

CHAPTER 302

BANK OF CEYLON

Ordinances AN ORDINANCE TO PROVIDE FOR THE ESTABLISHMENT AND REGULATION OF A STATE-AIDED BANK IN SRI LANKA.

Nos. 53 of 1938,
45 of 1939,
53 of 1943,
4 of 1944,
34 of 1944,
7 of 1945,

Acts
Nos. 39 of 1949,
19 of 1952,
42 of 1954,
37 of 1955,
34 of 1968,

Law
No. 10 of 1974,
Act
No. 60 of 1980.

[1st December, 1938.]

Short title. **1.** This Ordinance may be cited as the business, and administering the affairs, of the Bank of Ceylon Ordinance. the bank.

Establishment of bank. **2.** A bank to be called the Bank of Ceylon is hereby established. (3) No act or proceeding of the board shall be invalid by reason only of the existence of any vacancy among the directors or any defect in the appointment of a director or authorization by the *ex officio* director under subsection (8).

Incorporation of bank. **3.** The bank shall be a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name. (4) A Member of Parliament shall not be qualified to be a director.

Central office. **4.** The central office of the bank shall be at Colombo in Sri Lanka. (5) The Minister shall appoint one of the appointed directors as the chairman of the board.

Branches and agencies. **5.** The bank may establish and maintain—

(a) agencies in any part of the world ;

(b) branches in Sri Lanka or elsewhere. (6) Every appointed director shall hold office for a period of three years, unless he is earlier removed from office or vacates his office,

Board of directors of the bank. **6.** (1) The management and administration of the affairs of the bank shall be vested in a board, consisting of six directors appointed by the Minister, one of whom shall be a representative of the Ministry charged with the subject of Finance (hereinafter referred to as the "*ex officio* director *"). (7) If any appointed director is temporarily unable to discharge the duties of his office on account of ill health, or absence from Sri Lanka, or any other cause, the Minister may appoint some other person to act as a director in his place.

(2) The board may exercise, discharge or perform the powers, functions or duties of the bank for the purpose of carrying on the (8) If the *ex officio* director is unable to attend any meeting of the board, he may authorize any other officer to be present on his behalf at such meeting; and the officer so authorized shall be deemed for the purpose of such meeting to be a member of the board.

(9) An appointed director may resign his office by letter addressed to the Minister.

(10) The Minister may, if he thinks it expedient to do so, remove an appointed director from office.

(11) A director who vacates office by resignation or effluxion of time shall be eligible for reappointment.

(12) The *ex officio* director shall have all the same rights and privileges as the appointed directors.

(13) The provisions of subsections (1), (2) and (3) shall be deemed to have come into operation on October 12, 1961.

Capital.
[§ 2, 60 of
1980.]

7. (1) The authorized capital of the bank shall be one thousand million rupees divided into one million shares of one thousand rupees each.

(2) The paid-up capital of the bank shall be such amount as may be determined from time to time by the Minister by Order published in the Gazette.

(3) The liability of the Government at any time as sole shareholder shall be limited to the total amount of the capital represented by the shares held for the time being by the Government.

Permanent
reserve fund-
[§ 5, Law 10 of
1974.]

8. (1) The board shall, out of the profits available for payment of dividend and before any dividend is declared, set aside a sum equivalent to twenty *per centum* of such profits to the credit of a fund called the permanent reserve fund of the bank until such permanent reserve fund is equivalent to one-half of the paid-up capital of the bank for the time being; and in the event that at any time thereafter the amount of such permanent reserve fund is less than one-half of the paid-up capital of the bank for the time being, the board shall as soon as practicable carry to that fund such further sum or sums out of the profits available for dividend as may be necessary until the amount of the permanent reserve fund is equivalent to one-half of the paid-up capital of the bank for the time being. The board may from time to time in its discretion carry to the permanent reserve fund out of profits such further sums as it may deem fit, in

addition to the sums required by the preceding provisions of this subsection to be carried thereto.

(2) The permanent reserve fund shall be shown separately in the balance sheet of the bank.

9. (1) In addition to the permanent reserve fund the board shall create a fund called the contingency fund of the bank and shall carry to that fund such sums out of the profits of the bank as the board thinks proper. Contingency fund.
[6, Law 10 of 1974.]

(2) The contingency fund may be applied from time to time in such manner as the board shall determine—

(a) for meeting depreciation and lossess;

(b) for equalizing dividends;

(c) for repairing, improving or maintaining any of the property of the bank;

(d) for any other purposes which the board may think proper.

(3) The board may divide the contingency fund into such special funds as it thinks fit, and may consolidate into one fund any special funds or any parts of any special funds into which the contingency fund may have been divided as it thinks fit, with full power to employ the whole or any part of the assets constituting the contingency fund in the business of the bank without being under any obligation to keep the same separate from other assets of the bank. The board may also, (subject to the provisions of this Ordinance), without placing the same to reserve, carry over any profits which it may think it is not prudent to divide.

(4) It shall not be necessary to show the contingency fund separately in the balance sheet of the bank.

10. (1) The Minister in charge of the subject of Finance shall guarantee the repayment of any sum due to the bank on any loan, overdraft, advance or other accommodation granted by the bank with the approval of such Minister under clause 3 (a) of Part II in the First Schedule hereto. Government guarantee.
[7, Law 10 of 1974.]

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

(3) 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 Cabinet of Ministers.

(4) 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 Parliament a statement that such sum has been paid.

11. A director who or whose spouse or dependent child or a firm or company in which such director, his spouse or dependent child has a substantial interest is directly or indirectly interested in any business transacted or proposed to be transacted by the bank shall disclose the nature of such interest at the meeting of the board where such business is discussed. The disclosure shall be recorded in the minutes of the board and such director shall not take part in any deliberation or decision of the board with regard to that business and shall withdraw from such meeting whilst such deliberation is in progress or decision is being made.

12. A director for the time being of the bank who incurs an obligation or debt to any other bank or to a lending institution shall, within one month of the date on which such obligation or debt was incurred, disclose to the bank the particulars relating to such obligation or debt.

13. (1) Every application for any loan, overdraft, advance or other accommodation shall be made to the general manager or an officer nominated by him for the purpose.

(2) Every application made under subsection (1) which requires the approval of the board shall be submitted to the board together with the written observations of the general manager on such application.

(3) The manner in which every application made under subsection (1),

which does not require the approval of the board is disposed of by the general manager or other officer under the powers delegated by the board shall be reported to the board.

