



SRI LANKA'S LATELY SPUNKY JUDICIARY Judiciary stiffens as Executive and Legislature flop

Kumar Devid
They taught us in school that the state, that is the structure of government, is a three-legged stool. The pillars are supported by a division of power and responsibility between three branches: the Executive (prime minister or president and cabinet, central and local government administrations, and the apparatus of coercive state as police and armed forces), the Legislature (one or more houses of parliament and local legislatures empowered by devolution) and thirdly the Judiciary which is structured into levels. The writers consider (drawing on Britain, New Zealand and Israel) together with the body of established legislation, precedence of legal judgments and the ethos of a particular society characterise the balance of power between the three branches.



John Kavilera more than two years after the privatisation was completed. The property belongs to the Ports Authority hence Komarathunga and the Land Commission do not in any case have the authority to transfer someone else's land. The respondent list in the two cases reads like a Who's Who of political and government luminaries: P.B. Jayawardene, Pura Wimalaratne and Cooper, Aileen Spence, K.M. Chatur, Milinda Moragoda, Karu Jayaratne, Ravi Wickremaratne, Chandika Komarathunga and dozens more Colombo celebrities. The SC also directed that Harry Jayawardene's name be added to the list of respondents in the SLIC case.

Theory circumscribed

Government loses billions due to E&Y incompetence Dicta from established case law

As a leader of the privatisation process, the government has lost billions of dollars due to the incompetence of E&Y. The dicta from established case law suggest that the government should have been more vigilant in monitoring the work of the consultants.

Auditor's and accountant's responsibilities Dicta from established case law. The auditor's and accountant's responsibilities are clearly defined in established case law. They must exercise due diligence and report any irregularities to the relevant authorities.

Former PERC chairman supports Vasu in SLIC case. A former chairman of the Public Enterprises Reform Commission (PERC) has supported Vasu in the SLIC case, arguing that the privatisation was not properly conducted.

Nihal faults with Dr. P.B. Amrit writes to SLAASMB chief on SLIC privatisation

Management Consultant, Nihal Sri Amarasena has recently filed a petition in the Supreme Court against the privatisation of SLIC. He has written to the SLAASMB chief expressing his concerns.



Corporate and financial sector activist Anuruddha Mahipala has raised several issues regarding the privatisation of SLIC. He has written to the SLAASMB chief expressing his concerns.

The Woes of Privatisation

The Supreme Court delivered a landmark judgment on the privatisation of SLIC. The court found that the privatisation was not properly conducted and ordered a new process.

Rivira Media Corporation (Pvt) Ltd. The company has filed a petition in the Supreme Court regarding the privatisation of SLIC.

Minister will have other objectives. The Minister has stated that the privatisation of SLIC is not the only objective of the government.

'Wait for conclusion of Council probe' -urges ICASL CEO

The CEO of ICASL has urged the government to wait for the conclusion of the Council probe before taking any further action regarding the SLIC case.

Privatization transactions 'highly engineered'. The transactions were highly engineered to benefit a few individuals and to avoid public scrutiny.

More held in honor of Privatization of the Sri Lanka Insurance Corporation Ltd. The government has held a ceremony in honor of the privatization of SLIC.

SLIC Judgement reserved

The Supreme Court has reserved its judgment on the SLIC case. The court will deliver its verdict in the coming days.



SLAASMB chief replies to Amrit. The SLAASMB chief has replied to Amrit's letter, stating that the privatisation process is ongoing.

People's power to be mobilised against corruption

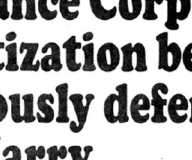
People's power should be mobilized against corruption. The government should take steps to ensure transparency and accountability in its operations.

PBJ heading for another 'fracas' in SLIC privatisation. The PBJ is heading for another controversy in the SLIC privatisation process.

Distilleries report draws attention to pending judgment. The distilleries report has drawn attention to the pending judgment on the SLIC case.

Insurance Corp. privatization being vigorously defended says Harry

Insurance Corp. privatization is being vigorously defended. Harry Jayawardene has stated that the government will not back down on the privatization of SLIC.



Ghost site block access to written submissions. DCSL warns of 'disastrous consequences' of reversing insurance privatization.

