

PARLIAMENT OF CEYLON

3rd Session 1954-55



Ceylon Institute of Scientific and Industrial Research Act, No. 15 of 1955

Date of Assent : April 12, 1955

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AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE
CEYLON INSTITUTE OF SCIENTIFIC AND INDUSTRIAL
RESEARCH AND FOR MATTERS CONNECTED THERE-
WITH.

[Date of Assent: April 12, 1955]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and 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 Ceylon Institute of Scientific and Industrial Research Act, No. 15 of 1955.

Short title.

2. (1) There shall be established, in accordance with the provisions of this Act, an Institute which shall be called the Ceylon Institute of Scientific and Industrial Research, hereinafter referred to as "the Institute".

Establishment
of the Ceylon
Institute of
Scientific and
Industrial
Research.

(2) The Ceylon Institute of Scientific and Industrial Research shall in that name be a body corporate consisting of the persons for the time being holding office as members of the Governing Board thereof as hereinafter provided, and shall have perpetual succession and a common seal and may sue and be sued in its corporate name.

(3) The headquarters of the Institute shall be in Colombo or in such other place in Ceylon as may be chosen for the principal research operations of the Institute.

3. The objects of the Institute shall be—

Objects of
the Institute.

(a) to undertake testing, investigation and researches in such manner as the Institute may deem advisable with the object of improving the technical processes and methods used in industry, of discovering processes and methods which may promote the expansion of existing or the development of new industries or the better utilisation of waste products;

- (b) to advise on questions of scientific and technological matters affecting the utilisation of the natural resources of Ceylon, the development of her industries, and the proper co-ordination and employment of scientific research to those ends;
- (c) to foster the training of research workers;
- (d) to foster the establishment of associations of persons engaged in industry for the purposes of carrying out scientific and industrial research;
- (e) to undertake or to collaborate in the preparation, publication and dissemination of useful technical information;
- (f) to co-operate with departments of Government, universities, technical colleges and other bodies in order to promote scientific and industrial research and the training of investigators in pure and applied science and of technical experts, craftsmen and artisans; and
- (g) to assist otherwise in the advancement of scientific and industrial research and technical training.

**Powers and
duties of the
Institute.**

4. (1) The Institute shall have power—

- (a) to acquire in any manner whatsoever and hold any movable or immovable property and to dispose of any such property acquired or held by the Institute;
- (b) subject to the provisions of the proviso to this sub-section, to impose and recover charges for its services;
- (c) to apply for, purchase, receive by assignment or otherwise acquire, in accordance with the laws of Ceylon or any other country, any patents, brevets d' invention, concessions, licences and the like conferring exclusive or non-exclusive or limited rights to use, or any information as to, any invention or discovery; and to develop, use, exercise, assign, transfer, sell, grant licences in respect of, or otherwise turn to account the property, rights, and information so acquired; and

- (d) to perform all such acts as may be necessary for, or incidental to, the carrying out and performance of its objects and duties:

Provided, however, that—

(a) during the first five years of the existence of the Institute the charges made from any party, other than the Government or any department or agency of the Government, for any services rendered by the Institute shall not, except with the approval of the Minister, be substantially less than the charges which would be made for comparable services by the Institute to the Government or any department or agency of the Government, and

(b) after the aforesaid five years the charges to be made for any services rendered by the Institute to the Government or any department or agency of the Government shall be determined by agreement.

(2) Subject to the provisions of sub-section (3) of this section, it shall be the duty of the Institute, as far as its competency and finances permit,—

(a) to conduct and render research and technical services for the benefit of—

- (i) the Government or any department or agency thereof, or
- (ii) any public authority, or
- (iii) any industry which is or is to be carried on in Ceylon; and

(b) to take all such measures as may be necessary for the fulfilment of its objects.

(3) The Institute shall not undertake or perform any work which, in the opinion of the Minister, is contrary to the public interest.

5. (1) Subject to the provisions of this Act, the powers and duties of the Institute shall be vested in a Governing Board, hereinafter called “the Board”.

Constitution
of the
Governing
Board.

(2) The Board shall consist of—

(a) three members appointed or elected as provided in sub-section (3) of this section, each of whom has distinguished himself in

science or industry or is otherwise specially qualified in relation to some aspect of the work of the Institute;

(b) one member appointed by the Prime Minister;

(c) one member appointed by the Minister of Finance from the officers of the General Treasury; and

(d) the two following ex-officio members:—

(i) the person for the time being holding office as the Permanent Secretary to the Ministry in the charge of the Minister to whom the subject of industries is for the time being assigned; and

(ii) the person for the time being holding office as the Director of the Institute.

