

I English Media Exposés

THE ISLAND, Wednesday 28th June, 1995 DAILY NEWS, FRIDAY MAY 19, 1995

Probe into malpractices

Choksy and Paskaralingam took all decisions — Witness

By Anupama Ailes

The former Director added that since he was not familiar with the details of the work...

cash flow of the hotel and when he highlighted the fact that the number of rooms had...

ized the physical check objected in court. Mr. Shanmugalingam...

floor area of the amended plan approved in 1986 was 10,000 sq metres. The...

6,013,000 and the balance with interest was to be paid in 30 annual instalments.

DAILY NEWS, SATURDAY APRIL 22, 1995

PAGE TWENTY ONE

Contradictory report on fire by CDB Fort

By M. J. M. Zarook and Daryll de Silva

The report of the Engineer, Ceylon Electricity Board stated that the fire which had taken place in the office of...

Witness was referred to a letter addressed to Tasei Corporation at Hilton Hotel site by St Gilbert Kalupahana.

DAILY NEWS, WEDNESDAY NOVEMBER 06, 1991

Judge issues interim injunction in Hilton case

Colombo District Judge Mr. P. Wijayaratne (now, High Court Judge) has rejected the objections and issued an interim injunction restraining three Japanese firms (of contractors and architects) from demanding or receiving any monies whatsoever in connection with the construction of the Colombo Hilton hotel building until the final determination of the action.

An interim injunction was also issued restraining Hotel Developers (Lanka) Limited from entertaining any demand for claims on paying out any monies to the three Japanese companies.

Accordingly, the present position is that the Defendants' statement, that they have performed their part of the contract and the willingness shown by the company to accept the same, as set out by the Defendants, cannot be accepted as the basis for payment.

Accordingly, what should be actually considered is, whether, the position of the company in relation to the said matters i.e. whether, the position taken concerning the agreements entered into with the 1st to 3rd Defendants, is adverse to the interests of the shareholders of the company, or else,

AG's dept opposed inspection of Hilton project

(By M. J. M. Zarook and Daryll de Silva)

Mr. Nihal Sri Amerasekera, Chartered Accountant and Advisor to the Ministry of Finance said yesterday before the Special Presidential Commission that he made an application to the District Court to inspect the Hilton Hotel project.

With regard to Japanese government weaknesses in the matter, it has been pointed out that there has been growing public concern in Japan over frauds involving Japanese companies and public servants. No government in Japan, therefore, would like to be seen while a contract is in progress...

THE ISLAND Wednesday 2nd August, 1995

THE ISLAND

Commission to appoint panel of architects to check Hilton Hotel project plan

By Anupama Ailes

National List MP and former Director Hotel Developers Limited, (HDL) K. N. Choksy, HD, Chairman and Managing Director Central Hotels and other Directors of HDL, announced yesterday...

plan, the construction agreement and the schedule of work in some projects. Justice Perera said that a panel of independent architects should be appointed to check the construction agreement and to advise the...

should be made available to the architects. These were the documents not in dispute for example, the building application. The panel should also check the construction agreement and to advise the...

the company will be appointing. Then a complete examination could be done. Justice Perera - that is exactly what we want to do.

panel of architects. He is stressed on finding out whether this building is in accordance with the original plan. Choksy - He is not in any way going to interfere with the Commission and I shall be the President of the notice of Amaraoka is directed to forward a list of architects to the Government before September 1.

which led to the Commission and I shall be the President of the notice of Amaraoka is directed to forward a list of architects to the Government before September 1.

Japanese concerned about Hilton case

The Japanese press has expressed concern over the Hilton case. The Japanese press has expressed concern over the Hilton case.

Rs. 11,000 million held up by court injunction

THE ISLAND Friday 13th September, 1991

Vasudeva writes to President on Hilton

By Prabath Salabanda

Mr. VASUDEVA, President of the Japanese Association in Sri Lanka, has written to President Premadasa to inquire as to why a director cum shareholder of the Hilton Hotel had to be kept in prison against the manner in which the hotel was constructed.

Mr. Vasudeva has brought to the notice of the President that Mr. Nihal Amerasekera the Director had filed a case in the District Court of Colombo alleging that the construction of the Hilton Hotel had not been...

