



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**SRI LANKA INSTITUTE OF  
CO-OPERATIVE MANAGEMENT  
ACT, No. 37 OF 1983**

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[Certified on 6th October, 1983]

*Printed on the Orders of Government*

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*Sri Lanka Institute of Co-operative Management*  
*Act, No. 37 of 1983*

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L. D.—O. 75/75

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE SRI LANKA  
INSTITUTE OF CO-OPERATIVE MANAGEMENT AND FOR MATTERS  
CONNECTED THEREWITH OR INCIDENTAL THERETO.

BE it enacted by the Parliament of the Democratic Socialist  
Republic of Sri Lanka as follows :—

1. This Act may be cited as the Sri Lanka Institute of Co-operative Management Act, No. 37 of 1983, and shall come into operation on such date as may be appointed by the Minister by Order published in the *Gazette* (hereinafter referred to as the “appointed date”).

Short title  
and date of  
operation.

PART I

CONSTITUTION, OBJECTS, POWERS AND FUNCTIONS OF THE SRI  
LANKA INSTITUTE OF CO-OPERATIVE MANAGEMENT

2. (1) There shall be established an Institute which shall be called the “Sri Lanka Institute of Co-operative Management” (hereinafter referred to as the “Institute”) which shall consist of the persons who are for the time being members of the Institute under section 6.

Establish-  
ment of the  
Sri Lanka  
Institute of  
Co-operative  
Management.

(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.

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

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

General  
objects  
of the  
Institute.

(a) to render management consultation to co-operative societies ;

(b) to assist and render such consultation services to other organizations in matters affecting the co-operative sector ;

(c) to render follow-up services to guide the implementation of recommendations arising from such services as have been agreed to and accepted by the co-operative societies.

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Act, No. 37 of 1983*

- (d) to render advice and guidance on the feasibility and operation of agricultural, industrial, commercial and other ventures of co-operative societies ;
  - (e) to develop such training programmes as the Institute's consultancy experience may show to be necessary to develop the skills required for efficient management of co-operative societies ;
  - (f) to render assistance to the co-operative sector and in particular to the co-operative education and training institutions at national and district levels in order to improve their programmes of management training ;
  - (g) to produce and issue teaching aids, such as cases, manuals, model job descriptions and other management communication documents ;
  - (h) to sponsor and hold conferences and seminars, and publish books, journals and magazines, in connection with co-operative management and training ;
  - (i) to initiate and undertake research, surveys and studies on aspects of co-operative management and training either by itself or in association with co-operative societies and other institutions in Sri Lanka or abroad ;
  - (j) to collect and disseminate information on co-operative management and performances ; and
  - (k) to disseminate information on the functions and activities of the Institute to the public and relevant institutions.
- (2) It shall be the duty of the Institute to advise the Minister 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.

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) appoint, employ, remunerate and exercise disciplinary control over its officers and servants ;
- (c) establish and maintain welfare and recreational facilities for its employees ;
- (d) make rules in respect of the administration of the affairs of the Institute ;
- (e) enter into and perform, either directly or indirectly, all such contracts or agreements as may be necessary for the exercise of the powers of the Institute and the carrying out of the objects of the Institute ;
- (f) borrow money for the purposes of the Institute in such manner and upon such security as the Institute may, with the approval of the Board of Directors, determine, and to invest the surplus moneys of the Institute ;
- (g) import plant, machinery, equipment and any other articles as may be 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) delegate to any member, the General Manager of the Institute or any employee or agent, such functions as the Board of Directors may consider necessary for the efficient transaction of its business ;
- (i) establish work performance standards for its own personnel, evaluate such performance and take reasonable action thereon ;
- (j) levy fees, receive and disburse moneys for the accomplishment of the objects of the Institute ; and
- (k) do all other things which are necessary or conducive or incidental to the attainment of the objects 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.

Constitution  
of the  
Board of  
Directors.

6. (1) The Institute shall have a Board of Directors (hereinafter referred to as the "Board"), consisting of—

(a) five Directors appointed by the Minister from among those who have experience in co-operative matters, administration, banking and finance, agriculture, industry, marketing and distribution; and

(b) the following *ex officio* members, namely—

(i) the President of the National Co-operative Council of Sri Lanka; and

(ii) the Commissioner of Co-operative Development.

(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 is adjudged by a competent court to be of unsound mind; or

(c) if he is an undischarged insolvent or bankrupt; or

(d) if he is convicted of an offence involving moral turpitude and which is punishable with a term of imprisonment exceeding six months.

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

(4) Where a member of the Board appointed under paragraph (a) of subsection (1) becomes 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 another person to act in his place.