14. (1) Any person over sixteen years of age who has a deposit or savings account may nominate a person, (hereinafter called a "nominee"), to whom the moneys lying to the credit of such first-mentioned person (hereinafter called a "nominator") shall be paid upon his death and, if his death should occur while the account exists, the moneys shall be so paid subject to the provisions of this Ordinance.

(2) A nomination made under subsection (1) shall have effect upon the death of the nominator notwithstanding anything in his last will to the contrary.

(3) Any nomination made under subsection (1) shall be deemed to be revoked by the death of the nominee in the lifetime of the nominator or by written notice of revocation signed by the nominator in the presence of a witness (who shall attest the signature of the nominator) or by any subsequent nomination made by the nominator.

(4) The moneys lying in his deposit or savings account to the credit of the person who has made a nomination under subsection (1) shall, in the event of his death, be deemed not to form part of the estate or property of that person for the purpose of probate or administration proceedings under the Civil Procedure Code, and the transfer of such property shall not be an offence under section 547 of that Code.

(5) Upon the death of any person who has a savings account, and who has made a nomination under subsection (1), the bank shall communicate in writing by registered post with the Commissioner-General of Inland Revenue informing him of the name and address of such person, the fact of his death, the name and address of the nominee and the amount of the moneys lying to the credit of the nominator at the time of his death, and inquiring whether any, and if so what, sum of money should be withheld against payment of estate duty in respect of such moneys.

Nominations by persons having a deposit or savings account. [§ II, Law 10 of 1974.]

Disclosure of interest by a director. [§ 8, Law 10 of 1974.]

Director to disclose any obligation to other banks and lending institutions. [§ 9, Law 10 of 1974.]

Provisions relating to applications for loans, &c., and their disposal. [§ 10, Law 10 of 1974.]

(6) If the Commissioner-General of Inland Revenue informs the bank, in reply to the communication made under subsection (5), what sum of money should be withheld, the bank may withhold that sum and pay it to the Commissioner-General of Inland Revenue.

(7) If no reply, specifying what sum of money should be withheld, is received by the bank from the Commissioner-General of Inland Revenue to the communication made under subsection (5) within one month of the date of posting or handing over that communication, the bank may take action as if no sum of money need be withheld.

(8) No payment shall be made by the bank to any nominee unless the nominee—

- (a) submits an affidavit stating that he is the nominee; and
- (b) produces a certificate as to his identity from a person acceptable to the bank.

(9) A payment made subject to the deduction, if any, made under subsection (6) and the conditions set out in subsection (8), to any nominee of a nominator who has died shall be a complete discharge of the obligations of the bank in respect of the moneys lying to the credit of such nominator.

(10) Where, upon the death of any person who has a deposit or savings account, other than a nominator, there is a sum of money to the credit of such person in the bank, any officer or person who is duly authorized to make payments in respect of accounts may, if satisfied that such first-mentioned person died intestate and that letters of administration to the estate of such person are not required by any written law, pay such sums of money, subject to the provisions of this Ordinance, to the person or persons to whom such sum is required, in accordance with any rule in that behalf, to be paid:

Provided that until rules are made in that behalf, any such sum may be paid to the person or persons legally entitled to the payment thereof.

15. Where default is made in the payment of any sum due on any loan, overdraft, advance or other accommodation granted on the mortgage of movable or immovable property, whether that sum is due on account of principal or interest or both, default shall be deemed to have been made in respect of the whole of the unpaid portion of that loan, overdraft, advance or other accommodation and the interest due thereon up to date.

Default of payment. [§ 12, Law 10 of 1974.]

16. Where under the provisions of this Ordinance, default is made or deemed to have been made in respect of the whole of the unpaid portion of any loan, overdraft, advance or other accommodation and the interest due thereon, the board may, in its discretion, take action as specified either in section 17 or in section 19 :

Action by board where default is made. [§ 12, Law 10 of 1974.]

Provided that where the board has in any case taken action, or commenced to take action, in accordance with section 17, nothing shall be deemed to prevent the board at any time from subsequently taking action in that case by resolution under section 19 if the board deems it necessary or advisable to do so.

17. Subject to the provisions of section 20, the board may by resolution be recorded in writing authorize any person specified in the resolution to enter upon and take possession of any immovable property or seize any movable property mortgaged to the bank as security for any loan, overdraft, advance or other accommodation in respect of which default has been made and to manage and maintain such property, and to exercise the same powers in the control and management of such property as might have been exercised by the mortgagor if he had not made default.

Authorization of manager to take possession of mortgaged property. [§ 12, Law 10 of 1974.]

18. (1) Any person authorized by resolution of the board under section 17 in respect of any property shall be entitled generally to take action in terms of the resolution and in particular—

Procedure where manager is appointed. [§ 12, Law 10 of 1974.]

- (a) to sell the produce of such property;
- (b) to receive the rents, profits or other income from such property;

- (c) to pay the expenses incurred in the control and management of such property out of the income from such property;
 - (d) to appropriate to himself out of such income such sum (if any) as the board may deem fit to fix as remuneration for his services;
 - (e) to remain in possession of such property until all moneys due to the bank under the mortgage on such property have been fully paid or until he is directed by the board to yield possession of such property under subsection (2).
- (2) Every person authorized by resolution of the board under section 17 in respect of any property shall—
- (a) pay monthly, out of the income of such property such sum (if any) as the board may in its discretion fix, to the mortgagor for his maintenance;
 - (b) pay quarterly or as otherwise directed by the board to such person or persons and in such manner as the board may direct the balance of the income from such property remaining after the payments hereinbefore authorized have been made;
 - (c) keep and render to the board at such intervals as the board may determine, clear and accurate records of all sums received or paid out by him in respect of such property;
 - (d) yield possession of such property to the mortgagor or some other person as directed by the board and pay to the board any balance of the income from such property remaining in his hands after the payments hereinbefore authorized have been made.
- (3) The board shall when all sums due to the bank under the mortgage have been fully paid surrender possession of the

mortgaged property to the mortgagor and return to him any balance remaining of the income from such property.

19. Subject to the provisions of section 20 the board may by resolution to be recorded in writing authorize any person specified in the resolution to sell by public auction any movable or immovable property mortgaged to the bank as security for any loan, overdraft, advance or other accommodation in respect of which default has been made in order to recover the whole of the unpaid portion of such loan, overdraft, advance or other accommodation, and the interest due thereon up to the date of the sale, together with the moneys and costs recoverable under section 26.

