



PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA

---

NATIONAL HOUSING DEVELOPMENT  
AUTHORITY ACT,  
No. 17 OF 1979

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[Certified on 20th March, 1979]

*Printed on the Orders of Government*

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**National Housing Development Authority**  
**Act, No. 17 of 1979**

[Certified on 20th March, 1979]

L.D.—O. 13/78

**AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF A NATIONAL  
HOUSING DEVELOPMENT AUTHORITY, TO REGULATE ITS POWERS  
AND FUNCTIONS, AND TO MAKE PROVISION 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 National Housing Development Authority Act, No. 17 of 1979, and shall come into operation on such date (hereinafter referred to as the "appointed date") as the Minister may appoint by Order published in the Gazette.

Short title  
and date of  
operation.

**PART I**

*Establishment of the National Housing Development Authority*

2. (1) An Authority to be called the National Housing Development Authority (hereinafter referred to as "the Authority") is hereby established.

Establish-  
ment of the  
National  
Housing  
Development  
Authority.

- (2) The Authority shall be a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name.

- (3) The head office of the Authority shall be in Colombo.

- (4) The Authority may, with the prior approval of the Minister, establish and maintain branch offices.

3. (1) The Authority shall consist of the following members :—

Members  
of the  
Authority.

- (a) six members (hereinafter referred to as "appointed members") who shall be appointed by the Minister ; and

- (b) one other member (hereinafter referred to as "ex officio member") who shall be a representative of the Ministry of the Minister in charge of the subject of Finance nominated by that Minister.

- (2) The Minister shall appoint one of the appointed members to be the Chairman of the Authority.

- (3) The Authority shall exercise, perform or discharge the powers, duties or functions of the Authority subject to such general or special directions as the Minister may issue from time to time and it shall be the duty of the Authority to comply with such directions.

(4) The provisions of Part III of this Act shall apply to the members of the Authority.

Objects of the Authority.

4. The objects of the Authority shall be—

- (a) to directly engage itself in the construction of flats, houses and other living accommodation or buildings;
- (b) to formulate schemes to establish housing development projects in order to alleviate the housing shortage;
- (c) to cause the clearance of slum and shanty areas and the re-development of such areas;
- (d) to promote housing development;
- (e) to develop or re-develop land for the carrying out of any of the objects of the Authority;
- (f) to make land available to any person for housing development;
- (g) to provide financial or other assistance to persons engaged in any activity which is similar to any of the objects of the Authority;
- (h) to conduct, promote and co-ordinate activities in relation to all aspects of housing development; and
- (i) to do all such other acts as may be necessary or conducive to the attainment of any or all of the above objects.

Powers and functions of the Authority

5. The powers and functions of the Authority shall be—

- (a) to prepare and execute proposals, plans and projects for—
  - (i) the erection, conversion, improvement and extension of any flat, house or other living accommodation or any building for residential purposes;
  - (ii) the sale, lease, mortgage or rental of such flat, house or other living accommodation or building;
  - (iii) the clearance and re-development of slums, shanties, tenements and other buildings which are congested, unsightly or insanitary;

- (iv) the resettlement of persons displaced or likely to be displaced by any of the operations of the Authority ;
- (b) to manage all lands, flats, houses and other living accommodation and buildings or other property vested in or belonging to the Authority ;
- (c) to provide loans on such terms and conditions as may be prescribed to enable persons—
  - (i) to purchase flats, houses or other living accommodation ;
  - (ii) to purchase lands for the constructions of flats, houses and other living accommodation ; and
  - (iii) to construct flats, houses and other living accommodation ;
- (d) to conduct research and surveys necessary for the performance of the functions and duties of the Authority ;
- (e) to establish new housing estates and to encourage self-help housing projects and the provision of amenities for the inhabitants of such estates or projects including transport and other services ;
- (f) to enter into and perform directly or through Government departments, public corporations, or any agent authorized in that behalf all such contracts as it may consider necessary for the carrying out of any of the objects of the Authority ;
- (g) to accept gifts, grants, donations or subsidies, whether in cash or otherwise, and to apply them for carrying out of any of its objects ;
- (h) to develop any immovable property acquired or held by the Authority ;
  - (i) to acquire, hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of, any movable or immovable property ;
  - (j) to obtain loans on such terms and conditions as may be approved by the Minister for the purpose of carrying out any of its objects ;
  - (k) to charge rents for any flat, house, or other living accommodation or any building provided by the Authority ;

- (l) to charge fees for any services or facilities provided by the Authority;
- (m) to undertake any activity which, in the opinion of the Authority, are necessary to achieve any of its objects; and
- (n) to do all such acts or things as are incidental to or consequential upon the exercise, performance and discharge of its powers, duties and functions.

## PART II

### *Acquisition of Immovable Property and Sale of Land, Flats, Houses and other Living Accommodation belonging to the Authority*

Compulsory  
acquisition  
of land.

6. (1) Where the Minister certifies that any land, other than State land, should be acquired by Government for the purpose of being made available for the carrying out of any housing object and such certificate is published in the Gazette, that purpose shall be deemed to be a public purpose and that land may be acquired under the Land Acquisition Act, and be made available for that purpose to that Authority, or to any other person by being disposed of under the provisions of this Act.

(2) In the case of any such acquisition where the public notice of the intention to acquire that land or interest therein is published as required by the Land Acquisition Act at any time within a period of three years commencing from the appointed date, notwithstanding anything to the contrary in the Land Acquisition Act, the market value of the land or the interest therein for the purpose of determining the amount of compensation to be paid in respect of that land or the interest therein shall be deemed to be the market value of that land or the interest therein as on July 22, 1977, increased by a reasonable amount on account of improvements, if any, effected to such land, after that date.

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

7. (1) Where any immovable property of the State is required to be made available to the Authority for any of its purposes, such purpose shall be deemed to be a purpose for which a special grant or lease of such property may be made to the Authority under section 6 of the Crown Lands Ordinance, and accordingly the provisions of that Ordinance shall apply to a special grant or lease of such property to the Authority for such purpose.

(2) Where any movable property of a Government department or any public corporation is required for the purposes of the Authority the Minister may by Order published in the Gazette transfer to and vest in the Authority the possession and use of such movable property.

(3) No order affecting any movable property of any Government department or public corporation shall be made by the Minister under subsection (2) without the consent of the Minister in charge of that department or public corporation.

8. (1) The Authority may, with the approval of the Minister, dispose by way of sale, lease, rent or rent purchase any land, flat, house or other living accommodation held by the Authority, subject to such terms and conditions as may be determined by the Minister and specified in the instrument of disposition, and in particular, but without prejudice to the generality of the foregoing provisions of this section, a condition to the effect that the disposition effected by such instrument may be cancelled or determined in the event of a failure to comply with any other condition specified in such instrument or in the event of any money due to the Authority under such instrument remaining unpaid for any such period as may be specified therein.

