

Nepali Language Publication Corporation Act, 2021 (1964)

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2021.6.17 (2 Oct. 1964)

Amendments

1. Judicial Administration Reform Act, 2031 2031.4.18 (2 Aug. 1974)
(1974)
2. Administration of Justice Act, 2048 (1991) 2048.2.16 (30 May 1991)
3. Republic Strengthening and Some Nepal Laws 2066.10.7(21 Jan. 2010)
Amendment Act, 2066 (2010)¹

Act Number 21 of the Year 2021(1964)

.....²

An Act made to establish and provide for the Nepali Language Publication Corporation

Preamble: Whereas, it is expedient to form and provide for the Nepali language publication board as a corporation in order to elevate the standard of its publication and make more timely, popular and effective by taking out the operation and administration of the Nepali language publication board from the control of the Government of Nepal any by forging the involvement of the general people therein to the extent possible, for maintaining the convenience and economic interest of the general people and the student class, by making

¹ This Act came into force on 15 *Jestha* 2065.

² Deleted by Republic Strengthening and Some Nepal Laws Amendment Act, 2066.

publication and distribution of course books, literary books and various books more easily available and convenient;

Now, therefore, be it enacted by His Majesty King Mahendra Bir Bikram Shah Dev on the advice and consent of the *Rastriya Panchayat*.

Chapter-1

Preliminary

1. **Short title, extension and commencement:** (1) This Act may be called as the "Nepali Language Publication Corporation Act, 2021 (1964)."

(2) This Act shall extend throughout³ Nepal.

(3) This Section of this Act shall come into force immediately, and the Other Section shall come into force on such date as may be appointed by the Government of Nepal, by publishing a Notification in the Nepal Gazette.

2. **Definitions:** Unless the subject or the context otherwise requires, in this Act:

(a) "Corporation" means the Nepali Language Publication Corporation established under this Act.

(b) "Board" means the board of directors of the Corporation.

(c) "Managing director" means the then managing director of the Corporation, and this term also includes a person acting for him or her.

(d) "Books" means governmental, non-governmental publications, books, booklets, posters, charts, calendars, course and reading materials useful for schools, colleges.

(e) "Shareholder" means a shareholder who subscribes a share allotted in accordance with the Rules framed under this Act.

³ Deleted by Republic Strengthening and Some Nepal Laws Amendment Act, 2066.

- (f) “Foreign agency” means any foreign government or agency of a foreign government or any international organization or foreign association/institution.
- (g) “Director” means the then director of the Corporation.
- (h) “Prescribed” or “as prescribed” means prescribed or as prescribed in the Rules or Bye-laws framed under this Act.

Chapter-2

Establishment, capital and provision

- 3. Establishment of the Corporation:** (1) There shall be established a Corporation by the name of the Nepali Language Publication Corporation.

(2) The Corporation shall be an autonomous body corporate with perpetual succession. This Corporation shall have a separate seal of its own for all of its activities. It may, subject to this Act and the prevailing Nepal laws, acquire, use, sell and transmit any movable and immovable property. It may sue by its name and be also sued by the same name.

(3) The head office of the Corporation shall be situated in Kathmandu, and it shall be lawful for the Corporation to appoint agents, and establish sales centers within⁴ Nepal or in foreign countries.

- 4. Capital, share and shareholders:** (1) The preliminary authorized capital of the Corporation shall be One Million Rupees. The amount shall be divided into a total of One Hundred Thousand shares.

The preliminary authorized capital of the Corporation may be altered with the approval of the Government of Nepal.

(2) The Government of Nepal may subscribe a maximum of Sixty percent out of the share capital issued by the Corporation, and the other remaining shares shall be sold to the general people and governmental or other bodies.

⁴ Deleted by Republic Strengthening and Some Nepal Laws Amendment Act, 2066.

(3) Each share shall be indivisible.

(4) Restriction may generally be made on the sale of shares in excess of 500 (Five Hundred) shares to any person or body corporate other than a cooperative body.

(5) The liability of shareholders of the Corporation shall be limited.

