

Mr. Iqbal Athas
Political Editor
The Sunday Times



We are a group of Lawyers, Accountants, etc, who wish to protect Mr. Nihal Sri Ameresekere, who has rendered yeoman service in fighting fraud and Corruption. No other has proven so many Cases in Court saving colossal sums of moneys for the State. Some of the instances where State moneys have been saved by his public spirited actions are:

- Tax Amnesty write-off prevented Rs.200, 000 Million
- Sri Lanka Insurance plus Lanka Hospitals Rs. 75,000 Million
- Colombo Port Bunkering Facility & Monopoly Rs.15, 000 Million
- Citi Bank Oil Hedging Claim Rs.30,000 Million

Mr. Ameresekere has given full disclosure with facts and figures supported by documents in a series of books published him, including on the Hilton which you should have read before questionably writing false reports.

We have already forwarded to you an e-mail we sent to the Ceylon Independent, contents of which please take note.

We refer to your Article published in The Sunday Times of 27th December 2015 under the heading '**Ravi submits memo to give Rs. 300 m to Hilton promoter, but Kabeer Hashim objects**'.

You have published the above Article in your Newspaper which has caused harm, with falsehoods and distortions, without the full disclosure of the totality of the facts, thereby bring Mr. Ameresekere to public ridicule and odium in particular your reference to the impeachment of the former Chief Justice Shiranee Bandaranayake alleged to have been in December 2014, **is false and by innuendo casts aspersions on Mr. Ameresekere's bona-fides**.

You are notified that Mr. Ameresekere's endeavors had immensely benefitted the Government as admitted in the contractual agreement on the massive **write-off of Rs. 87,000 Mn.**, as at current market values and re-scheduling over 16 years of Foreign Loans with reduced rate of interest with strenuous litigation spanning over nearly 20 years. He had accepted a very low professional compensation of Rs. 300 Mn., at the urgings of the Treasury which had been promised to be settled by the Treasury as morefully set-out hereinbelow.

The professional compensation at normal professional compensation rates at 30th November 2015 as confirmed by the Merchant Bank of Sri Lanka Ltd., and updated by Auditors Jayaweera & Co., Chartered Accountants, had amounted to a total of **Rs. 2,300 Mn.** Hence, Rs. 300 Mn., is far from a **bonanza** but a **pittance** of only **14%** of what had been professionally independently assessed at market norm. With even an iota of intelligence you will now realize and rectify the false mischievous scandalous misleading heading you had given as above.

Mr. Ameresekere had to be paid such professional compensation before he withdrew his Cases as per the signed contractual Agreement with the Secretary to the Treasury, formulated by the Hon. Attorney General and approved by the Cabinet, to withdraw his Cases due to pressures from Japan. Later due to further pressures from Japan to have the Cases withdrawn immediately as morefully set out below. Mr. Ameresekere had heeded the urgings of the Government in the national interest to withdraw the Cases with the Government promising by an Addendum to the Agreement executed with Mr. Ameresekere as formulated by the Hon. Attorney General (Copies of which are forwarded for your edification)

We hereby notify you of the following;

We as lawyers are shocked at your Articles published with scant regard to the law.

Breaching banking secrecy is a criminal offence and possession of stolen bank documents is also a criminal offence, so too anyone who aides and abets or conspires therewith. You as publisher, who also claims such possession, is also liable under the law.

There is also the question of privity of contract, where no outside party could intermeddle or interfere with and/or aid and abet therewith, which you have condoned and tried to justify. These are offences under the law.

Threats and intimidations of public servants are also punishable offences under the law and aiding and abetting therewith are also punishable offences, and you have perpetrated the above offences and you together with others best known to you have perpetrated the above offences.

The above violations of the law should be dealt with by the law enforcement authorities. We have been following the Hilton Case from its inception in 1990, with the undersigned having been one of the Lawyers since that time and therefore have a deep understanding of the facts.

When the Government was squeamish in confronting the perpetrators of a huge fraud in the Hilton Hotel project construction, Mr. Nihal Sri Ameresekere singlehandedly spending his own money and with much efforts exposed this fraud thus saving our country a sum in excess of Rs.87,000 Million at current values – I repeat, a sum in excess of Rs.87,000 Million!