Right of alienation of land, flat, house or other living accommodation.

(2) Nothing in the Crown Lands Ordinance shall affect or be deemed or construed to affect the disposition of any State land held by the Authority for any of the purposes of the Authority.

9. No person shall be entitled to purchase more than one house, flat or other living accommodation or any land for any such purpose sold under the provisions of this Part.

Restrictions as to purchase.

10. (1) No flat, house or other living accommodation or building or any buildable land which has been sold to any person by the Authority shall be sold, leased, mortgaged or disposed of in any other manner by such person, other than by way of gift to a child, parent or spouse, within a period of ten years of such sale without the prior written consent of the Authority.

Implied condition as to flats, houses or other living accommodation or lands.

(2) A sale, lease, mortgage or any other disposition of such flat, house, or other living accommodation or building or any land that is executed by or on behalf of the owner in contravention of subsection (1) shall be null and void and shall have no force or effect in law.

(3) No lien by deposit of the title deeds as security for a debt, of any flat, house or other living accommodation or

building or any land that has been sold by the Authority shall be capable of being created in favour of any person and no caveat in support of any such lien by deposit shall be capable of being registered under the Registration of Documents Ordinance.

(4) No such flat, house or living accommodation or building or any land shall be attached in execution of a decree of any court except a decree in favour of the Authority or the General Manager, as the case may be.

No action to lie in respect of the cancellation or determination of an instrument.

11. Notwithstanding the provisions of any other law to the contrary, no action shall lie against the Authority or any officer or servant of such Authority in respect of the cancellation or determination of an instrument of alienation under the provisions of section 8.

Disqualification from membership.

12. A person shall be disqualified from being appointed or continuing as a member of the Authority if he is or becomes a Member of Parliament.

Resignation of appointed members of the Authority.

13. Any appointed member may resign from the Authority by letter on that behalf addressed to the Minister.

Powers of Minister to remove an appointed member.

14. The Minister may, by Order published in the *Gazette*, remove an appointed member from office without assigning a reason therefor and such removal shall not be called in question in any court. A member in respect of whom an Order is made under this section shall be deemed to have vacated office on the date of publication of that Order in the *Gazette*.

Period of office of appointed member.

15. (1) An appointed member shall, subject to the provisions of sections 13 and 14, hold office for a period of three years from the date of his appointment to such office:

Provided that a member appointed in place of a member who dies or resigns or otherwise vacates office, shall, unless he earlier vacates office, hold office for the unexpired part of the term of office of the member whom he succeeds.

(2) Where the Chairman or any other appointed member becomes, by reason of illness, infirmity or absence from Sri Lanka, temporarily unable to discharge the functions of his office, the Minister may appoint any other member to act as Chairman, or any other person to act as in place of such Chairman or member, as the case may be.

### PART III

#### *Members of the Authority*

16. Any appointed member other than a member who has been removed from office under section 14 shall be eligible for reappointment.

Eligibility for reappointment as appointed members.

17. All or any of the members may be paid such remuneration out of the fund of the Authority, as may be determined by the Minister with the concurrence of the Minister in charge of the subject of Finance.

Remuneration of members.

18. (1) The term of office of the Chairman of the Authority shall be the period of his membership of the Authority.

Period of office of Chairman.

(2) The Chairman may earlier resign his office as Chairman by letter in that behalf addressed to the Minister.

(3) The Minister may, at any time, without assigning a reason therefor, terminate the appointment of the Chairman.

19. (1) The quorum for any meeting of the Authority shall be three members and the Authority may regulate the procedure in regard to the meetings of such Authority and the transaction of business at such meetings.

Quorum.

(2) All questions for decision at any meeting of the Board shall be decided by the vote of the majority of the members present. In case of an equality of votes the member presiding at that meeting shall have a casting vote.

20. A member who is directly or indirectly interested in any business transacted or proposed to be transacted by the Authority shall disclose the nature of such interest at the meeting of the Authority where such business is being discussed. The disclosure shall be recorded in the minutes of the Authority and such member shall not take part in any deliberation or decision of the Authority with regard to that business and shall withdraw from such meetings while such deliberation is in progress or such decision is being made.

Member to disclose interest to the Authority.

21. No act, decision or proceeding of the Authority shall be invalidated by reason only of the existence of a vacancy among its members or any defect in the appointment of a member.

Acts not invalidated by reason of vacancy.

22. (1) The seal of the Authority shall be in the custody of the Authority.

Seal of Authority.

(2) The seal of the Authority may be altered in such manner as may be determined by the Authority.

(3) The seal of the Authority shall not be affixed to any instrument or document except in the presence of two members of the Authority who shall sign the instrument or document in token of their presence.

#### PART IV

##### *Officers and Servants of the Authority*

General Manager of the Authority.

23. (1) The Authority may, with the approval of the Minister, appoint a General Manager, who shall be the chief executive officer.

(2) The Authority may, at any time if it considers necessary to do so, terminate the appointment of the General Manager with the approval of the Minister.

(3) The General Manager shall, subject to the general direction and control of the Chairman, be charged with the direction of the business of the Authority, the organization and execution of the powers, functions and duties of the Authority, and the administrative control of the employees of the Authority.

(4) The General Manager may, with the approval of the Authority, delegate in writing to any other employee of the Authority, such of his powers, functions or duties, as he may, from time to time consider necessary and any employee to whom any such powers, functions or duties are so delegated, shall exercise, discharge or perform them subject to the general or special directions of the General Manager.

Appointment of officers and servants.

24. (1) The Authority may appoint such officers and servants as it considers necessary for the efficient discharge of its functions.

(2) The officers and servants appointed under subsection (1) shall be remunerated in such manner and at such rates, and shall be subject to such conditions of service, as may be determined by rules made by the Authority.

(3) At the request of the Authority 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 Authority for such period as may be determined by the Authority with like consent, or be permanently appointed to such staff.

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

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

(6) Where the Authority employs any person who has agreed to serve the Government for a specified period, any period of service with the Authority by that person shall be regarded as service to the Government for the purpose of discharging the obligations of such agreement.

(7) At the request of the Authority any member of the Local Government Service or any other officer or servant of any local authority may, with the consent of such member, officer or servant and the Local Government Service Advisory Board or that local authority, as the case may be, be temporarily appointed to the staff of the Authority for such period as may be determined by the Authority with like consent or be permanently appointed to such staff on such terms and conditions including those relating to pension or provident fund rights as may be agreed upon by the Authority and the Local Government Service Advisory Board or the local authority.

(8) Where any person is temporarily appointed to the staff of the Authority in pursuance of subsection (7), such person shall be subject to the same disciplinary control as any other member of such staff.

## PART V

### *Finance*

25. (1) The Authority shall have its own Fund. There shall be credited to the Fund of the Authority—

Fund of  
the  
Authority.