5. **Disqualification for shareholder:** Any person, other than a citizen of Nepal or a company or cooperative body registered under the Nepal laws or corporation or body corporate established under the Nepal Act, shall not be entitled to subscribe shares of, or be a shareholder of the Corporation, without obtaining the permission of the Government of Nepal.

6. **Power to receive grant and borrow loan:** The Corporation may borrow cash or in-kind or accept a grant as required to increase its working capital, in accordance with a resolution adopted by the general meeting, after the provision of the general meeting has been made, and failing the provision of the general meeting, by obtaining approval of the Government of Nepal, until the provision of the general meeting is made.

Provided that, even after the provision of the general meeting has been made, the Corporation shall not borrow a loan or accept a grant from any foreign agency without obtaining approval of the Government of Nepal.

7. **Management:** The Board shall look after, direct and manage all the functions and affairs of the Corporation, except as otherwise mentioned in this Act or the Rules, Bye-laws framed under this Act.

Provided that, the Board may so delegate such duties and powers, out of the duties and powers set forth in this Act or the Rule or Bye-laws framed under this Act as it deems necessary and appropriate to the managing director or a sub-committee consisting of one or more directors or other officers of the Corporation as to be performed and carried out by them.

8. Formation of the Board and tenure of directors: (1) The Board of Directors (hereinafter referred to as "Board") shall consist of Nine directors, out of whom, Five directors shall be nominated by the Government of Nepal and the remaining Four directors shall be elected by the general meeting of the shareholders.

(2) Pending the provision of election by the general meeting, the remaining Four directors shall also be nominated by the Government of Nepal.

(3) The Government of Nepal shall appoint as the chairperson of the Board from amongst the directors.

(4) The directors nominated pursuant to Sub-section (1) shall, unless dismissed earlier by the Government of Nepal, shall hold office generally for the period set forth in their appointment letter.

(5) The tenure of the directors nominated pursuant to Sub-section (1) shall depend on the pleasure of the Government of Nepal.

Provided that:

(a) These directors shall *ipso facto* relieve of office after the directors have been elected by the general meeting and assumed their office.

(b) Nothing contained in this Section shall not bar the electing of any such dismissed person to the office of director.

(6) The tenure of the elected director shall be Four years, and upon the expiration of their tenure, they may be re-elected to the office of director.

9. Disqualification for director: Any of the following persons shall not be eligible to be a director:

(a) Who is a paid employee of the Corporation, or

(b) Who has become insolvent, or

- (c) Who is of unsound mind or is insane, or
- (d) Who is convicted by a court of a criminal offense involving moral turpitude, and sentenced to imprisonment, or
- (e) Who has obtained any contract in the transaction of the Corporation.

10. Circumstance where director may be removed: The nominated director may be removed by the Government of Nepal and the elected director may be removed by a majority of the shareholders present at the general meeting, in the following circumstance:

- (a) If he or she suffers any disqualification set forth in Section 9, or
- (b) If he or she absents from the meeting of the Board for more than Three consecutive meetings, without permission of the Board and the reason for such absence is not reasonable in the opinion of the Government of Nepal, in the case of the nominated director, and of the general meeting in the case of the elected director, or
- (c) If he or she is proved to have partnership in any contract entered into with the Corporation in violation of Section 16.

11. Resignation of directors and fulfillment of vacancy: (1) Any nominated director may resign from office by giving a notice in writing to the Government of Nepal and any elected director may do so by giving such a notice to the Board. Upon acceptance of resignation, he or she shall be deemed to have abandoned the office.

(2) If the office of a nominated or elected director falls vacant because of his or her death, resignation or any other reason, the vacancy shall be fulfilled by another nomination or election, as the case may be, and such an elected director shall hold the office only for the remainder of the term of the predecessor.

(3) Any acts of the Board already done shall not be invalid by the reason only that any irregularity was made in the formation of the Board or that the office of any director fell vacant.

