

# දිවයින

## හිල්වන් මහසිය

1991 ජනවාරි මස 28 දා 11 වන අංකය

වැඩිම අගවිභාගය ආරම්භ වූ පළමු දවසක

ලද්දේ පොතාගායන් වැරදි තොරතුරු සේම

### තරු හෝටලයක් තනද්දී කෝට් ගණනක වංචාවක්

1991 ජනවාරි මස 28 දා 11 වන අංකය

1991 ජනවාරි මස 28 දා 11 වන අංකය

### හිල්වන් හෝටලයේ ඉදිකල

## මෙරට සහ ජපන් සමාගම්වලට ලද්දේ ගෙවීම අත්හිටුවන නියෝග

1991 ජනවාරි මස 28 දා 11 වන අංකය

1991 ජනවාරි මස 28 දා 11 වන අංකය

### 1991 ජනවාරි මස 28 දා 11 වන අංකය

## සුපිරි මගසිය

1991 ජනවාරි මස 28 දා 11 වන අංකය

1991 ජනවාරි මස 28 දා 11 වන අංකය

### 1992 ජනවාරි මස 05 දා 04 වන අංකය

## වොකසියගේ මන්ත්‍රිකම අහිමි කරන්නැයි නඩු

1992 ජනවාරි මස 05 දා 04 වන අංකය

1992 ජනවාරි මස 05 දා 04 වන අංකය

### 1991 ජනවාරි මස 17 දා 04 වන අංකය

## හිල්වන් මගසියට පරෙහිට අතුරු තනනමක්?

1991 ජනවාරි මස 17 දා 04 වන අංකය

1991 ජනවාරි මස 17 දා 04 වන අංකය

### 1991 ජනවාරි මස 28 දා 11 වන අංකය

## දැනට මහ ජාතික ප්‍රජාතන්ත්‍රවාදී පක්ෂයේ

1991 ජනවාරි මස 28 දා 11 වන අංකය

1991 ජනවාරි මස 28 දා 11 වන අංකය

### 1992 ජනවාරි මස 24 දා 04 වන අංකය

## ජපන් සමාගම් තුනට එරෙහි නඩු ශ්‍රේෂ්ඨාධිකරණය හමුදා

1992 ජනවාරි මස 24 දා 04 වන අංකය

1992 ජනවාරි මස 24 දා 04 වන අංකය

### 1992 මැයි මස 28 වන දින 04 වන අංකය

## හිල්වන් හෝටලය ඉදි කිරීම සම්බන්ධ පෙත්සමට අවසර

1992 මැයි මස 28 වන දින 04 වන අංකය

1992 මැයි මස 28 වන දින 04 වන අංකය

### 1992 ජනවාරි මස 28 දා 11 වන අංකය

## ජපන් සමාගම් ක්‍රියාකරුන් විදියෙන් රජයට ලක්වීමට හේතු වී තිබේ

1992 ජනවාරි මස 28 දා 11 වන අංකය

1992 ජනවාරි මස 28 දා 11 වන අංකය

### 1993 පෙබරවාරි මස 06 දා 04 වන අංකය

## වොකසියට දඬුවම් දෙන!

1993 පෙබරවාරි මස 06 දා 04 වන අංකය

1993 පෙබරවාරි මස 06 දා 04 වන අංකය

### 1993 පෙබරවාරි මස 06 දා 04 වන අංකය

## වොකසියට දඬුවම් දෙන!

1993 පෙබරවාරි මස 06 දා 04 වන අංකය

1993 පෙබරවාරි මස 06 දා 04 වන අංකය

### 1993 පෙබරවාරි මස 07 දා 04 වන අංකය

## වොකසියට දඬුවම් දෙන!

1993 පෙබරවාරි මස 07 දා 04 වන අංකය

1993 පෙබරවාරි මස 07 දා 04 වන අංකය

### 1994 අප්‍රේල් මස 10 දා 04 වන අංකය

## වොකසිය හත් කරවෙයි

1994 අප්‍රේල් මස 10 දා 04 වන අංකය

1994 අප්‍රේල් මස 10 දා 04 වන අංකය

### 1994 අප්‍රේල් මස 31 දා 04 වන අංකය

## හිල්වන් හෝටල වංචාව

1994 අප්‍රේල් මස 31 දා 04 වන අංකය

1994 අප්‍රේල් මස 31 දා 04 වන අංකය

### 1994 අප්‍රේල් මස 03 දා 04 වන අංකය

## හිල්වන් ගිණුම් සහතික කලාව

1994 අප්‍රේල් මස 03 දා 04 වන අංකය

1994 අප්‍රේල් මස 03 දා 04 වන අංකය

### 1994 ජනවාරි මස 28 දා 11 වන අංකය

## වොකසිය - මන්ද බණ්ඩාර මුලින් ම කොමිසම හමුවට

1994 ජනවාරි මස 28 දා 11 වන අංකය

1994 ජනවාරි මස 28 දා 11 වන අංකය

### 1996 මාර්තු මස 17 දා 04 වන අංකය

## හිල්වන් අනුමතයට කෝට් 17ක පගාවක්

1996 මාර්තු මස 17 දා 04 වන අංකය

1996 මාර්තු මස 17 දා 04 වන අංකය

### 1994 ජනවාරි මස 08 දා 04 වන අංකය

## වසර සංසාරවෙන් හිල්වන් හෝටලයක්

1994 ජනවාරි මස 08 දා 04 වන අංකය

1994 ජනවාරි මස 08 දා 04 වන අංකය

### 1994 ජනවාරි මස 28 දා 11 වන අංකය

## දළ ලක්ෂ 175ක පගාව කාඩ්ද?

1994 ජනවාරි මස 28 දා 11 වන අංකය

1994 ජනවාරි මස 28 දා 11 වන අංකය

### 1997 ජනවාරි මස 04 දා 04 වන අංකය

## හිල්වන් හෝටලය අසල බොම්බ සිද්ධිය

1997 ජනවාරි මස 04 දා 04 වන අංකය

1997 ජනවාරි මස 04 දා 04 වන අංකය

### 1996 මැයි මස 12 දා 04 වන අංකය

## දළ ලක්ෂ 175ක පගාව කාඩ්ද?

1996 මැයි මස 12 දා 04 වන අංකය

1996 මැයි මස 12 දා 04 වන අංකය