SL Insurance sale annulled, shares invested in Treasury

The SL Insurance sale has been annulled. The shares have been invested in the Treasury. The government has taken steps to ensure that the funds are used for the benefit of the public.

SC commends petitioners. Govt. Valuer kept in the dark. New directors to be appointed. Tender Board had no jurisdiction. Deal struck under UNF govt.

100 pages of written submissions. The court has received 100 pages of written submissions from the petitioners.

Stern action to be taken against SLI saboteurs

Stern action will be taken against SLI saboteurs. The government will not tolerate any attempts to undermine the privatization process.

and to maintain normalcy smoothly during this interim period of continuing commercial operations till the appointment of new board of directors.

During the Supreme Court proceedings Counsel M. A. Sumathipera appearing for the petitioners in the SLI-FC case Vasudeva Hanaykara informed the court that a lorry, marked with Formula World Bearing Insurance plate number 14211581 was being detained at the Slave Island police station when it was being loaded with some files at SLI premises.

SC annuls SLIC privatization

The Supreme Court has annulled the privatization of SLIC. The court found that the process was not conducted in accordance with the law.

Removed Director Board. The court has removed the members of the Director Board.

Attorney General's Office. The Attorney General's Office has filed a petition in the Supreme Court regarding the SLIC case.

Question mark on ownership of some leading companies

There is a question mark on the ownership of some leading companies. The government should ensure that the ownership is clear and transparent.

Attorney at Law Romesh De Silva, in a pensive mood outside the Supreme Court complex on Thursday. Mr. De Silva appeared Senior Partner of Ernst & Young Anita Talawatt, at right, the 22nd respondent in the SLI fundamental rights petition.

workers committee has been formed to prevent any unwarranted incidents. The workers committee has been formed to ensure that the interests of the workers are protected.

# SC: SLIC TO BE HANDED BACK TO THE STATE

By Susithra R. Fernando

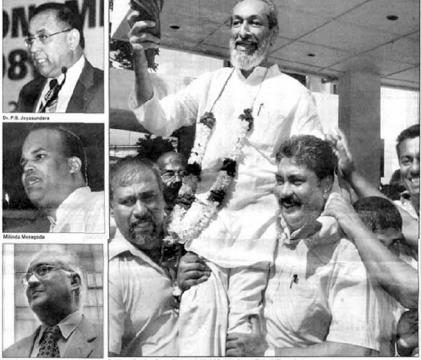


The Supreme Court observed that the sale of the profitable state institution violated all accepted tender procedures.

Delivering the much-awaited judgement in the case challenging the privatisation of the Sri Lanka Insurance Corp (SLIC) in 2003, the Supreme Court observed that the sale of the profitable state institution violated all accepted tender procedures.

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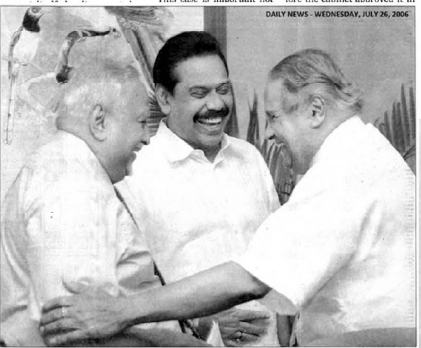
# SLI privatization null and void, reverts back to the state



The BOTTOM LINE - WEDNESDAY JUNE 10, 2009

# Activists call on President for Commission to investigate privatisation

After the historical judgement by the Supreme Court declaring the privatization of SLIC in 2003 to be illegal and invalid last week, petitioners of the case and Advisor to the President Vasudeva Nanayakkara along with Public Rights Activist Nihal Sri Ameresekere are to appeal to the President to establish a powerful Commission to investigate privatisation deals.



INSURANCE GIANTS: President Mahinda Rajapaksa met business tycoons at the conclusion of the discussion held on the sponsorship of South Asian Games at Temple Trees yesterday. Here the President in conversation with top business personalities Harry Jayawardena and Lalith Kotalawala. Photo: Sri Lanka Daily News

# Treasury Secy's conduct in to SLIC privatisation questioned

The investigation in to the discrepancies regarding the privatisation of the Sri Lanka Insurance Corporation has taken an interesting turn with a former Chairman of the Public Enterprises Reform Commission (PERC) accusing the Secretary of the Finance Ministry of 'acting in conflict of interests'.