Mr. Ameresekere, is fully justified being professionally compensated at market values for his courageous efforts from which the Government as the Guarantor had immensely benefitted and had contractually agreed to pay him such professional compensation.

Mr. Ameresekere also has been involved in exposing many other frauds that were being perpetrated on the people of this country by the powers that be, without claiming any compensation therefor though saving colossal sums of money for the State as referred to above.

Instead of criticising people of the rare caliber of Mr. Ameresekere we should all get together and encourage him to expose the fraudsters.

It is appalling that you have admitted the possession of a copy of a Cabinet Memorandum and had quoted therefrom, whereas a Cabinet Memorandum is a secret document, which is only privy to the President and the Cabinet Ministers, and not even to any Member of Parliament. This is a serious breach of Cabinet confidentiality, violative of applicable laws and regulations, attracting severe punishment.

Mr. Ameresekere had been advised by Counsel to take legal action to sue all those persons, who have interfered and/or intermeddled, causing scandal / controversy, *vis-à-vis*, his exclusive Agreement with the Secretary to the Treasury, pertaining to the write-off of a Foreign Loan and re-scheduling of the balance Foreign Loan under State Guarantees issued by the Treasury, with an Agreement, signed with Mr. Ameresekere by the Secretary to the Treasury on behalf of the Government, which is a matter coming under the purview of the Ministry of Finance. Government had entered into such Agreement as Guarantor, who have benefited by a write-off of around **Rs. 87,000 Mn.**, as at November 2015.

Mr. Ameresekere had been asked by the Treasury/Government to continue to prosecute his main Case after Enjoining Orders had been obtained preventing any payments to the Japanese, as it prevented the cross default of Sri Lanka's foreign borrowings, with reserves being very low at that time.

Thereafter, after the Japanese Government's pressures Mr.Ameresekere had been urged by the Treasury/Government to settle his Cases. For this he negotiated and obtained a massive write-off of the loan and rescheduling of the balance loan, which had been fully guaranteed by the Government. For this purpose, Agreements had been executed between the Government, the Japanese and Mr.Ameresekere. The Government, admitting the immense benefit to the Government as the Guarantor had a direct Agreement to pay Mr.Ameresekere professional compensation, **before he withdrew his Cases.**

After undisputed criminality had been established before the Presidential Commission, the Japanese had wanted to have his Cases withdrawn threatening to pull out their Aid component to Sri Lanka. The Japanese were the biggest Aid giver to Sri Lanka at that time.

Mr.Ameresekere had once again been urged by the Government to withdraw his Cases and that professional compensation to him would be **paid thereafter** and Mr.Ameresekere had once again agreed to such anxious urgings of the Government. HDL had US\$ 30 Mn at that time due to injunctions obtained by Mr.Ameresekere. In this context an Addendum had been signed by the Government with Mr.Ameresekere and the Japanese. The US \$ 30 Mn held by HDL had to be paid to the Japanese.

With Cornel & Co Ltd filing several Cases, the Agreements could not be implemented. The last Case had been dismissed in June 2014 upon which Mr.Ameresekere's Lawyers had given notice to the Government, that the Agreements had come into force and had required fulfillment of the Government's obligations, which had not been disputed.

Nothing hinges on the CANC Minutes and the Cabinet Decision of 2005, but only the reconfirmation of professional compensation payable to Mr.Ameresekere by the Government. The Settlement referred to was a settlement of Cornel & Co. Ltd's last Case which got dismissed finally in June 2014. Mr.Kanagasabapathy, DG-Public Enterprises for reasons best known to him has attempted to mislead mischievous parties.

Professional compensation to Mr.Ameresekere stood and stands alone on the Agreement between the Government and Mr.Ameresekere for the immense benefit gained by the Government as the Guarantor as had been admitted in the Agreements. What Mr.Kanagasabapathy has stated, as reported by you is false.

Mr.Kanagasabapathy had been involved in the Sri Lanka Insurance Privatization against which Mr.Ameresekere had caused to be filed a Case in the name of Mr.Vasudeva Nanayakkara, which Mr.Ameresekere had appearing in person prosecuted with success to get Sri Lanka Insurance and Lanka Hospitals back to the Government. At current values these two businesses are worth over Rs. 75,000 Million.