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| <p>7. (1) Every member appointed under paragraph (a) of subsection (1) of section 6 shall, unless he vacates office earlier by death, resignation or removal, hold office for a period of three years.</p> <p>(2) Every <i>ex officio</i> member of the Board shall hold office as long as he holds the post by virtue of which he was appointed a member of that Board.</p>             | <p>Term of office of the Board of Directors.</p>                          |
| <p>8. (1) The Minister may at pleasure remove, by Order published in the <i>Gazette</i>, any member of the Board appointed under paragraph (a) of subsection (1) of section 6.</p> <p>(2) A member of the Board in respect of whom an Order under subsection (1) is made by the Minister shall vacate his office on the date of the publication of such Order in the <i>Gazette</i>.</p> | <p>Power of the Minister to remove from office a member of the Board.</p> |
| <p>9. A member of the Board other than an <i>ex officio</i> member may at any time resign his office by letter addressed to the Minister.</p>  | <p>Resignation of members of the Board.</p>                               |
| <p>10. Any member who vacates his office, other than a member who is removed from office under section 8, shall be eligible for reappointment.</p>   | <p>Eligibility for reappointment as member of the Board.</p>              |
| <p>11. No action 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.</p>   | <p>Institute may act despite vacancy.</p>                                 |
| <p>12. All or any of the members of the Board may be paid such remuneration out of the fund of the Institute as may be determined by the Minister with the concurrence of the Minister in charge of the subject of Finance.</p>  | <p>Remuneration of members of the Board.</p>                              |
| <p>13. Rules may be made under this Act in respect of the meetings of the Board and the quorum therefor and for the procedure to be followed at such meetings.</p>   | <p>Meetings of the Board.</p>   |
| <p>14. The Board shall administer the affairs of the Institute, may exercise the powers, and shall perform the duties of the Institute.</p>  | <p>Board to administer affairs of the Institute.</p>                      |

Delegation  
of powers  
and duties  
of the  
Board.

15. (1) The Board may delegate to the Chairman, any member of the Board or any employee of the Board any of its powers and duties.

(2) The Chairman, or any member of the Board or any employee to whom any of the powers or duties of the Board have been delegated under subsection (1) shall exercise or perform the powers and duties so delegated subject to general or special directions of the Board.

Chairman  
of the  
Board.

16. (1) The Minister shall appoint one of the members to be the Chairman of the Board.

(2) The term of office of the Chairman of the Board shall be three years :

Provided that the Chairman may earlier resign his office as Chairman by letter addressed to the Minister, or the Minister may at pleasure terminate the appointment of the Chairman.

(3) 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.

Presidency  
at  
meetings.

17. (1) The Chairman shall preside at any meeting of the Board at which he is present. In the absence of the Chairman from any meeting of the Board, a member chosen by the majority of the members of the Board shall preside at such meetings.

(2) The Chairman or person presiding at any meeting of the Board shall, in addition to his own vote, have a casting vote.

Member  
of the  
Board to  
disclose  
interest in  
contract  
proposed  
to be  
made by  
the  
Institute.

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

19. (1) The seal of the Institute shall be in the custody of such person as the Board may, from time to time, determine.

Seal  
of the  
Institute.

(2) The seal of the Institute shall not be affixed to any instrument or document except in the presence of the Chairman and another member of the Board, both of whom shall sign the instrument or document in token of their presence.

(3) The Board shall maintain a register of instruments or documents to which the seal of the Institute has been affixed.

(4) The seal of the Institute may be altered in such manner as may be determined by the Board.

## PART II

### APPOINTMENT OF THE OFFICERS AND SERVANTS OF THE BOARD

20. (1) The Board shall with the prior approval of the Minister, appoint to the staff of the Institute a General Manager.

Appointment  
of the  
General  
Manager  
of the  
Institute.

(2) The appointment of a person as General Manager of the Institute shall not be terminated except with the prior approval of the Minister.

21. (1) Subject to the other provisions of this Act, the Board may—

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

(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.

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



Appointment  
of officers  
from other  
services  
to the staff  
of the  
Institute.

22. (1) At the request of the Board any officer in the public service may, with the consent of that officer and the Secretary to the Ministry of the Minister in charge of 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 with like consent be permanently appointed to such staff.

(2) Where any officer in the public service is temporarily appointed to the staff of the Institute, the provisions of section 13(2) of the Transport Board Law, No. 19 of 1978, shall, *mutatis mutandis*, apply to and in relation to that officer.