Historic Supreme Court Judgment in the Hilton Hotel Case

Shareholder wins legal right to institute action on behalf of a company and in its right in exceptional circumstances

THE ISLAND Sunday 10th January, 1993

Landmark Supreme Court Judgment

Establishes unique legal right of a shareholder to sue on behalf of a company

A Supreme Court Bench presided by the Chief Justice G. P. S. de Silva and Justices Dr. A. R. B. Amarasinghe and K. M. M. B. Kulatunga unanimously delivered a historic Judgment written by Dr. A. R. B. Amarasinghe recently in the Hilton Hotel Case, recognising the legal right of a minority Shareholder, irrespective of the size of Shareholding to institute a derivative/representatives legal action, on behalf of a Company in the right and the interest of The Company, where in the reliefs claimed are for the benefit of the Company and its Shareholders. This Judgment makes this a landmark case, establishing a legal precedent in this country.

keeping in conformity the established international legal practice and Case Law pertaining to Companies. The Judgment gives comprehensive legal references and authorities in relation to such established international Case Law and the right of Court to intervene in the interest of justice.

In deference to numerous requests and interests expressed in legal circles including students of law and members of the investing public, the Sunday Island next Sunday will carry the full Judgment, which would be of Public and Legal interest.

Embarrassed President wanted suit withdrawn
Mr. Nihal Sri Amerasekera told the Special Presidential Commission sitting at the BMICH yesterday, that when he filed action in the district court and obtained an enjoining order preventing payment to the Japanese consortium of Mitsui Tasei etc, Mr. R. Paskaralingam then secretary to the ministry of finance, informed him that President Premadasa was disturbed and wanted him to consider withdrawing the action.

Hilton Hotel judgment in C'wealth Law Reports

The Supreme Court judgment in the Hilton Hotel case has been given pride of place in the Commonwealth Law Reports of 1992 just released in U.K. The Commonwealth Law Reports in its Commonwealth Law Reports for the year 1992 has reported the Judgment at pages 626 to 639.

Court restraining the first, second and third defendants from demanding or receiving any monies whatsoever under contracts with the fourth defendant. The first to third defendants were granted leave to appeal by the Court of Appeal on the basis that (a) the District Court Judge had not addressed his mind to whether the appellant had...

the light of the defenses and second defendants raised. The judge had considered the material before him and correctly decided that the application had a real prospect of success and a prima facie case. Further, the judge had properly dismissed from referring to Shibata & Associates the evidence in detail as there were serious allegations from the decision of a judge of the district court...

THE ISLAND Saturday 1st July, 1995

Hilton Hotel dispute settlement with Japanese consortium helps govt. save Rs. 10,200 million — Prof. G. L. Peiris

By Ravi Ladduwahetty

The total saving to the government of Sri Lanka following the signing of the Hilton Hotel dispute settlement...

tion which is to be paid over the next 15 years commencing 1996. Prof. Peiris explained to the local and foreign media personnel...

government's commitment which has brought about the large scale saving. However, this settlement has nothing to do with the punitive action...

Japanese Ambassador in Sri Lanka Yasuo Naguchi and his predecessor Masaki Kuriyasu. Addressing Journal...

DAILY NEWS SATURDAY JULY 1ST, 1995

Hilton Hotel dispute settled

The Hilton Hotel dispute which was a major irritant in Sri Lanka - Japan relations has been settled with the Japanese companies agreeing to write off interest payments and a portion of the capital amounting to Rs. 10.2 billion.



Justice H.S. Yapa Justice P.R.P. Perera Justice F.N.D. Jayasuriya

Nihal files fresh case against Hotel Developers and connected parties

In the light of impending takeover and... Nihal Sri files fresh case against Hotel Developers and connected parties...

Nihal Takes on 'EXPROPRIATION BILL'

SEE PAGE 14

Cornel Perera says Hilton takeover not the solution, selling via bourse is

PROMOTER and former Chairman of Colombo Stock Exchange... Cornel Perera says Hilton takeover not the solution, selling via bourse is...



A group of people gathered for a press conference... Nihal Sri is seen in the center of the group.

Nihal Sri takes on 'Expropriation Bill'

The Attorney General's Office... Nihal Sri takes on 'Expropriation Bill'...

Consultants 21 files civil litigation on revival of ailing Hotel Developers

It is a bid to resurrect the ailing Hotel Developers Lanka P.C. which is the... Consultants 21 files civil litigation on revival of ailing Hotel Developers...



Dr. S. Sumanasekera

Nihal Sri files application before SC to re-examine Expropriation Bill

CEYLON TODAY, Friday, November 18, 2011... Nihal Sri files application before SC to re-examine Expropriation Bill...

Asset acquisition act constitutional — court

CEYLON TODAY, Wednesday, November 9, 2011... Asset acquisition act constitutional — court...