# ඉංග්‍රීසි මාධ්‍යයේ එළිදරව් කිරීම්

## HILTON PROMOTION IN 1960's

Ceylon Observer - 26.10.1968 THE OBSERVER TUESDAY OCTOBER 26, 1993

### Govt. to acquire hotel land

HOTELS INTERNATIONAL Ltd. who are going ahead with the Ceylon Hilton project will not be able to make a large profit on the resale of the Stuart Place, Colpetty site on which the hotel was originally intended to be built.

Government will acquire the land.

The Ministry of State yesterday wrote to the Lands Ministry requesting that the acquisition machinery be made ready.

A spokesman for the Ministry of State said today that the CWE will be the purchaser of this four acres of valuable land with a Galle Road frontage.

"If Hilton's want to build their hotel on this site as originally intended, they can lease the land from the CWE. But the site would be Crown land. We do not want to leave the possibility open for it to be blocked out and re-sold in small lots."

According to this spokesman Hotels International Ltd. will get the price they paid the Church of Ceylon for the land. Government valuation procedures takes the most recent sale price into account.

That would mean that Hotels International Ltd. will now only break even as a result of the acquisition decision.

The Hilton which was to come up on the Hilton Hotel site is to be shifted to the property on which the South Wing of the Galle Face Hotel now stands.

In parliament on Tuesday, Mr. Bernard Soysa, MP for Colombo South raised the question of the decision of the Hotels International's Director to re-sell the land they purchased from the Church.

He alleged that the land had been bought from the Church at a low figure (approximately Rs 4.5 million) after the Bishop of Colombo had been made to understand that the site was required for a national purpose.

Now the hotel site was being shifted to "the backyard of the Galle Face Hotel", Mr. Soysa said.

He said that he was told that Hilton's would get about Rs. 10 million on the re-sale of the land for which they paid Rs. 5.5 million two years ago. That would mean that they would double their money in two years.

Mr. Soysa said that it was an ugly word to use, but he thought the church had been "diddled".

## HILTON PROMOTED IN 1980's

THE SUNDAY TIMES, SUNDAY, OCTOBER 1991

### The case of the missing storeys

Justice Ameen Ismail. The plaintiff in this case, Mr. Nihal Sri Amerasekera is a Director and Shareholder of Hotel Developers (Lanka) Ltd., the owning company of the hotel and one of the defendants.

The other defendants are Mitsui and Company Ltd., of Japan, Taisei Corporation and Kanko Kikaku Sekkeisha Yozo Shibata & Associates, two other Japanese firms, Mr. Cornel L. Petera, Chairman and Managing Director of the owning company, Mr. F.G.N. Director of

The order was in respect of petitions for leave to Appeal and Revision filed by Mr. Nihal Sri Amerasekera, a Director and a shareholder of Hotel Developers (Lanka) Ltd., submissions on whose behalf were made by Mr. K. Kanag-Isvaran, P.C.

