

**IN THE COURT OF APPEAL OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA**

*In the matter of an application for the grant of a Writ of Prohibition in terms of Article 140 of the Constitution of the Democratic Socialist Republic of Sri Lanka.*

Hatton Plantations PLC  
2<sup>nd</sup> Floor,  
No. 168, Negombo Road,  
Peliyagoda.

**PETITIONER**

CA (Writ) Application No. 240/2022

Vs.

1. Sri Lanka State Plantations Corporation  
No. 21, Miraneeya Street,  
Colombo 12.
2. Janatha Estates Development Board  
55/75, Vauxhall Lane,  
Colombo 02.
3. Honourable Dr. Ramesh Pathirana  
(ceased to hold office)  
Minister of Plantation,  
11<sup>th</sup> Floor, Sethsiripaya 2<sup>nd</sup> Stage,  
Battaramulla.
- 3A. Honourable Samantha Vidyaratne  
Minister of Plantations and Community  
Infrastructure,  
11<sup>th</sup> Floor, Sethsiripaya 2<sup>nd</sup> Stage,  
Battaramulla.
4. Land Reform Commission  
No. 475, Kaduwela Road,  
Battaramulla.

5. Nilantha Wijesinghe (ceased to hold office)  
Chairman,  
Land Reform Commission,  
No. 475, Kaduwela Road,  
Battaramulla.
- 5A. R. K. Nihal  
Chairman,  
Land Reform Commission,  
No. 475, Kaduwela Road,  
Battaramulla.
6. Honourable Harin Fernando  
(ceased to hold office)  
Minister of Lands,  
Ministry of Lands, Mihikatha Medura,  
Land Secretariat,  
No 1200/6, Rajamalwatta Road,  
Battaramulla.
- 6A. Honourable Kuragamage Don Lalkantha  
Minister of Agriculture, Livestock  
Development, Lands and Irrigation,  
Ministry of Lands, Mihikatha Medura,  
Land Secretariat,  
No 1200/6, Rajamalwatta Road,  
Battaramulla.
7. Honourable Attorney General  
Attorney General's Department,  
Hulftsdorp,  
Colombo 12.

**RESPONDENTS**

**Before:** Mayadunne Corea, J.  
Mahen Gopallawa, J.

**Counsel:** Anuruddha Dharmaratne with Hasitha Ratnayake for the Petitioner.

Manohara Jayasinghe, Deputy Solicitor General for 1<sup>st</sup>, 3<sup>rd</sup>, 6<sup>th</sup> and 7<sup>th</sup>  
Respondents.

Saliya Peiris, PC with Ms. Andrea Wijewansa for the 4<sup>th</sup> and 5<sup>th</sup> Respondents

**Argued on:** 09.10.2025

**Written Submissions:** by the Petitioner on 24.11.2025  
by the 1<sup>st</sup>, 3<sup>rd</sup>, 6<sup>th</sup> and 7<sup>th</sup> Respondents on 15.12.2025  
by the 4<sup>th</sup> and 5<sup>th</sup> Respondents on 02.12.2025

**Decided on:** 27.02.2026

**Mahen Gopallawa, J.**

### **Introduction**

The Petitioner, which identifies itself as a regional plantation company, has entered into lease agreements with the 1<sup>st</sup> Respondent (Sri Lanka State Plantations Corporation or SLSPC) and the 2<sup>nd</sup> Respondent (Janatha Estates Development Board or JEDB), who are the absolute owners of the estate lands referred to in the Lease Agreements ('P-6(i)' – 'P6(xvii)') read with Deeds of Declaration marked ('P-9(i)' to ('P-9(xviii)').

The Petitioner claims that, despite all rights, title and interests of the 4<sup>th</sup> Respondent (Land Reform Commission or LRC) having been vested in the SLSPC and the JEDB by virtue of an order made in terms of section 27A of the Land Reform Law, No. 1 of 1972 (as amended), the LRC continues to execute purported instruments in relation to such agricultural land and estate land to the detriment of the Petitioner as the lawful lessee. Therefore, the Petitioner contends that the LRC has been acting illegally, unreasonably and arbitrarily to harass the Petitioner in enjoying the demised premises in terms of the Lease Agreements ('P6(i)' - ('P6(xvii)').