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

(b) all such sums of money as may be received by the Authority in the exercise, performance or discharge of its powers, duties or functions;

- (c) all such sums of money as may be received by the Authority by way of donations, gifts, or grants from any sources whatever, whether in or outside Sri Lanka ; and
  - (d) all such sums of money as may be transferred to the Authority by any Government department, public corporation or other institution.
- (2) There shall be paid out of the Fund of the Authority all such sums of money required to defray any expenditure incurred by the Authority in the exercise, performance and discharge of its powers, duties and functions.
- (3) The initial capital of the Authority shall be fifty million rupees. The amount of the initial capital shall be paid out of the Consolidated Fund in such instalments as the Minister in charge of the subject of Finance may in consultation with the Minister determine and such sums shall be credited to the Fund established under subsection (1).
- (4) At the request of the Minister, the capital of the Authority may be increased from time to time by such amounts as may be authorized by an Appropriation Act, or by resolution of the Parliament, and such amounts shall be given or made available to the Authority by way of grants or by way of loans on such terms and conditions as may be determined by the Minister in charge of the subject of Finance.

Borrowing powers of the Authority.

26. (1) The Authority may, with the consent of the Minister, given with the concurrence of the Minister in charge of the subject of Finance, or in accordance with any general authority given by the Minister with like concurrence, borrow temporarily, by way of overdraft or otherwise, such sums as the Authority may require for meeting the obligations of the Authority or discharging its duties and functions under this Act :

Provided that the aggregate of the amounts outstanding in respect of any temporary loans raised by the Authority under this subsection shall not at any time exceed such sum as may be determined by the Minister in consultation with the Minister in charge of the subject of Finance.

(2) The Authority may, with the consent of the Minister given with the concurrence of the Minister in charge of the subject of Finance, borrow money, otherwise than by way

of temporary loan under subsection (1) by the issue of debentures and the debentures so created and issued in this Act are referred to as "National Housing Development Authority Debentures".

(3) National Housing Development Authority Debentures shall be issued, transferred, dealt with, redeemed and cancelled in accordance with such terms and conditions as may be determined by the Authority with the approval of the Minister given with the concurrence of the Minister in charge of the subject of Finance.

27. (1) The Minister in charge of the subject of Finance shall guarantee the repayment of the principal of, and the payment of the interest on, any sum due on debentures issued under this Act.

Government  
guarantee.

(2) Any sum required for the fulfilment of a guarantee provided under subsection (1) may, with the prior approval of the Parliament, be paid out of the Consolidated Fund.

(3) Any sum paid out of the Consolidated Fund in fulfilment of a guarantee provided under subsection (1) shall be repaid, together with interest thereon, at such rate as the Minister in charge of the subject of Finance may determine with the concurrence of the Minister, by the Authority, in such manner and over such period as the Minister in charge of the subject of Finance may with such concurrence determine.

(4) Immediately after a guarantee is given under subsection (1) the Minister in charge of the subject of Finance shall lay a statement of the guarantee before the Parliament.

(5) Where any sum is paid out of the Consolidated Fund in fulfilment of a guarantee provided under subsection (1), the Minister in charge of the subject of Finance shall forthwith lay before the Parliament a statement that such sum has been so paid.

28. As soon as may be convenient after the coming into operation of this Act the Minister shall, by order, provide for the transfer to, and the vesting in the Fund of the Authority, any assets and liabilities of the National Housing Fund established under section 4 of the National Housing Act (Chapter 401) and subsisting on the date of transfer.

Transfer  
to the  
Authority  
of the  
assets and  
liabilities  
of the  
National  
Housing Fund.

Application  
of the  
provisions  
of the  
Finance Act,  
No. 38 of  
1971.

29. (1) The provisions of Part II of the Finance Act, No. 38 of 1971, shall *mutatis mutandis* apply to the financial control of the Authority.

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

## PART VI

### Provisions Applicable to Loans

Power of  
Authority  
to  
investigate  
purposes  
to which  
loan is  
applied.

30. The Authority may call upon any person to whom a loan has been or is granted by the Authority to satisfy the Authority that the loan has been or is being applied to the purpose for which it has been or is granted, and the person so called upon may adduce evidence before the Authority or any officer authorized by the Authority to take such evidence, to prove that the loan has been or is being applied for that purpose.

Power of  
Authority  
to cancel  
the grant  
of a  
loan &c.

31. (1) At any time after the grant of a loan is approved by the Authority and before the entire amount of the loan is given to the applicant therefor, the Authority may, if owing to material misstatements by the borrower or misapprehension of the actual facts by the Authority the loan was approved in circumstances in which it would not have been granted if at the time facts had been known and without assigning any reason, cancel the grant of the loan or reduce the amount of the loan or modify the conditions applicable to the loan or withhold payment of the whole or any part of the loan for such period as the Authority may determine.

(2) Where the Authority cancels under subsection (1) the grant of a loan after a part of the loan has been given to the applicant therefor, such part shall be deemed to be the full amount of the loan granted to him and such Authority may, by written order, direct such applicant to repay that loan and the interest due thereon within the time specified in such order. Where such order is not complied with within the time allowed therefor, default shall be deemed to be made in respect of the whole of the unpaid portion of the loan and the interest due thereon and where that loan was granted on the mortgage of any land, the provisions of sections 42 to 61 shall apply to and in relation to that loan.

32. (1) The Authority may at any time, if it is satisfied that the property given as security has depreciated in value to such an extent as to endanger the safety of the loan or that the title of the borrower is such that it ought not to have been accepted as adequate and without assigning reason therefor, by written order direct that, within the time specified in the order—

Power of Authority to require additional security or recall loan.

- (a) additional security for a loan granted by the Authority be provided to the satisfaction of the Authority ; and
- (b) a loan granted by the Authority be repaid either in full or in part.

(2) Where an order issued under subsection (1) in respect of a loan is not complied with within the time allowed therefor by the order, default shall be deemed to have been made in respect of the whole of the unpaid portion of that loan and the interest due thereon up to date, and where that loan was granted on the mortgage of any land, the provisions of sections 42 to 61 shall apply to and in relation to that loan.

33. (1) The Authority may, in lieu of the whole or any part of any security which the Authority has already accepted for any loan, accept new security if the new security, either alone or together with any portion of the original security which is to remain, is sufficient for a new loan of an amount equal to the total of the principal and interest still outstanding on account of the original loan.

Change, reduction or release of security-

(2) Where a person to whom a loan has been granted by the Authority on the security of a land mortgaged to the Authority repays a part of that loan and the Authority is satisfied that a portion (hereafter in this subsection referred to as an "adequate portion") of that security is sufficient for the purpose of ensuring the recovery of the balance due on that loan by way of principal and interest, the Authority may release and discharge from the mortgage such portion of that security as is in excess of the adequate portion.