12. Remuneration of directors: The remuneration of the directors shall be as prescribed.

13. Meetings of the Board: (1) The meeting of the Board shall be held at such place and time as specified, and the rules of procedures of the Board shall be as prescribed. Meetings of the Board shall be presided over by a director selected by the directors from amongst themselves, in the absence of the chairperson.

(2) If more than Fifty percent of the then directors of the Board are present in a meeting of the Board, the quorum of the Board shall be deemed to have been constituted, and if the meeting is not attended by the quorum, the meeting shall be adjourned.

(3) The decision of a majority of the directors who attend and vote at the meeting of the Board shall be binding. The director presiding over the meeting shall not generally be entitled to vote, but may exercise the casting vote in the event of a tie.

14. Appointment of managing director, advisers and employees: The Board may appoint one managing director and such other advisers and employees as required for the efficient operation of its functions. Their appointment, terms and conditions of service and emolument (*Mehantana*) shall be as specified in the Bye-laws.

Provided that, the Government of Nepal shall appoint first managing director of the Corporation and shall also fix his or her duties, powers and other terms and conditions of this service. The emolument and other facilities receivable by him or her in accordance with the terms and conditions shall be paid from the fund of the Corporation as specified by the Government of Nepal.

15. To take action against managing director and other employee: (1) If the Government of Nepal is of the opinion that the managing director has

misused his or her powers specified by this Act or the Rules, Bye-laws framed under this Act or exercised more powers than those so specified or misappropriate the property or fund of the Corporation, the Government of Nepal may suspend the managing director, and the Board may suspend any other employee if it is of the opinion that such an employee has done so.

(2) The Government of Nepal may cause inquiries into the managing director suspended pursuant to Sub-section (1) to be carried out by such a judge of the Court of Appeal⁵ or a person who has qualification to be such judge as specified by the Government of Nepal, and the Board may cause such inquiries about the other employees to be carried out by a person whom the Board considers appropriate.

(3) The judge or person specified or designated to carry out inquiries under Sub-section (2) shall have all such powers as the district court has in relation to taking depositions, summoning the production of documents and examining witnesses, for the purposes of this Section.

(4) In view of the reports of such inquiries, the Government of Nepal, in the case of the managing director, and the Board, in the case of the other employees, may order imposing any kind of penalties as specified in the Rules, Bye-laws.

(5) The managing director who is not satisfied with such an order may make an appeal to the Supreme Court and the other employees who are not satisfied with the same may make an appeal to the Government of Nepal in accordance with the prevailing laws.

(6) The person who is suspended pursuant to Sub-section (1) shall not be entitled to any emolument during the period of suspension.

Provided that, if the charge made is not proved and the suspended person is acquitted, such a person shall be entitled to full emolument during the period of suspension.

⁵ Amended by Administration of Justice Act, 2048.

16. Restriction on director and managing director of the Corporation:

The director and managing director of the Corporation shall not be a partner in any contract with the Corporation.

Provided that, immediately when each director or the managing director knows that he or she has directly or indirectly any concern in any contract made by or proposed to be made by the Corporation or any contract made by or proposed to be made by any subsidiary body of the Corporation and submitted to the Board of Directors for its consideration, such a director or managing director shall disclose the matter to the meeting of the Board as soon as possible. The matter so disclosed shall be recorded in the minutes, and the concerned director shall not take part in any deliberations or decisions made by the Board in relation to that contract.

Chapter-3

Functions and duties of the Corporation

17. Functions and duties of the Corporation: (1) It shall be the main duty of the Corporation to operate and manage it as a high class publication body by publishing such books, etc. as may be useful for schools, colleges and general people, by keeping the Corporation free from the influence of any political or economic party or ideology.

(2) The Corporation may also publish other useful maps, calendars etc. taking into consideration of the public interest, without prejudice to the duties set forth in Sub-section (1).

