

CHAPTER 473

POST OFFICE SECURITY FUND

*Ordinances* AN ORDINANCE FOR THE INCORPORATION OF THE BOARD OF MANAGEMENT OF THE  
 Nos. 1 of 1931, CEYLON POST OFFICE SECURITY FUND AND FOR REGULATING THE ISSUE OF  
 9 of 1939, LOANS FROM THE FUND.  
 28 of 1943,  
*Acts*  
 Nos. 36 of 1952,  
 46 of 1958.

[1st October, 1931.]

Short title. 1. This Ordinance may be cited as the Post Office Security Fund Ordinance.

Interpretation. 2. In this Ordinance, unless the context otherwise requires—

"officer " means an officer or employee of the Post Office;

"Post Office" means the Posts and Telecommunications Departments of the Government of Sri Lanka;

"the fund" means the Post Office Security Fund.

Validation and continuation of the Post Office Security Fund.

3. (1) The Post Office Security Fund shall be deemed for all purposes to have been lawfully constituted and established; and all moneys deposited with or paid periodically to the Postmaster-General by officers, before the date on which this Ordinance comes into operation, as security for the due performance of their respective duties, and paid by the Postmaster-General or caused by him to be paid into the fund, shall be deemed to have been lawfully collected or received by him on behalf of the State and to have been lawfully so paid into the fund, and all moneys paid out therefrom in connexion with any such security shall be deemed to have been lawfully so paid.

(2) All investments made by the Colonial Treasurer from time to time of moneys standing to the credit of the fund before the date on which this Ordinance comes into operation shall be deemed to have been lawfully made, and shall continue as heretofore to be part of the fund.

(3) After the date on which this Ordinance comes into operation, all moneys deposited with or paid periodically to the Postmaster-General by officers, under any written law for the time being in force as to the security to be given for the due performance of their duties, shall be paid by the Postmaster-General or caused by him to be paid to the board.

4. (1) For the purposes of this Ordinance, the Minister may appoint a board of management of the Post Office Security Fund (hereinafter called "the board"), which shall administer the fund in accordance with the provisions of this Ordinance and any regulations made or deemed to be made thereunder.

Constitution and incorporation of board of management.

(2) The board shall consist of five members including the Postmaster-General for the time being, who shall be the chairman of the board, and the Minister may from time to time appoint persons to fill any vacancies that may occur among the members of the board.

(3) The members of the board for the time being shall be a body corporate and shall have the name of "The Post Office Security Fund Board of Management", and in that name shall have perpetual succession and shall and may sue and be sued in all courts in Sri Lanka, and may have and use a common seal.

5. (1) Any minute made of proceedings at meetings of the board, if signed by any person purporting to be the chairman or acting chairman, either of the meeting of the board at which such proceedings took place, or of the next subsequent meeting of the board, shall be receivable in evidence in all

Minutes and proceedings.

legal proceedings without further proof, and until the contrary is proved every meeting of the board, in respect of the proceedings of which minutes have been so made, shall be deemed to have been duly convened and held, and all the members thereof to have been duly qualified to act.

(2) An act or proceeding of the board shall not be questioned on account of any vacancy or vacancies in its body.

Appointment of secretary and clerical officers.

6. (1) The board may, with the consent of the Minister, appoint or employ a secretary and any other such clerical officers as it may deem necessary, at such rates of salary as the Minister with the concurrence of the Minister in charge of the subject of Finance may determine, and their salaries shall be paid out of the fund.

(2) But no member of the board shall receive any remuneration in consideration of the discharge of his duties, save in respect of travelling and subsistence allowances which shall be the same as those laid down in the Financial Regulations of the Sri Lanka Government and shall be paid out of the fund.

Powers of the board in administration of the fund.

7. It shall be lawful for the board, in the administration of the fund—

- (a) to place all moneys received or collected by the Postmaster-General and paid by him to the board under section 3 (3) to the credit of the fund in an account to be called the Post Office Security Fund Account at a bank or banks to be approved by the Postmaster-General, and to allow interest thereon at such rates as the board may think fit;
- (b) to make investments of any such moneys, or any part thereof, in such securities as may be approved by the Postmaster-General or prescribed by regulation made under this Ordinance ; and
- (c) to pay out of the fund, in addition to the salaries and allowances for which express provision is made by this Ordinance, such other sums of money as may be payable, under

any written law for the time being in force—

- (i) to the Postmaster-General on behalf of the State, whenever the whole or any part of the amount of the deposits or payments and interest standing to the credit of any officer is appropriated by order of the Postmaster-General in order to meet any loss incurred by the State by reason of any default or omission or any negligent or dishonest act on the part of the officer, or is declared forfeit to the State, under such written law; or
- (ii) to any officer who is permitted in accordance with such written law to withdraw the amount of the deposits or payments and interest standing to his credit, after his retirement, resignation or dismissal from office.

8. (1) It shall be lawful for the board from time to time to make loans from the fund to officers, and to accept mortgages of immovable property as security therefor, and any such loan shall be subject to the following general terms and conditions and to such special terms and conditions as may be or are prescribed by regulations made or deemed to be made under this Ordinance, and to any other terms and conditions which the board may think fit to impose in particular cases:—

Issue of loans by the board and conditions thereof.

- (a) no loan shall be made to an officer unless he has completed ten years' service and holds a pensionable appointment;
- (b) the amount advanced to any one officer by way of a loan shall not exceed fifteen thousand rupees ;
- (c) full security to the satisfaction of the board shall be given before a loan is made, and when a mortgage is taken as security, a primary mortgage only shall be accepted ;

(d) when security has been given for a loan and, in the opinion of the board, the security becomes worthless, or depreciates so as to be worth less than two-thirds of the amount outstanding on the loan, the officer concerned shall, on being required to do so, furnish other security to the satisfaction of the board.