(3) Where any person to whom a loan has been granted by the Authority on the security of a land mortgaged to the Authority has transferred or transfers a portion of that land to any other person, the Authority may, upon a request made therefor by the transferee, release and discharge from the mortgage that portion of that land if—

- (a) an apportionment among the transferor and the transferee of the amount outstanding on the loan is made to the satisfaction of the Authority;
- (b) the transferee undertakes to pay to the Authority such amount of the loan as is apportioned to him and executes a mortgage bond to the satisfaction of the Authority to secure the payment of such amount; and
- (c) such steps as are necessary in the opinion of the Authority for the purpose of releasing and discharging from the mortgage that portion of the land transferred to the transferee are taken by the transferor and transferee.

(4) For the purposes of this Act the amount of the loan which is so apportioned to each such person shall be deemed to be the amount of a loan granted to each such person by the Authority and accordingly the provisions of this Act and of any regulation made thereunder shall apply to and in respect of the amount of such loan and the security furnished therefor.

Permission  
of General  
Manager  
required  
under  
certain  
circum-  
stances for  
alienation of  
security  
for a loan  
granted  
by the  
Authority.

34. (1) Where on the security of any property a loan is granted for the construction, completion, renovation or repair of any building or buildings such property, and where the building is to be constructed, completed, renovated or repaired is on any other property, such other property shall not be sold, gifted, leased or otherwise alienated, so long as such work is incomplete, except with the written permission of the General Manager and in accordance with such conditions as he may impose.

(2) Notwithstanding anything to the contrary in any other written law, any alienation or disposition of any property to which subsection (1) applies shall, if it is in contravention of that subsection, be invalid, and have no force or effect in law.

In certain  
circums-  
stances  
security for  
a loan  
the Authority  
not to be  
seized or  
sold in  
execution  
of a decree  
which is  
not in  
favour of  
the General  
Manager.

35. Notwithstanding anything to the contrary in any other written law, property, which is security for a loan granted by the Authority for the construction, completion, renovation and repair of any building or buildings and where the building is to be constructed, completed, renovated or repaired is on any other property, such other property shall not be seized or sold in execution of a decree of any court other than a decree in favour of the Authority or the General Manager, as the case may be.

36. Every loan shall be repaid—

- (a) by instalments specified by the Authority and paid at intervals so specified ; or  
(b) in any other manner so specified.

Mode of repayment of loans.

37. Every person—

- (a) to whom a loan is granted by the Authority ; or  
(b) who obtains probate of the will or letters of administration to the estate of a person to whom a loan has been granted by the Authority ; or  
(c) who, under section 47, is appointed to represent the estate of a deceased borrower ; or  
(d) to whom any right, title or interest in any land mortgaged to the Authority as security for a loan granted by that Authority, or in any other description of security for such a loan, passes whether by voluntary conveyance or by operation of law,

Registered address of borrower, &c.

shall notify in writing to the Authority an address to which all notices to him may be sent.

38. Any notice which is required by or under this Act to be served on any person to whom section 37 applies shall be deemed to be duly served on that person if it is sent by post in a registered letter directed to that person at the address notified by him under that section, and the service shall be deemed to be effected at the time at which the letter would be delivered in the ordinary course of post.

Service of notice on borrower, &c.

39. Where a loan is granted by the Authority on the mortgage of any land, that land shall, on and after the date of the registration of such mortgage, be charged with the payment of the loan with interest in priority to every other debt, mortgage or charge affecting it, except a debt which is secured by a mortgage duly registered prior to such date and which is due to a creditor who, in good faith, advanced the money before the loan was granted by the Authority.

Priority of charge created by a loan made by the Authority.

40. (1) Every mortgage of land executed in favour of the Authority as security for any loan shall be substantially in a form approved by the Authority.

Form of mortgage of land.

(2) Any such mortgage as is referred to in subsection (1) may include a covenant that a higher rate of interest than that on which the loan was granted shall be paid, if the

borrower fails or neglects to make any payment due on account of interest, principal or otherwise under the mortgage, in full and on the due date.

**Default of payment**

41. Where default is made in the payment of any sum due on any loan granted on the mortgage of land, whether that sum is due on account of principal or interest or of both, default shall be deemed to be made in respect of the whole of the unpaid portion of that loan and the interest due thereon.

**Action by Authority where default is made**

42. Where under the provisions of this Act default is made or is deemed to be made in respect of the whole of the unpaid portion of any loan and the interest due thereon, the Authority may, in the discretion of that Authority, take action as specified either in section 44 or in section 46 and where in any case the Authority takes action or commences to take action in accordance with section 44 that Authority may at any time thereafter take action in that case under section 46 if that Authority deems it necessary to do so.

**Notification of errors in mortgage bonds and amendments of such bonds**

43. Where the bond mortgaging any land to the Authority as security for a loan granted by the Authority contains any clerical or other error or requires amendment or alteration in respect of any provision contained therein, such error may be rectified or such amendment or alteration may be made by an endorsement on such bond signed by the mortgagor and the Authority or any officer authorized in that behalf by the Authority. Such an endorsement upon registration in the office of the Registrar of Lands, shall be sufficient for all purposes to rectify the error or to effect the amendments, alterations and the bond on which any such endorsement is made shall, when it is registered in the office of the Registrar of Lands, have effect as though it had been originally executed as so rectified or amended or altered.

**Appointment of manager to take possession of mortgaged land**

44. Subject to the provisions of section 47, the Authority may, by order in writing, authorize any person specified in the order to enter upon any land mortgaged to the Authority as security for any loan in respect of which default has been made, to take possession of and to manage and maintain such land, and to exercise the same powers in the control and management of such land as might have been exercised by the mortgagor, if he had not made default.

45. (1) Any person authorized by order of the Authority under section 44 in respect of any land shall be entitled generally to take action in terms of the order and in particular—

- (a) to sell the produce of such land;
- (b) to receive the rents, profits or other income from such land;
- (c) to appropriate to himself out of such income such sum, if any, as the Authority may deem fit to fix as remuneration for his services;
- (d) to pay the expenses incurred in the control and management of such land out of the income of such land; and
- (e) to remain in possession of such land until all moneys due to the Authority under the mortgage of such land have been fully paid or until he is directed by the Authority to yield possession of such land under subsection (2).

(2) Any person authorized by the order of the Authority under section 44 in respect of any land shall—

- (a) pay monthly, out of the income of such land, such sum, if any, as the Authority in the discretion of the Authority may fix, to the mortgagor for his maintenance;
- (b) pay quarterly or as otherwise directed by the Authority to such person or persons and in such manner as the Authority may direct the balance of the income from such land remaining after the payments herein before authorized have been made;
- (c) keep and render to the Authority at such intervals as the Authority may determine clear and accurate records of all sums received or paid out by him in respect of such land; and
- (d) yield possession of such land to the mortgagor or some other person as directed by the Authority and to pay to the Authority any balance of the income from such land remaining in his hands after the payments herein before authorized have been made.