Authorization of sale of mortgaged property. [§ 12, Law 10 of 1974.]

20. (1) Save as otherwise provided in subsection (2), the provisions of sections 17 and 19 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 property mortgaged as security for the loan, overdraft, advance or other accommodation may have passed by voluntary conveyance or by operation of law to any other person.

Where borrower is dead. [§ 12, Law 10 of 1974.]

(2) Where the borrower is dead and 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 that property is situate or kept 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 purposes of this section; and the provisions of sections 17 and 19 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 section.

21. Notice of every resolution under section 19 authorizing the sale of any property shall be published, in addition to the Gazette, in three daily newspapers in Sinhala, Tamil and English respectively, and copies of such notice shall be served on the borrower, if he is alive.

Notice of resolution of board to sell mortgaged property. [§ 12, Law 10 of 1974.]

Notice of sale.
[§ 12, Law 10
of 1974.]

22. 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—

- (a) be served on the borrower, if he is alive;
- (b) where immovable property is to be sold, be posted on or near such property; and
- (c) be affixed to the walls of the kachcheri and the several District Courts, Magistrates' Courts and Primary Courts within the jurisdiction of which the property is situate or kept.

Payment before sale.
[§ 12, Law 10
of 1974.]

23. (1) If the amount of the whole of the unpaid portion of the loan, overdraft, advance or other accommodation (together with all interest due thereon according to the terms of the mortgage), and of the moneys and costs, if any, recoverable by the board under section 26 is tendered to the board at any time before the date fixed for the sale, the property shall not be sold and no further steps shall be taken in pursuance of the resolution under section 19 for the sale of that property.

(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 board under section 26, is tendered to the board at any time before the date fixed for the sale, the board may, in its discretion, direct that the property shall not be sold, and that no further steps shall be taken in pursuance of the resolution under section 19 for the sale of that property.

Upset price.
[§ 12, Law 10
of 1974.]

24. The board may fix an upset price below which the property shall not be sold to any person other than the Bank.

Default in respect of one of several loans on same property.
[§ 12, Law 10
of 1974.]

25. In any case where more than one loan, overdraft, advance or other accommodation has been granted by the bank on the security of the same property and default is made in the payment of any sum due upon any one or more of such

loans, overdrafts, advances or other accommodation, the foregoing provisions of this Ordinance shall apply notwithstanding that default may not have been made in respect of any of the other loans, overdrafts, advances or other accommodation, and the board may, in any such case, by resolution under section 19 authorize the sale of the property for the recovery of the total amount due to the bank in respect of all such loans, overdrafts, advances and other accommodation, as the case may be, and the provisions of this Ordinance shall apply accordingly.

26. In addition to the amount due on any loan, overdraft, advance or other accommodation, the board may recover from the borrower, or any person acting on his behalf—

Recovery of expenses and costs incurred by the bank.
[12, Law 10
of 1974.]

- (a) all moneys expended by the bank in accordance with the covenants contained in the mortgage bond executed by the person to whom the loan, overdraft, advance, or other accommodation was made or in the payment of premiums and other charges in respect of any policy of insurance effected on the property mortgaged to the bank, and in the payment of all other costs and charges authorized to be incurred by the bank, under the covenants contained in such mortgage bond; and
- (b) the costs of advertising the sale and of selling the mortgaged property:

Provided that the costs incurred under this paragraph shall not exceed such percentage of the loan, overdraft, advance or other accommodation as may from time to time be fixed by resolution of the board.

27. If the mortgaged property is sold, the board shall, after deducting from the proceeds of the sale the amount due on the mortgage and the money and costs recoverable under section 26, pay the balance remaining, if any, either to the borrower or any person legally entitled to accept the payments due to the borrower, or

Payment of excess balance.
[12, Law 10
of 1974.]

where the board is in doubt as to whom the money should be paid, into the District Court of the district in which the mortgaged property is situate or kept.

in accordance with the provisions of Chapter XXIV of the Civil Procedure Code; and on all documents filed for the purpose of each such application and on all proceedings held thereupon, stamp duties and other charges shall be payable at the respective rates payable under any written law for the time being in force, on application for, and proceedings connected with or incidental to, the execution of a decree of a District Court for the delivery of possession of any immovable property of the same value as the land to which such application relates.

Certificate of sale. [§12, Law 10 of 1974.]

28. (1) If the mortgaged property is sold, the board shall sign a certificate of sale and thereupon all the right, title and interest of the borrower to and in the property 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 property, made or registered after the date of the mortgage of the property to the bank, 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 property as against the purchaser.

(3) Where any immovable property sold in pursuance of the preceding provisions of this Ordinance is in the occupancy of the debtor or of some person on his behalf or of some person claiming under a title created by the debtor subsequently to the mortgage of the property to the bank, the District Court shall order delivery to be made by putting the purchaser, or any person whom he may appoint to receive possession on his behalf, in possession of the property.

(2) A certificate signed by the board under subsection (1) shall be conclusive proof, with respect to the sale of any property, that all the provisions of this Ordinance relating to the sale of that property have been complied with.

(4) Where any immovable property sold in pursuance of the preceding provisions of this Ordinance is in the occupancy of a tenant or other person entitled to occupy the same, the District Court shall order delivery to be made by affixing a notice that the sale has taken place, in the Sinhala, Tamil and English languages, in some conspicuous place on the property, and proclaiming to the occupant by beat of tom-tom, or in such other mode as may be customary, at some convenient place, that the interest of the debtor has been transferred to the purchaser. The cost of such proclamation shall be fixed by the court and shall in every case be prepaid by the purchaser.

(3) If the purchaser is some person other than the bank, the certificate shall be substantially in Form A in the Third Schedule hereto and, if the purchaser is the bank the certificate shall be substantially in Form B in that Schedule.

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

Order for delivery of possession- [§ 12, Law 10 of 1974.]

29. (1) The purchaser of any immovable property sold in pursuance of the preceding provisions of this Ordinance shall, upon application made to the District Court of Colombo or the District Court having jurisdiction over the place where that property is situate, and upon production of the certificate of sale issued in respect of that property under section 28, be entitled to obtain an order for delivery of possession of that property.

(5) Every order under subsection (3) or subsection (4) shall be deemed, as the case may be, to be an order for delivery of possession made under section 287 or 288 of the Civil Procedure Code, and be enforced in like manner as an order so made, the debtor and the purchaser being deemed, for the purpose of the application of any provision of that Code, to be the judgment-debtor and Judgment-creditor, respectively.