(3) The Minister shall appoint the three members of the Board referred to in sub-section (2) (a) of this section to hold office in the first instance, and, if for any reason any member so appointed vacates his office prior to the expiration of his term, the Minister shall appoint a successor to serve for the unexpired portion of such term; and thereafter as vacancies occur in any of those three posts, the remaining members of the Board shall elect qualified persons to fill such vacancies.

Disqualifi-
cation for
membership
of the Board.

6. A person shall be disqualified for being a member of the Board if, having been adjudged an insolvent or a bankrupt, he has not been granted by a competent court a certificate to the effect that his insolvency or bankruptcy has arisen wholly or partly by unavoidable losses or misfortune.

Term of office
of members
other than
ex-officio
members of
the Board.

7. Any member of the Board who is not an ex-officio member shall, unless he vacates his office earlier, hold office for a term of two years and shall be eligible for re-appointment or re-election:

Provided, however, that—

(a) at the first meeting of the original Board two of the four members referred to in paragraphs (a) and (b) of sub-section (2) of

section 5 shall be chosen by lot to hold office for an initial term of one year, and each of the two members so chosen shall, unless he vacates his office earlier, hold office for that initial term, in order to establish a rotation by which in each year the terms of office of two of the aforesaid four members will expire, and

- (b) if any member of the Board who is not an ex-officio member vacates his office prior to the expiration of his term, his successor shall, unless such successor vacates his office earlier, hold office for the unexpired portion of such term.

8. (1) A member of the Board shall vacate office—

Vacation of office.

- (a) if, not being an ex-officio member, he resigns office, or
- (b) if, having been adjudged an insolvent or a bankrupt, he has not been granted by a competent court a certificate to the effect that his insolvency or bankruptcy has arisen wholly or partly by unavoidable losses or misfortune, or
- (c) if he is adjudged by a competent court to be of unsound mind.

(2) A member of the Board who is not an ex-officio member may resign office—

- (a) if he is not the Chairman of the Board, by writing under his hand addressed to such Chairman, and
- (b) if he is the Chairman of the Board, by writing under his hand addressed to the Minister.

9. (1) The Chairman of the Board shall be appointed by the Minister from the members of the Board other than the Director of the Institute.

Chairman and Vice-Chairman of the Board.

(2) The Chairman shall, unless he earlier vacates office as Chairman, hold that office for one year, but shall be eligible for re-appointment to that office:

Provided, however, that where the Chairman ceases to hold office as Chairman prior to the expiration of his term of that office and a successor to him is

appointed, such successor shall, unless he earlier vacates office as Chairman, serve as the Chairman for the unexpired portion of such term.

(3) The Chairman may resign the office of Chairman by writing under his hand addressed to the Minister.

(4) The Director of the Institute shall be the Vice-Chairman of the Board. The Vice-Chairman shall perform the duties of the Chairman in the absence of the Chairman or when there is a vacancy in the office of Chairman.

Reimbursement
of expenses
of members
of the Board.

10. The members of the Board shall not be paid any remuneration, but shall be reimbursed from the funds of the Institute for such travelling, hotel and incidental expenses as they may incur in Ceylon for the purpose of attending meetings of the Board and for any such expenses as aforesaid which they may incur in Ceylon or in any other country by prior authorisation of the Board in connection with any special mission performed on behalf of the Institute.

Proceedings
of the Board.

11. (1) The procedure for the transaction of business of the Board shall be determined in accordance with the provisions set out in the Schedule to this Act.

(2) All acts done at any meeting of the Board shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment or election of any member thereof or that any such member was disqualified, be as valid as if every such member had been duly appointed or elected and was qualified to be such member.

(3) No proceedings or act of the Board shall be invalidated by reason only of any vacancy in the membership of the Board.

Appointment
of the
Director of
the Institute.

12. (1) The Minister shall appoint a person qualified in relation to the work of the Institute as the Director of the Institute, hereinafter referred to as "the Director". The conditions of employment, including remuneration, of the Director shall be determined by the Minister in consultation with the Minister of Finance.

(2) The Director shall not be an officer of the Government of any country or political sub-division thereof.

13. (1) The Board may appoint such officers and servants, other than the Director, as may be necessary for the performance of the work of the Institute. The conditions of employment, including remuneration, of any officer or servant appointed under this sub-section shall be determined by the Board.