Accordingly, the Petitioner has filed the instant application seeking the following substantive reliefs against the LRC in its amended petition dated 19.08.2022;

- (b) *a mandate in the nature of a **Writ of Prohibition** restraining the 4<sup>th</sup> Respondent and its servants, agents and any person acting under its authority or purported authority from accepting any monies and transferring and/or issuing purported Deeds or permits of any nature, and/or alienating land in any other unlawful and/or illegal manner whatsoever and/or granting any approval or authority whatsoever with respect to any of the lands and Estates referred to in Lease Agreements marked '**P-6(i)**' to '**P6(xvii)**' read with Deeds of Declaration marked '**P-9(i)**' to '**P-9(xviii)**'; and*
- (c) *a mandate in the nature of a **Writ of Prohibition** restraining the 4<sup>th</sup> Respondent and its servants, agents and any person acting under its authority or purported authority from interfering in any manner whatsoever with the lawful possession and occupation of*

*any of the lands and Estates referred to in Lease Agreements marked **'P-6(i)'** to **'P6(xvii)'** read with Deeds of Declaration marked **'P-9(i)'** to **'P-9(xvii),'** in any manner whatsoever.*

The 4<sup>th</sup> and 5<sup>th</sup> Respondents have filed a statement of objections objecting to the grant of the aforementioned reliefs. The 1<sup>st</sup>, 3<sup>rd</sup>, 6<sup>th</sup> and 7<sup>th</sup> Respondents on 15.12.2025 as well as the 2<sup>nd</sup> Respondent have informed Court that they are not resisting the grant of reliefs sought by the Petitioner. In fact, in its written submissions, the 1<sup>st</sup>, 3<sup>rd</sup>, 6<sup>th</sup> and 7<sup>th</sup> Respondents has invited this Court to issue a formal censure on the LRC as there appears to be a practice of the Commission continuing to alienate lands which it no longer has title, in contravention of the judgments of this Court on the issue.

### **Factual Background**

The salient facts material to the instant application can be set out as follows

The Land Reform Law, No. 1 of 1972 (as amended) (the LRC Law), which came into effect on 26.08.1972, *inter alia*, provided for the vesting of agricultural lands owned by any person in excess of the ceiling stipulated in the LRC in terms of section 3(2) thereof, by operation of law. It has been observed by this Court in ***Balangoda Plantations PLC v. Janatha Estates Development Board and others***,<sup>1</sup> which contains a comprehensive analysis of the LRC Law and legal issues arising in this case as well, that, at the time the LRC Law was enacted, apart from individuals who owned agricultural land, there were several companies commonly known as 'Sterling Companies' and 'Rupee Companies' which owned large extents of agricultural land predominantly cultivated with tea and rubber.

However, the LRC Law, as enacted in 1972, did not apply for agricultural land owned by such companies and the reason for such exclusion has been explained by Hon. Hector Kobbekaduwa, the Minister of Agriculture and Lands at the time in his address to Parliament on 10.10.1975, when he presented the Bill to amend the principal enactment.<sup>2</sup> Accordingly, Land Reform (Amendment) Law, No. 39 of 1975 was enacted to include such agricultural land owned by companies within the scope of the LRC Law and Part IIIA (containing sections 42A-42M) titled "Special Provisions relating to estate lands owned by public companies" was added. Section 42A of the LRC Law provided as follows;

*42A. (1) Every estate land owned or possessed by a public company on the date on which this Part of this Law comes into operation shall, with effect from such date*

*(a) be deemed to vest in and be possessed by the Commission; and*

---

<sup>1</sup> CA Writ Application No. 858/2009, decided on 07.11.2019.