(2) Every application under subsection (1), shall be made, and shall be disposed of, by way of summary procedure

Cancellation of sale.
[§ 12, Law 10 of 1974.]

30. (1) Where the property sold has been purchased on behalf of the bank, the board may, at any time before it resells that property, 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, overdraft, advance or other accommodation, for which the property was sold (including the costs of seizure and sale) and interest on the aggregate sum at a rate not exceeding the prescribed rate.

(2) An endorsement made under this section shall—

- (a) in the case of movable property, immediately on the endorsement being made, and
- (b) in the case of immovable property, upon registration in the office of the Registrar of Lands,

have the effect of revesting the property in the debtor as though the sale under this Ordinance had not taken place.

Resale by bank.
[§ 12, Law 10 of 1974.]

31. (1) If the property sold has been purchased on behalf of the bank, and the sale is not cancelled under section 30, the board may, at any time, resell the property and transfer to the purchaser by endorsement on a certified copy of the certificate referred to in subsection (3) of section 28, all the right, title and interest which would have been acquired by the purchaser at the original sale.

(2) An endorsement made under this section shall be liable to the same stamp duty and charges as a certificate to a purchaser at the original sale and shall—

- (a) in the case of movable property, immediately on the endorsement being made, and
- (b) in the case of immovable property, upon registration in the office of the Registrar of Lands,

have the effect of vesting the property in the purchaser as though the sale under this Ordinance had not taken place.

32. Nothing in sections 16 to 31 shall be deemed to preclude the board from recovering the amount due on any mortgage bond in accordance with the provisions of any other written law.

Board not precluded from other methods of recovery.
[§ 12, Law 10 of 1974.]

33. The Minister may from time to time give general or special directions in writing to the Board as to the performance of the duties and the exercise of the powers of the bank and it shall be the duty of the Board to comply with such directions.

Minister to give directions.
[§ 3, 60 of 1980.]

***41.** (1) Contracts on behalf of the bank may be made as follows:—

Contracts.

- (a) a contract which if made between private persons would be by law required to be in writing, may be made on behalf of the bank in writing under the common seal of the bank;
- (b) a contract which if made between private persons is by law required to be in writing, signed by the parties to be charged therewith, may be made on behalf of the bank in writing signed by any person or persons duly authorized thereto as hereinafter provided; and
- (c) a contract which if made between private persons would by law be valid although made by parol only and not reduced into writing, may be made by parol on behalf of the bank by any person or persons duly authorized thereto as hereinafter provided.

(2) A contract made according to this section shall be effectual in law and shall bind the bank and all other parties thereto and their legal representatives.

(3) A contract made according to this section may be varied or discharged in the same manner in which it is authorized by this section to be made.

42. A bill of exchange or promissory note shall be deemed to have been made, executed, or endorsed on behalf of the bank, if made, executed, or endorsed in the

Bills of exchange and promissory notes.

Sections 34 to 40 (both inclusive) are repealed by Law No. 10 of 1974.

name of, or by or on behalf or on account of the bank by any person or persons duly authorized thereto as hereinafter provided.

(2) The expression "subordinate staff" for the purpose of section 56 and of subsection (1) shall include only such officers as are by the board deemed to be members of the subordinate staff.

Persons authorized to act on behalf of the bank.

43. No person other than the directors and persons thereunto expressly authorized by the board and acting within the limits of the authority so conferred on them shall have any authority to make, draw, accept or endorse any promissory note, bill of exchange, cheque or order for the payment of money in the name or on behalf of the bank or to enter into any contract so as to impose thereby any liability on the bank or otherwise to pledge the credit of the bank.

58. No general manager of the bank shall be dismissed except—

Dismissal of general manager. [§ 18, Law 10 of 1974.]

(a) on a resolution of the board passed by a majority of two-thirds of the directors for the time being holding office; and

(b) with the written approval of the Minister.

Execution of deeds abroad.

44. (1) The bank may, by writing under its common seal, empower any person either generally or in respect of any specific matter, as its attorney, to execute deeds on its behalf in any place not situate in Sri Lanka.

59. No director or officer of the bank shall be liable for any damage or loss suffered by the bank unless such damage or loss was caused by his misconduct or wilful default.

No liability for damage or loss caused otherwise than by misconduct or wilful default.

(2) A deed signed by such an attorney on behalf of the bank and under his signature or seal shall bind the bank and have the same effect as if it were under its common seal.

60. Every director, manager, secretary or other officer of the bank shall be indemnified by the bank from all losses and expenses incurred by him in or about the discharge of his duties, other than such losses and expenses as the board may deem to have been occasioned by his misconduct or wilful default.

Reimbursement for expenses incurred on behalf of the bank. [§ 19, Law 10 of 1974.]

Appointment of staff. [§ 16, Law 10 of 1974.]

***56.** (1) The board shall have power to appoint the staff of the bank including the subordinate staff:

Provided that the appointment of the general manager shall not be made without the previous approval in writing of the Minister;

Provided, further, that the Minister's approval shall not be necessary for the appointment of an officer of the bank to act for the general manager during his absence if such appointment is for a period not exceeding four months.

61. Every director, manager, auditor, officer, servant, agent, accountant, or other person employed in the business of the bank, shall, before entering upon his duties sign a declaration pledging himself to observe strict secrecy respecting all transactions of the bank, its customers, and the state of accounts with any person and all matters relating thereto and shall by such declaration pledge himself not to reveal any other matters which may come to his knowledge in the discharge of his duties except—

Declaration of secrecy.

(a) when required to do so—

[§ 20, Law 10 of 1974.]

(i) by the directors, or

(ii) by a court of law, or

(iii) by the person to whom such matters relate;

(b) in the performance of his duties; and

Officers to furnish security. [17.Law 10 of 1974.]

57. (1) Every officer and member of the subordinate staff of the bank shall give security to the satisfaction of the board for the due and faithful performance of his duties.

* Sections 45 to 55 (both inclusive) are repealed by Law No. 10 of 1974.