Appointment of
other officers
and servants.

(2) The Board may delegate to the Director all or any of its powers of appointing officers and servants under sub-section (1) of this section but not the power of appointing the Accountant. The conditions of employment, including remuneration, of any officer or servant appointed by the Director under any power delegated to the Director under this sub-section shall be determined by the Director with the concurrence of the Board. Any person dissatisfied with any decision made by the Director under any power delegated under this sub-section to the Director may appeal therefrom in writing to the Board and the decision of the Board on such appeal shall be final.

(3) The Director shall not, except with the prior approval of the Board, request the services of, make agreements for obtaining, or appoint, any person who is not a citizen of Ceylon as an officer or servant of the Institute.

(4) The dismissal by the Director of any officer or servant shall not have effect unless it is approved by the Board.

14. No officer or servant of the Institute shall, except on behalf of the Institute and in the capacity of a member of its staff, render service to any other employer without the consent of both the Director and the Board.

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

15. The Director shall determine the duties of the officers and servants of the Institute.

Determination
of duties.

16. (1) The Board shall have disciplinary control over the Director.

Disciplinary
control.

(2) The Director shall have disciplinary control over the other officers and servants of the Institute.

(3) The Board shall determine generally the punishments that may be imposed on officers and servants of the Institute for improper conduct, remissness in the discharge of duties and inefficiency.

(4) Any officer or servant of the Institute on whom the Director orders the imposition of any punishment may in writing appeal from that order to the Board and the decision of the Board on such appeal shall be final.

Appointment
of public
officers to
the staff of
the Institute.

17. (1) 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 Treasury, 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 an officer in the public service is temporarily appointed to the staff of the Institute—

(a) he shall be subject to the same disciplinary control as any other member of such staff;

(b) if, at the time of his temporary appointment to the staff of the Institute, his substantive post in the public service was a post declared to be pensionable under the Minutes on Pensions—

(i) he shall, while in the employ of the Institute, be deemed to have been seconded to an office to which pension rights are not attached, and accordingly section 24 of those Minutes shall apply to him, and

(ii) in respect of him the Board shall pay out of the funds of the Institute to the Deputy Secretary to the Treasury to be credited to the Consolidated Fund of Ceylon for every complete month during which he is in the employ of the Institute such sum not exceeding twenty-five *per centum* of the salary payable to him in his substantive post in the public service as may be determined by the Minister of Finance; and

(c) if, at the time of his temporary appointment to the staff of the Institute, he was a contributor to the Public Service Provident Fund established under the Public Service Provident Fund Ordinance, No. 18 of 1942, his service to the Institute shall, for the purposes of that Ordinance, be deemed to be service to the Government, and accordingly he shall, while he is in the employ of the Institute, continue to pay to the Public Service Provident Fund such contributions as he is liable under that Ordinance to pay.

(3) Where an officer in the public service is permanently appointed to the staff of the Institute—

(a) he shall be deemed to have left the public service;

(b) if, at the time of his permanent appointment to the staff of the Institute, his substantive post in the public service was a post declared to be pensionable under the Minutes on Pensions—

(i) he shall be eligible for such an award under those Minutes as might have been made to him if he had been retired from the public service on the ground of ill-health on the date of his permanent appointment to the staff of the Institute,

(ii) the amount of any such award made under those Minutes shall not be paid to him unless his employment in the Institute is terminated by retirement on account of age or ill-health or by the abolition of the post held by him in the Institute, and

(iii) in the event of his death while in the employ of the Institute, such an award as might have been made in respect of him under those Minutes if he had died immediately before his permanent appointment to the staff of the Institute may be made in respect of him; and

(c) if, at the time of his permanent appointment to the staff of the Institute, he was a contributor to the Public Service Provident

Fund established under the Public Service Provident Fund Ordinance, No. 18 of 1942, he shall, for the purposes of that Ordinance, be deemed to have left the service of the Government upon the determination of contract with the consent of the Government otherwise than by dismissal.

(4) If 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.

Government's
donations to
the Institute.

18. (1) The Government shall donate to the Institute a sum of five million rupees in five instalments of one million rupees each. The first instalment of one million rupees shall be paid to the Institute as soon as the Board is constituted, and thereafter each of the remaining four instalments shall be paid to the Institute within twelve months of the payment of the earlier instalment.

The Government shall contribute further moneys as and when occasion demands, with the sanction of the House of Representatives.

