

CHAPTER 185

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

Law  
No. 23 of 1976.

A LAW TO PROVIDE FOR THE ESTABLISHMENT OF THE NATIONAL INSTITUTE OF BUSINESS MANAGEMENT AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

[1st January. 1977.]

Short title.

1. This Law may be cited as the National Institute of Business Management Law.

the various functional areas of management for advice, consultancy and special assignments;

PART 1

CONSTITUTION. OBJECTS. POWERS AND FUNCTIONS OF THE NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

Establishment of the National Institute of Business Management.

2. (I) There shall be established an institute which shall be called the National Institute of Business Management (hereinafter in this Law referred to as the "Institute") which shall consist of the persons who are for the time being members of the Institute under section 6.

(c) to assist Government and private organizations to improve productivity, establish performance standards, determine rational monetary compensation systems and evolve appropriate programmes for human relations;

(d) to actively co-operate with other organizations, groups and individuals in management training, research and related activities in Sri Lanka and abroad;

(2) The Institute 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 its corporate name.

(e) to disseminate information on the functions and activities of the Institute to the public and relevant institutions;

(3) The members of the Board of Governors shall be the members of the Institute.

(f) to train and educate workers for creative participation in management and appreciation of organizations, functions and problems;

General objects of the Institute.

3. (1) The general objects of the institute shall be—

(a) to train and educate managerial and supervisory staff of industrial and commercial undertakings of the public and private sector and other persons in modern management and productivity, and to award certificates and diplomas, in connection therewith;

(g) to represent the Institute before appropriate national and international bodies and conferences;

(b) to make available to the Government and the country the services of a group of specialists, in

(h) to undertake research and to gather data on aspects of management and relevant socio-economic phenomena for a better appreciation of environmental context;

- (i) to provide a forum for critical appraisal and modification of management and organization theories for application in the special circumstances of Sri Lanka;
  - (j) to sponsor and hold conferences and seminars and publish books, journals and magazines in connexion with management and productivity, with the assistance of approved national or international organizations where necessary;
  - (k) to co-ordinate and liaise with approved management and productivity bodies in Sri Lanka and other countries.
- (2) It shall be the duty of the Institute to advise the Minister and the Government on any or all of the matters referred to in subsection (1) and on any other matter that may be referred to the Institute for advice by the Minister and the Government.

Powers of the Institute.

**4.** The Institute shall have such powers, rights and functions as may reasonably be necessary to carry out its objects and duties and in particular may—

- (a) acquire in any manner whatsoever and hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of, any movable or immovable property;
- (b) establish and operate management training and education centers;
- (c) conduct, assist, co-ordinate and encourage research into all aspects of management;
- (d) appoint, employ, remunerate and exercise disciplinary control over its officers and servants;
- (e) levy fees or charges for any service rendered by the Institute ;
- (f) pay fees or charges for any services rendered to the Institute ;
- (g) import plant, machinery and equipment required for the purposes of the Institute, and receive equipment, funds, personnel and any other assistance for carrying out the objects of the Institute,

- (h) establish work performance standards for its own personnel, evaluate such performance and take reasonable action thereupon;
- (i) establish and maintain welfare and recreational facilities for its employees;
- (j) make rules in relation to its officers and servants including the appointment, training, promotion, remuneration, disciplinary control, conduct and grant of leave ;
- (k) make rules in respect of the general administration of the Institute ;
- (l) do all other things which are necessary or conducive or incidental to the attainment of the objectives and functions of the Institute.

**5.** In the exercise of its powers and the carrying out of its objects the Institute shall comply with the general policy of the Government and with any general or special direction issued by the Minister in relation to such policy.

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

**6.** (1) The Institute shall have a Board of Governors (hereinafter in this Law referred to as the " Board "), consisting of the following members appointed by the Minister, namely—

Constitution of the Board of Governors.

