

CHAPTER 398

STATE MORTGAGE BANK
(AMENDMENT)

AN ACT TO AMEND THE CEYLON STATE MORTGAGE BANK
ORDINANCE.

Acts
Nos. 49 of 1956,
18 of 1957,
17 of 1958,
48 of 1958.

[Section 2—7th November, 1956]

[Section 3—9th May, 1958]

[Sections 4 and 5—31st December, 1958]

[Sections 6 to 10—28th March, 1957]

1. This Act may be cited as the Ceylon State
Mortgage Bank (Amendment) Act.

Short title.

2. Section 35 of the Ceylon State Mortgage Bank
Ordinance, hereinafter referred to as “the principal
enactment”, is hereby amended in paragraph (a) of
that section, by the substitution, for the words “nor
shall such total indebtedness exceed twenty-five
million rupees;”, of the words “nor shall such total
indebtedness exceed such amount as may, from time
to time, be fixed by the Minister of Finance in his
discretion;”.

Amendment
of section 35
of Chapter
398.
[§ 2, 49 of 1956.]

3. Section 53 of the principal enactment is hereby
amended as follows:—

Amendment
of section 53
of the
principal
enactment.
[§ 2, 17 of 1958.]

(1) by the substitution, for the words “No loan
shall be granted unless the board shall have
first satisfied itself—”, of the following:—

“No loan shall be granted unless—

(i) the title of the borrower to the
property offered as security is, in
the opinion of the board, satis-
factory; and

(ii) the board is satisfied—”;

(2) by the omission of paragraph (b) of that
section; and

(3) by the relettering of paragraphs (c) and (d) of that section as paragraphs (b) and (c) respectively.

Amendment
of section 57
of the
principal
enactment.
[§ 2, 48 of 1958.]

4. Section 57 of the principal enactment is hereby amended by the insertion, immediately after subsection (2) of that section, of the following new subsection :—

“ (3) Where an order made by the board under subsection (1) is not complied with, default shall be deemed to be made in respect of the whole of the unpaid portion of the loan and the interest due thereon up to date, and the provisions of part (iv) of this Chapter shall apply accordingly.”.

Amendment
of section 60
of the
principal
enactment.
[§ 3, 48 of 1958.]

5. Section 60 of the principal enactment is hereby amended by the substitution, for all the words from “ is due,” to the end of that section, of the following :—

“ is due, if either notice of three months is given to the board of the intention to make such payment or interest due thereon for a period of three months is paid in lieu of such notice :

Provided, however, that the board may in its discretion waive the whole or any part of the period of notice required by the preceding provisions of this section.”.

Amendment
of section 87
of the
principal
enactment.
[§ 2, 18 of 1957.]

6. Section 87 of the principal enactment is hereby amended as follows :—

(1) by the omission of all the words from “ and published” to the end of that section ;
and

(2) in the marginal note to that section, by the substitution, for the word “ securities”, of the word “ accounts”.*

* This change has already been effected in the Revised Edition of the Legislative Enactments, 1956.

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7. The following new section is hereby inserted immediately after section 87, and shall have effect as section 87A, of the principal enactment:—

Insertion of
new section
87A in the
principal
enactment.

[§ 3, 18 of 1957.]

'Annual
statement of
accounts.

87A. The board shall in respect of each financial year cause to be prepared in the prescribed form a statement of the accounts of the bank as at the end of that financial year, and such statement shall be signed by the manager, the accountant and a majority of the directors, and be published in the Gazette within four months from the last day of that financial year.

For the purposes of this section, "financial year" means the period commencing on the first day of October in any year and ending on the thirtieth day of September in the next succeeding year.'

8. Section 88 of the principal enactment is hereby amended by the substitution, for the marginal note to at section, of the following marginal note:—

Amendment
of section 88
of the
principal
enactment.

[§ 4, 18 of 1957.]

"Audit of
accounts."*

9. Section 89 of the principal enactment is hereby amended by the substitution, for the words "a copy of the half-yearly statement of accounts, and he shall examine it", of the words "the half-yearly and annual statements of accounts, and he shall examine them".

Amendment
of section 89
of the
principal
enactment.

[§ 5, 18 of 1957.]

10. Section 90 of the principal enactment is hereby amended as follows:—

Amendment
of section 90
of the
principal
enactment.

[§ 6, 18 of 1957.]

(1) by the renumbering of that section as subsection (1) of section 90;

* This change has already been effected in the Revised Edition of the Legislative Enactments, 1956.

- (2) in renumbered subsection (1), by the substitution, for the words "shall forward to the board a statement of the accounts in the prescribed form," of the words "shall return to the board every statement of accounts supplied to him,";
- (3) by the addition, immediately after renumbered subsection (1), of the following new subsection:—
- “ (2) The auditor shall send to the Minister a copy of his report on the accounts of the bank.”; and
- (4) in the marginal note to that section, by the substitution, for the words "Auditor's statement, report," of the words "Auditor's report".