The Supreme Court held the above was a fraud. PWC and E&Y had been paid at current values Rs 800 Mn as professional compensation by Mr.Kanagasabapathy and others out of public funds. After the Judgment should not these monies been recovered? But Mr.Kanagasabapathy did nothing. He was also involved in the Evaluation Committee which recommended Petroleum Corporation to enter into the Hedging Deals which resulted in losses of US \$ 240 Mn (Rs 35,000 Mn) with legal costs of over Rs 750 Mn.

If that be the case, what should the equivalent compensation be for Mr.Ameresekere for getting a benefit of Rs 86,000 Mn at current values for the Government in getting such amount being written-off and for re-scheduling as per the Government's Agreement with Mr.Ameresekere? **He had to be paid before he withdrew his Cases.** If Mr.Ameresekere is not paid this would not only be a breach of contract, but also cheating him unexpected of a responsible Government.

Mr.Ameresekere had agreed as per the Agreement to have his professional compensation determined by an independent financial Institution. The Government engaged Merchant Bank of Sri Lanka for that purpose. As per the Merchant Bak of Sri Lanka the market norm was 2 % for a write-off and 1.5 % for re-scheduling of a debt. That is in a normal instance, but Mr.Ameresekere's case had been in an instance with heavy litigation.

At such market norms of 2% of the write-off and 1.5% of the re-scheduling professional compensation would amount to over Rs.2,300 Mn. as at end November, 2015. The Government had offered him only 14% thereof, i.e. Rs.300 Mn. and had obtained his written confirmation. This is an effective rate of 0.13% only against 2% & 1.5% market norms.

Mr.Ameresekere made a big mistake in withdrawing the Cases because of the Japanese pressures on the Government. Had he continued with the Cases, he would certainly have won. Then today Mr.Cornel Perera and Mr.Ameresekere would be the main stakeholders of HDL which they had promoted. With payment to the Japanese after winning the Cases the Government Guarantees would have got cancelled and the Government would not have had any ownership of HDL today.

Then there would not have been Competent Authority, Mr.Senaka Walgampaya. He has given a reckless, wrong and unwarranted opinion. It appears that he had not even examined the Agreements. He has interfered and intermeddled with the Government's Agreement with Mr. Ameresekere. He has signed a media notice asking voters to vote for President Mahinda Rajapakse, whilst being a statutory Public Officer.

Has he and Chairman Tirukumar Nadeson filed Assets Declarations as required by law? As revealed in a case, he had apparently concurred with Mr.Tirukumar Nadason, Chairman, HDL for the purchase of a luxury vehicle for Rs 25 Mn and to draw a Monthly Allowance of Rs 400,000/- for the Chairman. Mr.Ameresekere, the previous Chairman had not used a HDL vehicle, nor drawn any Allowance or Directors Fees. The conduct of Mr.Walgampaya is being examined to be dealt with before the relevant fora.

Have you filed an Assets Declaration as per the law and filed income tax returns? Will you publish your Bank Statements before you unlawfully do so of others? Do you get paid to write Articles and conduct TV Interviews?

We understand that Mr.Tirukumar Nadeson has visited Mr.Cornel Perera with Mr.Gamini Gunaratne just after he became the Chairman of HDL, as a kinsman of Mr.Mahinda Rajapakse. He had promised to get Mr.Cornel Perera's compensation paid and had wanted his help at the HDL Board. This, we understand had been secretly videotaped. We also understand that Mr.Tirukumar Nadeson had similarly visited Mr.Ameresekere with Mr.Gamini Gunaratne and had obtained his assistance stating that the Treasury had confirmed the compensation payment to him, and that he would get the compensation released. We understand that there are Letters in this regard.

Ultimately Mr.Tirukumar Nadeson had cheated both Mr.Cornel Perera and Mr.Ameresekere and had got Dr.P.B.Jayasundersera, Secretary to the Treasury to include HDL as the only non-performing Company in the Expropriation Act for a capital debt of only Rs 4,000 Mn. We understand that Mr.Tirukumar Nadeson had threatened the CFO that he would get Gota to white van him. Reportedly, he had also got Mr. Gamini Gunaratne to threaten the CFO.

At the moment Counsel are examining certain matters to report Mr. Tirukumar Nadeson for Contempt of Court.

Yours truly,



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28.12.2015