(3) Without prejudice to the generality of the powers and duties under Sub-section (1), the Corporation may in particular perform the following functions or exercise the following powers:

- (a) To carry out all acts including getting books etc. to be written, translated, and printing, publication, distribution, advertisement and operation thereof,

- (b) To provide for education and training on matters of the Corporation for the persons within or outside the Corporation,
- (c) To fix new edition, size, form, block, price etc. of books,
- (d) To procure and bring about press and other required materials for the implementation of the matters set forth in Clause (c),
- (e) To take necessary steps in order to bring about improvement in the standards of publication,
- (f) To make provision for giving appropriate prize to the writers of books who have been requested by the Corporation to write the same,
- (g) To obtain, use and transmit any movable, immovable property in order to exercise its powers and perform its functions,
- (h) To enter into and execute all kinds of contracts which are helpful in exercising the powers and performing the duties,
- (i) To print, sell, distribute and publicize the books that have been provided by any person, body and governmental or semi-governmental body to the Corporation for publication,
- (j) To borrow money from others against the security of any property of the Corporation,
- (k) To rent, sell or otherwise deal with any property of the Corporation,
- (l) To distribute share dividends of the Corporation,
- (m) To publicize its publications,

- (n) To open sales centres or give agency in various places withinNepal⁶ and abroad for the collection and sale and distribution of its publications and those made by it,
- (o) To invest its money in such securities as permitted by the Government of Nepal, and
- (p) To perform all such other functions as may be necessary to perform and exercise its duties and powers under this Act and to implement the objectives of this Act and may be required in that course.

18. To obtain prior approval of the Government of Nepal: The Corporation shall not do the following act without obtaining prior approval of the Government of Nepal:

- (a) To expend capital to purchase or obtain any immovable property valued at more than One Hundred Thousand Rupees, or
- (b) To take or furnish security of any immovable property for a term more than Five years, or
- (c) To sell or transmit any property or right or facility valued at more than Fifty Thousand Rupees.

19. To submit programmes: (1) The Board shall, at least Three months in advance of the commencement of the financial year of the Corporation, submit proposed cost estimate along with the programmes on operations to be carried out by the Corporation and its subsidiary organs in the coming financial year, development works, capital investment and details of additional employees, if so required, to the general meeting for approval.

(2) If the Board desires to do any other special business, in addition to the programmes already submitted pursuant to Sub-section (1), in any

⁶ Amended by Republic Strengthening and Some Nepal Laws Amendment Act, 2066.

financial year, and it may make a substantial change in the proposed cost, the Board shall submit such supplementary programs and the costs to be borne when remaining amounts to be received in the said financial year to the general meeting for approval.

(3) Until the provision of the general meeting is made, the Board shall submit the statements (*lagat*) as referred to in Sub-sections (1) and (2) to the Government of Nepal.

Chapter-4

General meeting

20. General Meeting: (1) A general meeting (hereinafter referred to as the annual general meeting) shall be held at the head office of the Corporation in each year within Two months after the date of closure of annual accounts of the Corporation, following the sale of shares of at least Five percent value of the share capital issued by the Corporation for sale to the general people. If the shareholders holding at least Five percent make a written application signed by them or the Board considers necessary so to do, the extra-ordinary general meeting of the Corporation shall be held at any other time.

(2) If at least One-Thirds shareholders do not attend a general meeting in person or by proxy, the quorum for the general meeting shall not be deemed to have been constituted. A general meeting called for the second time upon not being attended by the quorum may be deemed to be attended by the quorum if it is attended by One-Sixths of the shareholders. Provided that if the general meeting called for the second time is not even attended by a quorum as mentioned, a submission containing that matter shall be made to the Government of Nepal, and it shall be done as sanctioned.

(3) The shareholders present at the annual general meeting shall discuss the annual accounts, profit and loss account, matters contained in the auditor's report in relation thereto and the Board's report on the affairs of the Corporation carried out throughout the year. These matters shall be submitted to the Government of Nepal until the provision of the annual general meeting is made.

(4) Each person whose name is entered as a shareholder of the Corporation may cast one vote. No shareholder may exercise vote without being present at a general meeting in person or by proxy.

(5) Any decision at the general meeting shall be made by a simple majority of the shareholders and proxies attending and voting thereat.