(2) The Board, with the approval of the Minister, shall determine the purposes to which each of the donations of the Government made under sub-section (1) of this section shall be applied. Sufficient funds out of such donations shall be made available—

(a) for carrying on or bringing to a conclusion the research projects transferred to the Institute by the Minister by Order under section 29, and

(b) for application to such research work as the Government may from time to time request the Institute to undertake.

Funds of the
Institute.

19. (1) Subject to the provisions of sub-section (2) of this section, the funds 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.

(2) Such funds of the Institute as are not immediately required for the purposes of the Institute may be invested in Government securities determined by the Board.

(3) No payment out of the funds of the Institute shall be made without the approval of the Board:

Provided, however, that the Board may authorise the Director to incur on behalf of the Institute such reasonable expenditure in any month as does not exceed a sum determined by the Board.

(4) Any cheque drawn on the account of the Institute in any bank shall be signed by the Director and the Accountant of the Institute, and, if either of them is absent, a member of the Board whose signature is registered for the purpose by that bank shall sign that cheque in place of the absentee, and, if both the Director and the Accountant are absent, two members of the Board whose signatures are so registered shall sign that cheque.

20. (1) The Institute shall keep accounts of the receipts and expenditure, contractual obligations, investments, allocation of funds for specific purposes, the distribution of actual cost amongst the various research operations and activities of the Institute and such other accounts as may be required by the nature of the Institute's work or as may be requested by the Minister of Finance.

Accounts.

(2) The accounts of the Institute shall be audited annually by or under the direction of an auditor approved by the Minister of Finance.

(3) As soon as may be after each annual audit of the accounts of the Institute, the auditor shall transmit to the Board a report in respect of such audit.

21. (1) The Director shall submit to the Board annually, in such form and detail as the Board may approve, a written report of the Institute's work and finances during the year completed; and upon the acceptance of such report by the Board, the Board shall transmit to the Minister a copy of that report and a copy of the statement of income and expenditure in respect of such year certified by the auditor of the Institute. The Minister shall cause such report and such statement of income and expenditure to be laid before the Senate and the House of Representatives.

Annual report.

(2) As soon as may be after the acceptance of the annual report by the Board, the Director shall prepare and cause to be published at the expense of the Institute for the general information of the public an appropriate summary of such report in such form and manner as may seem useful in informing the public of the Institute's progress.

Furnishing of
information to
the Minister.

22. The Board shall furnish to the Minister such information as he may call for from time to time in respect of the activities and financial position of the Institute:

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

The seal.

23. (1) The affixing of the seal of the Institute to any instrument other than an instrument referred to in sub-section (2) of this section shall be in the presence of and be attested by—

(a) the Chairman and the Vice-Chairman of the Board, or

(b) the Chairman or the Vice-Chairman and any other member of the Board, or

(c) such one member of the Board or of the staff of the Institute as may have been authorised by the Board to act on its behalf on such an occasion.

(2) The affixing of the seal of the Institute to an instrument containing an agreement for the rendering of any service by the Institute shall be in the presence of, and be attested by, the Director or, in his absence, any member of the staff of the Institute who has been authorised by the Board to act on behalf of the Director on such an occasion.

Agreements
for rendering
service.

24. (1) The Institute may enter into any agreement with any party to carry out any special investigation with the specific object of the discovery, invention or improvement of any process, apparatus or machine subject to such conditions, and the payment of such charges, as may be agreed upon.

(2) The rights in any discovery, invention or improvement under any agreement referred to in sub-section (1) of this section shall, as may be provided by such agreement, be vested in either the Institute or the person who requested the investigation.

25. (1) Subject to the provisions of section 24, the rights in all discoveries and inventions and in all improvements in respect of processes, apparatuses and machines made by officers of the Institute shall be vested in the Institute, and such discoveries, inventions and improvements shall be made available for use in the public interest subject to such conditions, and the payment of such fees or royalties, as the Board may determine.

Discoveries,
inventions and
improvements
by officers of
the Institute.

(2) The Board may, out of the funds of the Institute, pay to any officer of the Institute who has made any discovery, invention or improvement referred to in sub-section (1) of this section such bonus, or make provision for such financial participation in the profits derived from that discovery, invention or improvement, as the Board may determine.

(3) The Institute may apply for letters patent in respect of any invention made by any officer of the Institute, and shall, for the purposes of the Patents Ordinance, be regarded as the assign of the inventor.

Cap. 128.