Declarations of secrecy made before 24th March, 1952.	(c) in order to comply with any of the provisions of this Ordinance or any other law.	69A. Notwithstanding the provisions of section 10 of the Rubber Control Act the bank may lawfully possess a quantity of rubber in excess of the quantity prescribed under that Act.	Bank may possess rubber in excess of quantity prescribed by Rubber Control Act. [§ 25, Law 10 of 1974.3]
Right to refuse to answer questions.	Every declaration made under this section before the 24th day of March, 1952, shall, for all purposes, have effect and be deemed to have had effect as though the reference in such declaration to "accounts with individuals" were a reference to "accounts with any person".	69B. Notwithstanding the provisions of section 15 of the Tea Control Act the bank may lawfully possess a quantity of made tea in excess of the quantity prescribed under that Act.	Bank may possess made tea in excess of quantity prescribed by Tea Control Act. [§ 25, Law 10 of 1974.]
Receipts when valid.	62. Every director, auditor, manager, secretary, or other officer of the bank shall, except when required to do so by a court or by any law, decline to answer any question concerning the business of the bank which may be put to him on any occasion whatsoever, if he considers that the answer to such question would disclose or tend to disclose the secrets of the bank or the business or affairs of any customer of the bank.	69C. Notwithstanding the provisions of section 17 of the Excise Ordinance the bank may lawfully possess a quantity of any excisable article in excess of the quantity declared under section 4 of that Ordinance to be the limit of sale by retail.	Bank may possess excise articles in excess of quantity declared to be limit of sale by retail. [§ 25, Law 10 of 1974.]
Inspection of documents. [§ 21, Law 10 of 1974.]	63. A receipt signed by two directors or by any person expressly authorized by the board to give receipts shall be an effectual discharge for moneys paid to the bank.	69D. The provisions of the Tea and Rubber Estates (Control of Fragmentation) Act shall not apply to the transfer of ownership by the bank of any immovable property the sale of which is authorized by the board under section 19 of this Ordinance.	Tea and Rubber Estates (Control of Fragmentation) Act not to apply to transfer of property authorized to be sold under section 19. [§ 25, Law 10 of 1974.]
Application of the provisions of the Public Corporations (Financial Control) Act. [§ 22, Law 10 of 1974.]	64. No person, unless he is a director, auditor, officer, accountant or clerk of the bank or other person whose duties require him to do so, shall be entitled to inspect any of the books, accounts, documents or writings of the bank, except where he is authorized to do so under any written law.	70. (1) The provisions of the Companies Ordinance! or any other enactment regulating the incorporation of companies shall not apply to the bank.	Application of the provisions of the Companies Ordinance.
Money Lending Ordinance and Debt Conciliation Ordinance not to apply to debts due to the bank. [§ 24, Law 10 of 1974.]	65. The provisions of the Public Corporations (Financial Control) Act shall, <i>mutatis mutandis</i> , apply to the financial control and accounts of the bank.	(2) Notwithstanding the provisions of subsection (1) the Minister may, whenever it shall seem to him expedient to do so, by Order declare that any one or more or all the provisions of the said Ordinance or any other enactment relating to companies for the time being in force shall apply to the bank and such provision or provisions shall thereupon have effect as if such provision or provisions are part of this Ordinance.	
Pawnbrokers Ordinance not to apply to debts due to the bank. [§ 24, Law 10 of 1974.]	*68. Nothing in the Money Lending Ordinance or the Debt Conciliation Ordinance shall apply or be deemed to apply to any debt due to the bank, or to prejudice or affect the rights of the bank in respect of the recovery of any such debt.	71. Subject to the provisions of this Ordinance the business which the bank is authorized to carry on and transact shall be	Business which the bank transact.
	69. The Pawnbrokers Ordinance shall not apply to the bank where the bank carries on the business of a pawnbroker.		

* Sections 66 and 67 are repealed by Law No. 10 of 1974.
 † Repealed and replaced by the Companies Act, No. 17 of 1982.

the several kinds of business specified in Part I of the First Schedule subject to the limitations mentioned in Part II thereof.

By-taws of the bank.

72. The provisions contained in the Second Schedule shall be the by-laws of the bank in regard to the matters to which they relate.

Applications to the Minister.

***74.** All applications to the Minister by the board for his approval or sanction for any matter or thing for which the Minister's approval or sanction is by this Ordinance required, shall be made in writing signed by the officer or person authorized in that behalf by the board.

Interpretation.

+76. In this Ordinance (including the Schedules), unless the context otherwise requires—

[§ 28, Law 10 of 1974.]

" approved societym means a society approved for the purposes of this Ordinance by the Minister by Order published in the Gazette;

"bank" means the Bank of Ceylon established by this Ordinance;

" board" means a duly convened and constituted meeting of the directors of the bank for the time being;

" capital" means the capital for the time being of the bank ;

[§ 28, Law 10 of 1974.]

" central office " means the central office of the bank;

" director " means a person holding the office of a director of the bank;

" Government" means the Government of Sri Lanka;

" mortgage " includes any charge on property for securing money or money's worth; [§ 28, Law 10 of 1974-]

" officer " means an employee of the bank and shall not be construed to, include a director or an auditor of the bank;

" Secretary to the Treasury " means the person for the time being performing the functions of the Secretary to the Treasury of the Government;

" substantial interest "—

[§ 28, Law 10 of 1974.]

(a) in relation to a company, means the holding of a beneficial interest by an individual or his spouse or minor child, whether singly or taken together, in the shares thereof, the amount paid up of which exceeds five hundred thousand rupees or five *per centum* of the paid-up capital of the company, whichever is less ; and

(b) in relation to a firm, means the beneficial interest held therein by an individual or his spouse or minor child, whether singly or taken together, which represents more than five *per centum* of the total capital subscribed by all the partners of the said firm.

FIRST SCHEDULE

[Section 71.]

PART I

1. The bank is authorized to carry on and transact the several kinds of business hereinafter specified. namely:—

Business which the bank is authorized to carry on and transact.

(a) To establish, carry on, develop and extend in Sri Lanka and elsewhere the business of banking in all its branches and departments and in particular and without prejudice to the generality of the foregoing to exercise, perform and do all or any of the following powers, acts and things subject nevertheless to the restrictions and conditions set out in Part II of this Schedule.

To cany on business of banking.

* Section 73 is repealed by Law No. 10 of 1974.
t Section 75 is repealed by Law No. 10 of 1974.