- (a) a Chairman who shall be the person for the time being holding office as Director-General of the Institute ;
- (b) the person for the time being holding office as Secretary to the Ministry charged with the subject of Industries, or his accredited nominee;
- (c) the person for the time being holding office as Secretary to the Ministry charged with the subject of Planning, or his accredited nominee;
- (d) the person for the time being holding office as Secretary to the Ministry charged with the subject of Finance, or his accredited nominee;

- (e) the person for the time being holding office as Secretary to the Ministry charged with the subject of Labour, or his accredited nominee ;
- (f) the person for the time being holding office as Secretary to the Ministry charged with the subject of Overseas and Inland Trade, or his accredited nominee;
- (g) a person who in the opinion of the Minister has distinguished himself or otherwise specially qualified in relation to trade union activities;
- (h) a person for the time being holding office as elected Head of a recognized Employers Federation or Chamber of Commerce.

(2) A person shall be disqualified from being appointed, or for continuing, as a member of the Board—

- (a) if he is or becomes a Member of Parliament; or
- (b) if he, directly or indirectly, holds or enjoys any right or benefit under any contract made by or on behalf of the Institute; 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 member of the Board.

Term of office of members of the Board.

**7.** (1) Every member appointed under subsection (1) of section 6 shall, unless he vacates office earlier by death, resignation or removal, hold office for a period of three years.

(2) (a) Where a member of the Board appointed under subsection (1) of section 6 dies or resigns or is removed from office, the Minister may, having regard to the provisions of that subsection, appoint another person to be a member in place of the member who dies, resigns or is removed from office.

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

(3) Where a member of the Board appointed under subsection (1) of section 6 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, having regard to the provisions of that paragraph, appoint any person to act in his place.

**8.** (1) The Minister may, if he considers it expedient so to do, remove by Order published in the Gazette any member of the Board appointed under subsection (1) of section 6 without reasons stated.

Power of the Minister to remove from office a member of the Board.

(2) The removal of any member under subsection (1) shall not be called in question in any Court.

**9.** A member of the Board may at any time resign his office by letter addressed to the Minister.

Resignation of members of the Board.

**10.** Any member who vacates his office, other than a member who is removed from office under section 8, shall be eligible for reappointment.

Eligibility for reappointment as member of the Board.

**11.** No act or proceeding of the Institute shall be deemed to be invalid by reason only of the existence of any vacancy in the Board or defect in the appointment of any member of the Board.

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

**12.** Ail or any of the members of the Board may be paid such remuneration out of the funds of the Institute as may be determined by the Minister with the concurrence of the Minister in charge of the subject of Finance.

Remuneration of members of the Board.

**13.** (1) The meetings of the Board shall be held once at least every month.

Meetings of the Board.

(2) The Chairman shall summon a special meeting of the Board within seven days after being requested in writing to do so by two members of the Board.

(3) The Chairman shall give at least seven days' notice in writing of every meeting of the Board to each of the

members, and shall specify in such notice the business to be dealt with at such meeting,

(4) Five members shall form a quorum at any meeting of the Board.

(5) The Chairman shall preside at meetings of the Board and in the absence of the Chairman from any meeting of the Board a member chosen by the majority of members present shall preside at such meeting.

(6) If the 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 to act in his place.

(7) Where there is an equality of votes on any matter or thing decided at a meeting of the Board, the Chairman at such meeting shall, in addition to his vote, have a second or casting vote.

(8) Subject to the provisions herein contained the Board may determine its own procedure.

Board to administer the affairs of the Institute

**14.** The Board shall administer the affairs, may exercise the powers, and shall perform the duties of the Institute.

Delegation of powers and duties of the Board.

**15.** The Board may delegate to the Director-General or any other member of Institute or any body or committee of employees any of its powers and duties.

**PART II**

**APPOINTMENT OF THE DIRECTOR-GENERAL OF THE INSTITUTE AND OTHER OFFICERS AND SERVANTS OF THE BOARD**

Appointment of the Director-General of the Institute.

