PARLIAMENT OF THE DEMOCRATIC

SOCIALIST REPUBLIC OF

SRI LANKA

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CEYLON HOTELS CORPORATION

(REPEAL) ACT, NO. 25 OF 2007

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[Certified on 12th July, 2007]

Printed on the Order of Government

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Ceylon Hotels Corporation (Repeal) 1

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L.D.—O. 41/2005.

ANACT TO PROVIDE FOR THE TAKING OVER OF THE FUNCTIONS OF THE

CEYLON HOTELS CORPORATIONBYAPUBLICCOMPANYINCORPORATED

FOR THAT PURPOSE; TO REPEAL THE CEYLON HOTELS CORPORATION

ACT, NO. 14 OF 1966 ; AND FOR MATTERS CONNECTED THEREWITH

ANDINCIDENTAL THERETO.

BE it enacted by the Parliament of the Democratic Socialist

Republic of Sri Lanka as follows :—

1. (1) This Act may be cited as the Ceylon Hotels Short title and

Corporation (Repeal) Act, No. 25 of 2007. The Minister may date of

operation.

by Order published in the Gazette appoint a date (hereinafter

referred to as the “appointed date”) which date shall be the

date from which the repeal of the Ceylon Hotels Corporation

Act, No. 14 of 1966, shall take effect.

(2) Notwithstanding the repeal of the Ceylon Hotels

Corporation Act, the Minister shall, in consultation with the

Minister in charge of the subject of Finance, direct the

Registrar of Companies, under subsection (1) of section 2 of

the Conversion of Public Corporations or Government Owned

Business Undertakings into Public Companies Act, No. 23 of

1987, to incorporate a company to take over the functions of

Ceylon Hotels Corporation as specified in the direction. The

company incorporated in pursuance of such direction shall

be designated as the “Ceylon Hotels Corporation Limited”.

The provisions of the Conversion of Public Corporations or

Government Owned Business Undertakings into Public

Companies Act, No. 23 of 1987, shall apply to and in relation

to the Ceylon Hotels Corporation Limited :

Provided however, the provisions of subsection (3) of

section 2 of the Conversion of Public Corporations or

Government Owned Business Undertakings into Public

Companies Act, No. 23 of 1987 shall have no application to

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the vesting of the ordinary and preference shares held by the

Ceylon Hotels Corporation on the day immediately preceding

the appointed date and accordingly the ordinary and

preference share structure applicable on such date shall

continue to be applicable to the share structure of the Ceylon

Hotels Corporation Limited, with effect from the appointed

date :

Provided further that—

(a) the shareholders of the Ceylon Hotels Corporation

on the date immediately preceding the appointed

date shall with effect from the appointed date

continue to be the shareholders of the Ceylon Hotels

Corporation Limited ; and

(b) the Directors of the Ceylon Hotels Corporation

holding office on the date immediately preceding

the appointed date shall with effect from the

appointed date be deemed to be the first Directors

of the Ceylon Hotels Corporation Limited.

(3) Every reference to the “Ceylon Hotels Corporation”,

“shareholders of the Ceylon Hotels Corporation” and “the

Directors of the Ceylon Hotels Corporation ” in any written

law, notice, notification or other document shall be read and

construed as a reference respectively to “the Ceylon Hotels

Corporation Limited”, “shareholders of the Ceylon Hotels

Corporation Limited” and “the Directors of the Ceylon Hotels

Corporation Limited ”.

(4) (a) The officers and servants of the Ceylon Hotels

Corporation holding office on the day immediately preceding

the appointed date shall, with effect from the appointed date,

be offered employment in the Ceylon Hotels Corporation

Limited on terms and conditions not less favourable than

those enjoyed by them on the day immediately preceding

the appointed date.

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(b) The taking over of employment in the Ceylon Hotels

Corporation Limited by an employee of the Ceylon Hotels

Corporation, shall for purposes of the Termination of

Employment of Workmen (Special Provisions) Act, No. 45 of

1971, be deemed not to be a termination of the service of

such employee by the Ceylon Hotels Corporation.

