

BY COURIER

15th September 2007.

Mr. Bandula Gunawardena, M.P.,
Minister of Trade, Marketing Development,
Co-operatives & Consumer Affairs,
6th Floor, Rakshana Mandiraya,
21, Vauxhall Street,
Colombo 2.

Dear Minister,

**Proposed Cost Reduction on Essential Food Commodities by Rs. 9,000 Mn.
by imposing certain Taxes to raise Rs. 3,000 Mn.**

I refer to the recent interview you had, after the News, on Derana TV, on the above subject.

No doubt, the endeavour to reduce the cost of essential food commodities by **Rs. 9,000 Mn.**, would give 'some relief' to millions of poor people in the country, where today - **the cost of living is 'sky rocketing'!**

To meet part of this revenue loss, the Government last week hastily enacted Statutes in Parliament, amidst protests and controversy, to impose certain other taxes to raise revenue by **Rs. 3,000 Mn.**, including a tax on 'cellular phones', used **not only by the affluent, but also by a multitude of the poor.**

In 'stark comparison' to the foregoing, I attach copies of recent Letters dated 31.7.2007 addressed to H.E. the President and dated 14.8.2007 addressed to the Secretary to H.E. the President, contents of which are self-explanatory. I cite the following extracts from my said Letters :

*Cabinet Memorandum of 21.1.2007 **had not disclosed** the defaults by HDL on Government Loans from as far back as 1997 to 2005, as set out below:

<u>Date of Loan</u>	<u>Capital</u>	<u>Rate of Interest</u>	<u>Interest</u>
	Rs.	% p.a.	Rs.
02.7.1997	288,567,633	12.50	648,504,108
12.7.1999	469,742,070	12.50	735,514,859
03.7.2000	464,427,826	12.50	594,791,483
29.6.2001	360,618,876	18.56	640,942,571
01.7.2002	446,803,874	12.50	358,351,215
04.7.2003	340,024,378	9.40	147,032,120
30.6.2004	395,658,959	8.59	110,970,575
30.6.2005	<u>225,639,338</u>	10.28	<u>48,775,967</u>
Total	<u>2,991,482,954</u>		<u>3,284,882,898</u>

I annex copies of 8 Letters from 1997 to 2005, giving the conditions of these Treasury Loans.

In addition to the above defaults amounting to Rs. 6,276,365,852, **that too at old Treasury Bill rates**, further Loans would have been given on 1.7.2006 and 1.7.2007, with which, the defaulted Loans by HDL to the Government would be around **Rs. 7,000,000,000/-**; and with further Loans that would be required to be given on 1.7.2008, 1.7.2009 and 1.7.2010, the total defaults to the Government would then be in the region of **Rs. 10,000,000,000/-**.

The foregoing Loans given by the Treasury, to repay Foreign Loans, to one Luxury 5-Star Hotel alone, **stand defaulted from as far back as 1997**, and at present amounts to around **Rs. 7,000 Mn.**, and is reckoned to increase to **Rs. 10,000 Mn.** You will note that the interest rate charged by the Treasury on these long defaulted Loans, which had been annually advanced, are still in the range of **8.6% p.a to 12.5% p.a**, only one Loan is at 18.5% p.a. **You are well aware, as to what the present Treasury Bill Rates are.** Notwithstanding the foregoing, Secretary to the Treasury, P.B. Jayasundera, without any Cabinet approval has stated to Court - that **'an undertaking has been given by the Government not to recover immediately the above defaulted Loans'**, which in addition, is a special privileged treatment, in violation of the fundamental rights guaranteed under the Constitution.

