



**PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA**

**DEVELOPMENT FINANCE CORPORATION
OF CEYLON (AMENDMENT)
ACT, No. 42 OF 1982**

[Certified on 3rd December, 1982]

Printed on the Orders of Government

**Published as a Supplement to Part II of the Gazette of the Democratic
Socialist Republic of Sri Lanka of December 03, 1982**

PRINTED AT THE DEPARTMENT OF GOVERNMENT PRINTING, SRI LANKA

TO BE PURCHASED AT THE GOVERNMENT PUBLICATIONS BUREAU, COLOMBO

Price : 45 cents

Postage : 50 cents

Development Finance Corporation of Ceylon
(Amendment) Act, No. 42 of 1982

[Certified on 3rd December, 1982]

L. D.—O. 60/81

AN ACT TO AMEND THE DEVELOPMENT FINANCE CORPORATION
OF CEYLON ACT.

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows :—

1. This Act may be cited as the Development Finance Corporation of Ceylon (Amendment) Act, No. 42 of 1982. Short title.
2. Section 4 of the Development Finance Corporation of Ceylon Act, (hereinafter referred to as the "principal enactment") as amended by Act No. 2 of 1958, is hereby further amended in subsection (2) of that section by the substitution, for the words "twenty per centum", of the words "forty-nine per centum". Amendment of section 4 of Chapter 165.
3. Section 5 of the principal enactment replaced by Law, No. 12 of 1974, is hereby amended as follows :—Amendment of section 5 of the principal enactment.
 - (1) by the substitution, for paragraph (vii) of that section of the following paragraph :—

"(vii) to provide such services as managerial, technical and administrative advice and merchant banking services and assist in obtaining managerial, technical, administrative and merchant banking services to private industrial, agricultural and commercial enterprises in Sri Lanka ;"
 - (2) by the renumbering of paragraphs (xv) and (xvi) of that section as paragraphs (xxi) and (xxii) respectively ; and
 - (3) by the insertion, immediately after paragraph (xiv) of that section of the following new paragraphs :—

"(xv) to issue debentures and to accept fixed deposits from any person in such amounts and for such periods as may be determined by the Board of Directors ;

(xvi) to establish subsidiary companies to assist it in carrying out its purposes and exercising and performing its powers and duties ;

(xvii) to participate in loans, equities, underwriting arrangements and guarantees with approved credit institutions ;

(xviii) to lease, let on hire, sell outright, or sell on a hire-purchase basis warehouses, godowns, stores and buildings, machinery, equipment and other goods;

(xix) to convert a part or whole of its loans to industrial, agricultural or commercial enterprises and its subscriptions to bonds or debentures issued by any such enterprise into equity capital;

(xx) to receive, in consideration of the functions the Corporation may be performing, such commission, brokerage, interest, remuneration or fees, as the Board of Directors may, from time to time, determine;

Amendment
of section 7
of the
principal
enactment.

4. Section 7 of the principal enactment, as amended by Act No. 1 of 1967, is hereby further amended by the repeal of subsection (1) of that section and the substitution therefor of the following subsection:—

“(1) The authorized share capital of the Corporation shall be three hundred million rupees divided into three million ordinary shares of one hundred rupees each.”

Amendment of
section 10 of
the
principal
enactment

5. Section 10 of the principal enactment replaced by Law No. 12 of 1974, is hereby amended as follows:—

(1) by the repeal of subsection (2) of that section and the substitution therefor of the following subsection:—

“(2) The Minister in charge of the subject of Finance shall be entitled from time to time to appoint any person as a director (hereinafter called the “Government director”) of the Corporation, to remove such person from office and, on a vacancy being caused in such office whether by resignation, death, removal or otherwise, to appoint a director to fill the vacancy. The Government director shall not be liable to retire by rotation or be removed from office except by such Minister and shall not be bound to hold any qualification shares. Subject

as aforesaid the Government director shall be entitled to the same rights and privileges and be subject to the same obligations as any other director of the Corporation.';

- (2) by the repeal of subsection (4) of that section and the substitution therefor of the following subsection:—

" (4) The holder for the time being of the office of General Manager of the Corporation shall be an *ex officio* director of the Corporation without the right to vote. The *ex officio* director shall not be required to hold any qualification shares." ; and

- (3) by the substitution, in subsection (5) of that section for the words "be citizens of Sri Lanka.", of the words "be citizens of Sri Lanka. No shareholder-director shall hold office for a continuous period of more than eight years."

6. Section 13 of the principal enactment is hereby amended by the repeal of subsection (2) of that section and the substitution therefor of the following subsection:—

Amendment
of section 13
of the
principal
enactment.

" (2) So long as there is outstanding any loan made by the Government to the Corporation under subsection (1) the Corporation shall set aside in each year in a special reserve fund a sum equal to not less than twenty per centum of the net profits of the Corporation as shown in the Corporation's financial statement for that year, until the amount so set aside equals the amount of the Government loan then outstanding."

7. Section 14 of the principal enactment replaced by Law No. 12 of 1974, is hereby amended in subsection (1) of that section by the substitution, for the words "seventy-two million rupees", of the words "three thousand million rupees".

Amendment
of section 14
of the
principal
enactment.

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