DR P.B. Jayasundera

# SLIC judgement will save billions for Lanka - Activist

Money Secretary Vasudeva Nanayakkara's decision to hand over the ownership of the Sri Lanka Insurance Corporation (SLIC) to a private company was a 'betrayal of the public trust', said Nihal Sri Ameresekere, a public rights activist.

# S.L.I.C. has share portfolio worth Rs. 20 bn.,

However, as it was a private company, its accounts were not disclosed to the public. Apart from its core business of selling insurance, it had a very active share investment portfolio making fat profits to the company, they said.

# SLIC fraud: Culprits got 'out of jail'

It was just the other day at the Galle Face victory parade that President Mahinda Rajapaksa told the nation that this country could not be betrayed to foreign investors and would not be sold to the highest bidder.

# 2003 Govt. should have annulled SLIC privatization

The petitioner in the successful Sri Lanka Insurance Corporation (SLIC) fundamental rights petition said Ranil Wickremesinghe, who was the Prime Minister in 2003 when the privatization took place, should have annulled it.

# SC calls for discipline at SLIC

The Supreme Court has called for discipline at the Sri Lanka Insurance Corporation (SLIC) following its decision to annul the 2003 privatization.

# Newsmakers in the corporate world 2009



# Supreme Court delivers incisive judgement

The judgement ordered the Treasury Secretary to take steps to ensure that the privatisation of SLIC was done in a transparent and accountable manner.

# Supreme Court reverses privatisation of SLIC



# The Deal of the century

Delivering the judgement, Justice Anura Kumara Dissanayake said senior government officials had acted without proper cabinet authority.

# Investigation

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# Harry becomes Ravi

When the Supreme Court delivered its judgement on the SLIC case, it was widely expected that the case would be a landmark one.

# Sri Lanka Insurance Corp sale reversed by court

Sri Lanka's Supreme Court said a 2003 privatization of Sri Lanka Insurance Corporation (SLIC) to listed Distillers Corp was illegal and ordered the firm to be bought back by the state.

# 'SLI Mismanaged under Harry J'

In response to a series of questions asked by the Sunday Times on SLI management under the previous regime, SLI Chairman Pradeep Kariyawasam said on Thursday in his first-ever interview to the media.

# FR Application against SLIC sale

# SLIC can't be run by a mafia: CJ

Chief Justice (CJ) Sarath N. Silva yesterday stated in open court that, to date, beneficial owners of Sri Lanka Insurance Corporation (SLIC) is not known and therefore, cannot be allowed to run by a mafia.

Contd on page 6

# COURT APPROVES SLIC BOARD

**By Devina R. Fernando and S.S. Sumanasekera**  
The Supreme Court yesterday approved the new seven-member board of directors appointed by the Treasury Secretary to administer Sri Lanka Insurance Corporation (SLIC) which was given back to the government after a landmark Court ruling.

The board comprising Chairman and directors including Premadasa Jayaratnam, Amarasiri Bandula Maddegoda, R.A. A...

# Nihal Sri Ameresekera slams Milinda's appointment

Nihal Sri Ameresekera, the man behind Vasudeva Nanayakkara's successful action against privatisation of the SLIC, yesterday said that President Mahinda Rajapaksa had been fully aware of the Supreme Court judgment as well as the OCP's findings. Milinda Moragoda wouldn't have reviewed the Justice and Law Commission's findings.

**Judiciary bar to foreign investments - Harry J**  
Leading businessmen Harry Jayaramane yesterday said overseas investors would not be keen to invest in Sri Lanka due to the impact of the judiciary. He said that the courts would be a barrier to foreign investment.

# Sri Lanka Insurance had minimum transparency after privatisation

# Complicated business

There has been a lot of transactions which have a corrupt reason - Vasu. This is a sad reflection of the state of affairs in which the government and public function as custodians of public property, where nothing was done even after a special Parliamentary report in 2008 exposed the fraudulent deal and...



Nihal Sri Ameresekera

# Vasu urges tough action after Lanka Insurance privatisation

**By Devina R. Fernando**  
The Attorney General's office has issued a notice to the Director of the Lanka Insurance Corporation (SLIC) to return the assets of the company to the government.