Is this not a 'glaring instance' of sheer 'hypocrisy' and 'duplicity', where a similar level of money is being endeavoured to be given by way of price reductions on essential food commodities to benefit millions of poor people in the country, whilst no endeavour, whatsoever, is made to recover such same level of money defaulted to the government by one 5-Star Luxury Hotel alone, that too, at 'concessionary rates' of interest, and in addition, with no recovery of any consideration, whatsoever, for the use of 7 acres of valuable prime Land in the heart of the city. **How do you justify the same ?**


My attached Letters reveal my endeavours and strategy to ensure the disputed 64% ownership of the Government in this Hotel, to be 'transformed' to an undisputed 100% ownership by the Government of the said Hotel, which too, was attempted to be opposed by Secretary to the Treasury, P.B. Jayasundera, suppressing the aforesaid facts and misleading the Cabinet of Ministers.

In your interview on Derana TV, you also endeavoured to 'belittle' the Rs. 200,000 Mn 'all encompassing' perverse 'amnesty' of 2003, given under the 'guise' of an 'income amnesty', which was determined by the Supreme Court to be 'antithetic to the rule of law' and a 'fraud on government revenue, causing extensive loss to the State.' The Rs. 200,000 Mn estimate comprised of the reported Rs. 70,000 Mn. outstanding dues of the Inland Revenue Department alone, and Rs. 130,000 Mn. estimated dues of other Revenue Departments, such as, a Customs, Excise, etc. This estimate of Rs. 200,000 Mn., put in issue in Court, was not disputed and/or refuted by the Hon. Attorney General, who represented the Government.

In fact, the estimate of Rs. 200,000 Mn. was given, by none other than, Secretary to the Treasury P.B. Jayasundera, who, I verily believe, also gave you the aforesaid 'revenue loss' estimate of Rs. 9,000 Mn. and the 'additional revenue' of Rs. 3,000 Mn., which you undisputedly accepted and endorsed to the public, thereby raising the question, as to how you endeavoured to 'belittle' the Rs. 200,000 Mn., which was supported by state records; whilst thereafter in July 2006 the Auditor General in a Special Report to Parliament reporting that 'uncollected state revenues', including the 'fathomless' VAT fraud, amounted Rs. 384,000 Mn. ! *Did you dispute and/or refute the same, or on the contrary, did you not endorse the same ?*

Your comments on the aforesaid perverse 'amnesty', only demonstrated your inability to have comprehended the 'complexities' of the same. The P.A. Government was elected to power in 2004 on the platform of 'denouncing' such perverse and fraudulent 'amnesty', and thereafter rightfully repealed the same, as one of the very first statutes enacted after establishing the Government, which you have now ironically joined !

Yours truly,



Nihal Sri Ameresckere

c.c. : News Editor, Derana TV.
Chief Executive Officer, Derana TV.

Minister Dinesh Gunawardena, M.P. – *You are aware that the UDA in your presence, upon demonstration, admitted the UDA approved Plan of the said Hotel, to be a 'fraudulent falsification' !*

Minister Sarath Amunugama, M.P. – *Did you not in October 2005 recommend to the Cabinet to wind-up HDL, and hence, could you now endorse a 'diametrically opposite stance' questionably recommended by the Secretary to the Treasury, suppressing the facts and misleading the Cabinet of Ministers ?*

His Excellency The President / Minister of Finance
Mr. Lalith Weeratunga, Secretary to H.E. The President – *To apprise H.E. The President of the foregoing, which are of national economic proportions and of public importance.*

BY COURIER

IMPORTANT

31st July 2007

His Excellency Mahinda Rajapakse
President of the Republic of Sri Lanka / Minister of Finance
Temple Trees
Colombo 3.