Mr. Amerasekera is a Chartered Accountant who was closely associated with the early phases of the hotel project.

His action is based on the contention that while

In consequence, the building that finally emerged was not the one originally envisaged and the original plan cannot be found.

After the hotel opened for operations, he says, Mitsui & Co. submitted profitability projections computed on 452 guest rooms. When queries were raised at this point and it was pointed out that the building lacked several storeys as per the original plan, an amended profitability projection was submitted, computed on 387 guest rooms.

## HILTON PROMOTED IN 1980's

SUN Friday, September 21, 1990

### Hilton hotel construction agreement

## Court issues interim injunction on Mitsui & Co.

Mr. P. Navaratnam QC who supported the application submitted that whereas the original approved architectural plan provided for 23 floors there were only 20 floors and without a mezzanine floor.

He submitted that the first and second defendants had previously used a fraud on fourth defendant, Hotel Developers Lanka Ltd. and acted by two or three directors of the company.

THE ISLAND Friday 28th April, 1995

DAILY NEWS, SATURDAY JUNE 17, 1995

## Original plans of the Hilton Hotel missing

By M. J. M. Zarook and Mathushilva Dayasandara

The original plans for the Hilton Hotel building submitted in 1983 to the Urban Development Authority were missing from the UDA files, witnesses said before the Special Presidential Commission sitting.

DAILY NEWS, THURSDAY SEPTEMBER 20, 1990

### District Court issues injunction, enjoining order

## Hilton Hotel short of floors?

The plaintiff, Mr. Nihal Sri Amerasekera, Chartered Accountant, has filed the report of a local architect/engineer, Mr. Shelton Wijayarathna, that the original architectural plan provided for 23 floors including a mezzanine floor, but the unauthorised approved architectural plan has only 20 floors including the ground floor and no mezzanine floor in the main building.

The original architectural plan provided for a building 274.6 ft tall. But on the unauthorised amended plan, the height of the building is 233.9 feet.

Other main differences pointed out in the engineer's report as averred in the plaint are:

- The original architectural plan had provided for 19 floors of guest rooms, while the unauthorised amended architectural plan had provided for only 17 floors of guest rooms.
- The original architectural plan had provided for 456 guest room bays, while the unauthorised amended architectural plans had provided for 408 guest rooms.

He had found that while profitability projections of the hotel had been made on the basis of 452 guest rooms, the hotel's monthly statements reflected only 387 rooms.

## Hilton Hotel Project probe

### Despite persistent urging there was continued silence — witness

by Divyashankar Handunnettil

Chairman: Did they have the scale?

Choksy were dated 20th April 1995

The President re-ordered the case.

THE ISLAND Wednesday 5th April, 1995

the Hotel Developers Board, on the authority of the directors of the company.

The enjoining order and Interim Injunction has been issued on Mitsui and Co. Ltd., Taisei Corporation and Kanko Nikaku Sekkeisha Yozo Shibata and Associates.

According to the plaint, the Mitsui/Taisei Consortium had said on or about 30.10.85 that a fire had occurred at their site office and all documents had got burnt. They had said that their principals in Tokyo had sent copies of all documents and drawings and the hotel construction work had recommenced.

The plaintiff has averred that he had discovered in March 1990 that these drawings and documents had been replaced by the Mitsui/Taisei Consortium principals, and were not in conformity with the original approved architectural plans which were part and parcel of the construction agreement.

He had found that while profitability projections of the hotel had been made on the basis of 452 guest rooms, the hotel's monthly statements reflected only 387 rooms.

DAILY NEWS, FRIDAY MAY 19, 1995

## Board took no positive action

### Hilton hotel project probe — Witness

By V. K. Wijetunga

Premadasa was consulted with and decided information to the Finance Ministry. Shortly thereafter

Site that no ground exists

Soza were not made known to the board. He

THE ISLAND, Wednesday 28th June, 1995

## 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 the Hilton Hotel work site in October 1985 was not due to an electrical fault.

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

The letter stated: With reference to your letter dated 10.10.85 which requested that the fire which occurred

## Probe into malpractices

### Choksy and Paskaralingam took all decisions — Witness

by Anupama Ailes

The former Director added that since he was not familiar with Company Law and cash flow of the hotel and when he highlighted the fact that the number of rooms had sized the physical check objected in court.

Mr. Shanmugalingam

floor area of the amended plan approved in 1986 was 10,000 sq metres. The area in the 1985 plan was 6,613,050 and the balance with interest was to be paid in 33 annual instalments.