Revival Bill faces fresh flak

CEYLON TODAY, Friday, November 18, 2011... Revival Bill faces fresh flak...

Nihal Sri takes on the 'Expropriation Act'

CEYLON TODAY, Friday, November 18, 2011... Nihal Sri takes on the 'Expropriation Act'...

Petition filed by Nihal Sri Amarasekera, against the 'Revival of Underperforming Enterprises and Underutilised Assets Bill'

CEYLON TODAY, Friday, November 18, 2011... Petition filed by Nihal Sri Amarasekera, against the 'Revival of Underperforming Enterprises and Underutilised Assets Bill'...

Nihal fires posers to Nivard, Keheliya over Expropriation Bill

DAILY FT, Monday, November 21, 2011... Nihal fires posers to Nivard, Keheliya over Expropriation Bill...

FR application against Expropriation Act

CEYLON TODAY, Saturday, November 26, 2011... FR application against Expropriation Act...

Breakthrough in Nihal's FR application on 'Expropriation Bill'

DAILY FT, Saturday, November 26, 2011... Breakthrough in Nihal's FR application on 'Expropriation Bill'...

Supreme Court issues notice on respondents... Application filed by public interest activist, Nihal Sri Amarasekera...

SC orders notices to be issued in Expropriation Bill petition

CEYLON TODAY, Sunday, December 11, 2011... SC orders notices to be issued in Expropriation Bill petition...

Constitutional mandates and Supreme Court determinations

DAILY FT, Friday, December 2, 2011... Constitutional mandates and Supreme Court determinations...

Supreme Court determines Town & Country Planning Bill inconsistent with Constitution

DAILY FT, Friday, December 2, 2011... Supreme Court determines Town & Country Planning Bill inconsistent with Constitution...

Independence of the Judiciary and Attorney General's role

DAILY FT, Wednesday, December 7, 2011... Independence of the Judiciary and Attorney General's role...

Nihal Sri's FR case on January 26

CEYLON TODAY, Sunday, January 15, 2012... Nihal Sri's FR case on January 26...

Fundamental duties/directive principles and Constitutional duties of Speaker and Supreme Court

DAILY FT, Wednesday, January 18, 2012... Fundamental duties/directive principles and Constitutional duties of Speaker and Supreme Court...

Hilton realities exposed by Nihal

By Nihal Sri Amarasekera... Hilton realities exposed by Nihal...

Nihal's Fundamental Rights application on Expropriation Law fixed for 26 Jan.

DAILY FT, Wednesday, January 18, 2012... Nihal's Fundamental Rights application on Expropriation Law fixed for 26 Jan.

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DAILY FT, Wednesday, January 18, 2012... Nihal's Fundamental Rights application on Expropriation Law fixed for 26 Jan.

Prayer in Nihal Sri Amarasekera's FR Petition

On the Revival of Underperforming Enterprises and Underutilised Assets Act... Prayer in Nihal Sri Amarasekera's FR Petition...

Nihal's Fundamental Rights application on Expropriation Law fixed for 26 Jan.

Part 2 - UN Universal Declaration of Human Rights... Nihal's Fundamental Rights application on Expropriation Law fixed for 26 Jan.

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Nihal's FR Application on the Expropriation Law

Part 3 - Inalienable power is in the people, exercised in trust by the organs - the Legislature, executive and judiciary - and prohibits transfer of power from one organ to another

In his application for writs, Nihal Sri Ameresekere has argued that the Expropriation Law is unconstitutional and void ab initio. He claims that the law violates the fundamental rights of citizens and the separation of powers between the executive, legislature, and judiciary. He also argues that the law is an attempt to transfer power from the people to the government, which is prohibited by the Constitution.



Nihal Sri Ameresekere, a prominent lawyer and politician, has filed a writ application with the Supreme Court challenging the constitutionality of the Expropriation Law. He is seeking the annulment of the law and the release of the writs of habeas corpus and certiorari.

Nihal's FR Application on the Expropriation Law

Part 4 - Entertainment of a doubt' deemed the Bill to be inconsistent with the Constitution - Petitioner's stake in HDL greater than the Government's

The writ application, filed in the Supreme Court, challenges the constitutionality of the Expropriation Law. It argues that the law is inconsistent with the Constitution because it allows the government to expropriate property without adequate compensation. The petitioner, Nihal Sri Ameresekere, claims that his stake in the Housing Development Corporation (HDL) is greater than the government's, and that the law is an attempt to transfer power from the people to the government.