Your Excellency,

Hotel Developers (Lanka) Ltd. [HDL]

HDL Bankrupt warranting Winding-up

I refer to my Letter dated 24.11.2006, after intimating that in the interest of the Government, I had instituted an Action to wind-up HDL, in conformity with the Cabinet Decision of 5.10.2005 – viz:

"If, Settlement of pending Litigations cannot be concluded, and the proposed Financial Restructuring on the lines given above not given effect to immediately; then there would be no other option, but to wind-up HDL, transferring the Hotel Building to the Government, which owns the Land, and the Government settling Mitsui & Taisei the balance Loans under the State Guarantees; and setting-off the value of the Hotel Buildings against the defaulted owings by HDL to the Government." (Emphasis added)

HDL's Attorneys-at-Law, D.L. & F De Saram had filed Motions in the Supreme Court on 26.10.2005 and 8.11.2005, disclosing the facts and admitting that HDL is hopelessly bankrupt.

It is disclosed that on 5.10.2005 Dr. P.B. Jayasundera had advised the then Hon. Minister of Finance & Planning and the Cabinet of Ministers on 'one course of action', based on recommendation made by a CANC, and thereafter on 21.1.2007, with the change of Government, he had on his own advised the Hon. Minister of Finance & Planning and the Cabinet of Ministers on a 'diametrically opposite course of action', suppressing the first 'course of action' advised upon, and the justifications therefor, given by a CANC.

The Companies Act No. 7 of 2007 mandates Companies, which are bankrupt to be wound-up. Can a responsible Government violate the law ? Also, in terms of the said law, those who oppose such winding-up stand personally responsible and liable for the losses caused, in this instance, to the Government.

Government Loans defaulted since 1997

Cabinet Memorandum of 21.1.2007 had not disclosed the defaults by HDL on Government Loans from as far back as 1997 to 2005, as set out below:

<u>Date of Loan</u>	<u>Capital</u> Rs.	<u>Rate of Interest</u> % p.a.	<u>Interest</u> Rs.
02.7.1997	288,567,633	12.50	648,504,108
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Total	<u>2,991,482,954</u>		<u>3,284,882,898</u>

I annex copies of 8 Letters from 1997 to 2005, giving the conditions of these Treasury Loans.

In addition to the above defaults amounting to Rs. 6,276,365,852, **that too at old Treasury Bill rates**, further Loans would have been given on 1.7.2006 and 1.7.2007, with which, the defaulted Loans by HDL to the Government would be around **Rs. 7,000,000,000/-**; and with further Loans that would be required to be given on 1.7.2008, 1.7.2009 and 1.7.2010, the total defaults to the Government would then be in the region of **Rs. 10,000,000,000/-**.

No Cabinet Approval for Undertaking ?

Dr. P.B. Jayasundera has stated to Court that the Government has given an undertaking to HDL not to demand re-payment, until the Japanese are paid in full i.e. upto 1.10.2010. No such Cabinet approval had been sought in the Cabinet Memorandum of 21.1.2007, and accordingly, there is no Cabinet Approval for the Government to have given such an undertaking to HDL.

Even to grant such questionable and dubious "special privilege" **only to HDL**, of not being demanded and/or not requiring repayment of **long overdue defaulted Loans**, is a blatant violation of the Fundamental Rights to equality guaranteed under the Constitution, whereby, in which event, if not all Loan defaulters, at least all Hotels, given the current condition in the Hotel Industry, ought to be given the same concession, enshrined as a Fundamental Right under the Constitution.

Such "special privilege" on enormous Loans, **that too at old Treasury Bill rates**, defaulted amounting to Rs. 7000 million, over the last 10 years, with further Loans, to be granted, in total reckoned to be around Rs. 10,000 million, is not even given to essential public utility services, such as in Transport, Electricity, Health, Education, etc.

7 Acres prime Government Land

The Land on which the Hilton Hotels stands is now owned by the Government, and the Supreme Court has accepted such fact, stating that the Land has now re-vested in the State. The Land was re-vested in the Government in July 1999 on the advice of the Hon. Attorney General. Thus, a Shareholding of Rs. 250.9 million allotted for an under-lease of the Land, of the total Share Capital of HDL amounting to Rs. 452 million, stands frustrated as 'not-paid for'.