# Ford Rhodes given time to file objections

## HILTON HOTEL CASE

The Colombo District Court, has granted the partners of Ford Rhodes Thornton and Co. Ltd. auditors of Hotel Developers (Lanka) Ltd., owning company of Colombo Hilton, time until May 2, to file their objections to an action filed by a former director of Hilton Hotel and Shareholder, Nihal Sri Amerasekera.

Mr. Amerasekera has petitioned Court challenging the accounts of Colombo Hilton Hotel for the year 1989/1990 passed by Ford Rhodes Thornton and Co. Ltd. He contends that the audited accounts do not make the necessary disclosures and has therefore not presented a true and fair picture of the hotel's financial position.

The auditors, R. Seewarathnam, S. Srinanathan, M. R. Mihal, P. Y. S. Perera, C. P. Jayatilake and M. P. Senewiratne, all partners of Ford Rhodes Thornton and Co. Ltd. Initially, Mr. Amerasekera had cited Hotel Developers (Lanka) Ltd., as the defendant in this case.

By this petition, he seeks to have all the partners of Ford Rhodes Thornton and Co. Ltd., added on as defendants.

Counsel for the defendants answering notice issued on their returnable on February 28, 1994, moved court for time to file objections.

District Judge, A. M. Somawansa accordingly granted the defendants time until May 2.

Previously, the District Court of Colombo, had

issued an enjoining order preventing H.D.L. Ltd., from adopting the Accounts that had been certified by the auditors.

Mr. Amerasekera, a professional Accountant himself and a Management Consultant, has complained to Court that the auditors had certified the Accounts without having carried out an examination and reporting, that had been required of them by H.D.L. Ltd., at his (Mr. Amerasekera's) instance, prior to the certification of the Accounts.

Mr. Amerasekera states that H.D.L. Ltd., has admitted that it has no inventory of the fixed assets, nor a copy of the originally approved plans and bills of quantities and measurements. All amended Plan has subsequent

lodged with the UDA, without the Company's approval, violating contractual agreements. Disregarding these serious issues the auditors had certified the accounts, without having the required documents to verify the correctness thereof.

In another action previously instituted by Mr. Amerasekera, on the premise of fraud, in the construction of the Colombo Hilton Hotel, the Supreme Court had upheld the interim injunctions that had been issued by the District Court of Colombo, observing that such injunctions were issued to prevent the devious syphoning of a large scale of foreign exchange from the company and the country. The Accounts had been certified by the Auditors even after

# Hotel Developers restrained from tabling accounts

District Judge, Colombo, P. Wijayaratne, has issued an enjoining order restraining Hotel Developers (Lanka) Ltd. (formerly Lanka Japan Hotels Ltd), the owning company of the Colombo Hilton Hotel from tabling and adopting the account for the year ending March 1990 along with a specified note No. 19 at their annual general meeting which was scheduled for January 17 or at any meeting thereafter until the plaintiff's application for an interim injunction was finally determined.

In this case the plaintiff, Mr. Nihal Sri Amerasek-

ere of Sri Vipulasena Mawatha, Colombo 10, a business and management consultant has cited Hotel Developers Ltd as the defendant.

The judge also issued notice on the defendant company returnable on March 11 to show cause why the plaintiff's application for an interim injunction should not be granted.

Mr. P. Navaratnarajah, QC with Mr. P. Naguleswaran and Mr. A. M. Illiyas instructed by Messrs de Silva and Perera appeared in support of the plaintiff's application.

DAILY NEWS, SATURDAY DECEMBER 04, 1993



Mr. K. N. Choksy, Minister of Constitutional and State Affairs arriving for the 14th National Conference of Chartered Accountants held at the Colombo Marriott hotel at which he was the chief guest. With him are Mr. Nivard Cabral, President of the Institute of Chartered Accountants, Mr. M. A. Abeymahe, Vice-President of the Institute and Prof. Janket Ratnatunga of Monash University, Melbourne. (Picture by Bertie Mendis)

# Auditors have not performed their duties — Witness

Hotel Developers (Lanka) Ltd under scrutiny. The Commission of Inquiry comprising

into the irregularities raised by him. At this stage the Commission observed that he expressed an

raised and the irregularities in the implementation of the project and identify those responsible.

said in his evidence out the irregularities in the accounts. He said that he asked the directors either to refute his

THE ISLAND Thursday 4th July, 1991

# Attorney General represented owning company

In our news report granted an Enjoining Order, Restraining M.H. Objections filed against the Enjoining Order, from receiving payment "Order" on July 9, appearing in "The Island" of July 2 we failed to state that the owning company of the Colombo Hilton Hotel Developers, the trained from making (Lanka) Limited, was Japanese Companies, represented in the Hilton Hotel Case, heard for issues of the

# Hilton case: stay order on payment

The District Court of Colombo has issued interim injunctions staying payment by Hotel Developers (Lanka) Ltd., the owning company of the Colombo Hilton Hotel, on any financial claims made by three Japanese

director/shareholder in the owning company, who claimed that the construction lacked many of the features specified in the original plans on the basis of which the project was approved and proceeded with.