<sup>2</sup> Hansard dated 10.10.1975 (Columns 1448 - 1459) "*On that occasion (i.e. when the LRC Bill was presented in 1972) the House will remember that we excluded from the operation of this Law, lands belonging to public companies, both foreign and local lands belonging to religious and charitable trusts. We had very good reasons for excluding those lands, particularly lands belonging to public companies, because of precarious foreign exchange at that time.*"

*(b) be deemed to be managed under a statutory trust for and on behalf of the Commission by the agency house or organization which, or the person who, on the day immediately prior to the date of such vesting, was responsible for, and in charge of, the management of such estate land, for and on behalf of such company, and such agency house, organization or person shall, subject to the provisions of this Part of this Law, be deemed to be the statutory trustee of such estate land.*

*(2) The vesting of an estate land under subsection (1) shall have the effect of giving the Commission absolute title to such estate land as from the date of vesting and, subject as hereinafter provided, free from all encumbrances.*

*(3) The terms and conditions of the statutory trust, including the remuneration or agency fees of statutory trustees shall, subject as hereafter in this Part of this Law provided, be as prescribed by regulations made under this Law.*

The expression "estate land" was defined in section 42M of the Law to mean "any land of which an extent exceeding fifty acres, is under cultivation in tea, rubber, coconut or any other agricultural crop, or is used for any purpose of husbandry, and includes unsold produce of that land and all buildings, fixtures, machinery, implements, vehicles and things, movable and immovable, and all other assets belonging to the owner of such land and used for the purposes of such land."

Section 22(1) of the LRC Law sets out the purposes for which agricultural land vested in the Commission may be used and section 42H sets out the purposes for which estate land vested in the Commission may be used. In this regard, it is observed that section 42H(1)(c) of the Law permits any estate land vested in the Commission to be alienated to any corporation established or to be established under the State Agricultural Corporations Act or to the Sri Lanka State Plantations Corporation established under the Sri Lanka State Plantations Corporation Act. 04 of 1958 (as amended). The 2<sup>nd</sup> Respondent, JEDB, is a public corporation established in terms of an order made under section 2(1) of the State Agricultural Corporations Act, No. 11 of 1972 (as amended) and published in the Government Gazette dated 06.02.1976. Accordingly, the management of the estate land vested in the LRC had been handed over to the said SLSPC and JEDB.

Thereafter, the Land Reform (Amendment) Act No. 39 of 1981 was enacted, authorizing the Minister to vest estate land and agricultural land vest in the LRC in any State Corporation. Section 27A was introduced for such purpose and provided as follows;

*27A. (1) At the request of the Commission, the Minister may, where he considers it necessary in the interest of the Commission to do so, subject to sections 22, 23 and 42H, by Order published in the Gazette, vest, in any State Corporation specified in the Order, with effect from a date specified in that Order, any agricultural land or estate land or any portion of the land vested in the Commission under this Law, and described in the*

*order, subject to such terms and conditions relating to consideration for the vesting of that land in such Corporation as may be agreed upon between the Commission and such Corporation.*

*(2) An Order under subsection (1) shall have the effect of vesting in such State Corporation specified in the Order such right, title and interest to the agricultural land or estate land or portion thereof described in that Order, as was held by the Commission on the day immediately preceding the date on which the Order takes effect.*

*(3) Where any agricultural land or estate land or any portion thereof is vested in a State Corporation by an Order made under subsection (1), all the rights and liabilities of the Commission under any contract or agreement, express or implied, which relate to such agricultural land or estate land or portion thereof, and which subsist on the day immediately prior to the date of such vesting, shall become the rights and liabilities of such State Corporation.*

*(4) Where any term or condition relating to consideration for the vesting of any agricultural land or estate land or portion thereof in any such State Corporation by an Order under subsection (1) is not complied with, the Minister may by Order published in the Gazette, revoke the Order under subsection (1) relating to that land and thereupon that land shall revert in the Commission.*

It is observed that section 27A(1) above sets out the circumstances under which a vesting order may be made by the Minister and the procedure to be followed for such purpose, whilst the legal effects of such an order are set out in sections 27A(2) and 27A(3) thereof. The circumstances under which a vesting order may be revoked and the procedure to be followed is set out in section 27A(4). The provisions of the section 27A of the LRC Law are of particular significance to the instant application.