**16.** (1) The Minister shall appoint a person suitably qualified in relation to the work of the Institute as the Director-General of the Institute hereinafter in this Law referred to as the " Director-General ".

(2) The Director-General may be paid such remuneration as may be determined by the Minister with the concurrence of the Minister in charge of the subject of Finance.

(3) The Director-General shall execute or perform such powers, functions and duties as may be delegated to him.

**17.** (I) Subject to the other provisions of this Law the Board may—

(a) appoint to the staff of the Institute such other officers and servants as may be necessary for the purposes of the Institute;

(b) dismiss and exercise disciplinary control over the staff of the Institute;

(c) fix the wages or salaries or other remuneration of the staff;

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

(e) do anything for the purpose of advancing the skill of persons employed by the Institute or the efficiency of the equipment of the Institute or the manner in which that equipment is operated including the provision by others of facilities for training persons required to carry out the work of the Institute.

Powers of the Board in regard to appointments and training of the staff of the Institute.

(2) Rules may be made under this Law in respect of all or any of the matters referred to in subsection (1).

**18.** (1) The Board may delegate to the Director-General of the Institute all or any of its powers relating to the appointment of other officers or servants to the staff of the Institute. The conditions of employment including remuneration of any of the members of the professional staff appointed by the Director-General under the powers delegated to him shall be determined by him with the concurrence of the Board.

Delegation of powers of the Board in regard to appointments to the Director-General.

(2) Any person aggrieved by any decision made by the Director-General under this section may appeal therefrom in writing to the Board and the decision of the Board on such appeal shall be final.

(3) The dismissal by the Director-General of any member of the professional staff of the Institute shall not take effect unless it is approved by the Board.

Determination of duties,

**19.** The Director-General shall determine the duties of the officers and servants of the Institute.

Appointment of public officers to the staff of the Institute,

**20.** (I) At the request of the Board any officer in the public service may, with the consent of that officer and of the Secretary to the Ministry charged with the subject of Public Administration, be temporarily appointed to the staff of the Institute 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 Institute, the provisions of subsection (2) of section 9 (other than the provisions of paragraph (a) of that subsection) of the Motor Transport Act, No. 48 of 1957,\* shall *mutatis mutandis* apply to and in relation to such officer.

(3) Where any public officer is permanently appointed to the staff of the Institute, 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 such officer.

(4) Any officer or servant of a State Corporation! may, with the consent of such officer or servant and the Board of Directors of such Corporation, be temporarily or permanently appointed to the staff of the Institute on such terms and conditions, including those relating to the Provident Fund rights, as may be agreed upon by the Board of Directors of that Corporation and the Board of Governors of the Institute.

(5) Where the Institute employs any person who 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 by that person shall be

regarded as service to the Government for the purpose of discharging the obligations of such contract.

**21.** No officer of the Institute shall render paid services to any other person or persons without the consent of the Director-General and the Board.

Rendering of services by employees of the Institute to other employers.

PART 111

FINANCE

**22.** (1) The Institute shall have its own fund.

The fund of the Institute.

(2) There shall be credited to the fund of the Institute:—

(a) all such sums of money as may be voted from time to time by Parliament for the use of the Institute; and

(b) all sums of money received by the Institute in the exercise, discharge and performance of its functions, powers and duties.

(3) All sums of money required to defray any expenditure incurred by the Board in the exercise, discharge and performance of its functions, powers and duties shall be charged on the fund.

**23.** The financial year of the Institute shall be the period of twelve months commencing on the first day of January.

Financial year of Institute.

**24.** The provisions of the Public Corporations (Financial Control) Act shall *mutatis mutandis* apply to the financial control and accounts of the Institute.

Application of the provisions of Public Corporations (Financial Control) Act.

PART IV

GENERAL

**25.** All members, officers and servants of the Institute shall be deemed to be public servants within the meaning of and for the purposes of the Penal Code.