DAILY NEWS, WEDNESDAY NOVEMBER 06, 1991

DAILY NEWS, SATURDAY APRIL 22, 1995 PAGE TWENTY ONE

# 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

# SPC on malpractices by Govt Bodies We resisted mortgage of Hilton Hotel building to Japanese — Witness

When Hotel Developers (Lanka) Ltd could not meet the loan instalments on the Hilton Hotel project, the Japanese Consortium of Mitsui Taiisei suggested a debt rescheduling agreement which included the mortgage of the Hilton Hotel building to the Japanese.

This plan was stoutly resisted by Dr. A. C. Randeni, the government nominee on the Board of Directors and himself said Mr. Nihal Sri Amerasekera, Chartered Accountant and Advisor to the Ministry of Finance Wednesday 1st January, 1992

Mr. Nihal Amerasekera, a Management Consultant writing to "The Island" details out a number of instances wherein he had complained to the Securities and Exchange Commission and the Colombo

# 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.

DAILY NEWS, FRIDAY MAY 31, 1996

# Treasury chief Paskaralingam rejected requests for physical check of Hilton

By M. J. M. Zarook and Manjula Fernando

MR. Nihal Sri Amerasekera, Business and Management Consultant said yesterday before the Special Presidential Commission sitting at the BMCH that all his attempts to have a physical inspection of the Hilton Hotel building failed.

Justice Priyantha Perera said that a panel of independent architects should look

THE ISLAND Wednesday 2nd August, 1995

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

by Assamula Alles National List MP and former Director Hotel Developers Limited, HDL K. N. Choksy, HDL Chairman and Managing Director Cornell Perera and other Directors of HDL

plan, the construction agreement and the schedule of future income projections.

Justice Priyantha Perera said that a panel of independent architects should look

should be made available to the architects. There were certain documents not in dispute for example, the building application. There was a construction agreement entered into between 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. We are interested in finding out whether this building is in accordance with the original plan.

Choksy - We are not in any way going to do

which list the Commission will select five. The President of the Institute of Architects is directed to forward a list of architects from several firms of Chartered Architects before September 1.

The Island Sunday 5th June, 1994 Rs. 11,000 million held up by court injunction

# Japanese concerned about Hilton case

The Japanese government has expressed its concern to the Sri Lanka government about the

the Japanese envoy in Colombo, Mr. I. Hashimoto. The ambassador

Constitutional and State Affairs. Mr. Harindra

copy of an international cross-de fault, our foreign

copy of the originally approved Architectural Plans for the construction of Hilton Hotel

Japanese concerned... Continued from P1

Mr. Ameresekere further THE ISLAND Wednesday 2nd November, 1994

## Allegations against Hotel Hilton baseless

The action filed in the District Court of Colombo by Nihal Sri Ameresekere, a share-holder of Hotel Developers Limited against the contractor, architects and other directors of the Hilton Hotel was taken up before Mr. I. M. Lyanage District Judge, Colombo, for a ruling on the plaintiff's further pleadings. Mr. K. Kanagasaran FC submitted to Court that the original motion sought permission to file the further pleadings together with the request that the answer filed by the 4th Defendant (Hotel Developers Limited) be rejected or returned for amendment. However, he stated, that he now only wanted to file further pleadings and was withdrawing the request that the 4th defendant's answer be rejected.

Mr. Shibly Aziz FC Additional Solicitor General who appeared for the 4th defendant Hotel Developers Limited submitted that it was unfair for the plaintiff to now argue that only the plaintiff's further pleadings should be accepted and deprive the 4th defendant from answering plaintiff's further allegations.

Mr. Aziz further stated that the 4th defendant company, did not consider it appropriate to support either of the parties in the original answer in view of the serious and grave allegations of fraud, collusion and irregularities in the building of the Hilton Hotel. Moreover, the plaintiff had purported to bring the action to safeguard the interests of the company. A careful and thorough examination conducted thereafter into these allegations had clearly shown that the allegations were totally baseless and unfounded and based on a misconception entertained by the plaintiff.