# Politicians, public officials and businessmen connive to fleece public property

# 'Parliament lacks interest to tackle fraud'

**By Devina Daniel**  
Politicians would have continued to turn a blind eye to the illegal privatisation of the Sri Lanka Insurance Corporation if the fundamental rights application against the deal had not been filed, Nihal Sri Ameresekera and Vasudeva Nanayakkara told journalists yesterday at a special media conference to discuss the recent Supreme Court judgment.



Vasu

# SLIC case petitioner says auditors should return fees

Considered by the court to be a professional negligence claim, the petitioner says that the auditors failed to identify the irregularities in the accounts of SLIC. The petitioner states that the auditors were aware of the irregularities but failed to report them to the court.

# ICA Sri Lanka rings alarm on 'White Collar Crimes'

**By Devina Daniel**  
The Institute of Chartered Accountants of Sri Lanka (ICASL) has issued a warning to the public about the prevalence of white collar crimes. The organization has organized a seminar to discuss the issue.

# Post SLIC judgment - CID declines to comment

**By Devina Daniel**  
The CID declined to comment on the legal privatisation of the Sri Lanka Insurance Corporation. The organization has issued a warning to the public about the prevalence of white collar crimes.



Group photo of officials

# Continental Insurance to set benchmark - says Harry J

**By Devina Daniel**  
Continental Insurance has set a benchmark for the insurance industry in Sri Lanka. The company has introduced a new policy that will set a benchmark for the industry.

# Unlawful privatisations in Lanka - Role of the Auditors

**By Devina Daniel**  
The role of auditors in the unlawful privatisation of Sri Lanka Insurance Corporation is under scrutiny. The organization has issued a warning to the public about the prevalence of white collar crimes.

# Felicitating Rienze the banker

**By Devina Daniel**  
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Rienze

# 31st ICA National Conference

The 31st National Conference of the Institute of Chartered Accountants of Sri Lanka (ICASL) was inaugurated on December 29th. The conference was held in a grand manner and was attended by a large number of delegates.

# ICASL and ICAEW discuss way forward for accountancy

A delegation from the Institute of Chartered Accountants of Sri Lanka (ICASL) visited the President of the Institute of Chartered Accountants of England and Wales (ICAEW) during the World Congress of Accountants held in Kuala Lumpur. The two organizations discussed the way forward for accountancy.

# Alarm 'Bells' at Sri Lanka Insurance

**By Devina Fernando**  
Employees of Sri Lanka Insurance Corporation are alarmed by the recent developments. The organization has issued a warning to the public about the prevalence of white collar crimes.



Group photo of employees

# 'SEPARATION OF POWERS IS THE BEST GUARANTEE OF LIBERTY'

**Former Chief Justice Sarath N. Silva** spoke to the Daily Mirror on the 18th Amendment. He said that the separation of powers is the best guarantee of liberty and that the government should respect the rule of law.

# GRIP OF ACCOUNTABILITY!

**By Devina Daniel**  
The organization has issued a warning to the public about the prevalence of white collar crimes. The organization has organized a seminar to discuss the issue.

# SLIC SCAM: VASU WANTS ACTION AGAINST VIPs

**By Devina Fernando**  
Vasu wants action against VIPs who were involved in the SLIC scam. The organization has issued a warning to the public about the prevalence of white collar crimes.



Vasu

# HOT SEAT

**By DIANNE SILVA**  
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# Issues over new ICASL President, PBJ as Chief Guest at inauguration

**Vasudeva Nanayakkara, petitioner in the concluded Sri Lanka Insurance Corporation (SLIC) fundamental rights case, is opposing the induction of Sudeva Mudalige, a partner at PricewaterhouseCoopers (PwC), as the next president of the Institute of Chartered Accountants of Sri Lanka (ICASL).**

# One law for all - President

**President Mahinda Rajapaksa** said that there should be one law for all in Sri Lanka. He said that the government should respect the rule of law and that the law should be applied equally to all citizens.



President Mahinda Rajapaksa

# Harry J receiving the award of Entrepreneur Hall of Fame from Premier D. M. Jayaratne.



Harry J receiving an award from Premier D. M. Jayaratne

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