Procedure  
where  
manager  
is  
appointed.

(3) The Authority shall, when all sums due to the Authority under the mortgage have been fully paid, surrender possession of the mortgaged land to the mortgagor and return to him any balance remaining out of the income from such land.

**Authori-  
zation  
of sale  
of  
mortgaged  
land.**

46. Subject to the provisions of section 47 the Authority may by order in writing authorize any person specified in the order to sell by public auction any land mortgaged to that Authority as security for any loan in respect of which default has been made in order to recover the whole of the unpaid portion of such loan and the interest due thereon up to the date of the sale, together with the moneys and costs recoverable under section 54.

**Where  
borrower  
is dead.**

47. (1) Save as otherwise provided in subsection (2), the provisions of sections 44 and 46 shall apply to the case of any default, notwithstanding that the borrower may have died or that any right, title or interest in the land mortgaged by the borrower as security for the loan may have passed by voluntary conveyance or by operation of law to any other person.

(2) Where the borrower is dead and probate of his will or letters of administration to his estate have not been issued—

(a) the District Court of Colombo or the District Court of the district in which the land mortgaged by the borrower as security for the loan is situated may, upon application made in that behalf by the Authority and after service of notice of the application on such persons, if any, as the Court may order, and if satisfied that the grant of probate or issue of letters of administration is likely to be delayed, appoint a person to represent the estate of the borrower for the purpose of this subsection; and

(b) the provisions of sections 44 and 46 shall not apply in the case of any default made by the borrower unless and until a representative of his estate is appointed under this subsection.

**Notice of  
order of  
Authority  
to sell  
land.**

48. (1) Notice of every order under section 46 authorizing the sale of any land shall be published in the Sinhala language in the *Gazette* and in a daily newspaper, and copies of such notice shall be served on the borrower, if he is alive, and on every person who has, in respect of that land, notified his address under section 37.

(2) Where the language of any person on whom a copy of such notice is required to be served is the Tamil language, or the English language, then in addition to a copy of such notice, a translation thereof in the language of that person shall be served on him.

49. Notice of the date, time and place of every sale shall, not less than fourteen days before the date fixed for the sale, be published in the Gazette and copies of such notice shall be—

- (a) served on the borrower, if he is alive, and on every person on whom notice of the order authorizing the sale is required to be served under section 48;
- (b) posted on or near the land which is to be sold; and
- (c) affixed to the walls of the Kachcheri and the several District Courts and Magistrates' Courts within the jurisdiction of which the land is situated.

Notice  
of sale.

50. (1) If the amount of the whole of the unpaid portion of the loan together with all interest due thereon according to the terms of the mortgage, and of the moneys and costs, if any, recoverable by the Authority under section 54 is tendered to the Authority by the borrower or a person authorized by the borrower in that behalf before the date fixed for the sale of the land mortgaged to the Authority as security for the loans, that land shall not be sold and no further steps shall be taken in pursuance of the order under section 46 for the sale of that land.

Payment  
before sale

(2) If the amount of the instalment or other payment in respect of which default has been made, together with any interest due thereon according to the terms of the mortgage, and of the moneys and costs, if any recoverable by the Authority under section 54 is tendered to the Authority at any time by the borrower or by a person authorized by the borrower in that behalf before the date fixed for the sale of the land mortgaged to the Authority as security for the loan, the Authority may, in the discretion of the Authority, direct that such land shall not be sold and that no further steps shall be taken in pursuance of the order under section 46 for the sale of such land.

51. The Authority may fix an upset price below which the land mortgaged to the Authority as security for the loan shall not be sold to any person other than the Authority.

Upset  
price.

Authority  
may bid for  
and purchase  
property  
mortgaged to  
it and sold  
by public  
auction.

Default  
in respect  
of one of  
two loans  
on the  
same land.

Recovery  
of expenses  
and costs  
incurred by  
the Authority

Payment of  
balance of  
proceeds of  
deduction of  
amount due  
to the  
Authority.

52. The General Manager or any person authorized in writing by him may, at a sale by public auction of any land, mortgaged to the Authority as security for any loan, bid for and purchase that land for and on behalf of the Authority.

53. In any case where two loans have been granted by the Authority on the security of the same land and default is made in the payment of any sum due upon any one of such loans, the foregoing provisions of this Part shall apply notwithstanding that default may not have been made in respect of the other loan ; and the Authority may, in any such case, by order under section 46 authorize the sale of the land for the recovery of the total amount due to the Authority in respect of both such loans ; and the provisions of this Part shall apply accordingly.

54. (1) In addition to the amount due on any loan, the Authority may recover from the borrower or any person acting on his behalf—

(a) all moneys expended by the Authority in accordance with the covenants contained in the mortgage bond executed by the person to whom the loan was made, in the payment of premiums and other charges under any policy of insurance effected in respect of the land mortgaged to the Authority, and in the payment of all other costs and charges authorized by the aforesaid covenants to be incurred by the Authority ; and

(b) the costs of advertising the sale of land and selling the mortgaged land :

Provided that the amount recovered as costs under paragraph (b) of this subsection shall not exceed such percentage of the loan as may be prescribed.

(2) Where the General Manager on behalf of the Authority purchases the mortgaged land, he shall pay out of the Fund of the Authority the costs referred to in paragraph (a) and (b) of subsection (1) and he shall, after such moneys and costs are recovered from the borrower under that subsection, credit to the Fund the amount so recovered.

55. Where the mortgaged land is sold, the Authority shall, after deducting from the proceeds of the sale the amount due on the mortgage and the moneys and costs recoverable under section 54, pay the balance remaining if any, either to the borower or to any person legally entitled to accept the payments due to the borrower, of, if the authority is

in doubt as to whom the money should be paid, into the District Court of the district in which such land is situated to be drawn by the person entitled thereto.

56. (1) Where the mortgaged land is sold the General Manager on behalf of the Authority shall sign a certificate of sale and thereupon the right, title and interest of the borrower to and in the land shall vest in the purchaser ; and thereafter it shall not be competent for any person claiming through or under any disposition whatsoever of the right, title or interest of the borrower to and in the land, made or registered after the date of the mortgage of the land to the Authority, in any court to move to invalidate the sale for any cause whatsoever or to maintain any right, title or interest to or in the land as against the purchaser.

Certificate  
of sale.

(2) A certificate signed by the General Manager on behalf of the Authority under subsection (1) shall be conclusive proof, with respect to the sale of any land, that all the provisions of this Part relating to the sale of the land have been complied with.

(3) The certificate of sale shall be in such form as may be approved by the Authority.