Mr. Aziz submitted that the hotel was built in accordance with the agreement reached between the parties and the plans, and that there was no justification at all for the plaintiff's allegations of

would have wished to file an amended pleading setting this out in greater detail, he did not wish to do so since this may delay the trial in this case which is fixed for a date in March this year.

However, he categorically reserved the right to controvert the plaintiff's allegations at the appropriate stage. Mr. Aziz also pointed out that this course of action was necessary in view of the fact that foreign firms are involved in this matter and policy considerations required that this action should be concluded as early as possible, in the interest of everybody.

Accordingly, the judge permitted the further pleadings subject to reservation made by the Additional Solicitor General.

In this case the plaintiff Mr. Nihal Sri Ameresekera of Sri Vipulasena Mawatha, Colombo 10, a chartered accountant and a shareholder of Hotel Developers Ltd. has stated that the original architectural plans for the Colombo Hilton provided for 23 floors including a mezzanine floor but the unauthorised approved architectural plan had only 20 floors including the ground floor and no mezzanine floor in the main building.

There were also other differences in the building with regard to the number of guest rooms etc.

The District Court has already issued an interim injunction restraining the three Japanese firms of contractors and architects from demanding or receiving any monies whatsoever in connection with the construction of the Colombo Hilton building. An interim injunction has also been issued restraining Hotel Developers (Lanka) Ltd from entertaining any demand for claims or paying out any monies to the three Japanese companies.

## Alleged Hilton kick-backs to be probed

By Ravi Loddurwahetty

Some influential persons connected to the J. R. Jayawardene regime are to come under investigation for fraud and corruption for alleged kickbacks received from a Japanese multinational, once the proposed permanent Commission for Bribery and Corruption is set up, informed Bribery Commissioner's sources yesterday.

Hong Kong based account of Deutsche Bank AG between April 1984 and December 1984 for alleged special favours it had obtained in connection with the Hilton Hotel project in Colombo, official sources disclosed.

c) The exemption of import duties on all materials and equipment for the Hilton Hotel.  
d) The exemption of all corporate and other taxes.

quested by Mitsui. The Attorney General, by his letter dated 6th March 1984 had categorically stated that no exemption from Import Duty could be granted to the Colombo Hilton under the law.

Consequently, former Minister of Constitutional Affairs K. N. Choksy - a very powerful personality in the United National Party govern

Colombo had been granted, costing the government around Rs. 650 million.

The Customs (Amendment) Law No. 35 of 1974 empowers the Minister of Finance to grant such exemptions, only if he deems it expedient in the public interest to do so. The then government also issued state guarantees under which the alleged claims today

THE ISLAND Saturday 2nd November, 1991

## Embarrassed President wanted suit withdrawn

Mr. Nihal Sri Ameresekera 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 Taisei 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.

## Case against Hotel Hilton contractors

# Interim injunction restraining drawing of payments issued

by Chitra Weeraratne

The District Judge of Colombo, Mr. I. M. Lyanage, recently issued an Interim Injunction, restraining Mitsui and Company Limited, Taisei Corporation and Kanko Kikaku Sekkeisha Yozo Shibata and Associates, Architects and Designers, from drawing any payment from Hotel Developers Lanka Limited for having constructed the Hilton Hotel of Colombo.

The Petitioner in this case is Mr. Nihal Sri Ameresekera, a Director of Hotel Lanka Developers Limited (the owners of Hilton Hotel Colombo).

The Petitioner Mr. Ameresekera in his petition, requested the District Court to grant him:

(1) an Interim Injunction restraining Mitsui/Taisei Consortium and architects the 1st, 2nd and 3rd defendants by themselves, their representatives, servants and agents or otherwise from demanding, claiming

enjoining orders in the same manner and issued the Notice of Interim Injunctions.

The objections that were filed by the Defendants, and the submissions made by the learned Counsel, on behalf of the parties, became the subject of this inquiry. When considering all the objections, submissions and legal positions, the position that is clear, is that, the 4th Defendant Company which is the other party to the Agreements, in respect of which the 1st, 2nd and 3rd Defendants have a right to receive monies on such Contracts, did not contest such an application. However, the subject of the argument mainly adduced herein was, that the Plaintiff, who is a Shareholder of the Company, sees this, as an attempt by other Shareholders and the Parties, who are showing interest concerning the Company, and who are exercising the influence, that they have gained in Society, acting together with the Company, to prevent the raising of the questions concerning the matters of the work in connection with the Contracts, the Prospe-

THE ISLAND Wednesday 4th March, 1992



Dear Sir,

Hilton Hotel

I am writing with reference to your letter dated 9th March 1993, addressed to His Excellency the President on the above subject.