(c) An officer or servant referred to in paragraph (a), who

wishes to opt out of service in the Ceylon Hotels Corporation

Limited may do so within three months from the date on

which he was notified of the available offer of serving in the

Ceylon Hotels Corporation Limited. If an officer or servant

exercises his option not to accept the offer, he shall be paid

compensation under a voluntary retirement scheme to be

implemented in that behalf, with the approval of the Cabinet

of Ministers.

(d) An officer or servant who retires under the voluntary

retirement scheme referred to in paragraph (c) shall, being a

member of the Employees’ Provident Fund be paid in terms

of the provisions of sub-paragraph (ii) of paragraph (f) of

subsection (1) of section 23 of the Employees’ Provident

Fund Act, No. 15 of 1958, the total amount lying to the credit

in the individual account of such officer or servant in such

Fund, as soon as may be practicable after such officer or

servant retires obtaining compensation, under such voluntary

retirement scheme.

(5) The Secretary to the Treasury may, with the prior

approval of the Cabinet of Ministers dispose of the remaining

preference shares after converting them to ordinary shares of

the Ceylon Hotels Corporation or of any rights over such

shares, other than ten per centum of the shares which shall in

the manner directed by the Minister, be distributed among

the employees of the Ceylon Hotels Corporation, who on the

day immediately preceding the appointed date are so

employed, and such shares shall be vested in the Employees’

Provident Fund and the Employees’ Trust Fund, in the name

of such employees.

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(6) Notwithstanding anything to the contrary in any other

written law the Memorandum and Articles of Association of

the Ceylon Hotels Corporation Limited, shall contain

provisions to the effect that the Board of Directors of the

Ceylon Hotels Corporation Limited shall include a member

of the Board of Trustees of the Employees’ Trust Fund.

Savings. 2. (1) All contracts, agreements and other instruments of

the Ceylon Hotels Corporation, subsisting on the day

immediately preceding the appointed date shall, with effect

from the appointed date be deemed to be the contracts,

agreements and other instruments, as the case may be, entered

into by the Ceylon Hotels Corporation Limited.

(2) All suits, actions and other legal proceedings instituted

by, or against the Ceylon Hotels Corporation and pending

on the day immediately preceding the appointed date shall,

with effect from the appointed date be deemed to be suits,

actions and other proceedings instituted by, or against, as the

case may be, the Ceylon Hotels Corporation Limited.

(3) All the rights, liabilities and obligations of the Ceylon

Hotels Corporation subsisting on the day immediately

preceding the appointed date shall, with effect from the

appointed date be deemed to be the rights, liabilities and

obligations, as the case may be, of the Ceylon Hotels

Corporation Limited.

(4) Every decree, order or judgement entered in favour of

or against the Ceylon Hotels Corporation by any Court in

any action or proceeding, and remaining unsatisfied on the

day immediately preceding the appointed date, shall with

effect from the appointed date, be deemed to be a decree,

order or judgement entered in favour of or against, as the case

may be, the Ceylon Hotels Corporation Limited, and may

enforced accordingly.

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3. In the event of any inconsistency between the Sinhala Sinhala text to

prevail in case of

and Tamil texts of this Act, the Sinhala text shall prevail. inconsistency.

4. In this Act, unless the context otherwise requires— Interpretation.

“Ceylon Hotels Corporation” means the Ceylon Hotels

Corporation established under the Ceylon Hotels

Corporation Act, No. 14 of 1966 ;

“Employees’ Provident Fund” means the Employees

Provident Fund established under the Employees

Provident Fund Act, No. 15 of 1958 ;

“Employes’ Trust Fund” means the Employees Trust

Fund established under the Employees’ Trust Fund

Act, No. 46 of 1980 ; and

“Public Company” means a Public Company registered

under the Companies Act, No. 7 of 2007.

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