(4) Every certificate of sale issued under this section shall be liable to stamp duty and charges as if it were a conveyance of immovable property and to any registration and other charges authorized by law, all of which shall be payable by the purchaser :

Provided, however, that where the General Manager on behalf of the Authority is the purchaser, the certificate of sale issued to him shall be liable to stamp duty and charges as if it were a conveyance of immovable property and to any registration and other charges authorized by law, all of which shall be payable by the Authority.

57. Where the mortgaged land is sold no action or other proceedings shall, after the expiry of three months after the date of sale, be commenced in any court or any defence set up in respect of any application made by the purchaser in court under section 58 for the purpose—

Limitations  
of actions  
to invali-  
date sale,  
&c.

- (a) of invalidating the sale for any cause whatsoever ; or
- (b) of maintaining any right, title or interest to or in the land as against the purchaser.

Order for  
delivery of  
possession.

58. (1) The purchaser of any land sold in pursuance of the preceding provisions of this Part shall, upon application made to the District Court of Colombo or the District Court having jurisdiction over the place where that land is situated, and upon production of a certified copy of the certificate of sale issued in respect of that land under section 56 be entitled to obtain an order for delivery of vacant possession of that land.

(2) Every application under subsection (1) shall be made by way of petition and affidavit to which shall be annexed a certified copy of the certificate of sale issued under section 56 and for the purpose of such application and on all proceedings held in consequence of such application made under that subsection by any person, other than any person for and on behalf of the Authority stamp duties and other charges shall be payable at the respective rates at which such duties and charges are payable under any written law for the time being in force.

(3) Upon the presentation of the application referred to in subsection (1) the District Court shall forthwith order the delivery of possession of the property to the purchaser and shall issue a writ of possession to the Fiscal of the Court requiring and authorizing him before a date specified in the writ, to deliver possession of the premises to the purchaser or to any other person appointed by him for the purpose and to eject the occupier and his dependants if any from the premises and every other person occupying such land or premises or any portion thereof. In the event the Fiscal is unable to deliver possession within the date specified by the Court, the Court shall have power to re-issue the writ extending the period of execution, of such writ. In executing the writ issued to the Fiscal, the Fiscal or the police officer or any person authorized by the Fiscal or the police officer may use such force as may be necessary to enter the premises in accordance with the directions of the District Court which issued the order.

(4) Where the purchaser files an application under subsection (1) he shall at the same time issue to the person named as respondent in the application a notification thereof by personal service, registered post or telegraph, but the non-receipt of such notification by that person shall not invalidate proceedings under this section.

59. Where the land sold is purchased by the Authority, the Authority may, at any time before the Authority re-sells that land, cancel the sale by an endorsement to that effect on a certified copy of the certificate of sale, upon the debtor or any person on his behalf paying the amount due in respect of the loan for which the land was sold (including the costs of seizure and sale) and interest on the aggregate sum at a rate not exceeding the prescribed rate. Such an endorsement shall, upon registration in the office of the Registrar of Lands, re-vest the land in the debtor as though the sale under this Part had not been made.

Cancellation  
of sale.

60. (1) Where the land sold is purchased by the Authority and the sale is not cancelled under section 59, the Authority may at any time re-sell the land and transfer to the purchaser by endorsement on such copy of the certificate of sale as is certified by the Authority to be a true copy, all the right, title and interest to or in that land acquired by the Authority.

Re-sale  
by  
Authority.

(2) The provisions of subsection (4) of section 56 shall apply to an endorsement made under subsection (1) of this section in like manner as they apply to a certificate of sale.

(3) An endorsement made under subsection (1) shall, when it is registered in the office of the Registrar of Lands, vest in the purchaser specified in that endorsement such right, title and interest as are so specified.

61. Nothing in sections 42 to 60 shall be deemed to preclude the Authority from recovering the amount due on any mortgage bond in accordance with the provisions of any other written law.

Authority  
not  
precluded  
from  
other  
methods  
of  
recovery.

## PART VII

### *Recovery of Possession of Houses, Flats and any other Building belonging to the Authority by the General Manager*

62. (1) This Part shall apply to every house, flat or any other building hereinafter referred to as "building" provided by the Authority for occupation by any person, whether such occupation is upon the payment of any rent or otherwise.

Houses,  
flats and  
other  
buildings  
to which  
this Part  
applies  
and interpre-  
tation of  
the  
expressions  
"landlord"  
and  
"occupier"

(2) Where a building is provided by the Authority for occupation by any person, then with reference to that building, the expression "landlord" in this Part means the General Manager, and the expression "occupier" in this Part means that person.

Obligation  
to vacate  
building  
to which  
this Part  
applies.

63. (1) The occupier of any building to which this Part applies, and his dependants and every other person occupying such building or any portion thereof shall not be entitled to occupy such building or portion thereof after the date of the lawful termination of the occupation of such building by the occupier ; and accordingly the occupier shall on that date vacate the building, deliver possession thereof to his landlord; and depart from the land or premises in which such building is situated together with his dependants and every other person occupying such land or premises or any portion thereof.

(2) Where any building to which this Part applies is provided by the landlord for occupation by any person in the employment of that landlord that person's occupation of such building shall be deemed, for the purposes of this Part, to be lawfully terminated on the date of the lawful termination of the employment of that person.

(3) Where in any case referred to in subsection (2) the employment of the occupier is terminated without notice, the reference in that subsection to the date of the lawful termination of his employment shall be deemed to be a reference to the date fourteen days after the actual date of termination.

Application  
the court for  
recovery of  
possession  
and service  
of order  
*nisi*.

64. (1) In any case where the occupier of any building to which this Part applies fails to comply with the provisions of subsection (1) of section 63, it shall be lawful for the landlord to file, in the Magistrate's Court of the division in which the building is situated, an application praying for the recovery of possession of the building, and for the ejectment from the land or premises on which the building is situated of the occupier, his dependants and every other person occupying such land or premises or any portion thereof ; and every such application shall be supported by an affidavit setting forth the time and manner of the termination of the occupation of the occupier.

(2) On receipt of an application under subsection (1), the court shall cause to be served on the occupier a copy of the application and affidavit and an order *nisi* requiring him—

- (a) to appear on a date specified in such order, being a date not later than two calendar months after the date of service of the order ; and
- (b) to show cause why he should not deliver possession of the building as required by section 63 and depart from the land or premises on which it is situated,

together with his dependants and every other person occupying such land or premises or any portion thereof.

(3) An order *nisi* under subsection (2) shall be deemed to have been served on the occupier if it is delivered to him by the Fiscal or by any person authorized by the Fiscal, or where it cannot be so delivered, if it is pasted by the Fiscal, or person authorized as aforesaid on some conspicuous part of the building to which the order relates.