I have been directed by His Excellency to refute your claim that my reply dated 5th February 1993, sent to you on His Excellency's instructions contained 'false and untrue statements.'

His Excellency has further directed me to inform you that,

(a) for the reasons set out in the aforesaid reply dated 5th February 1993, and

(b) in view of the decision of the Supreme Court, referred to in the penultimate paragraph of the aforesaid reply, your request for action by His Excellency is inappropriate and therefore cannot be acceded to.

Yours faithfully,  
*(Signature)*  
(K H J Wijayadasa),  
Secretary to the President

Mr Vasudeva Nanayakkara,  
Member of Parliament for  
Ratnapura District,  
143/3, New Road,  
Colombo 2.

## SC to hear application for special leave to appeal against AC order

By Chitra Weeraratne

Friday 13th September, 1991 THE ISLAND

# Vasudeva writes to President on Hilton

Mr. Vasudeva Nanayakkara has written to President Premadasa to request as to why a director and shareholder of the Hilton Hotel had filed legal action against the manner in which the hotel was constructed.

## Director-shareholder files further pleadings

Mr. Ameresekera earlier instituted legal action in the District Court of Colombo and obtained Enjoining Orders restraining any payments to the Mitsui/Taisei Consortium and the Japanese Architects, Kanko Kikaku Sekkeisha Yozo Shibata

the order of Mr. P. Jayaratne, District Judge of Colombo, delivered on 13th September, 1991.

THE ISLAND Sunday 24th January, 1993

## Minority shareholder rights against defiant majority

When the public being invited to buy shares with a view to raising the frequency to four shares. The present position of a company and its shareholders in the course of the Supreme Court in the Hilton Hotel case reported in full in last Sunday's edition of this newspaper will be of much interest to shareholders, and yet

## Director, Hilton Hotel granted special leave to appeal to S.C.

By Chitra Weeraratne  
The Supreme Court on Wednesday, granted Mr. Nihal Sri Ameresekera director Hilton Hotel Colombo, special leave to appeal to the Supreme Court against an order of the Court of Appeal in the Colombo Hilton Hotel case. The Bench comprised,

Ltd. its Directors or agents. The injunction also restrained the Hotel Developers Lanka Limited or its Directors from entertaining any claims on payment or making any payments to the Japanese Contractors and their Architects for construction works Hilton Hotel of Colombo.

# 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 certain circumstances

Colombo Hilton Hotel, owned by Hotel Developers (Lanka) Ltd, a public quoted company, had been promoted in 1986 by Mitsui & Co. Ltd and Taisei Corporation, both of Japan, together with Sri Lanka promoters Connet & Co. Ltd and Damase Feroys & Co. Ltd. The Government of Sri Lanka had guaranteed the Loans provided by Mitsui & Taisei for the construction and delivery of the hotel and according to the Government also was to provide the land for a construction of the hotel had commenced under the Architectural Plans prepared by the Japanese Architects, Kaneko Kikaku Shiksha Yotsu Shibata & Associates had been approved by the Urban Development Authority in March 1986. Mitsui had regularly furnished feasibility reports on the basis of 456 hotel rooms as according with the architectural plans. In October 1985 in the wake of construction a fire was said to have completely destroyed the Hotel Hotel construction site office at the Echelon Square and all documents had been reported destroyed.

In July 1987, the hotel opened for operations under the management of the plaintiff hotel, New York, whose monthly reports after such opening had accounted for only 387 hotel rooms, which serious discrepancy had been brought to the notice of the Board of Directors of the owning company by the Plaintiff. Mitsui and Taisei had hotel had opened for operations and Mitsui had then reformulated the feasibility reports on the basis of 377 hotel rooms. Fernando, president Partner, Ernest & Young, a then director of the company, in supporting the plaintiff had called for an independent engineering examination, pointing out that the apparent discrepancy between the Japanese Contractors and the Architects' President's Ernest & Young, a director of the company had given a written dated 8th August 1987 stating that such examination was not necessary, such independent examination was not necessary in any way.

Thereafter, in November 88 the Plaintiff had called for all available documents and certificates that there were no Bills of Quantities and final measurements in the original documents. Architects completion and final certificates which had been described in Court as mere "Medical Certificate" type letters. Therefore, the Plaintiff had called for such documents from the Japanese Architects seeking clarifications on the discrepancy of the number of hotel rooms, guest room floors and basements. The Japanese Architects stated that the certificates of completion were for US\$ 135 million and the plaintiff called for such documents and clarifications from the Japanese Architects stating that the certificates of completion were for US\$ 135 million. The Japanese Architects were adamant covering that the hotel construction work was in conformity with all stipulations of the contract and that the owning company was justified in making payments to the Japanese Contractors.