To open accounts.	(b) (i) To open, maintain and manage current deposit, saving and other accounts ;
To discount bills.	(ii) to discount, buy, sell and deal in bills of exchange, promissory notes, <i>hoondies</i> , <i>puorjax</i> , coupons, drafts, bills of lading, warrants, debentures, certificates, scrip and other instruments and securities, whether transferable or negotiable or not;
To issue letters of credit.	(iii) to grant and issue letters of credit and circular notes;
To deal in bullion and specie.	(iv) to buy, sell and deal in bullion and specie and engage in operations in exchange ;
To negotiate loans.	(v) to negotiate loans and advances, to receive money securities and valuables on deposit, or for safe custody, or otherwise;
To collect money.	(vi) to collect and transmit money and securities.
To transact agency business.	(c) To manage property and transact all kinds of agency business commonly transacted by bankers.
To borrow or raise money,	(d) To borrow or raise money in such manner as the bank shall think fit, and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon the whole or any part of the bank's property or assets whether present or future including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the bank of any obligation or liability it may undertake.
To lend and advance money.	(e) To lend and advance money securities and property or give credit to such persons, firms or companies and on such terms as may seem expedient and either with or without security and if with security upon such security and with such conditions as may from time to time be deemed to be advisable.
To buy and sell stocks and shares. [§ 30, Law 10 of 1974.]	(f) To buy, sell, invest, underwrite, deal in and dispose of stocks, shares, debentures, mortgages, bonds, or securities issued or guaranteed by the Government of Sri Lanka or by the Government of any other country or by any company or corporation ; Provided, however, that the bank shall not enter into any transaction affecting the stocks, shares, debentures, mortgages, bonds or securities issued or guaranteed by any other country or by any such company or corporation except with the approval of not less than four directors of the bank given after considering the written observations of the general manager of the bank, and with the written consent of the Minister.
To acquire any other business. [§ 30, Law 10 of 1974.]	(g) To acquire and undertake the whole or any part of the banking and discount business of any person or company carrying on business which the bank is authorized to carry on : Provided, however, that the power contained in this paragraph shall only be exercised with the approval of not less than four directors of the bank given after considering the written observations of the general manager of the bank, and with the written consent of the Minister.
To acquire property. [§ 30, Law 10 of 1974.]	(h) To purchase, take on lease or in exchange, hire or otherwise acquire, any immovable or movable property and any rights or privileges.
To enter into arrangement for profit sharing. [§ 30, Law 10 of 1974.]	(i) To enter into any arrangement for sharing profits, union of interest, co-operation. Joint adventure, reciprocal concession or otherwise with any person or company carrying on or engaged in or about to carry on or engaged in any business or transaction.
To act as trustees, executors, Ac.	(j) To undertake and execute any trusts the undertaking whereof may seem desirable, and also to undertake the office of executor, administrator, receiver, treasurer, or registrar, and to keep for any company, Government, authority, or body, any register relating to any stocks, funds, shares or securities, or to undertake any duties in relation to the registration of transfers, the issue of certificates, or otherwise.
To provide for employees,	(k) To establish and support or aid in the establishment and support of associations, institutions, trusts, schemes for the providing of pensions and of guarantee and other funds, and conveniences calculated to benefit employees or ex-employees of the bank or the dependants or connexions of such persons and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general, or useful object.

- (l) To sell or dispose of the entire undertaking of the bank, or any part thereof, for such consideration as the bank may think fit, and in particular for shares, debentures or securities of any other bank or to amalgamate the bank's business with that of any other bank; To sell undertaking. [§ 30, Law 10 of 1974.]
- Provided, however, that the powers contained in this paragraph shall only be exercised with the approval of at least four directors of the bank given after considering the written observations of the general manager of the bank, and with the written consent of the Minister. [§ 30, Law 10 of 1974.]
- (m) To construct buildings on or improve or develop any land belonging to or taken on lease or possessed or occupied by the bank and to manage, exchange, lease, mortgage, dispose of, sell, turn to account or otherwise deal with all or any part of the property and rights of the bank. To deal with the property of the bank. [§ 30, Law 10 of 1974.]
- (n) To do all or any of the above things in any part of the world and as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others, To exercise its powers in any part of the world.
- (o) To take or concur in taking all such steps and proceedings as may seem best calculated to uphold and support the credit of the bank and to obtain and justify public confidence and to avert and minimize financial disturbances which might affect the bank. To support the credit of the bank.
- (p) To procure the bank to be registered or recognized in any foreign country or place. To procure recognition of the bank. [§ 30, Law 10 of 1974.]
- (q) To give any guarantee or indemnity and to enter into any arrangements with any Government or any local authority in order to obtain any rights, concessions and privileges, To obtain concessions. [§ 30, Law 10 of 1974.]
- (r) To do hire-purchase business and receive discounts, commissions and other remuneration. To do hire-purchase business. [§ 30, Law 10 of 1974.]
- (s) To form any company for carrying on any business, to acquire and undertake the business of, purchase any interest in, or acquire or hold shares or stock in, any company carrying on any business, To form companies. [§ 30, Law 10 of 1974.]
- (t) To carry on such other trade or business or engage in such other activity, which can in the opinion of the bank be advantageously carried on or engaged in by the bank. To carry on any trade or business. [§ 30, Law 10 of 1974.]
- (u) To do all things incidental or conducive to the attainment of the above objects or the exercise of the above powers. General. [§ 30, Law 10 of 1974.]

2. The objects set forth in any paragraph of clause 1 of this Schedule shall not, except where the context expressly so requires, be in any wise limited or restricted by reference to or inference from the terms of any other paragraph or the objects therein specified, and the powers thereby conferred shall not be deemed merely subsidiary or auxiliary to the objects mentioned in the first paragraph of clause 1 of this Schedule but the bank shall, except when the context expressly requires otherwise, have full power to exercise all or any of the powers conferred by any part of clause 1 of this Schedule in any part of the world. Interpretation of objects.

PART II

- 3. The business of the bank shall be carried on subject to the following restrictions and qualifications Restrictions and qualifications.
 - (a) No loan, overdraft, advance or other accommodation shall be granted by the bank to any person unless the board is satisfied that he is worthy of credit up to the amount of such advance, loan or other accommodation or that such amount is secured by adequate security, or that the project or scheme to which such amount is to be applied is financially sound : Loans, overdrafts, advances and other accommodation to be granted only in certain circumstances. [§ 30, Law 10 of 1974.]
 - Provided that the bank may grant any loan, overdraft, advance or other accommodation to any Government department, corporation, statutory body, local authority, co-operative society, approved society or unincorporate body of persons which is unable to satisfy the board as to the requirement contained in the preceding provisions of this paragraph if the grant of such loan, overdraft, advance or other accommodation is approved by the Minister in consultation with the Minister in charge of the subject of Finance and if the Minister in charge of the subject of Finance guarantees under section 10 the repayment of such advance, loan or other accommodation. [§ 30, Law 10 of 1974.]