65. (1) If any occupier upon whom an order *nisi* is served under this Part appears before the court on the date specified in the order and, by affidavit or by statement on oath or affirmation, raises any defence, which in the opinion of the court necessitates an adjournment of the hearing, the court shall immediately settle and record the issue or issues raised and shall, having regard to the circumstances of the case, appoint as early as possible for the hearing of evidence; and in such case the Registrar of the court shall thereupon issue a summons to every such witness as may be required by the parties commanding his attendance at the time and place specified in the summons.

Adjournment of hearing.

(2) Where any date is appointed under subsection (1) for the hearing of any case, the hearing shall not again be adjourned for any later date—

(a) unless all the parties to the case consent to such adjournment; or

(b) unless the court is satisfied, upon evidence furnished on oath or affirmation or by affidavit, that such adjournment is necessary by reason of the absence, otherwise than by collusion, of a witness who knows and is able to prove facts material to the case.

(3) On the date appointed under subsection (1) for the hearing of the case or on such other date, if any, to which such hearing may be adjourned under subsection (2), the court shall hear and determine the issues raised and give judgment thereon, notwithstanding anything to the contrary in any written law.

66. (1) If any occupier upon whom an order *nisi* has been served under this Part, does not appear on the date specified in such order or on such other date, if any, to which the hearing may be adjourned under this Part or, having appeared fails to show good and valid cause why he should

Issue and execution of writ for delivery of possession.

not deliver possession as required by section 63 of the building specified in the order and depart from the land or premises on which it is situated together with his dependants and every other person occupying in such land or premises or any portion thereof the order *nisi* shall be made absolute ; and the court shall forthwith issue, and if need be reissue a writ of possession to the Fiscal of the district requiring and authorizing him before a date specified in the writ, not earlier than two calendar months and not later than two calendar months from the date of the issue of such writ, to deliver possession of the building to the landlord or to any other person appointed by the landlord for the purpose and to eject from the land or premises on which the building is situated the occupier, his dependants and every other person occupying such land or premises or any portion thereof :

Provided, however, that where the court is satisfied that it is expedient for any reasonable cause as hereinafter defined, that the issue of the writ should be postponed, the court may direct that such writ shall not be issued unless the occupier fails to deliver possession of the building and to depart from such land or premises together with his dependants and every other person occupying such land or premises or any portion thereof before a date specified in that behalf by the court.

(2) In the preceding proviso, " reasonable cause " means—

(a) the illness of the occupier or any of his dependants ; or

(b) the failure of the landlord in any case referred to in subsection (2) of section 63 to pay any wages lawfully due to the occupier or to grant him any benefits or privileges to which he is entitled to under any other written law to receive from the landlord in his capacity as an employer ; or

(c) the failure of the landlord in that capacity, to issue to the occupier any discharge certificate or identification certificate which should properly be given to him ; or

(d) the failure of the landlord in any case where the building is let on terms enabling the occupier to become the owner after making a certain number of specified payments of rent, to repay to the occupier any sum for the repayment of which provision is made in the event of the termination of his occupation in the agreement entered into between the landlord and the occupier.

67. Subject to the provisions of sections 755 and 756 of the Civil Procedure Code, any person who is dissatisfied with any final judgment, or any order having the effect of a final judgment, pronounced or made by a Magistrate's Court under this Part may, before the expiry of a period of fourteen days (exclusive of public holidays) from the date of such judgment or order, appeal to the Court of Appeal against such judgment or order; and the provisions of any other written law relating to appeals from judgments or orders of Magistrates' Courts shall apply exclusively in all actions for ejectment from houses, flats and other buildings to which this Part applies.

Appeals.

68. No action for the recovery of the possession of any building to which this Part applies or for the ejectment of the occupier from the land or premises in which the building is situated, shall be taken except under the provisions of this Part.

Provisions for this Act to apply exclusively in all actions for ejectment from buildings to which this Part applies.

69. For the purpose of the application of the provisions of the Stamp Ordinance in respect of the duties on legal proceedings, and of the provisions of the Civil Procedure Code in respect of costs and charges, proceedings under this Part shall be deemed to be a money case of the value of fifty rupees, and an application under section 64 of this Act shall be deemed to be a plaint in a money case of that value.

Costs, charges, and stamp duties.

## PART VIII

### General

70. A certificate to the effect that a sum of money was due to the Authority from a specified person under this Act, issued by the General Manager under this Act, or any regulations made under this Act shall, if it purports to be signed by the General Manager or a person authorized by him in that behalf, be *prima facie proof* of the facts stated therein and shall be admissible in evidence of such facts in any Court of law without proof of the signature of the General Manager or the person authorized by him in that behalf.

Certificate from the General Manager.

71. (1) Upon production of a certificate issued by the General Manager under this Act that a sum of money was due to the Authority on a specified date from a specified person, before a District Court having jurisdiction in the district in which that person resides or in which any

Recovery of moneys due to the Authority.

property movable or immovable owned by that person is situated, the Court shall issue an injunction restraining that person from the place where such property is kept or from causing or permitting the removal therefrom of such property and shall direct a writ of execution to issue to the Fiscal authorizing and requiring him to seize and sell all or any of the property movable and immovable of that person or such part thereof as may be necessary for the recovery of that sum ; and the provisions of sections 226 and 297 of the Civil Procedure Code shall, *mutatis mutandis*, apply to such a seizure and sale.

(2) Where the General Manager issues a certificate referred to in subsection (1), he shall at the same time issue to the person specified in the certificate a notification thereof by personal service, registered post, or telegraph, but the non-receipt of such notification by that person shall not invalidate proceedings under this section.

(3) Nothing in the preceding provisions of this section shall affect the right of the Authority or the General Manager to recover moneys due to the Authority under this Act in any other manner or by any other procedure applicable in that behalf.

Recovery of sums liable to be paid to the Authority by persons out of the remuneration of such persons.

72. (1) Any person who is liable to pay a sum under this Act to the Authority if he is an employee of the Government of Sri Lanka, or the Local Government Service, Judicial Service, or of any mercantile establishment, corporate or unincorporate body, shall be liable to have any such sum recovered or deducted out of his remuneration from employment.

(2) The General Manager shall, if he is of the opinion that the method of recovery referred to in subsection (1) is a satisfactory method of recovery in the case of any person, direct in writing to the employer of that person to deduct and pay to the Authority out of the remuneration payable to that person such amount in such manner, and at such intervals as may be specified in the directions.

(3) Every employer who receives a direction under subsection (2) shall forthwith comply with that direction.

(4) Where such a deduction from remuneration out of such employment is made, the employer shall within a reasonable time, but not exceeding fourteen days from the date of recovery, issue a receipt to the person from whom the recovery has been made acknowledging receipt of such

money or recovery of such dues and shall within the same period inform the General Manager from whom he has received such direction of that fact.