The writ application, filed in the Supreme Court, challenges the constitutionality of the Expropriation Law. It argues that the law is inconsistent with the Constitution because it allows the government to expropriate property without adequate compensation. The petitioner, Nihal Sri Ameresekere, claims that his stake in the Housing Development Corporation (HDL) is greater than the government's, and that the law is an attempt to transfer power from the people to the government.

Nihal's FR Application on the Expropriation Law

Part 5 - Government and others caused the loss and predicament to HDL, under Companies Act Directors personally liable; HDL ought to be restructured under ordinary and regular law

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Pleadings in Nihal Sri Ameresekere's FR application

On the revival of Underperforming Enterprises and Underutilized Assets Act

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Pleadings in Nihal Sri Ameresekere's FR application

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Ameresekere's petition on Expropriation Bill dismissed

Supreme Court dismisses writ application against the Expropriation Law

The Supreme Court has dismissed the writ application filed by Nihal Sri Ameresekere against the Expropriation Law. The court held that the law is constitutional and valid. It found that the law is in the public interest and that the government has the right to expropriate property without adequate compensation.

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DSC expresses fears Ameresekere's Notes filed in SC becoming public

The Director of State Counsel (DSC) has expressed concerns that the notes filed by Nihal Sri Ameresekere in the Supreme Court could become public. He fears that this could lead to a loss of confidence in the government and the legal system.

SC declines to re-visit constitutionality of Revival Bill in FR petition by Nihal

The Supreme Court has declined to re-visit the constitutionality of the Revival Bill in the writ application filed by Nihal Sri Ameresekere. The court held that the law is constitutional and valid. It found that the law is in the public interest and that the government has the right to expropriate property without adequate compensation.

37 Co's. TO BE ACQUIRED THROUGH NEW BILL

The government has announced that it plans to acquire 37 companies through a new bill. The bill is part of a larger package of reforms aimed at improving the efficiency of the public sector. The companies to be acquired include Ceylenco Leisure, Sevanganala, and garment factories.

Takeover Bill under fire at Party Leaders meeting

The proposed Takeover Bill is under fire at a meeting of party leaders. The bill is seen as a move to consolidate power in the hands of a few individuals and to undermine the democratic process. Party leaders are demanding that the government withdraw the bill.

ACQUISITION BILL UNCONSTITUTIONAL: UNP

The United National Party (UNP) has declared the proposed Acquisition Bill unconstitutional. The party argues that the bill is a violation of the country's constitution and that it is an attempt to transfer power from the people to the government. The party is demanding that the government withdraw the bill.

'Expropriation Bill' is evil?

The proposed Expropriation Bill is being described as 'evil' by some critics. They argue that the bill is a violation of the country's constitution and that it is an attempt to transfer power from the people to the government. They are demanding that the government withdraw the bill.

Private sector unites, warns against Expropriation Bill

The private sector has united to warn against the proposed Expropriation Bill. They argue that the bill is a violation of the country's constitution and that it is an attempt to transfer power from the people to the government. They are demanding that the government withdraw the bill.

REVIVAL OF THE 'UNDERPERFORMING ENTERPRISES BILL'

The proposed Revival of the Underperforming Enterprises Bill is being described as a 'shocking mockery of the Legislative process, constitutionality and the Rule of Law'. Critics argue that the bill is a violation of the country's constitution and that it is an attempt to transfer power from the people to the government. They are demanding that the government withdraw the bill.

Clergy cry against controversial Bill

Clergy members have expressed their opposition to the proposed controversial Bill. They argue that the bill is a violation of the country's constitution and that it is an attempt to transfer power from the people to the government. They are demanding that the government withdraw the bill.

Expropriation Bill: Govt. intentions not bona-fide

The proposed Expropriation Bill is being described as having 'not bona-fide intentions'. Critics argue that the bill is a violation of the country's constitution and that it is an attempt to transfer power from the people to the government. They are demanding that the government withdraw the bill.

SC RULES NEW BILL ASSETS BILL PASSED CONSTITUTIONAL

The Supreme Court has ruled that the proposed New Bill on Assets is constitutional. The court held that the bill is in the public interest and that the government has the right to expropriate property without adequate compensation. The bill has been passed by the Parliament.

ASSETS BILL PASSED IN PARLIAMENT

The proposed Assets Bill has been passed by the Parliament. The bill is part of a larger package of reforms aimed at improving the efficiency of the public sector. The bill is expected to be signed into law by the President.