Government has not received legitimate payment for the use by HDL of such valuable prime Land in extent over 7 Acres in the heart of the Colombo City, a benefit not permitted to or enjoyed by any other party; which therefore is an unequal favourable treatment before the law, violative of the Fundamental Right to equality enshrined in the Constitution.

Hilton International

Hilton International having been involved in 'technical assistance services', paid for by HDL, from the very inception of planning and construction of the Hotel, had been privy to and had been aware of the fraud perpetrated on HDL, upheld by Supreme Court; and which at present is under investigations by the CID, on the advice of the Hon. Attorney General, consequent to the Police Commission and your Secretary, having raised queries in this regard, upon representations made by me.

Hilton International in January 1998, consequent to the Bomb damage of the Hotel, **dishonestly held out that the insurance monies of US \$ 10 million for the re-instatement of the Hotel, belonged to them, and by their Letter dated 16.1.1998 required Shares of HDL to the value of US \$ 7 million (then equivalent to SL Rs. 435 million) to be allotted to them.** In the context of HDL's Share Capital of only Rs. 452 million, this was a devious attempt on their part to get a major Shareholding of HDL, which together with the Shareholding of Japanese of Rs. 124.5 million would have given them a majority control. **This was thwarted by my Memo dated 28.3.1998 to then HDL Chairman, D.Y. Liyanage.**

Even though Hilton International was and is entitled to 25% of the Net Profits, however, through various charges made, they had recovered more than 25%, **even going up to 35%**, as was analysed and exposed by me, as then Chairman, HDL, also disclosing that the Average Room Rate had questionably dropped from over US \$ 90 to around US \$ 70, in confronting Hilton International.

Proposed Resolution

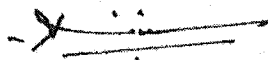
In the given circumstances, the most advantageous solution for the Government, in conformity with the law, to protect its interest and to prevent loss, is as follows:

- i) for the Court to Order the Winding-up of HDL
- ii) for Government to immediately form a new Government owned Company
- iii) to capitalise the Government Land at today's market value, as Share Capital of the new Company, taking also into reckoning the fact that the Government had not received any payment from HDL for the use of this valuable Government Land.
- iv) to transfer as further Share Capital of the Government, the Hotel Building to the new Company, inasmuch as the Building goes with the Land owned by the Government (Debts payable by HDL to Government would be in the region of Rs. 10,000 million, whilst the Building and Equipment are valued at only Rs 5,000 million).
- v) for the new Company to give an option to Hilton International to negotiate on a new Management Agreement beneficial to the Government or competitive offers for same could be called from International Hotel Chains of repute.
- vi) therefore, the new Company would be 100% owned by the Government. If the Government so wishes, it could give the present 7.5% public Shareholders of HDL, compensatory Shareholdings in the new Company.
- vii) at an appropriate time, the Government could sell a majority Shareholding of the new Company or a minority Shareholding, with a Management Contract, thereby ensuring the optimum return to the Government; and resolving the present problem.

I, with my sole and sustained efforts, amidst severe obstructions and pressures, having made an enormous contribution to have saved HDL and the Government in June 1995, as much as Jap. Yen' 17,586 million, then equivalent to US \$ 207 million / SL Rs. 10,200 million (today reckoned to be around Rs. 40,000 million), **have an inherent right and entitlement, to ensure that such immense benefit is not 'exploited' for the benefit of any other party, including any party surreptitiously selected for a transaction, on the basis of 'private treaty', causing any loss and damage to the Government.** *It should be noted that the Supreme Court had observed that in the given facts and circumstances, the Government could not be indifferent.*

I attach a copies of my Counter-Affidavits dated 26.7.2007 and 30.7.2007 (without the voluminous Documents annexed thereto), which I was compelled to file, **being appalled at the contents of an Affidavit**, which had been tendered to Court by Dr. P.B. Jayasundera, Secretary, Ministry of Finance & Planning. **I draw your kind attention to the facts stated in my Counter-Affidavits.**