(5) Where any person in respect of whom a direction under subsection (2) is in force is about to leave, or leaves, the employment of his employer, the employer shall forthwith—

- (a) if the remuneration due to such person exceeds the sum liable to be paid under such direction to the Authority deduct that sum from such remuneration and pay the sum so deducted to the Authority, and
- (b) if such remuneration does not exceed the sum to be recovered, pay the amount of such remuneration to the Authority.

(6) Where for any reason an employer of any person is unable to comply with a direction given under subsection (2), he shall inform the General Manager forthwith in writing of his inability to do so and the reason therefor.

(7) Every employer who contravenes any of the preceding provisions of this section shall be guilty of an offence and shall, on conviction after summary trial before a Magistrate, be liable to a fine not exceeding one thousand rupees or to imprisonment of either description for a period not excluding one year or to both such fine and such imprisonment.

(8) Where any offence under the preceding provisions of this section is committed by a body of persons, then—

- (a) if the body of persons is a body corporate, every director and officer of that body corporate; and
- (b) if the body of persons is a firm, every partner of that firm,

shall be deemed to be guilty of such offence:

Provided that no such director, officer or partner shall be deemed to be guilty of such offence if he proves that such offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(9) No prosecution for an offence under this section shall be instituted except by or with the sanction of the Authority.

(10) Nothing in the preceding provisions of this section shall affect, or be deemed or construed to affect, the rights of the General Manager to recover in any other manner or by any other procedure applicable in that behalf, any sum which is liable to be paid to the Authority under this Act and in respect of which he has given a direction under subsection (2).

Signature of documents by General Manager on behalf of the Authority.

Declaration of secrecy.

73. The General Manager is authorized on behalf of the Authority to sign and execute all documents required to be signed or executed in the exercise, discharge or performance of any powers, functions or duties assigned to him by the Authority under this Act.

74. (1) Every officer or servant of the Authority shall, before, on or after entering upon his duties under this Act, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Authority or the General Manager and all matters relating to such transactions, and shall, by such declaration, pledge himself not to reveal any matter which may come to his knowledge in the discharge of his duties except—

- (a) when required to do so by the General Manager ; or
- (b) in the performance of his duties ; or
- (c) in order to comply with the provisions of this Act or any other law.

(2) Every officer or servant of the Authority shall decline to answer any question concerning the business of the Authority if he cannot answer the question without infringing his pledge of secrecy under subsection (1).

(3) Every officer or servant who fails or refuses to sign the declaration, or to observe the pledge, referred to in subsection (1) shall be guilty of an offence and shall, on conviction after summary inquiry before a Magistrate, be liable to a fine not exceeding five hundred rupees or to imprisonment of either description for a period not exceeding six months or to both such fine and imprisonment.

Directions of the Minister.

75. (1) The Minister may, from time to time, give the Authority general or special directions as to the exercise, discharge and performance of its powers, functions and duties under this Act and such directions shall be carried out by the Authority.

(2) The Minister may, from time to time, direct in writing the Authority to furnish him such information with respect to the property, business and activities of the Authority, as he may require and the Authority shall carry out every such direction.

Regulations.

76. (1) The Minister may make regulations for the purpose of carrying out or giving effect to the principles and provisions of this Act.

(2) In particular and without prejudice to the generality of the powers conferred by subsection (1), the Minister may make regulations in respect of all or any of the following matters :—

- (a) the conduct and management of the affairs of the Authority ;
- (b) the control of the business transactions of the Authority ;
- (c) the forms to be issued for any of the matters required under this Act ;
- (d) any other matters prescribed or in respect of which regulations are authorized by this Act to be made.

(3) Every regulation made by the Minister shall be published in the *Gazette* and shall come into operation on the date of such publication or on such later date as may be specified in the regulation.

(4) Every regulation shall as soon as convenient after publication in the *Gazette* be brought before Parliament for approval. Any regulation which is not so approved shall be deemed to be rescinded from the date of its disapproval but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any regulation made by the Minister is deemed to be rescinded shall be published in the *Gazette*.

77. It shall be lawful for the General Manager or any officer generally or specially authorized by him in writing in that behalf, at any reasonable time, to enter upon any land or premises and then do such acts as may be reasonably necessary for the purpose of carrying out or giving effect to any work of the Authority, or of making of any survey, examination or investigation, preliminary or incidental to the exercise of any power, the discharge of any function or the performance of any duty of the Authority.

Power to enter any land or premises.

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

Members, officers and servants of the Authority deemed to be public servants.

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

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

79. The Authority 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.

80. (1) No suit or prosecution shall lie—

(a) against the Authority for any act which in good faith is done or purported to be done by the Authority under this Act ; or

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

(2) Any expense incurred by the Authority in any suit or prosecution brought by or against the Authority before any court shall be paid out of the funds of the Authority, and any costs paid to, or recovered by, the Authority in any such suit or prosecution shall be credited to the Fund of the Authority.

(3) Any expense incurred by any such person as is referred to in paragraph (b) of subsection (1) in any suit or prosecution brought against him before any court in respect of any act which is done or is purported to be done by him under this Act or on the direction of the Authority shall, if the court holds that such act was done in good faith, be paid out of the Fund of the Authority, unless such expense is recovered by him in such suit or prosecution.

Power of  
Authority to  
make rules.

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

(2) No rule made by the Authority under this Act shall have effect until it has been approved by the Minister.

(3) Without prejudice to the generality of the powers conferred by subsection (1), the Authority may make rules in respect of all or any of the following matters :—

(a) the form and manner in which contracts may be entered into by the Authority ;

(b) the delegation of powers to officers and servants of the Authority ;

(c) the form and manner in which the accounts of the Authority shall be maintained ;

- (d) the conduct and disciplinary control of officers and servants of the Authority;
- (e) the conditions of service and the remuneration payable to officers and servants of the Authority;
- (f) the granting of loans, allowances or gratuities payable to officers and servants of the Authority;
- (g) the provision of housing accommodation for officers and servants of the Authority; and
- (h) the provision of professional and technical training of officers of the Authority.

82. The provisions of the laws set out in the Schedule hereto shall have no application in relation to any property, business and any activity of the Authority.

Inapplicability of certain laws to the Authority.

83. Every person who contravenes or fails to comply with any provision of this Act, or of any subsidiary written law made or issued thereunder shall be guilty of an offence and shall on conviction before a Magistrate be liable to imprisonment of either description for a term not exceeding two years or to a fine not exceeding one thousand rupees or to both such imprisonment and fine.

Offences.

84. In this Act unless the context otherwise requires—

Interpretation.

“Chairman” means the Chairman of the Authority and includes any member acting for such Chairman;

“General Manager” means the General Manager of the Authority.

#### SCHEDULE

Ceiling on Housing Property Law, No. 1 of 1973.

Housing and Town Improvement Ordinance (Chapter 268).

Protection of Tenants (Special Provisions) Act, No. 28 of 1970.

Rent Act, No. 7 of 1972.