26. The Director shall cause to be maintained and preserved complete and accurate records of the dates, performances and results of researches, studies, tests, experiments and other investigations conducted by the officers of the Institute and of discoveries or inventions made by them.

Records.

27. (1) The officers and servants of the Institute may, without any such licence, permit or approval as may be required by any other written law, maintain and use, on any premises lawfully occupied by the Institute for laboratory or experimental purposes, such installations, equipment, and materials as they may consider necessary or desirable for those purposes.

Use of
installations,
equipment and
materials for
laboratory or
experimental
purposes.

(2) The provisions of sub-section (1) of this section shall not be deemed to relieve the Institute of responsibility for taking reasonable precautions for the safety and protection of persons and property or for liability for the consequences of the acts of its officers and servants in the course of their employment.

Provident fund.

28. The Board may establish and regulate a provident fund for the benefit of all or any of the employees of the Institute and their dependants or nominees, and may make contributions to any such fund out of the moneys of the Institute.

Transfer of
certain
Government
research
projects to
the Institute.

29. (1) The Institute shall take over the responsibility for the direction, support and continuance of such of the research projects now undertaken by the laboratories of the Department of Industries of the Government as the Minister may by Order transfer to the Institute.

(2) The Board shall seek to obtain for the Institute, in accordance with the provisions of this Act, the services of such number of persons employed in the laboratories referred to in sub-section (1) of this section as may be determined by the Board and selected by the Director.

(3) The officers and servants of the Institute shall be permitted to work on any such projects as may be transferred to the Institute under sub-section (1) of this section in the laboratories of the Department of Industries of the Government until such time as it may be practicable to transfer such work to premises of the Institute.

Transfer of
certain
movable
property of
the Crown to
the Institute.

30. The Minister may by Order transfer to the Institute such movable property of the Crown required for the purposes of the research projects transferred to the Institute under sub-section (1) of section 29 as may be specified in the Order, and any movable property so transferred shall, with effect from the date of the Order, vest in and be the property of the Institute.

Crown land
and Crown
buildings.

31. Any Crown land or any Crown building may, subject to such conditions as may be determined by the Minister with the concurrence of the Minister for the time being in charge of the subject of Crown lands, be made available for the use of, or be alienated to, the Institute for any purpose of the Institute or for the residence of any officer or servant of the Institute.

Exemption
from taxes
and duties

32. (1) The Institute shall be exempt from the payment of—

- (a) any tax on the income or profits of the Institute, and
- (b) any stamp duty on any instrument executed by, or on behalf of, or in favour of, the Institute.

(2) The Institute shall be exempt from the payment of any customs or excise duty on any goods imported or purchased out of bond by the Institute if the Minister in consultation with the Minister of Finance approves of such exemption.

(3) In the case of any instrument containing any agreement between the Institute and any other party and providing for payment to the Institute for services rendered or to be rendered by the Institute, or otherwise in support of the Institute's work, both the Institute and such other party shall be exempt from the payment of any stamp duty on such instrument.

(4) Any person making a payment to the Institute for services rendered, or as a contribution to the general support of the Institute, may claim the amount of such payment as a deduction from income, in the year in which such payment is actually made, for the purposes of computing liability for income tax and profits tax.

33. No member of the Board or officer or servant of the Institute shall be liable for any damage or loss suffered by the Institute unless such damage or loss was caused by his misconduct or wilful act.

Liability for
damage or loss
suffered by
the Institute.

SCHEDULE.

Proceedings of the Board

- (1) The Chairman shall summon a meeting of the Board once in every three months.
- (2) The Chairman shall summon a special meeting of the Board within fourteen days after being requested in writing to do so by two members of the Board.
- (3) The Chairman shall give at least ten 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) The Chairman or in his absence the Vice-Chairman shall preside at all meetings of the Board.
- (5) Three members shall form a quorum at any meeting of the Board.
- (6) All questions for decision by the Board shall be decided by the vote of the majority of the members present. In case of an equality of votes the presiding officer shall have a casting vote.

- (7) If at least three members of the Board are present in Ceylon, any question may be decided by the circulation of the relevant papers to the members present in Ceylon and by such members' recording in writing their views and their votes on that question; and in such case a report of such question, views and votes shall be made to the next meeting of the Board and shall be recorded in the minutes book, and, if there is an equality of such votes, such question shall be submitted for decision to a meeting of the Board.
- (8) The proceedings at every meeting of the Board shall be recorded in a minutes book.
- (9) Subject to the provisions herein, the Board may determine its own procedure.