

BY REGISTERED POST

18th February 2004

K.C. Kamalabayson, Esqr., P.C.
Attorney General,
Attorney General's Department,
Hultsdorp,
Colombo 12.

Your Ref: AG55/2003

Dear Sir,

**Criminal prosecution against K.N. Choksy P.C., M.P. and R. Paskaralingam
for fraud perpetrated on the Government / cover-up thereof**

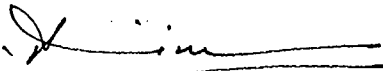
I refer to my Letters dated 18.12.2003 and 22.12.2003 and your reply dated 23.12.2003 (copy attached) on the above subject, intimating to me that you have called for the relevant particulars from the Inspector General of Police, and my subsequent Letters dated 24.12.2003 and 5.1.2004.

The Attorney General, upon investigations carried out by the CID, having caused Charge Sheets (further copies attached), on the premise of commission of fraudulent acts detrimental to the interests of government, to be served by the Special Presidential Commission on K.N. Choksy P.C., M.P. and R. Paskaralingam, would it now not be a matter of filing indictments in the High Court, inasmuch as per media reports, indictments are said to be imminent in respect of far more less grave and less material alleged offences; whereas this involved an attempt to perpetrate a grave crime and fraud of national economic proportions on the government, with an endeavour to cause the payment of monies under state guarantees, notwithstanding my objections as a professional (Supreme Court having previously upheld the same as a serious prima-facie case of fraud, with an attempt to deviously syphon out a large scale of foreign exchange from the government and the country); and furthermore, during the Inquiry before Special Presidential Commission, after the aforesaid Charge Sheets had been served, irrefutable evidence of fraud having surfaced? I draw attention particularly to the final two paragraphs of my Letter dated 18.12.2003.

It is now 2 months since my initial Letter to you on 18.12.2003 and your reply dated 23.12.2003. As such, I wish to ascertain, as to what progress has been made on the subject matter under reference? Or is it that the aforesaid persons having been knowingly recommended by the Prime Minister, Ranil Wickramasinghe to be appointed as the Minister of Finance, and Advisor to the Prime Minister, respectively, intentionally to shield them from such prosecution, and in which circumstances, you and/or the law enforcement authorities are thus and thereby inhibited from enforcing the Rule of Law as in the case of ordinary citizens of the country, notwithstanding the much professed dicta that all are equal before the law?

I urge that warranted action be taken, irrespective of the socio-political standing of the aforesaid persons, upholding the scales of justice as is prevalent in civilised societies.

Yours faithfully,



Nihal Sri Ameresekere

cc: Indra de Silva Esqr., Inspector General of Police
Lionel Gunatilleke Esqr., Deputy Inspector General of Police / CID
Sisira Mendis Esqr., Director, CID

✓ Her Excellency the President Chandrika Bandaranike Kumaratunga

479(C2)

INQUIRY NO. 1/95

NOTICE UNDER SECTION 9 OF THE SPECIAL PRESIDENTIAL COMMISSION OF INQUIRY LAW

TRUE COPY

TO : MR. KAIRSHASP NARIMAN CHOKSY

F. J. & G. de SARAN
Attorneys - at - Law
P. O. BOX: 212.
COLOMBO.

You, whilst holding the office of Director of Hotel Developers (Lanka) Ltd., which was the owning Company of the Colombo Hilton Hotel and the Company responsible for the construction of the said Hotel by Mitsui and Taisei Corporation of Japan, did or omit to do, between 19th December 1986 and 10th June, 1993 the following acts :-

- (1) deliberately and wrongfully fail and neglect to take action to ensure that the construction of the said Hotel was in accordance with the original Architectural Plans dated 15.08.1983 and the schematic design plan of 1980 marked as P4 and P4A, notwithstanding the fact that these matters were specifically brought to your notice by Nihal Sri Amarasekera, a Director of the said Company,
- (2) wrongfully oppose the recommendation made by the Government Nominee Director, M.T.L. Fernando to have an independent physical examination of the said Hotel carried out to ascertain whether the said Hotel had been constructed by the contractor in accordance with the original Architectural Plans dated 15.08.1983 and the schematic design plan of 1980 marked as P4 and P4A,
- (3) notwithstanding the serious discrepancies and queries that had surfaced at the meetings of the Board of Directors of the said Company and the objections raised by several Directors to the payments to be made to the contractors, collusively act together with Cornel L. Perera and persuade and/or induce the Secretary, Ministry of Finance, R. Pas-karalingam, to make a payment of US Dollars Two Million (US \$ 2,000,000) to Mitsui & Taisei Corporation of Japan,
- (4) disregard the discrepancies, shortcomings and irregularities which were brought to the notice of the Board of Directors, and wrongfully attempt to approve as authentic the Annual Accounts of the said Company for the year ended 31st March 1990 and endeavour to take action to adopt the accounts with the object of suppressing the aforesaid fraudulent acts and omissions,

(5) Notwithstanding the serious discrepancies, shortcomings and queries that had surfaced and disregarding the objections raised at the Meetings of the Board of Directors of the said Company for the making of any payment to Mitsui & Taisei Corporation of Japan, issue a Letter dated 28.02.1990 addressed to H. Ogami, representative of Mitsui & Taisei Corporation, inter-alia, stating that, the two Certificates (of conformity) issued by the Urban Development Authority are "adequate coverage that the Hotel construction work is in conformity with all the stipulations of the Contract, and the owner will be justified in making the balance payment to the contractor" and thereby attempt to wrongfully and deliberately facilitate the making of the full payment to Mitsui & Taisei Corporation of Japan, which was detrimental to the interests of the said Company and/or the Government of Sri Lanka,

The aforesaid acts of commission and/or omission on your part were fraudulent and were detrimental to the interests of the said Company and/or the Government of Sri Lanka, in its capacity as the major Shareholder, causing financial loss and damage to the said Company and/or the Government of Sri Lanka.