Thereafter the Plaintiff had discovered that the Architectural Plans with the Urban Development Authority was not as set out in the original Plans approved in March '84, but a new set of Architectural Plans surreptitiously submitted and approved in April 1986, but described as a set of "Amended Plans" drawn by the Japanese Architects, which substituted the original

# 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 recognizing the legal right of a minority Shareholder, irrespective of the size of Shareholding to institute a derivative/representative 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.

# Hilton Hotel Judgment in G'wealth Law Reports

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# Legal experts view Hilton Hotel case judgment as historic

By Zack Jabbar  
Legal experts have described the Supreme Court Judgment as historic, and have praised the court for its boldness in recognizing the right of derivative representation.

The Supreme Court in its judgment directed that the case against the three Japanese firms and Hotel Developers (Lanka) Ltd, which ordered the Plaintiff to sue on behalf of the company, its directors and third parties filing the action on behalf of the company and in its right.

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IN THE SUPREME COURT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA  
S. C. Appeal No. 3182 of 1992  
Mitsui & Co. Ltd., Taisei Corporation, Kaneko Kikaku Shiksha Yotsu Shibata & Associates, Ernest & Young, Connet & Co. Ltd., Damase Feroys & Co. Ltd., Hotel Developers (Lanka) Ltd, Plaintiff-Respondent/Petitioner-Appellant,  
vs.  
G. P. S. de Silva, C.J., Amarasinghe, J., Kulatunga, J., Defendants.

1. Mitsui and Company Limited, a Company organized and existing under the laws of Japan and having the Principal place of business at 2-1, Ohtemachi 1-Chome, Ohyo-da-ku, Tokyo, Japan and having a liaison office at the place of business in Sri Lanka at No. 315, Vauxhall Street, Colombo 03;  
2. Taisei Corporation, a Company organized and existing under the laws of Japan and having the Principal place of business at 2-1, Ohtemachi 1-Chome, Ohyo-da-ku, Tokyo, Japan and having a liaison office at the place of business in Sri Lanka at No. 315, Vauxhall Street, Colombo 03;  
3. Kaneko Kikaku Shiksha Yotsu Shibata & Associates, Architects & Designers, Corporation organized under the laws of Japan and having the Principal place of business at No. 9, Mar Uchiyoshi 1-2-2, Atsugi, Miyagi, Tokyo, Japan;  
4. Ernest & Young, Chartered Accountants, Plaintiff-Respondent/Petitioner-Appellant,  
vs.  
G. P. S. de Silva, C.J., Amarasinghe, J., Kulatunga, J., Defendants.

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vs.  
G. P. S. de Silva, C.J., Amarasinghe, J., Kulatunga, J., Defendants.

# Hilton Hotel case AG directed to prepare papers for settlement

By Chitra Weeraratne  
The Attorney General has directed the Solicitor General to prepare papers for settlement of the Hilton Hotel case.

The Solicitor General, Mr. Amarasinghe, has directed the Solicitor General to prepare papers for settlement of the Hilton Hotel case.

# Historic Supreme Court Judgment

Plaintiff has a reasonable and real prospect of success even in the light of the defenses, objections and submissions of the Defendants.

Therefore, what the learned District Judge has ordered to be set aside is hereby set aside.

# Hilton Hotel dispute settled

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

The Settlement was announced by the Japanese Ambassador to Sri Lanka, Yasuo Naoguchi and his predecessor, Masaki Katsuyoshi.

# Hilton Hotel dispute settlement with Japanese consortium helps govt. save Rs. 10,200 million - Prof. G. L. Peris

By Ravi Ladduwahanthy  
The settlement of the Hilton Hotel dispute will save the government of Sri Lanka following the signing of the settlement agreement.

The settlement will save the government of Sri Lanka following the signing of the settlement agreement.

# SPC on frauds and irregularities

By Ravi Ladduwahanthy  
The Special Presidential Commission (SPC) on Frauds and Irregularities will take up the controversial Airbus deal and the Hilton Hotel affair as its first major assignments, Justice Minister Prof. G. L. Peris said yesterday.

# Airbus, Hilton affair get top billing

By Ravi Ladduwahanthy  
The Special Presidential Commission (SPC) on Frauds and Irregularities will take up the controversial Airbus deal and the Hilton Hotel affair as its first major assignments, Justice Minister Prof. G. L. Peris said yesterday.

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