Yours truly,



Nihal Sri Ameresekere

cc: Mr. Lalith Weeratunga, Secretary to H.E. the President

Hon. Sarath Amunugama, Former Minister of Finance & Planning
and Minister of Enterprise Development & Investment Promotion

Mr. Dhammika Perera, Chairman, BOI

- *Does the BOI give foregoing privileges and concessions even to investors, who bring in foreign investments, whilst in this instance, there was an attempt to 'deviously siphon out a large scale of foreign exchange from the Government', as observed by the Supreme Court.*

Mr. Gotabaya Rajapakse, Secretary, Ministry of Defence, Public Security, Law & Order

Mr. Victor Perera, IGP

Mr. D.W. Prathapasinghe, DIG-CID

- *Vis-à-vis, the on going Investigations*

Mr. Ameer Ismail, Chairman, Commission to Investigate Allegations of Bribery or Corruption

Ven. Elle Gunawansa, Member Police Commission / Chairman, Committee to Combat Fraud,
Bribery & Corruption

BY COURIER

14th August 2007

Mr. Lalith Weeratunga
Secretary to His Excellency the President
Presidential Secretariat
Colombo 1.

Dear Sir,

Hotel Developers (Lanka) Ltd. (HDL)

I thank you for the prompt acknowledgement of my Letter dated 31.7.2007 addressed to H.E. the President / Minister of Finance, with copy, amongst others, to you.

Further to my Letter, I clarify as follows:

1. As per CANC Report, Balance Sheet of HDL as at 30.6.2005 was as follows:

	Rs Mn.		Rs. Mn.
Share Capital	452.2	Fixed Assets	2,139.2
Reserves	860.7		
Accumulated Loss	<u>(6,351.5)</u>	Current Assets	744.6
	<u>(5,038.6)</u>	Current Liabilities	<u>271.6</u>
Long Term Liabilities	<u>7,650.8</u> *		<u>473.0</u>
Sources of Funds	<u>2,612.2</u>	Net Assets	<u>2,612.2</u>

* Note:

	Rs.Mn.
Loans to Government	4,940.5
Balance Loans to Mitsui & Taisei (Jap.Yen. 2,611,392,610)	2,386.6
Bank Loan	271.6
Gratuity Provision	<u>52.1</u>
	<u>7,650.8</u>

It would be noted that HDL's Share Capital of Rs. 452.2 Mn. has got completely eroded with the Accumulated Loss of Rs. 6351.5 Mn. as at 30.6.2005.

2. As per CANC Report, HDL Share Structure is as follows:

	No of Rs 10/- Shares	Rs.	%
Government	29,388,463	293,884,630	64.98
Mitsui & Taisei	12,445,325	124,453,250	27.52
Public Shareholders	<u>3,392,353</u>	<u>33,923,530</u>	<u>7.50</u>
Total	<u>45,226,141</u>	<u>452,261,410</u>	<u>100.00</u>

65% Shareholding by the Government has been confirmed in para 19 (i) of the Affidavit dated 9.5.2007 of Dr. P.B. Jayasundera and in the Cabinet Memorandum of 21.1.2007.

3. Share Capital held by the Government of Rs. 293,884,630/- comprised of Rs. 250,897,500/- as Shares Allotted in 1984 for an Under-lease to HDL of Land by Cornel & Co. Ltd., which had originally Leased the Land from the UDA; and this Share Capital, together with a Share Capital of Rs. 2,987,130/- paid for by Cornel & Co. Ltd., had been transferred to the Government, as consideration for the Government Guarantees given for re-payment of Loans of HDL to Mitsui & Taisei.

Since Cornel & Co. Ltd., had completely defaulted payment of Lease Instalments to the UDA on the original Lease, in July 1999 on the advice of the Hon. Attorney General, the Land was re-vested in the Government, as per Surrender of Special Grant Instruments Nos. 673 and 674.