Having regard to the matters set out hereinabove, you are hereby required to show cause as to why you should not be found guilty of misuse or abuse of power and/or corruption and/or the commission of fraudulent acts in terms of Section 9 of the Special Presidential Commission of Inquiry Law No. 7 of 1978, as amended.

BY ORDER OF THE COMMISSION

SECRETARY

My No: SPC 95/PIQ/1/95

12th December, 1995

Inquiry No. 1/95

TO: MR. KAIRSHASP HARIMAN CHOKSY

NOTICE UNDER SECTION 9 OF THE SPECIAL PRESIDENTIAL
COMMISSIONS OF INQUIRY LAW.

The Commission has directed me to forward to you the original Notice in Sinhala in terms of Section 9 of the Presidential Commissions of Inquiry Law No. 7 of 1978, which is annexed hereto.

You are also informed that there is an error in Count 5 of the Notice served on you on 8.12.1995 (English Copy). This error has now been rectified. The correction being, in Count 5, in lieu of the words

" (of conformity) issued by the Urban Development Authority"
the following words are substituted:

"dated 10.4.1987 and 25.08.1988 issued by the Architects Kanko Kikaku Sekkeiysha".

Count 5 of the said Notice in its corrected form is attached herewith.

BY ORDER OF THE COMMISSION

(N A Obadage)
SECRETARY TO THE COMMISSION

- (5) Notwithstanding the serious discrepancies, shortcomings and queries that had surfaced and disregarding the objections raised at the Meetings of the Board of Directors of the said Company for the making of any payment to Mitsui & Taisei Corporation of Japan, issue a letter dated 28.02.1990 addressed to H. Ogami, representative of Mitsui & Taisei Corporation, inter-alia, stating that, the two Certificates dated 10.4.1987 and 25.8.1988 issued by the Architect Kanko Kikaku Sekkeiysha are "adequate coverage that the Hotel construction work is in conformity with all the stipulations of the Contract, and the owner will be justified in making the balance payment to the contractor" and thereby attempt to wrongfully and deliberately facilitate the making of the full payment to Mitsui & Taisei Corporation of Japan, which was detrimental to the interests of the said Company and/or the Government of Sri Lanka.

INQUIRY NO. 1/95

4D9 (C4)

NOTICE UNDER SECTION 9 OF THE SPECIAL PRESIDENTIAL
COMMISSION OF INQUIRY LAW

TO : MR. RAMALINGAM PASKARALINGAM

You whilst holding office of Secretary to the Treasury and the offices of Secretary Ministry of Finance & Planning and Policy Planning & Implementation and thereby being vested with control over State finance and guarantees, issued to Mitsui & Taisei Corporation of Japan; did or omit to do, between 1st December 1980 and 30th June 1984, the following:-

- (1) deliberately and wrongfully fail and neglect to take meaningful measures through the representative Directors of the Ministry of Finance, to ensure that the said Hotel was constructed in accordance with the original Architectural Plans dated 15.08.1983 and the schematic design plan of 1980 marked as P4 and P4A, notwithstanding the fact that these matters were specifically brought to your notice by Nihal Sri Amarasekera, a Director of the said Company,
- (2) deliberately and wrongfully fail and neglect to take any action or cause any action whatsoever, to be taken to safeguard the interests of the Government of Sri Lanka in the act of issuing guarantees to Mitsui & Taisei Corporation, based on the set of false future cash flow projections and future income statements of the said Hotel, submitted dishonestly and fraudulently, by Mitsui & Co. to the Government of Sri Lanka,
- (3) Notwithstanding the serious discrepancies, shortcomings and queries that had surfaced at the Meetings of the Board of Directors of the Company and notwithstanding the objections raised to the making of any payments to Mitsui & Taisei Corporation of Japan, at such Meetings, which matters had been specifically brought to your notice, authorised the payment of US Dollars Two Million (US \$ 2 Mn.) to Mitsui & Taisei Corporation of Japan and further directed that a contribution of US Dollars One Million (US \$ 1 Mn.) be made from the funds of the General Treasury to Mitsui & Taisei Corporation of Japan which was detrimental to the interest of the Government of Sri Lanka and/or the said Company,

The aforesaid acts of commission and/or omission on your part were fraudulent and were detrimental to the interests of the said Company and/or the Government of Sri Lanka, in its capacity as the major Shareholder, causing financial loss and damage to the said Company and/or the Government of Sri Lanka.

Having regard to the matters set out hereinabove, you are hereby required to show cause as to why you should not be found guilty of misuse or abuse of power and/or corruption and/or the Commission of fraudulent acts in terms of Section 9 of the Special Presidential Commission of Inquiry Law No. 7 of 1978, as amended.

BY ORDER OF THE COMMISSION

SECRETARY

COPIES OF THIS
LETTER TO BE
FORWARDED TO
THE
SECRETARY