(j) the payment of legal expenses and fees in connexion with loans; and.

(k) all such other matters not hereinbefore specifically mentioned as may be necessary for carrying out the provisions of this Ordinance or for the exercise of the powers of the board and the discharge of its duties under this Ordinance.

(2) No loan which is made shall be applied by the borrower except for the purpose of building or purchasing a house.

(2) The regulations contained in the Schedule\* shall be deemed to have been made under this Ordinance, and may be altered, amended, added to, or rescinded by regulations made under this Ordinance.

Regulations in Schedule.

[§ 2, 46 of 1958.]

Regulations.

9. (1) It shall be lawful for the board, subject to the approval of the Minister, to make regulations in relation to all or any of the following matters:—

10. The board may postpone for any time not exceeding five years the payment of any sum in respect of principal and interest, or either, due or to become due in respect of any loan made under this Ordinance, upon such terms and conditions as it may deem expedient.

Suspension of payment of principal and interest.

(a) the proceedings of the board and the transaction of its business;

(b) the custody and use of its common seal;

(c) the duties of its staff;

(d) the manner in which moneys lodged in the fund may be invested otherwise than in loans;

11. The board may, if it thinks fit, at any time accept payment of the whole or any part of the principal and interest of any loan made under this Ordinance before the time when the same is due and may release or convey to the officer making such payment the property mortgaged or other security given by him upon such terms and conditions as it may deem expedient.

Payment of loan before

(e) the applications for loans, the procedure to be followed on such applications, the powers of the board in relation thereto, and the priority of such applications;

(f) the special terms and conditions on which loans may be made to officers and repaid by them, and mortgages accepted as security therefor, and the payment of interest thereon;

12. The board may, if it thinks fit, accept any security in lieu of the security previously given for a loan made under this Ordinance, subject to such terms and conditions as it shall direct.

Change of security.

(g) the securities required by the board for the advance of loans, and the realization thereof;

13. The board may extend the period for the repayment of any loan or any instalment thereof and may compound or release any loan or part thereof, subject to such terms and conditions as it may think fit.

Power to extend time, compound, or release.

(h) the valuation of property submitted as security for loans;

14. (1) The board may from time to time appoint appraisers for the purpose of making valuations of property submitted as security for any proposed loans, and the names of persons so appointed shall be recorded by the secretary in a register to be kept for that purpose.

Appointment of appraisers and valuation of property

(i) the manner in which documents which are necessary in connexion with loans made by the board shall be prepared, attested, signed or executed;

• Schedule omitted.—Private enactment.

(2) Any such register shall be open at all reasonable times for inspection by any officer who has made application for a loan.

(3) The board may remove the name of any appraiser which has been recorded in the said register without assigning cause for doing so.

(4) The board may at any time, if it deems it expedient, cause an inspection and valuation of all house and other property mortgaged to the board to be made by an appraiser appointed under this section and a report of such inspection and valuation shall be submitted to the board by the appraiser.

(5) The expenses incurred on any such inspection and valuation shall be considered as forming part of the working of the fund, and shall be paid out of the fund.

Appointment of notaries.

15. The board may appoint a notary or notaries for the purpose of preparing and attesting all mortgages and other legal documents which are necessary in connexion with loans made by the board.

Wrongful application of loans.

16. If any loan or part thereof which has been made by the board under this Ordinance is applied to any purpose other than the purpose for which it was made, or if any officer to whom any loan has been made commits a breach of any of the terms and conditions applicable thereto, the board may, without prejudice to any other remedy, by notice in writing addressed to the officer concerned, recall the said loan or any part thereof, and may require the same or such part thereof to be repaid on such date as may be specified in the notice, and any security given for the purpose of the loan shall be enforceable accordingly.

Purchase, &c., of property by the board on realization of security.

17. When any immovable property mortgaged to the board as security for a loan is sold for the purpose of enforcing the security, the board may purchase any such property at the sale and manage the same, and may sell or otherwise dispose of the same in such manner as it thinks fit.

18. (1) The board shall cause true Accounts. accounts to be kept with regard to all sums of money received and expended by it, and of the matters in respect of which such sums were received and expended, and of the assets, credits, and liabilities of the board, and generally of all its transactions and all other matters necessary for showing the true financial state of the fund. The accounts shall be kept at the office of the Postmaster-General in such books and in such manner as the board shall think fit.

(2) As soon as may be after the thirty-first day of December in each year, the board shall—

(a) prepare a statement of its income and expenditure for the previous financial year, which shall show the amount of gross income and of gross expenditure, and a balance sheet containing a statement of the property and liabilities of the board made up to the end of the same period; and

(b) cause the accounts of the fund to be audited by an auditor appointed by the board for the purpose, and forward the report of the auditor to Government, together with the statement and balance sheet referred to in paragraph (a).

19. Such portion as the board may Reserve fund. determine of the balance remaining over in the Post Office Security Fund Account on the thirty-first day of December in any year, after the payment of interest due to depositors, shall be set aside and transferred to a reserve fund.

20. No civil or criminal proceeding shall be instituted against any member of the board in respect of any act bona fide done or omitted to be done for the purpose of carrying out the provisions of this Ordinance or of any of the regulations made or deemed to be made thereunder. Protection for Members of the board.

21. Nothing in this Ordinance shall affect or be deemed to affect the rights of the Republic, or of any body politic or corporate, or of any other person, except such as are mentioned in this Ordinance, and those claiming by, from, or under them. Saving of rights of the Republic and of certain other rights