21. Power of the Government of Nepal to make decisions and give

directions: (1) If there is divergence of opinion between the general meeting and the Board on the operation of the Corporation, a submission shall be made to the Government of Nepal for its decision, and the decision made thereon by the Government of Nepal shall be final.

(2) If the Government of Nepal considers appropriate so to do for national interest, it may give direction as follows to the Corporation, and it shall be duty of the Corporation to abide such a direction:

- (a) To operate any specific service or carry out any other act in any specific area, or
- (b) To refrain from doing any act being done by the Corporation in any specific area, or to alter such an act or close the same totally, or
- (c) Not to do any act about to be done by the Corporation.

22. Power of Government of Nepal to make inquiries into activities of

Corporation: (1) The Government of Nepal may, by publishing a Notification in the Nepal Gazette, appoint one inspector to inquire into the affairs of the Corporation.

(2) The inspector appointed pursuant to Sub-section (1) shall be entitled to examine all accounts and books of accounts and documents of the Corporation.

(3) The inspector appointed under this Section shall submit a report to the Government of Nepal.

Chapter-5

Fund, accounts and audit

23. Fund of the Corporation: (1) The Corporation shall have a separate fund of its own. All amounts received by the Corporation including loans and grants shall be credited to the fund, and the expenses to be made on behalf of the Corporation shall also be chargeable on that fund.

(2) All amounts of the fund shall be deposited in the *Nepal Rastra Bank* or any other bank as permitted by the Government of Nepal.

(3) The Board shall have powers to make such expenses as considered appropriate for the activities authorized pursuant to this Act and the Rules, Bye-laws framed under this Act.

24. To bear liabilities: Any liabilities devolved on by the Government of Nepal or assumed by the Government of Nepal and contracts in relation to the matters set forth in this Act, prior to the establishment of the Corporation, shall be deemed to have been undertaken, assumed or entered into with or by or on behalf of the Corporation to the extent that as set aside by the Government of Nepal for the Corporation.

- 25. Mode of maintaining accounts:** Accounts of incomes and expenses of the Corporation shall be maintained in such form and manner as may be approved by the Government of Nepal.
- 26. Distribution of profits:** The distribution and use of profits made by the Corporation shall be as prescribed.
- 27. Audit:** (1) The accounts of the Corporation shall be audited by a total of Two auditors, consisting of one auditor designated by the Government of Nepal and the other selected by the shareholders. The auditor to be selected by the shareholders shall be selected at the annual general meeting, and the remuneration of the auditor shall also be specified by that meeting.

Provided that, one auditor designated by the Government of Nepal shall perform the audit until the provision of the general meeting is made.

(2) If the office of the auditor selected by the general meeting falls vacant for any reason, the Government of Nepal may fill the vacancy until another general meeting is held.

(3) It shall be the duty of the auditors to audit the annual accounts and profit and loss account and related receipts of the Corporation. All records of accounts and books of the Corporation shall be made available to the auditors. They may, at any reasonable time, inspect and examine any accounts and documents of the Corporation or held by any of its office-bearers or employees in any place.

(4) The auditors shall submit one copy of the audit report made by them to the Government of Nepal and the other copy to the annual general meeting of the Corporation, after the provision of the general meeting is made. The report shall clearly state the following matters:

- (a) Whether annual accounts and profit and loss account have been so properly and duly maintained, clearly indicating all required matters as to reflect the actual financial condition of the Corporation or not;

- (b) Whether the Corporation has provided any such explanation or information as sought by the auditors or not, and if so provided, whether such explanation or information is satisfactory or not;
- (c) Whether the annual accounts and profit and loss accounts submitted are in order or not.

(5) The auditors may submit such proposals as they consider appropriate for the proper arrangement of the Corporation. The Board shall include the proposals so submitted in the agenda of the general meeting.

(6) The Government of Nepal may, at any time, give direction to the auditors to submit to it a report indicating whether the steps being taken by the Corporation are sufficient or not for the proper protection of the shareholders and creditors and whether the manner of maintaining accounts of the Corporation is proper or not.

(7) The Government of Nepal may, based on the report received pursuant to Sub-section (4) or (6), give direction to the Corporation for necessary reform or provision.