As a consequence, the consideration for the said Shareholding of Rs. 250,897,500/- stood and stands frustrated, as 'not paid for'. The balance Rs. 40,000,000/- of HDL Shares had been paid for in cash by the Government in March 1990, that too, to pay Mitsui & Taisei.

Government's right to ownership of 65% Shareholding of HDL is disputed by Cornel & Co. Ltd., which claims a right thereto, which is baseless, in the context of HDL's huge indebtedness to the Government on Loans advanced under the Government Guarantees, even after the write-off on the Claims made on the Government Guarantees by Mitsui & Taisei of Rs. 10,200 Mn. (Jap. Yen 17,586 Mn. US \$ 207 Mn.) achieved by me in June 1995, the benefit of which I insisted had to be to the Government, and none other, as the main condition of my settlement with the Government.

4. With the protracted vexatious litigations by Cornel & Co. Ltd., the Government Loans to HDL, even at old Treasury Bill Rates, were defaulted by HDL and no payments, whatsoever, had been made since the Loans were given by the Government from as far back as 1997.

Also due to such litigations, HDL Accounts are not made public since 1990, even though HDL is a listed public company.

The outstanding position of the defaulted Loans given upto 30.6.2005 by the Government were disclosed by my Letter of 31.7.2007 to be as follows. This material fact had been suppressed by Dr. P.B. Jayasundera in the Cabinet Memorandum of 21.1.2007:

Date of Loan	Capital Rs.	Rate of Interest % p.a.	Interest Rs.
02.7.1997	288,567,633	12.50	648,504,108
12.7.1999	469,742,070	12.50	735,514,859
03.7.2000	464,427,826	12.50	594,791,483
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Total	<u>2,991,482,954</u>		<u>3,284,882,898</u>

Interest on these Treasury Loans was to be paid annually, but had not been paid. Capital on each Loan was to be paid after 5 years, but had not been paid. Therefore, all Loans are in default.

Dr. P.B. Jayasundera in his Affidavit dated 9.5.2007 has stated that the Government had given an undertaking to HDL not to recover immediately Loans given to HDL, even concealing the fact that such Loans were defaulted since 1998. Cabinet Approval of 24.1.2007 had not approved the giving of any such undertaking to HDL.

In addition, to the above defaults on Government Loans given to HDL upto 30.6.2005 amounting to **Rs. 6,276,365,852/-**, that too at **old Treasury Bill rates**, further Loans would have been given on **1.7.2006** and **1.7.2007**, with which, the defaulted Loans by HDL to the Government would be around **Rs. 7,000,000,000/-** as at **1.7.2007**.

With further Loans that would be required to be given to HDL on **1.7.2008**, **1.7.2009** and **1.7.2010** to pay Mitsui & Taisei, the Total Loan defaults to the Government by HDL is reckoned to be in the region of **Rs. 10,000,000,000/-** by that date.

5. Upon Order for Winding-up, the Hotel Building & Equipment will revert to the Government, which owns the Land.

Since the Government owns the Land, for which no payments have been made by HDL since July 1999 and even before, the Hotel Building standing on this Government Land, will go with this Government Land.

The Hotel Building & Equipment valued at Rs. 4,590 Mn. by the Chief Valuer in September 2005 would be set-off against the owings by HDL to the Government, reckoned to be in the region of Rs. 8,500 Mn. today.

This is not a 'lengthy and time consuming process', as misleadingly stated in the Cabinet Memorandum of 21.1.2007 by Dr. P.B.Jayasundera.