Guest Column by Ivan Wickramaratne



Dayasiri asks chair to postpone debate

Nimal says court cases can't stop House debate

Government turns down amendments by Opposition to decide on debate

Speaker suspends sittings to decide on debate

MULTIMILLION-RUPEE SHARE TRANSACTION

THE SUNDAY TIMES, Sunday May 6, 2012

Insider deal suspected in NSB's purchase of TFC shares

DAILY MIRROR-BUSINESS, Thursday May 10, 2012

SEC summons Taprobane directors over TFC-NSB deal

The Securities and Exchange Commission (SEC) will be meet-

CCC WAKES UP AND JOINS THE CHORUS

DAILY MIRROR, Wednesday May 9, 2012

NSB SHARE TRANSACTION STALLED

By RANJITH ANANDA JAYASINGHE

It has now been decided to stall the purchase by the NSB of 7.8 million shares of "The Finance Company" at Rs 3,900 million.

This decision has been taken at a meeting the Secretary to the Ministry of Finance Dr. P.B. Jayasundera had with the Board of Directors of the NSB at the Finance

Ministry.

Prior to this meeting a special board meeting of the NSB had been held at which, excluding the chairman and another director, the other five directors had stated reasons for stalling this transaction.



P.B. Jayasundera

It had been revealed that the working director of the Bank Sumadasa Abeygunawardene, the treasury representative P.A. Abeysekara, (Director) Rohana Abeyratne, Rathnap-

FINANCE

riya Ranawaka and Hema Madiwela had strongly objected to this transaction.

Thereafter the Board had been summoned to the Treasury for a special meeting with the secretary and the majority of the directors having agreed, it had been decided to stall the share transaction immediately.

“ This decision has been taken at a meeting the Secretary to the Ministry of Finance Dr. P.B. Jayasundera had with the Board of Directors of the NSB at the Finance Ministry.

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NSB deal April 30, 2012: National Savings Bank (NSB) bought 13 per cent of The Finance Company PLC (TFC) shares for Rs.393 million and becoming another state owned institution that had paid an unusually high price on controversial stock purchases.



A stock exchange report filed by Taprobane Securities said its client NSB bought 7,863,362 shares at an average price of Rs.49.74 a share.

May 07, 2012: Sources said President Mahinda Rajapaksa had ordered the Finance Ministry to look into the controversial share deal by the state-run NSB.

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DAILY MIRROR, Friday May 11, 2012

CONTROVERSIAL DEAL BEING INVESTIGATED: AMUNUGAMA

By YOHAN PERERA

The Sri Lanka Securities and Exchange Commission is investigating the controversial transaction between the National Savings Bank (NSB) and The Finance Company, Senior Minister Sarath Amunugama told Parliament yesterday.

“ The transaction had been called off on the advice of President Mahinda Rajapaksa ”

Responding to a question by Janatha Vimukthi Peramuna (JVP)

MP Anura Kumara Dissanayake, the senior minister said the transaction had been called off on the advice of President Mahinda Rajapaksa

Contd. on page 6



DAILY MIRROR-BUSINESS, Tuesday May 8, 2012

Share purchase of TFC

NSB Board TFC-NSB deal puts CSE's credibility on the line

on the MAT

President Mahinda Rajapaksa stopped payment by ordering the Secretary to the Treasury Dr P. B. Jayasundera to initiate a probe and call explanation from the NSB chairman and directors.

DAILY MIRROR, Friday May 11, 2012

RANIL CALLS FOR LEGAL ACTION ON NSB-TFC DEAL

Says trade chambers and private sector full of 'deal makers' with Govt.

NSB DEAL

April 30, 2012: National Savings Bank (NSB) bought 13 per cent of The Finance Company PLC (TFC) shares for Rs.393 million and becoming another state owned institution that had paid an unusually high price on controversial stock purchases.



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May 07, 2012: Sources said President Mahinda Rajapaksa had ordered the Finance Ministry to look into the controversial share deal by the state-run NSB.

DAILY FT, Thursday May 10, 2012

Just stopping the deal will not correct the wrong committed by chairman and directors

- Wants NSB Chairman removed and "stock market mafia" stopped
- Says transaction a national issue but stops short of demanding deal cancellation

UNP breathes fire over NSB-TFC deal

CCC concern over NSB-TFC deal

TFC buy against NSB Act: Legal experts

DAILY MIRROR, Friday May 11, 2012

FIRE NSB CHAIRMAN FOR BUYING TFC SHARES: HARSHA

NSB had purchased a share of The Finance Co Ltd. at the rate of Rs 50 but the price had gone down to Rs 28.90 at the share market on Wednesday.