Loans to directors and companies. [§ 30, Law 10 of 1974.]

(b) (i) Where prior to the date of his appointment as a director no sum has been granted by way of loan, overdraft, advance or other accommodation to such director or any company or firm in which he has a substantial interest, then, no loan, overdraft, advance, or other accommodation shall be granted to any such company or firm, but a sum not exceeding fifty thousand rupees in the aggregate may be granted to such director by way of loans, overdrafts, advances and other accommodation.

(ii) Where prior to the date of his appointment as a director any sum has been granted by way of loan, overdraft, advance or other accommodation to such director or any company or firm in which he has a substantial interest, then, such director, company or firm may be granted by way of loans, overdrafts, advances or other accommodation a sum which does not exceed the aggregate of the sums granted to such director, company or firm prior to the date of such appointment, less any sum remaining unpaid :

Provided that where any sum so granted to a director prior to his appointment as a director is a sum not exceeding fifty thousand rupees such director may be granted by way of loans, advances, overdrafts and other accommodation a sum not exceeding fifty thousand rupees in the aggregate, in addition to any sum remaining unpaid.

(iii) No loan, overdraft, advance or other accommodation shall be granted to a director for the time being of the bank or a firm, or company in which he has a substantial interest unless security approved by the bank is given and the loan, overdraft, advance or other accommodation is sanctioned at a meeting of the board by not less than four other directors.

Restriction on granting of loans, &c.

*(e) No advance, loan or accommodation shall be granted to any general manager, assistant general manager, or branch manager, or any officer, clerk, or servant of the bank exceeding the sum of five hundred rupees except against appropriate banking security; any loans exceeding five hundred rupees to such persons shall only be granted with the previous approval of the board.

Guarantee by employees. [§ 30, Law 10 of 1974.]

(f) No loan, overdraft, advance or other accommodation shall be granted by the bank on the guarantee of an employee of the bank other than to another employee of the bank.

How may powers be construed.

4. All the powers contained in clauses 1 and 2 of this Schedule shall be read and construed subbed to the restrictions and qualifications in clause 3 of this Schedule and in case of conflict or inconsistency the provisions of clause 3 of this Schedule shall prevail.

[Section 72.]

SECOND SCHEDULE

[§ 30, Law 10 of 1974.]

PART I

PROCEEDINGS OF DIRECTORS

Meetings of directors.

1. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit and may determine the quorum necessary for the transaction of business. Until otherwise fixed the quorum shall be three.

Who may preside at meetings.

2. The board shall be presided over by the chairman if present, or in his absence, by the deputy chairman, if any; but if neither a chairman nor a deputy chairman shall have been appointed, or if neither the chairman nor the deputy chairman be present at the time fixed for holding the meeting of the board, the directors present shall choose one of their number to preside.

How questions at board meetings decided.

3. Any questions which shall arise at any meeting of the board shall be decided by a majority of votes of those present, and in the case of an equality of votes the director presiding at the meeting shall have a second or casting vote.

Acts to be valid notwithstanding defects in appointments.

4. All acts done by the board or by a committee of directors or by a person acting as director, whether solely or as a member of the board or of a committee, shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of the board, committee, or person acting as director, or that such person was not qualified to be a director, be as valid as if there had been no such defect and the person acting as director had been duly qualified.

Meetings of committees.

5. The meetings and proceedings of any committee shall be governed by the provisions of this Schedule for regulating the meetings and proceedings of directors, so far as the same are applicable thereto, and are not superseded by the express terms of the appointment of the committee. In any matter in which no provisions are made by the board or by this Schedule a committee may conduct its business in such manner as it thinks fit.

* Paragraphs (c), (rf) and (g) are omitted—See section 2 of Act No. 34 of 1968.

6. (1) The board shall cause minutes to be made in books provided for the purpose of the following matters. namely:—

Minutes of proceedings of directors to be kept.

- (a) all appointments of officers and committees made by the board;
- (b) the name of the directors present at every meeting of the board, and at every meeting of a committee ;
- (c) the proceedings and resolutions of all meetings of the board and committees.

[§ 30, Law 10 of 1974.]

(2) Such minutes if signed by some person purporting to be the chairman of the meeting or of the board or committee to which it refers, or by any two directors present thereat, or by the chairman of the next succeeding meeting, shall be receivable in evidence without further proof of the matters therein contained or any other proof.

7. (1) The board shall provide a common seal for the purposes of the bank and may from time to time change the same; and such seal may be kept by such person and in such manner as the board from time to time may determine, but shall not be used except by the authority of the board and in the presence of at least two directors, or of one director and the general manager or other officer appointed for that purpose by the board, who shall sign the document to which the seal is affixed.

Custody and use of common seal.

(2) The board shall have full power to use the common seal in the execution of all or any of the powers hereby vested in them, or otherwise in relation to the affairs and business of the bank as they in their discretion see fit.

8. No director shall be disqualified by his office from contracting with the bank nor shall any such contract entered into by or on behalf of the bank in which any director shall be in any way interested, be voided, nor shall any director so contracting or being interested be liable to account to the bank for any profit realized by or arising out of any such contract but the fact of his being interested and the nature of his interest shall be disclosed by him at the meeting of the directors at which the contract is considered if his interest then exists, or in any other case at the first meeting of the directors after the acquisition of his interest.

Directors may contract with bank.

A general notice that a director is a member of a specified firm or company, and is to be regarded as interested in any subsequent transactions with such firm or company, shall be sufficient disclosure under this by-law, and after such general notice it shall not be necessary to give any special notice relating to any particular transaction with such firm or company.

9. No director shall as a director vote in respect of any contract in which he is so interested as aforesaid and he shall withdraw from the meeting of the directors while any such contract is under consideration and the vote thereon is being taken. If any director does so vote, his vote shall not be counted.

When director may not vote.

10. Nothing in by-law 9 shall apply to any contract made by or on behalf of the bank to give to the directors or any of them any security for advances or by way of indemnity.

Exceptions from provisions of by-law 9. [§ 30, Law 10 of 1974.]

