



2018



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கடன் இணக்கச்சபைத் திணைக்களம்
DEPARTMENT OF DEBT CONCILIATION BOARD

Annual Report - 2018

Department Of debt conciliation Board

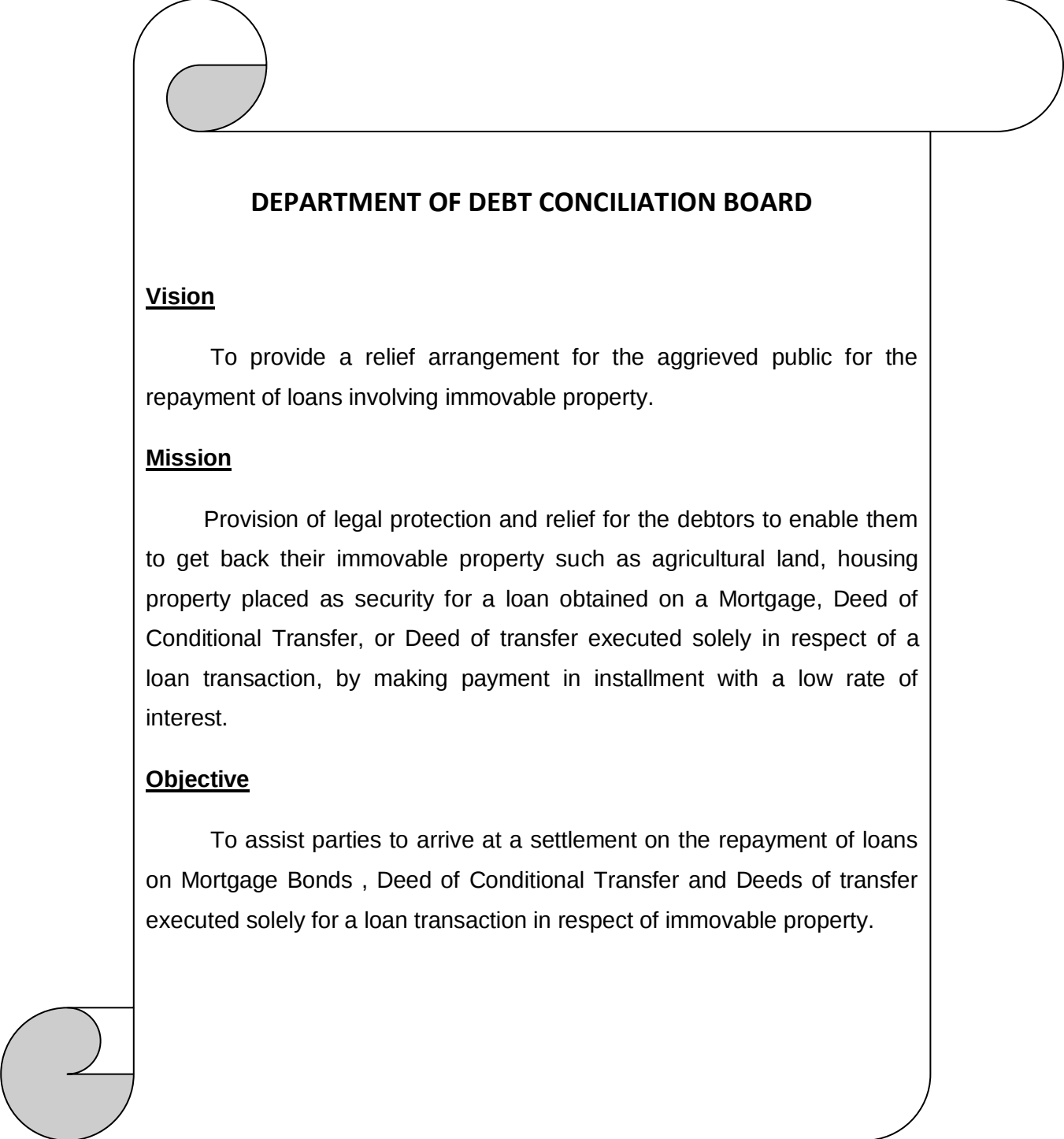
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DEPARTMENT OF DEBT CONCILIATION BOARD

Vision

To provide a relief arrangement for the aggrieved public for the repayment of loans involving immovable property.

Mission

Provision of legal protection and relief for the debtors to enable them to get back their immovable property such as agricultural land, housing property placed as security for a loan obtained on a Mortgage, Deed of Conditional Transfer, or Deed of transfer executed solely in respect of a loan transaction, by making payment in installment with a low rate of interest.