DAILY FT, Tuesday May 8, 2012

DAILY MIRROR, Wednesday May 9, 2012

Sanctity of CSE hinges on NSB

■ Experts and analysts insist savings giant as a custodial bank must pay up and resolve internal issues separately without compromising integrity stability and confidence of market

■ Popular settlement banker Sampath with Rs. 390 m withdrawn from CDS following payment on TFC deal stalls operations on Friday, causing chaos for brokers and clients of other deals; CSE expects backlog to be cleared today

HIGH PROFILE STAKES!

WHILST the NSB Chairman or General Manager/CEO are yet to officially respond to allegations surrounding the purchase of TFC shares, especially by UNP MP Dr. Harsha De Silva, Presidential Spokesman Bandula Jayasekera told the Daily FT yesterday that President Rajapaksa had instructed officials to look into the transaction.

Major sellers of TFC shares to NSB

■ Dinal Wijemanne	2.9 m for Rs. 145.25m
■ Raynor Silva	2.9 m for Rs. 145.25m
■ Nandadeva Perera	0.869 m for Rs. 33.48m
■ Yogendra Perera	0.867 m for Rs. 33.38m
■ Ruwan P Sugathadasa	0.23 m for Rs. 10.68m
■ R.P. Weerasoriya	0.183 m for Rs. 8.26m
■ NDB/Channa Nalin Rajahmoney	0.1 m for Rs. 4m
■ Anura Fernando	0.05 m for Rs. 2.2m
■ Others	0.28 m
■ Total	7.966 m for Rs. 391

DAILY FT, Friday May 11, 2012

REVERSE AND BE DOOMED?

TALK of reversing the controversial NSB-TFC transaction carried out a fortnight ago could spell doom for the Colombo Bourse, analysts have warned.

"Authorities can fire people who could be responsible for this controversial transaction but reversal must be avoided in the 'best interest of the Colombo stock market," they said.

"Technically the transaction cannot be reversed since the sell-off has been settled."

Sack those responsible for NSB deal: UNP

By OLINDI JAYASUNDERE

The main opposition United National Party (UNP) yesterday charged that those responsible for the Rs. 394 million stock market transaction, which involved the buying of shares in The Finance Company by the National Savings Bank (NSB), should resign. **Contd. on Page 6**



NSB DEAL
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May 07, 2012: Sources said President Mahinda Rajapaksa had ordered the Finance Ministry to look into the controversial share deal by the state-run NSB.

DAILY MIRROR - Saturday May 12, 2012

NSB-TFC deal's stench spreads!

- NSB takes one step forward and two back and Govt's cure appears worse than the disease
- Unprecedented reversal of trade in the offing with sellers agreeable to buy back
- Analysts spine Bourse in Catch 22 situation as stakeholders mired over the approach to the cancellation and authorities not holding those responsible accountable so far

Wijetilleke backs calls for tough action on NSB-TFC deal

- Calls for dismissal of wrongdoers
- Outlines the numerous offenders
- Insists brokers are now market "breakers"
- Casts blame on CSE and says worst hit is the Bourse

PROMINENT banking personality Rienzle T. Wijetilleke, who is best known as the former Head of the Hatton National Bank and for his 10-year stint as a Director of the Colombo Stock Exchange (CSE), of which he was Chairman for four, yesterday joined the growing chorus seeking justice in the controversial NSB-TFC deal. Speaking to the Daily FT, Wijetilleke insisted that it was



Rienzle T. Wijetilleke essential to consider the issue from a multi-dimensional aspect to understand the true harm the transaction had caused.

Govt. admits NSB-TFC was a mistake

By SANDUN A. JAYASEKERA

CONTROVERSY



The government yesterday admitted that the controversial share deal between the National Savings Bank and The Finance Company did not conform with laid down procedure of the Finance Ministry and as such Treasury Secretary P.B. Jayasundara had suspended the transaction.

Deal did not conform with the Finance Ministry procedure. **Contd. on page 6**

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TFC made a net loss of Rs.17.5 million for the three months ended December 31, 2011, slumped down from the Rs.4.4 million net loss it made in the same period of the previous year.

SEC probing TFC share deal

Dr. Amunugama assures action against those responsible

area. "Tilak Karunaratne, Chairman of the SEC has

collapse had the capability to act prudently. He requested the

NSB was not removed and the transaction not cancelled.

Promises action if rules have been breached

CSE rejects Rienzie's

Determination made on 24.10.2011 on the Expropriation Bill dated 20.10.2011 as per-incum and ultra-vires the Constitution and also on a further ground (NSB controversy is also a part thereof) was

Not Only The Chairman Husband; Chief Justice Wife Must Also Resign!

