



PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA

STATE MORTGAGE AND INVESTMENT BANK
(AMENDMENT)
ACT, No. 62 OF 1981

[Certified on 28th September, 1981]

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 October 02, 1981

PRINTED AT THE DEPARTMENT OF GOVERNMENT PRINTING, SRI LANKA

TO BE PURCHASED AT THE GOVT. PUBLICATIONS BUREAU, COLOMBO

Price : 45 cents

Postage : 50 cents

**State Mortgage and Investment Bank
(Amendment) Act, No. 62 of 1981**

[Certified on 28th September, 1981]

L.D.—O. 37/80.

**AN ACT TO AMEND THE STATE MORTGAGE AND INVESTMENT
BANK LAW, No. 13 OF 1975.**

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

1. This Act may be cited as the State Mortgage and Investment Bank (Amendment) Act, No. 62 of 1981. Short title

2. Section 31 of the State Mortgage and Investment Bank Law, No. 13 of 1975. (hereinafter referred to as the "principal enactment") is hereby amended as follows :— Amendment of section 31 of Law No. 13 of 1975.

(1) in subsection (1) of that section—

(a) by the substitution in paragraph (g) of that subsection, for the words "preceding paragraphs; and", of the words "preceding paragraphs;" ;

(b) by the substitution in paragraph (z) of that subsection, for the words "prescribed undertaking.", of the words "prescribed undertaking; and" ; and

(c) by the insertion, immediately after paragraph (z) of that subsection, of the following new paragraph :—

"(aa) to purchase, take on lease or exchange, or otherwise acquire any immovable property which the Bank may consider necessary in order to carry on and transact any business of the Bank." ; and

(2) by the insertion, immediately after subsection (1) of that section, of the following new subsection :—

"(1A) Where a loan has been granted by the Bank and the property mortgaged as security for that loan is not encumbered by any mortgage to any person other than the Bank, the Bank may, subject to the other provisions of this Law relating to the grant of loans, grant an additional loan the repayment of which shall be secured by a further mortgage of that property, and such further mortgage shall be deemed to be a primary mortgage."

Insertion of
new section
50A in the
principal
enactment.

3. The following new section is hereby inserted immediately after section 50 of the principal enactment and shall have effect as section 50A of that enactment:—

"Authoriza-
tion of any
other
person in
place of
person
authorized
under
section 50,
to sell
property
mortgaged
to the Bank.

50A. (1) Where any person authorized under section 50 dies or is unable at any stage due to illness or any other cause to act under that section, the Board may, by resolution to be recorded in writing, authorize any other person, to sell by public auction such immovable or movable property mortgaged to the Bank as security for any loan in respect of which default has been made.

(2) All acts and things done by the person authorized by the Board under section 50 in connection with a sale by public auction prior to the date on which such other person was authorized under subsection (1), shall be deemed to be acts and things done by the person appointed under subsection (1) who shall take all necessary action to complete such sale."

Amendment
of section
85 of the
principal
enactment.

4. Section 85 of the principal enactment is hereby amended in subsection (2) of that section as follows:—

(1) by the substitution in paragraph (b) of that subsection for the words "in the name of the Board of Directors of the Ceylon State Mortgage Bank or in the name of the Board of Directors of the Agricultural and Industrial Credit Corporation", of the words "in the name of the Ceylon State Mortgage Bank or in the name of the Agricultural and Industrial Credit Corporation";

(2) by the substitution for paragraph (e) of that subsection of the following new paragraph:—

"(e) all contracts, deeds, mortgage bonds and other bonds, agreements and other instruments which subsist or have effect immediately prior to that date in or to which the Ceylon State Mortgage Bank or the Agricultural and Industrial Credit Corporation has been named or subscribed as a party, shall have effect against, or in favour of, the Bank, as the case may be, as fully and effectively as if instead of such Ceylon State Mortgage Bank or the

Agricultural and Industrial Credit Corporation, the Bank had been a party thereto and every reference therein to the Ceylon State Mortgage Bank Ordinance or the Agricultural and Industrial Credit Corporation Ordinance shall be deemed to be a reference to this Law, and all rules and regulations made thereunder.”;

(3) by the substitution in paragraph (f) of that subsection:—

(i) for the words “by, or against, the Board of Directors of the Ceylon State Mortgage Bank or the Board of Directors of the Agricultural and Industrial Credit Corporation”, of the words “by, or against, the Ceylon State Mortgage Bank or the Agricultural and Industrial Credit Corporation”; and

(ii) for the words “by, or against, the Bank.”, of words “by, or against, the Bank.”; and

(4) by the insertion, immediately after paragraph (f) of that subsection, of the following new paragraphs:—

‘ (g) (i) the rights, obligations, assets, liabilities and moneys lying to the credit of the Ceylon State Mortgage Bank Provident Fund established under paragraph (c) of subsection (1) of section 94 of the Ceylon State Mortgage Bank Ordinance, on the day immediately preceding that date, shall be the rights, obligations, assets, liabilities and moneys of the State Mortgage and Investment Bank Provident Fund “A” established under section 31 of this Law; and

(ii) the rights, obligations, assets, liabilities and moneys lying to the Credit of the Agricultural and Industrial Credit Corporation Provident Fund established under paragraph (k) of subsection (1) of section 51 of the Agricultural and Industrial Credit Corporation Ordinance, on the day immediately preceding that date, shall be the rights, obligations, assets, liabilities and moneys of the State Mortgage and Investment Bank Provident Fund “B” established under section 31 of this Law;

- (h) every investment made in the name of the Ceylon State Mortgage Bank Provident Fund shall be deemed to be investments made by the State Mortgage and Investment Bank Provident Fund "A", and every investment made in the name of the Agricultural and Industrial Credit Corporation Provident Fund shall be deemed to be investments made by the State Mortgage and Investment Bank Provident Fund "B" established under section 31 of this Law ;
- (i) all contracts, deeds, bonds, agreements and other instruments of the Ceylon State Mortgage Bank Provident Fund or the Agricultural and Industrial Credit Corporation Provident Fund which subsist or have effect immediately prior to that date shall have effect against, or in favour of, the State Mortgage and Investment Bank Provident Fund "A" or the State Mortgage and Investment Bank Provident Fund "B", as the case may be, established under section 31 of this Law, as fully and effectively as if, instead of the Ceylon State Mortgage Bank Provident Fund or the Agricultural or Industrial Credit Corporation Provident Fund, as the case may be, the State Mortgage and Investment Bank Provident Fund "A" or the State Mortgage and Investment Bank Provident Fund "B" had been a party thereto respectively ; and
- (j) all suits, appeals or other legal proceedings instituted by or against the Ceylon State Mortgage Bank Provident Fund or the Agricultural and Industrial Credit Corporation Provident Fund, and pending immediately prior to that date shall not abate or be discontinued or in any way prejudicially be

affected by reason of such repeal, and accordingly may be continued or enforced by, or against, the State Mortgage and Investment Bank Provident Fund "A" or the State Mortgage and Investment Bank Provident Fund "B" established under section 31 of this Law, as the case may be.

5. The amendments made to the principal enactment by the preceding provisions of this Act, shall be deemed for all purposes to have come into force on January 1, 1979.

Retrospective
effect of
amendments.

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