6. The Government could immediately form a New Company to take over the Hilton Hotel, structured as follows:

	Rs.Mn.
Shares for the Government in the New Company -	
Land - 7 Acres, as per Chief Valuer's Valuation of September 2005	4018
Hotel Building & Equipment, as per Chief Valuer's Valuation of September 2005	4590
Balance payment to Mitsui & Taisei on 1.7.2008, 1.7.2009 and 1.7.2010 at today's value	<u>1500</u>
<i>(The above Chief Valuer's Valuations could be updated to today)</i>	<u>10,108</u>

'Net Current Assets' of HDL are reckoned to be around Rs. 400 Mn., which will pass on to the New Company, and would be set-off against owings by HDL to the Government.

Upon Winding-up today, HDL will have a deficit payable to the Government of around Rs.3,500 Mn.

7. **The New Company will be a 100% Government owned Company, with no disputes, whatsoever, of Government's 100% Shareholding, and all Operational Profits of the Hilton Hotel will accrue to the benefit of Government.**

If the Government so wishes, it could give compensatory Shareholdings to the present 7.5% Public Shareholders of HDL, whose Shares are actually worthless today.

The Government could enter into a new Management Agreement with Hilton International on terms mutually acceptable, or if not, have the option of offering another Hotel Chain of international repute.

At an appropriate time, the Government could consider to sell a minority or majority Shareholdings, of the New Company, to recover part of its investment, and continue to benefit from the profits.

8. As per the Companies Act No.7 of 2007, which came into operation on 3.5.2007, vide Sections 219 and 220 thereof, when a company is Bankrupt and is continuing to carry on business, parties opposing a Winding-up, would be personally liable to pay the Debts to the Creditors, in this instance, the Creditor is the Government.

Approval of Cabinet had been obtained by Dr. P.B.Jayasundera on 24.1.2007, as per Cabinet Memorandum of 21.1.2007, to oppose the Winding-up of HDL, by suppressing and misrepresenting material facts, as disclosed by my Letter of 31.7.2007, on the basis of a 'contemplated suggestion' made by the Hon. Attorney General in December 2006 quote: "*It may be advisable to oppose the liquidation*".

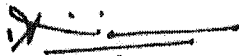
The above by no means is a conclusive Opinion by the Hon. Attorney General considering the totality of the facts, but a mere suggestion on some unknown representations made to him, *inasmuch as the Cabinet Memorandum of 21.1.2007 had suppressed and misrepresented facts*.

9. The above was before the new Companies Act No. 7 of 2007 came into operation on 3.5.2007. I verily believe that the Hon. Attorney General, if apprised of the relevant facts, will no doubt reconsider his suggestion, in terms of the facts and the prevalent law, to act to protect the interests of the Government.

I am sure you will agree that the Government cannot violate and/or contravene law enacted by Parliament.

10. It is beyond comprehension, as to how anyone in proper senses, could oppose the Government (*unless with an 'ulterior motive' or some 'hidden agenda', which will cause enormous loss to the Government*) obtaining a 100% owned Company to own the Hilton Hotel and have the benefit of the entirety of the Operational Profits of Hilton Hotel, as opposed to a present 65% Shareholding, in a bankrupt company, which Shareholding too is disputed in vexatious and baseless litigations, by parties, who had in fact endeavoured to perpetrate a fraud on the Government, which was prevented by me. In this context, I reiterate the penultimate paragraph of my Letter dated 31.7.2007.

Yours truly,



Nihal Sri Ameresekere

cc: H.E. the President / Minister of Finance

Hon. Attorney General

Hon. Sarath Amunugama, Former Minister of Finance & Planning
and Minister of Enterprise Development & Investment Promotion

Mr. Dhammika Perera, Chairman, BOI

Mr. Gotabaya Rajapakse, Secretary, Ministry of Defence, Public Security, Law & Order

Mr. Victor Perera, IGP

Mr. D.W. Prathapasinghe, DIG-CID

- *Vis-à-vis, the on going Investigations*

Mr. Ameer Ismail, Chairman, Commission to Investigate Allegations of Bribery or Corruption

Ven. Elle Gunawansa, Member Police Commission / Chairman, Committee to Combat Fraud,
Bribery & Corruption