“In June 2009 fol- over, President Rajapak- following a Supreme Court sa who is also the Minis- order to the Treasury ter of Finance, appointed Secretary to appoint a Justice Shirani Bandara- Board of Directors to the nayake's husband Pra- Sri Lanka Insurance deep Kariyawasna to the Corporation (SLIC) after new SLIC Board as its the government took it Chairman.”

Do persons who endorsed specific clarification on investment in shares of TFC by NSB conform to 'fit & proper' guidelines?

Sellers willing to refund payment for TFC shares

The issue over the NSB's controversial purchase of a stake in The Finance Company (TFC) on April 27 and non-payment for the shares is widely expected to be settled this week with the buyers agreeing to refund payments made to them and take back the shares, sources familiar with the matter said yesterday. See **SELLERS** p13

THE FINANCE COMPANY SHARE DEAL Finance Ministry seeks explanation from NSB

By Bandula Sirimanne

The Ministry of Finance has asked the board of directors of the state-owned National Savings Bank (NSB) to explain the contro-

'Investor Association' to voice CSE's minority concerns

Sri Lanka's Securities and Exchange Commission (SEC) is establish an 'Investor Association' to safeguard minority shareholder interests as well as function as a whistleblower against unlawful activities taking place in the Colombo Stock Exchange (CSE), a top SEC official said. "We are currently in the process of preparing a board paper, to be presented to an 'Investor Association' comprising of small investors and minority shareholders to make sure their rights are protected due to market activities," SEC Chairman Tilak Karunaratne said. According to him, in most developed and a few developing markets, 'Investor Associations' have been formed to protect investor rights and are playing a proactive role in ensuring the integrity of those markets. "For example if you take

Malaysia, their equity markets have these investor associations playing a vital role safeguarding rights of small shareholders, and even sometimes taking legal actions against listed companies on unjust acts," Karunaratne said. He also pointed out that the proposed 'Investor Association' will function as an independent entity and will be funded by market stakeholders, including all listed companies. According to Karunaratne, many incidents have taken place in the recent past, where some listed companies have treated minority shareholders unjustly, using loopholes in the systems. "What the market currently has is a few scattered organizations which are said to be protecting minority shareholder rights. And also some lone crusaders like K.C Vignarajah. The proposed 'Investor Association' will unite them into one force and defend their rights."

Karunaratne noted. Despite objections by minority shareholders, Watalawa Plantations PLC recently went ahead with a transaction, which minority shareholders accuse would allow the transfer of profitable assets of the company to a private company owned by majority shareholders. "In Watalawa's case, we advised the Golden Shareholder, which is the Treasury to vote against this transaction. That's all we could do as the regulator. But if there was an 'Investor Association', the minority investors could have exerted more pressure on the company, paying way to a different outcome," Karunaratne pointed out. He also said, the independent nature of the proposed 'Investor Association' will also allow it to voice concerns about issues like market manipulations, insider dealings and various other issues.

Nihal's application for review of SC determination of UNP MP Harsha

UNIVERSAL Declaration of Human Rights, that the subject of land as per several previous Judgments and Determinations of the Supreme Court had been adjudicated as a Provincial Council subject, the lack of intellible differences gives rise to the question of ad hominem legislation, and further that Article 157 of the Constitution prohibits laws being enacted when there are international agreements in force, except for national security, whilst the Determination had permitted the same for public purpose ultra-vires Article 157 of the Constitution. In his Application, for a review by a Full Bench, Amerasekera has submitted to the Supreme Court that a Judgment of the House of Lords regarding the former

delivered by a Bench presided by Chief Justice Shirani Bandaranayake, and President Mahinda Rajapaksa had been intended by the Expropriation Bill and had made statements to the Parliament on December 21, 2011, endorsing the same. Therefore Amerasekera in his Application has contended as an additional ground, that in the foregoing circumstances, as per the authority cited in the House of Lords, that the Determination warrants to be rescinded. On that occasion the Supreme Court Bench had advised Amerasekera that a review of a previous Determination must be by the same Bench which delivered the Determination unlike in the House of Lords where another Bench had reviewed the

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Amarasekera goes to court on NSB - TFC deal

Close on the heels of the proposed of NSB-TFC deal, Nihal Sri Amerasekera has moved court targeting those involved in the transaction by calling for a hearing by a full bench of the SC to review and/or rescind the Special Determination made on 24.10.2011 on the Expropriation Bill dated 20.10.2011 as per-incum and ultra-vires the Constitution, and also on a further ground (NSB controversy is also a part thereof) was routing the same to be rescinded.

