

PARLIAMENT OF CEYLON

3rd Session, 1954-55



Ceylon Savings Bank (Amendment) Act, No. 6 of 1955.

Date of Assent: February 18, 1955

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AN ACT TO AMEND THE CEYLON SAVINGS
BANK ORDINANCE.

Chapter 278
(Vol. VI.,
page 236).

[Date of Assent: February 18, 1955]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Representatives of Ceylon in this present Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Ceylon Savings Bank (Amendment) Act, No. 6 of 1955.

Short title.

2. The following new section is hereby inserted immediately after section 3 of the Ceylon Savings Bank Ordinance (hereinafter referred to as the "principal enactment"), and shall have effect as section 3A of that enactment:—

Insertion of
new section 3A
in Chapter 278.

Incorporation
of the board
of directors.

3A. The board of directors shall be a body corporate with perpetual succession and a common seal and may sue and be used in its name and style and shall be capable of acquiring, holding and alienating property, whether movable or immovable.

3. Section 6 of the principal enactment is hereby repealed and the following new section substituted therefor:—

Substitution
of new section
for section 6
of the
principal
enactment.

Financial
year of the
bank and
estimates of
income and
expenditure.

6. (1) The financial year of the bank shall be the calendar year.

(2) The secretary shall on a date to be determined by the board of directors in each year, submit to the board an estimate of the available income of the bank and details of the proposed expenditure for the ensuing financial year.

4. Section 7 of the principal enactment is hereby amended as follows:—

Amendment of
section 7 of
the principal
enactment.

(1) by the substitution, for the words "order the treasurer to pay" of the word "pay";
and

- (2) by the substitution, for all the words from "officers and servants of the bank," to the end of that section, of the words "officers and servants of the bank."

Amendment of
section 11 of
the principal
enactment.

5. Section 11 of the principal enactment is hereby amended by the addition at the end thereof of the following words:—

"Every rule or regulation made by the board of directors, and approved by the Minister, under this section, shall be published in the *Gazette*, and in English, Sinhalese and Tamil in one or more newspapers published in Ceylon."

Amendment of
section 15 of
the principal
enactment.

6. Section 15 of the principal enactment (as amended by Ordinance No. 3 of 1944) is hereby amended as follows:—

- (1) in the marginal note to that section, by the substitution, for the words "Approved societies as depositors.", of the word "Depositors.";

- (2) in sub-section (1)—

(a) by the substitution, for the words "no thrift," of the words "no person and no thrift," and

(b) by the substitution, for the words "any such society," of the words "any person or any such society,"; and

- (3) in sub-section (2), for all the words from "any approved society" to "the credit of the society," of the following:—

"any person or any approved society, and may give thirty days' notice in writing to such person, or to the treasurer, trustees, or officers of any such society, to withdraw from the bank all or any part of the money standing to the credit of such person or society,".

Substitution
of new
section for
section 22 of
the principal
enactment.

7. Section 22 of the principal enactment is hereby repealed and the following new section substituted therefor:—

Investment
and deposit
of moneys in
the bank.

22. (1) The board of directors may in their discretion determine the maximum amount which may out of the moneys in the bank be retained in the custody of the secretary for the general

purposes and expenses of the bank, and such amount may be deposited in current account in the name of the secretary in any such bank or banks as may be approved by the board of directors in that behalf.

(2) The balance of the moneys in the bank remaining after the deduction of such amount as may be determined by the board of directors under sub-section (1) may from time to time be invested in the name of the board of directors in any of the following securities:—

- (a) on a first mortgage of immovable property situated within any such area in Ceylon as may be approved by the board of directors, and having such title as is in the opinion of the Board satisfactory;
- (b) in any stock, treasury bills or debentures of the Government of Ceylon;
- (c) in any security issued by the Government of any country other than Ceylon forming part of the British Commonwealth;
- (d) in any other stock or securities as may be approved by the Minister.

(3) Every investment of moneys outside Ceylon under sub-section (2) shall be made in accordance with such general instructions as may be issued in that behalf by the Board of Directors with the approval of the Minister.

(4) The board of directors may at any time vary any investment held by the board under this section, and realise and re-invest any moneys so invested: provided that in the case of any investment held by the board outside Ceylon such investment may be varied, realised or re-invested in accordance with such general instructions as may be issued by the board with the approval of the Minister.

(5) The provisions of sub-sections (2) and (3) shall apply in the case of every variation of an investment and every re-investment made under this sub-section.

(6) Any moneys referred to in sub-section (2) may be invested in the name of the board of directors in any bank or banks as may be approved by the board.

Amendment of
section 23 of
the principal
enactment.

8. Section 23 of the principal enactment is hereby amended by the substitution, for all the words from "granted" to the end of that section, of the words "granted in favour of the board of directors."

Substitution of
new sections for
sections 24 and
25 of the
principal
enactment.

9. Sections 24 and 25 of the principal enactment are hereby repealed, and the following new sections substituted therefor:—

Procedure on
default of
payment of
any loan
granted on
the mortgage
of land.

24. (1) Whenever default is made in the payment of any sum due on any loan granted by the board of directors on the mortgage of land, whether that sum is due on account of principal or interest or of both, 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 the board may, by special resolution, authorise any person to sell the land mortgaged to the board as security by public auction on such date and at such time and place as the board may direct.