Chapter-6

Miscellaneous

- 28. To take oath to maintain secrecy and not to commit a breach of trust:** Prior assumption of their office, each director, managing director, auditor, officer and other employee of the Corporation shall take an oath as set forth in the Schedule.
- 29. Settlement of dispute by arbitration:** (1) If there arises any dispute between the Board of Directors, managing director and any officers or employees in relation to the terms and conditions existing between any of

them, the dispute shall be settled only by one judge of the Court of Appeal⁷ as designated by the Government of Nepal, depending on the circumstance.

(2) The arbitrator shall have the same powers as the court has in relation to the examining of witness and evidence, summoning the attendance of parties and opposite parties and the production of documents, in relation to the dispute referred to arbitration under Sub-section (1) for decision/settlement.

(3) The arbitral award shall be final and binding to all parties. Provided that, if an application is made by the aggrieved party, the Court of Appeal⁸ may void the award and may make another decision only in the following circumstance:

- (a) If it clearly appears that the arbitrator has indulged in improper conduct in making award or made the wrong award showing any specific ulterior motive or being subjective, or
- (b) If the arbitral award is directly contrary to law.

30. Penalties: (1) If any person knowingly inserts, or causes to be inserted, a false content in, or forges, or caused to be forged, a document of, or held in, the Corporation, the person shall be liable to the penalty of imprisonment for a term not exceeding Two years or a fine of up to Two Thousand Rupees or with both penalties.

(2) If any director or employee of the Corporation obstructs the inspector appointed under Section 22 or the auditor appointed under Section 27 with his or her business or does not provide, except for any reasonable reason, such document or information to such an inspector or auditor as demanded by him or her in accordance with law, or commits recklessness in the provision of such document or information, such a

⁷ Amended by Administration of Justice Act, 2048.

⁸ Amended by Administration of Justice Act, 2048.

person shall be liable to the penalty of a fine of up to One Thousand Rupees.

(3) If any person uses the name of the Corporation in any prospectus or advertisement without obtaining written permission of the Corporation, the person shall be liable to the penalty of imprisonment for a term not exceeding Six months or a fine of up to One Thousand Rupees or with both penalties.

(4) If any person who was the then director or managing director of the Corporation becomes a partner in a written contract made with the Corporation in violation of Section 16 and without making disclosure as required under that Section and makes or attempts to make any undue benefit in that capacity, that person shall be liable to the penalty of imprisonment for a term not exceeding Two years or a fine of up to Five Thousand Rupees or with both penalties.

31. **Jurisdiction of court:** The District Court shall have jurisdiction to originally try and settle cases in which the Corporation is plaintiff or defendant or any cases or other legal action under this Act.
32. **To give as grant:** The Government of Nepal shall provide all books and goods held by the Nepali Language Publication Board/Committee so far to the Corporation as a grant.
33. **Power of the Government of Nepal to frame Rules:** The Government of Nepal may frame Rules in order to accomplish the objectives of this Act, and these Rules shall come into force after their publication in the Nepal Gazette.
34. **Power of the Corporation to frame Bye-laws:** The Corporation may frame Bye-laws, without being prejudicial to this Act or the Rules framed under this Act, for the proper accomplishment of the activities of the

Corporation, and such Bye-laws shall come into force upon being approved by the Government of Nepal.

- 35. This Act to prevail:** The matters set forth in this Act or the Rules framed under this Act shall be governed by the same, and the other matters shall be governed by the prevailing Nepal laws.

NEPAL LAW COMMISSION

Schedule

(Relating to Section 28)

Oath of honesty and secrecy

I..... swear that I shall honestly and with truth and faith perform my duties in the capacity of the director, managing director, employee or auditor of the Corporation or in relation to the affairs entrusted to my office in the Corporation, to the best of my knowledge and capacity.

I again swear that I shall not disclose or cause to be disclosed any information relating to the Corporation to any unauthorized person or allow any book, booklet or document relating to the Corporation and in custody of the Corporation for inspection or receipt by any person.

NEPAL LAW COMMISSION