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proposed action on the part of Amerasekera who had backed out at government corruption, including the many corrupt TFC deal carried out by the UNP.

Analysts Slam Conflict Of Interest By Ajith Devasurendra

“The National Savings Bank Act (30 of 1971) is absolutely unambiguous. The Act prohibits the NSB from investing in any other stock or company in which the government does not have at least 50 percent stake. There is provision however to do so provided that the Minister of Finance and the Monetary Board gives prior consent. The Finance Company is patently not 50 percent owned by the government and this past week's action neither Monetary Board nor Ministerial approval were granted.”

SPOTLIGHT
The NSB website is full of history and the bank's head office houses a museum on the development of banking in Sri Lanka. The National Savings Bank was the proud creation of Dr. N. M. Perera through an Act of Parliament, in 1972, that consolidated three incor-

What is Caesar's Wife Up To?

Harsha calls for "swift & bold" action on NSB - TFC deal

“A broker-brother relationship was the iceberg behind the multi million rupee share deal involving the National Savings Bank (NSB) and the Finance Company (TFC). The broker who sold the shares of a director at TFC, has heightened public concern on the questionable deal. It raised eyebrows as to a can of worms, where several top officials from the NSB, Stock Exchange and the TFC were linked to the scam. The Nation reliably understands.

UNP parliamentarian Harsha de Silva yesterday said that the government would have no option but to take a tough stand on the controversial NSB-TFC deal. He said that the government should not be seen to be backing down on the issue. He also mentioned that the government should take a swift and bold action on the issue.

argued the government is going through the transaction and then get those beneficiaries to buy back what they had sold to the NSB. That could not be a problem due to close relationships. "There are all those involved in the transaction."

The NSB scandal: besmirching history, monkeying with people's money

Controversial NSB-TFC deal to be reversed next week

how to resolve this issue. Nothing which was both the buying and selling broker of the 13% stake to the SEC for settling the deal. It has been decided up to the SEC for settling the deal. See **MARKET** p13

They have made an application to the market, traders and investors to buy back the shares. See **MARKET** p13

SEC stuck with reversing NSB-TFC deal; T+1 non-compliance remains puzzle

Securities and Exchange Commission (SEC) is stuck with reversing the controversial NSB-TFC deal. The Commission is also facing a puzzle regarding the T+1 non-compliance issue.

With Wimalawansa and TFC share to NSB at 13%. The other who sold TFC shares to NSB were, Rajayya Silva, Manjula Perera, Yogananda Perera and Ananda Perera. The total number of shares acquired by NSB from these sellers amounted to 7.8 million of 13 percent of TFC. According to sources, the availability of letters requesting revocation or cancelling

NSB-TFC deal reverberates in Parliament

UNP MP Harsha asks under what law did President order non-payment of a stock market transaction?

non-payment by NSB. Though the UNP legislator flagged off President as the one who ordered non-payment, NSB in its statement last week said it was its decision.

THE contentious NSB-TFC deal on Friday reverberated in Parliament with the main Opposition UNP MP Harsha De Silva firing a sarkar to the Government benches asking under what law did President Mahinda Rajapaksa order the non-payment for a transaction in the Colombo stock market. The question raised during debate on a private members bill however

Dr. De Silva reiterated what Daily FT too has been raising since last week, that buy and sale on the Colombo Stock Exchange (CSE) was a binding contract if the facility of rejection (available to NSB) is not exercised. It was in that context that the UNP MP posed the question under what law of the country did the President, who is also Minister of Finance, order the

RIENZIE REITERATES BLAME DESPITE CSE DENIAL

FORMER Chairman and veteran banker Rienzie T. Wijetilleke yesterday reiterated his position that the Colombo Stock Exchange by its inaction

and non-intervention in a timely manner over the NSB-TFC deal had failed in its moral and ethical obligations. See **MARKET** p13

Constitution

judgment in the case of former Chief Justice Pinnochetty. Legal sources revealed that Amerasekera is making submissions to the Supreme Court on February 9, 2012 had tendered a separate Note on the above grounds and that D.S. Wijesinghe, P.C., and Attorney General had objected to such Note being made known to the public. Immediately upon the above Application having been made by Amerasekera on 8 May 2012, the controversial determination of the purchase of Shares of The Finance PLC by National Savings Bank, chaired by Pradeep Kariyawasna, has got extensively exposed in the media thereby only giving credence to the additional grounds of Appeal which has been urged by Amerasekera.

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