(2) Save as otherwise provided in sub-section (3), the provisions of sub-section (1) shall apply in the case of any default notwithstanding that the borrower may have died or that any right, title or interest whatsoever in the land mortgaged as security for the loan may have passed by voluntary conveyance or by operation of law to any other person.

(3) Where the borrower is dead and the probate of his will or letters of administration to his estate have not been issued, the District Court of Colombo or the District Court of the district in which the property mortgaged to the board of directors by that borrower is

situate, may, upon application made in that behalf by the board 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 the issue of letters of administration is likely to be unduly delayed, appoint a person to represent the estate of the borrower for the purpose of this sub-section; and the provisions of sub-section (1) shall not apply in the case of any default made by such borrower unless and until a representative of his estate is appointed under this sub-section.

(4) Notice of every resolution under sub-section (1) authorising the sale of any land shall be published in the *Gazette* 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 sub-section (5).

(5) Every person—

(a) to whom a loan is granted by the board of directors; or

(b) who has obtained probate of the will or letters of administration to the estate of a person to whom a loan has been granted by the board or who has under the provisions of sub-section (3), been appointed to represent the estate of a deceased borrower; or

(c) to whom any right, title or interest whatsoever in any land mortgaged to the board as security on any such loan has passed, whether by voluntary conveyance or by operation of law,

shall notify in writing to the board an address to which all notices to him may be addressed.

(6) If the amount of the whole of the unpaid portion of the loan, together with all interest thereon according to the terms of the mortgage and of the moneys and the costs, if any, recoverable by the board of directors under sub-section (7), is tendered to the board at any time before the date fixed for the sale, the land shall not be sold and no further steps shall be taken in pursuance of the resolution under sub-section (1) for the sale of that land.

(7) In addition to the amount due on any loan, the board of directors may recover from the borrower or any person acting on his behalf—

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

(b) the costs of advertising the sale and of selling the land.

(8) The board of directors may fix an upset price below which the land shall not be sold to any person other than the board.

(9) Nothing in this section shall be deemed to preclude the board of directors from recovering the amount due on any mortgage bond in accordance with the provisions of any other written law.

Cancellation
of sale and
re-sale by
board of
directors.

25. (1) Where any land sold under the provisions of section 24 has been purchased on behalf of the board of directors, the board may, at any time before it 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 sale) and interest on the aggregate amount at a rate not exceeding five per centum per annum. The 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 Ordinance had never been made.

(2) If the land so sold has been purchased on behalf of the board of directors and the sale is not cancelled under sub-section (1), the board may, at any time, re-sell the land and transfer to the purchaser by endorsement on a certified copy of the certificate of sale all the right, title and interest which would have been acquired by the purchaser at the original sale. The endorsement shall be liable to the same stamp duty and charges as a certificate to a purchaser at the original sale and shall, when it is registered in the office of the Registrar of Lands, vest such right, title and interest as aforesaid in the purchaser.

10. Section 27 of the principal enactment is hereby amended as follows:—

Amendment of
section 27 of
the principal
enactment.

(1) by the substitution, for the words "the treasurer" wherever those words occur in that section, of the words "the board of directors or the secretary authorised in that behalf by the board"; and

(2) by the substitution, for the words "to him", of the words "to the board or the secretary, as the case may be,".

Insertion of
new sections
27A, 27B, 27C
and 27D in
the principal
enactment.

11. The following new sections are hereby inserted immediately after section 27, and shall have effect as sections 27A, 27B, 27C and 27D of the principal enactment :—

Cases where
moneys of
depositors
will be
credited to
reserve fund
of the bank.

27A. (1) In any case where—

(a) for a period of ten years a depositor does not make any deposit or withdraw any amount out of the sum standing to his credit, and the sum of money standing to the credit of that depositor at the end of such period does not exceed five rupees, or

(b) upon the death of any depositor, there is a sum of money lying to his credit in the bank and no claim has been made to that sum for a period of ten years by any person entitled thereto,

then that sum of money shall be credited to the reserve fund of the bank.

(2) Where a claim is made by any person to any sum of money which has been credited to the reserve fund of the bank under the provisions of sub-section (1), the board of directors may, if it is satisfied that such person is entitled to that sum of money, pay that sum of money to such person.

**Nomination
by depositors.**

27B. (1) It shall be lawful for any depositor other than an approved society to nominate the person or persons to whom the moneys lying to the credit of that depositor are to be paid on the death of that depositor.

(2) No payment shall be made by the board of directors to any person nominated by a depositor unless such person—

(a) submits an affidavit stating that he is the person who was nominated by the depositor, and

(b) produces a certificate as to his identity from such other person as the board may determine.

(3) A payment made in accordance with the provisions of sub-section (2) to any person nominated by a depositor shall be and shall operate for all purposes as a complete discharge of the obligations of the board of directors in respect of the moneys so paid.

Accounts of
the board
of directors.

27c. The accounts of the board of directors shall be audited each year by the Auditor-General.

Report of
acts of
board and
officers to
be tabled
at annual
meeting of
depositors.

27d. The board of directors shall cause a report containing particulars of all acts done each year in relation to the bank by the board and other officers of the bank in compliance with the general or special instructions of the Minister to be tabled at the next annual meeting of the depositors.

12. The word "manager" is hereby substituted for the word "secretary" wherever that word occurs in any provision of the principal enactment or in any rule or regulation or document made or issued under that enactment.

Substitution
of the word
"manager" for
"secretary".