11. (1) The board may delegate any of its powers, other than the power to appoint the general manager, to committees consisting of two or more directors, or to a director, or to the general manager or to any other officer of the bank selected by the board ; and may from time to time revoke any such delegation either wholly or in part and either as to persons or purposes. Every such committee, director, general manager or other officer shall, in the exercise of the powers delegated to it or him, conform to all such regulations as are prescribed by the board.

Delegation of functions of board. [§ 30, Law 10 of 1974.]

(2) The general manager may, with the consent of the board, in writing delegate to any of the officers of the bank selected by him any of the powers delegated to him under paragraph (1). Every such officer shall in the exercise of the powers delegated to him under this paragraph conform to all such regulations as are prescribed by the board and the general manager.

(3) All acts done by any such committee, director, general manager or other officer in conformity with such regulations and in fulfilment of the purposes of its or his appointment, but not otherwise, shall have the like force and effect as if done by the board.

PART II

[§ 30, Law 10 of 1974.]

POWERS AND DUTIES OF DIRECTORS

12. No loan, overdraft, advance or other accommodation shall be sanctioned by the board without the recommendation of the general manager unless such loan, overdraft, advance or other accommodation is approved by all the directors for the time being of the bank, after considering the written observations of the general manager of the bank.

Credits and loans. [§ 30, Law 10 of 1974.]

Resolution without board meeting valid. 13. (1) A resolution signed by all the directors of the bank for the time being shall be as valid and effectual as if it had been passed at a meeting of the board.

(2) Any such resolution shall be recorded in the minutes book containing the proceedings of the board as if it had been passed at a meeting of the board.

[§ 30, Law 10 of 1974.]

PART III

REMUNERATION OF DIRECTORS

Remuneration of directors. [§ 30, Law 10 of 1974.] 14. A director may be remunerated out of the funds of the bank in such manner and at such rates as the Minister may determine.

Deduction for absence from meeting. 15. A sum of fifty rupees shall be deducted from the remuneration of the chairman or any director in respect of each meeting of the board which he fails to attend.

Remuneration of acting director. 16. A director in whose place a person has been appointed to act shall not receive the remuneration attached to his office during the continuance of such acting appointment, but such remuneration shall be paid to the person acting in his place.

Remuneration of directors for special services. [§ 30, Law 10 of 1974.] 17. Where any director is entrusted with any special mission of function or by request performs special services on behalf of the bank, the board may grant him such additional remuneration as it thinks fit. The directors may be repaid by the bank all such reasonable travelling, hotel and incidental expenses as they may incur in attending meetings of the board or of committees of the board or which they may otherwise incur in or about the business of the bank.

Remuneration of public officers who are directors to be paid to Consolidated Fund. [§ 30, Law 10 of 1974.] 18. All remuneration to which directors who are public officers become entitled shall be paid to the Consolidated Fund.

[§ 30, Law 10 of 1974.)

PART IV

DIVIDENDS AND RESERVE

Half-yearly dividends. [§ 30, Law 10 of 1974.] 19. The board may—
(i) on the report of the general manager that the profits earned by the bank during any half-year justifies the payment of a half-yearly dividend ; and
(ii) with the approval of the Minister,
declare a half-yearly dividend.

Investment of reserve fund. [§ 30, Law 10 of 1974.] 20. Any amounts standing to the credit of any reserve funds and also any other funds of the bank not for the time being employed in or required for the purposes of the business of the bank shall be invested with the approval of the Minister in stock, shares, debentures, bonds or securities—

(a) recommended in writing by the general manager and approved at a meeting of the board by a majority of not less than two directors ; or

(b) unanimously approved by all the directors for the time being of the bank after considering the written observations of the general manager of the bank.

BANK OF CEYLON

[Cap. 302

THIRD SCHEDULE

[§31, Law 10 of 1974.]

FORM A

[Section 28.]

FORM OF CERTIFICATE OF SALE WHERE THE BANK IS NOT THE PURCHASER

Whereas a sum of..... rupees is due to the Bank of Ceylon from and the property ... hereinafter more fully described has been 'mortgaged by the said on* bond No. dated as security for the payment of the aforesaid sum in the manner provided in the said* bond i

*Alter whenever necessary.

And whereas the moneys due in respect of the said* bond have not been paid by or on behalf of the said

And whereas the aforesaid property was sold in conformity with the Bank of Ceylon Ordinance on the . day of and the same was purchased by of for the sum of..... rupees, which has been duly paid by the said

Now Know Ye that the Bank of Ceylon by virtue and in the exercise of the powers in the said Bank vested in this behalf by or under the Ordinance aforesaid, doth hereby certify that the following property, to wit (*here insert full and accurate description of property*) has been sold and purchased by the said for the sum of rupees, which he has duly paid, and that the said property shall henceforward be vested in the said his heirs, executors, administrators and assigns.

Given under the Common Seal of the Bank of Ceylon this day of.....19.....

The Common Seal of the withinnamed Bank of Ceylon is hereto affixed in the presence of

(SEAL)

of the said Bank of Ceylon who do hereby attest the sealing thereof.

Witnesses:

(*Not to be notariaty attested*)

FORM B

[Section 28.]

FORM OF CERTIFICATE OF SALE WHERE THE BANK IS THE PURCHASER

Whereas a sum of..... rupees is due to the Bank of Ceylon from and the property ... hereinafter more fully described has been 'mortgaged by the said on* bond No. dated as security for the payment of the aforesaid sum in the manner provided in the said* bond :

*Alter whenever necessary.

And whereas the moneys due in respect of the said* bond have not been paid by or on behalf of the said

And whereas the aforesaid property was sold in conformity with the Bank of Ceylon Ordinance on the day of and the same was purchased for and on behalf of the Bank of Ceylon by for the sum of rupees, which has been duly credited to the said Bank, in part (*or full, as the case may be*) satisfaction of the sum due as aforesaid :

Now Know Ye that the Bank of Ceylon by virtue and in the exercise of the powers in the said Bank vested in this behalf by or under the Ordinance aforesaid, doth hereby certify that the following property, to wit, (*here insert full and accurate description of the property*) has been sold and purchased by the said for and on behalf of the said Bank of Ceylon for the sum of rupees, and that the said property shall henceforward be absolutely vested in the said Bank of Ceylon.

Given under the Common Seal of the Bank of Ceylon this day of.....19.....

The Common Seal of the withinnamed Bank of Ceylon is hereto affixed in the presence of

(SEAL)

of the said Bank of Ceylon who do hereby attest the sealing thereof.

Witnesses:

(*Not 10 be notarially attested*)