(3) Where any officer in the public service is permanently appointed to the staff of the Institute, the provisions of section 13(3) of the Transport Board Law, No. 19 of 1978, shall, *mutatis mutandis*, apply to and in relation to such officer.

(4) (a) Any officer or servant of a public 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 provident fund rights, as may be agreed upon by the Board of Directors of the corporation and the Board.

(b) Where any person is appointed whether permanently or temporarily under paragraph (a), to the staff of the Institute, he shall be subject to the same disciplinary control as any other member of such staff.

(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 to the Institute by that person shall be regarded as service to the Government for the purpose of discharging the obligations of such contract.

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

23. No officer of the Institute shall render paid services to any other person or persons without the prior approval of the Board.

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

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

25. 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.

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

### PART III

#### FINANCE

26. (1) The Institute shall have its own fund.

The fund of the Institute.

(2) There shall be paid into the fund of the Institute—

(a) all such sums of money as may be voted from time to time by Parliament by way of grant or loan for the use of the Institute subject to such terms and conditions as may be determined by the Minister in charge of the subject of Finance;

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

(c) all sums of money received by way of gifts from local or foreign institutions.

(3) There shall be paid out of fund of the Institute—

(a) all such sums of money as are required to defray any expenditure incurred by the Institute in the exercise, discharge and performance of its powers, duties and functions; and

(b) all such sums of money as are required to be paid out of such fund by or under this Act.

(4) The moneys of the fund of the Institute shall be deposited in such bank or banks as may be determined by the Board and the account of the Institute in each such bank shall be in the corporate name of the Institute.

(5) Any payment out of the fund of the Institute shall be made with the approval of the Board :

Provided that the Board may authorize the Chairman or any employee of the Board to incur on behalf of the Institute such reasonable expenditure in any one month as does not exceed a sum determined by the Board.

Audit  
of accounts.

27. (1) The provisions of Article 154 of the Constitution relating to the audit of the accounts of public corporations shall apply to the audit of the accounts of the Institute.

(2) The financial year of the Institute shall be the calendar year.

#### PART IV

##### GENERAL

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

28. (1) Where any immovable property is required to be acquired for any 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.

(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.

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

29. The Minister may, by Order published in the *Gazette*, transfer to and vest in the Institute the possession and use of any movable or immovable property of the State for the purposes of the Institute :

Provided, however, that no Order affecting any immovable property of the State shall be made by the Minister under the preceding provisions of this section without the concurrence of the Minister in charge of the subject of State lands :

Provided further that no Order affecting any movable property of the State shall be made by the Minister under the preceding provisions of this section without the concurrence of the Minister having control over such property.

30. 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.

31. (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 Act; or

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

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

(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 Act 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 fund of the Institute.

32. 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.

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

Powers of Institute to make rules.

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

34. 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.

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

35. (1) A member of the Board or an officer or servant of the Institute shall not disclose to any person except for the purposes of the performance of his duties, or the discharge of his functions, any information acquired by him in the performance of his duties or the discharge of his functions:

Secrecy.

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*Act, No. 37 of 1983*

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

(2) A person who contravenes the provisions of subsection (1) shall be guilty of an offence under this Act.

Restriction  
on use of  
"Sri Lanka  
Institute of  
Co-operative  
Management".

36. (1) Except with the 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 "Sri Lanka Institute of Co-operative 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 "Sri Lanka Institute of Co-operative Management".

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

Penalties  
for  
offences.

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

Institute to  
succeed to  
contracts,  
assets,  
liabilities  
&c. of the  
Co-operative  
Management  
Services  
Centre.

38. (1) The Institute shall, from the appointed date, be the successor to the Co-operative Management Services Centre, established under the Sri Lanka State Trade Corporations Act, No. 33 of 1970, and accordingly all contracts, obligations, assets, rights, liabilities, staff and equipment of the Co-operative Management Services Centre on the day immediately preceding the appointed date shall be deemed to be the contracts, obligations, assets, rights, liabilities, staff and equipment of the Institute.

(2) All suits, actions, prosecutions, appeals or other legal proceedings instituted by, or against, the Co-operative Management Services Centre referred to in subsection (1) and pending on the appointed date, shall be deemed to have been instituted by, or against the Institute, and accordingly may be continued and enforced by, or against, the Institute.

39. In this Act, unless the context otherwise requires—
- “co-operative society” means a society registered or deemed to be registered under the Co-operative Societies Law, No. 5 of 1972 ;
- “public corporation” means any corporation, board or other body which was or is established by or under any written law other than the Companies Ordinance or the Companies Act, No. 17 of 1982, with funds or capital wholly or partly provided by Government by way or grant, loan or otherwise.

Interpreta-  
tion.

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