Objective

To assist parties to arrive at a settlement on the repayment of loans on Mortgage Bonds , Deed of Conditional Transfer and Deeds of transfer executed solely for a loan transaction in respect of immovable property.

Introduction

This Department was established under the Debt Conciliation Ordinance No.39 of 1941 with the objective of introducing relief measures to save from indebtedness the people who are indebted on secured loans obtained on Conditional Transfers or mortgages of immovable property such as land, paddy fields, plantations or housing property.

In addition to this, in terms of the Amendment Act No. 29 of 1999, the Debt Conciliation Board is authorized to intervene in respect of loans obtained on the basis of a transfer deed executed exclusively for a loan transaction, thereby further expanding the relief offered by the Board. The operations of the Board prevents the creditors from arbitrarily exploiting the debtors. Although this is the primary objective of the Board, it ensures that no injustice is caused to the creditors too. Another objective of the Board is to assist in arriving at a settlement in respect of immovable property subject to mortgage or conditional transfer in conditions acceptable both to the debtor and the creditor. No fee is chargeable in respect of applications made to the Board and the proceedings before the Board are free of any stamp duty. A very small amount is charged as Gazette and notice fees, and as such an immense service is afforded to the average persons suffering under indebtedness. It is a great relief to the public that it is not compulsory for the applicants to be represented by a lawyer.

The Debt Conciliation Board consists of five (05) members, appointed by the Minister one of whom shall be nominated by the Minister to be Chairman of the Board. The Chairman of the Board shall be a person who holds or has held a substantive appointment as a Judge of the Court of Appeal or as a District Judge.

or

a person who is or has been a member of Class I of the Sri Lanka Administrative Service and who holds or has held office as District Judge.

or

an Attorney-at-Law of not less than fifteen years' standing,

of the four other members of the Board at least one shall be a person engaged in trade or commerce in Sri Lanka and recommended by the Minister for appointment as a member of a Board. The Chairman and every other member of the Board shall hold office for a period of three years from the date of his appointment.

The proceedings before this Board are different from those before an ordinary court of law. The settlement arrived at between the parties is not an agreement imposed by the Boards but one arrived at voluntarily by the parties, before the Debt Conciliation Board. However, the Board has the power to reduce the unreasonable rates of interest charged or in case of failure on the part of the parties to accept the just suggestions made by the Board to issue a certificate under the Ordinance to the debtors. Further, if the creditors fail to appear before the Board at the final hearing in response to the notice issued, an expert hearing is held after which a certificate is issued to the debtor.

However, it is so done, only if the Board is satisfied that the creditor has intentionally failed to attend the inquiry to be held after notice is issued through registered post and the Grama Niladhari. On such occasions, the benefit of the issue of such a certificate will accrue to the debtor. If this certificate is produced to a court before which a trial is being held on the same matter, that court is empowered under the Debt Conciliation Ordinance to allow a period subject to a maximum of 10 years for the settlement of the loan and reduce the interest to the minimum rate and not to recover any costs from the debtor.

The details of the staff of this Department are as follows:

Category	Approved No	Available No.	No .of Vacancies
Secretary	01	01 (Acting)	01
Development Officer	02	02	00
State Management Assistant	09	07	02
Stenographer	03	02 (Attached)	03
K.K.S.	04	03	01
Driver	02	01	01
Total	21	16	08

Details of the performance of the Board from 2018.01.01 to 2018.12.31 are as follows:

	01.01.2018 - 31.12.2018	
No. of pending applications brought forward	829	
No. of new applications	381	
No. of applications received for review	42	
Total No. of applications		1252
No. of applications settled	175	
No. of applications dismissed	193	
No. of applications reviewed	45	
No. of applications set aside	00	
No. of applications removed from the roll	00	
No. of applications on which certificates were issued	09	
No. of applications withdrawn	45	
Total		467
No of Applications pending by the end of the 31.12.2018		785

Performance of the expenditure of the Department in 01.01.2018 to 31.12.2018 is as follows:

	Estimated amount Rs.	Expenditure Rs.	Performance as Percentage
Recurrent Expenditure	27,720,000.00	14,250,336.67	51.41%
Capital Expenditure	850,000.00	605,455.79	71.23%
Total	28,570,000.00	14,855,792.46	52%

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අංක 35 ඒ, ආචාර්ය එන්. එම්. පෙරේරා මාවත, කොළඹ 08.**

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இல. 35 ஏ, கலாநிதி என்.எம். பெரேரா மாவத்தை, கொழும்பு 08**

**Department of Debt Conciliation Board
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