Members and employees of the Institute deemed to be public servants.

\* Repealed by Law No. 19 of 1978.

!The designation "State Corporation" as used in this Law is not found either in the 1972 or 1978 Constitutions. It is presumed that this is a reference to "public corporation" referred to in both Constitutions.

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

**26.** The Institute 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.

(2) A contract made according to this section shall be effectual in law and shall bind the Institute and all persons thereto and their legal representatives.

Secrecy.

**27.** (1) No member of the Board or an officer or servant of the Institute shall disclose to any person except to, the Minister, or for the purposes of the performance of his duties, or the exercise of his functions or when required to do so before a court or under any law, any information acquired by him in the performance of his duties or the exercise of his functions:

**29.** (1) Where any immovable property is required to be acquired for the purpose of the Institute 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 Institute.

Acquisition of immovable property under, the Land Acquisition Act for the Institute.

Provided, however, that no information in relation to matters which the Institute is bound to treat as confidential by any agreement with another party other than the Government shall be disclosed under the preceding provisions of this section.

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

(2) Any person who contravenes the provisions of subsection (1) shall be guilty of an offence.

**30.** (1) Where any immovable property of the State is required for the purpose of the Institute, 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 Institute.

State property both movable and immovable to be made available to the Institute.

Contracts.

**28.** (1) Contracts on behalf of the Institute may be made as follows :—

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

(2) Where any movable property of the State is required for the purpose of the Institute, the Minister may, by Order published in the Gazette, transfer to and vest in the Institute the possession and use of such property.

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

**31.** The State may provide for the use of the Institute such land, building and other facilities as may be deemed necessary.

The State to make available premises, &c.. for the use of the Institute,

(c) a contract which if made between private persons would by law be valid although made by parol only and not reduced into writing, may be made on parol on behalf of the Institute by any person or persons duly authorized thereto by the Board.

**32.** (1) Except with the written approval of the Minister no person other than the Institute shall carry on any activity, business, trade or occupation under the designation which contains the words " National Institute of Business Management" or such other words the use of which would imply that such person is carrying on such activity, business^ trade or occupation in association with or with the approval of or under the authority of the " National Institute of Business Management. "

Restriction on use of words " National Institute of Business Management".

(2) Any person who contravenes the provisions of subsection (1) shall be guilty of an offence,

done by him under this Law or on the direction of the Board.

Power of the Minister to give special or general directions to the Board.

**33.** (1) The Minister may give special or general directions in writing as to the performance of the duties and the exercise of the powers of the Board, and the Board shall give effect to such directions-

(2) Any expense incurred by such person as is referred to in subsection (1) in any suit or prosecution brought against him before any court in respect of any act which is done by him under this Law or on the direction of the Board shall, if the court holds that the act was done in good faith, be paid out of the funds of the Board.

Rules.

**34.** (1) The Institute may make rules in respect of all or any of the matters for which rules are authorized or required by this Law to be made.

**36.** 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.

(2) No rule made by the Institute shall have effect until it has been approved by the Minister.

**37.** Every person who commits an offence under this Law shall on conviction after trial before a Magistrate be liable to imprisonment of either description for a period not exceeding six months or to a fine not less than five hundred rupees or to both such fine and imprisonment.

Offences and penalties.

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

- 35.** (1) No suit or prosecution shall lie—
- (a) against the Board for any act which in good faith is done or purported to be done by the Board under this Law; or
  - (b) against any member, officer, servant or agent for any act which in good faith is done or purported to be

**38.** The Institute shall be the successor to the Management Development and Productivity Centre and all contracts, obligations, assets, liabilities, staff and equipment shall accordingly be deemed to be part of the contracts, obligations, assets, liabilities, staff and equipment of the Institute.

Institute to succeed to contracts, obligations, assets, liabilities, &c., of the Management Development Productivity Centre.