loans and advances payable to the said association shall be paid to the said corporation for the purposes of this Ordinance.

Funds of the corporation how operated on. **23.** The funds of the corporation shall be placed in the name of the corporation in one or more banks to be approved by the Secretary to the Treasury, and such funds may be operated on in the due course of the corporation's business by any two of the following:

- (a) the president;
- (b) any one of the two nominated members;
- (c) the officer for the time being acting as joint secretary and treasurer of the corporation or any officer acting for the time being on behalf of the joint secretary and treasurer with the sanction of the committee of management.

Power to invest surplus funds **24.**



and to obtain bank loans.

(1) It Shall be lawful for the committee of management to place the whole or any part of the surplus funds belonging to the corporation, and not required for loans, advances, and other current expenses in fixed deposit in one or more of the local banks, or to invest the same in securities of the Government of Sri Lanka or in any Government Savings Bank or the National Savings Bank or in securities issued by any Municipality in Sri Lanka, or in such other manner as may from time to time be approved by the Secretary to the Treasury.

(2) It shall be lawful for the committee of management to obtain bank loans by way of overdrafts against securities for the accomplishment of the objects of the association.

Appointment of officers, agents, amp c.

**25.** The committee of management may from time to time under the common seal of the corporation appoint such officer or officers, agent or agents, as they may consider necessary for recovering all dividends, interest, or other revenue to be derived from such investments, or for otherwise carrying out the provisions of this Ordinance; and all persons so appointed shall hold office during the pleasure of, and shall be entitled to such remuneration as may be determined by, the said committee.

Seal of corporation how affixed.

**26.** The seal of the corporation shall not be affixed to any instrument whatsoever, except in the presence of any two of the four officers mentioned in section 23, who shall sign their names to the instrument in token of their presence and such signing shall be independent of the signing of any person as a witness.

Corporation may hold property, movable and immovable.

**27.** The corporation shall be able and capable in law to take and hold any property movable or immovable which may become vested in it by virtue of any grant, gift, testamentary disposition, or otherwise, and all such property shall be held by the corporation for the purposes of this Ordinance.

Corporation may demise lands on lease.

**28.** It shall be lawful for the corporation to demise any of the lands vested in it for building or other purposes, on lease for any term not exceeding ninety-nine years, reserving the best yearly or monthly rental procurable for the same, and with the ordinary covenants for re-entry in case of non-payment of rent, breach of covenant, or otherwise.

Corporation may not sell, exchange, or mortgage lands without leave of court.

**29.**

(1) It Shall not be lawful for the corporation to sell, exchange, or mortgage any of the lands vested in it without the leave of the District Court of Colombo, which leave shall be applied for by petition addressed to the said court setting out the facts and reasons for which the corporation desires to sell, exchange, or mortgage such lands, and praying for a decree of the said court.

(2) A copy of every such petition shall be served on the Attorney-General at least fourteen days before the hearing of the petition.

(3) The Attorney-General may oppose the prayer of the petition, and if, after hearing him upon such opposition,



the said court shall be of opinion that it will be for the general advantage of the corporation to grant the prayer of the petition, a decree may be made to that effect; and any land so sold or exchanged or any land which, having been mortgaged, is sold in execution under a mortgage decree obtained from a competent court, shall be held by the purchaser or person taking the same in exchange free of the trusts created by this Ordinance.

Doubt or ambiguity how decided. **30.** In case any doubt or ambiguity shall arise, and any controversy shall take place among the members of the corporation and decided of the committee of management, or either of them, as to the interpretation of this Ordinance or as to the powers of the said committee, the same shall be referred to the Secretary to the Treasury whose decision shall be final and conclusive.

Saving of rights of the republic and of certain others rights. **31.** Nothing in this Ordinance contained shall affect or be deemed to affect the rights of the Republic, or of any body politic or corporate, or of any other person, except such as are mentioned in this Ordinance and those claiming by, from, or under them.