Acting under section 27A of the LRC Law, the Minister has made the following orders in respect of the estate lands forming the subject matter of the instant application as follows;

- (a) Orders made by the Minister of Agricultural Development and Research, in terms of section 27A of the LRC Law read with section 42H thereof and published in the Extraordinary Gazette No. 150/12 dated 24.07.1981 vesting the estate lands referred to in the Schedules to the said orders in the SLSPC and the JEDB respectively ('P-2(i)');
- (b) Order made by the Minister of Agricultural Development and Research, in terms of section 27A of the LRC Law read with section 42H thereof and published in the Extraordinary Gazette No. 183/10 dated 12.03.1982 vesting the estate lands referred to in the Schedule thereto in the JEDB ('P-3(i)');
- (c) Order made by the Minister of Agricultural Development and Research, in terms of section 27A of the LRC Law read with section 42H thereof and published in the

Extraordinary Gazette No. 195/6 dated 31.05.1982 vesting the estate lands referred to in the Schedule thereto in the JEDB ('P-3(ii)'); and

- (d) Order made by the Minister of Forestry, Irrigation and Mahaweli Development, in terms of Section 27A of the LRC Law read with sections 22, 23 and 42H thereof and published in the Extraordinary Gazette No. 815/10 dated 21.04.1994 vesting the agricultural lands and estate lands referred to in the Schedule thereto in the SLSPC('P-2(ii)').

The aforementioned orders all refer to the fact that the Minister has made such orders "pursuant to a request of the Land Reform Commission, having considered it necessary in the interest of the Commission to do so." No terms or conditions were laid down as regards consideration in the orders 'P-2(i)', 'P-3(i)' and 'P-3(ii)' whilst it was specified that the SLSPC was bound to pay the LRC the nominal value of the lands referred to in the Schedule in the order 'P-2(ii)'.

Since the objectives sought to be achieved by the LRC Law were not achieved in its implementation, a decision was made by the Government in 1992 to privatize the estate sector. As observed in ***Balangoda Plantations PLC v. Janatha Estates Development Board and others (supra)***, such privatization was carried out in two stages; the first stage consisted of the incorporation of plantation companies in terms of an order made under section 2(2) of the Conversion of Public Corporations or Government Owned Business Undertakings into Public Companies Act, No. 23 of 1987; and the second stage consisted of the offer for sale of 51% of the shares held by the Treasury on the Colombo Stock Exchange.<sup>3</sup>

At this juncture, it would be helpful to set out certain extracts the provisions of sections 2 and 3 of the Conversion of Public Corporations or Government Owned Business Undertakings into Public Companies Act No. 23 of 1987 ("the Conversion Act").

Sections 2(2) and 2(3) of the said Act set out the procedure to be followed in effecting the incorporation of the public company in the following manner;

*2(2) Notwithstanding any other provisions of the Companies Act, No. 17 of 1982, on receipt of a direction under subsection (1) the Registrar of Companies shall*

*(i) issue a certificate of incorporation under section 15(1) of the Companies Act, No. 17 of 1982, in the name referred to in the direction under subsection (1); and*

*(ii) publish an Order in the Gazette declaring that a public company is incorporated in the name specified in the Order to take over the functions of the public corporation specified in the Order or such part of the corporation as specified therein or to take over and carry on the business undertaking specified in such Order or such part of such business undertaking as is specified therein.*

---

<sup>3</sup> Vide pp 11-12 of the judgment.

*(3) Upon the publication of the Order referred to in subsection (2) in the Gazette, the Registrar of Companies shall allot all the shares into which the share capital of the company is divided to the Secretary to the Treasury, (in his official capacity) for and on behalf of the State.*

Section 3 of the Act sets out the effect of the vesting of the functions of the corporation in the public company as follows;

*3. (1) With effect from the date of publication of the Order under subsection (2) of section 2, in the Gazette (in this section referred to as "the relevant date ") the corporation or the business undertaking, or part thereof, as the case may be, to which the Order relates shall vest absolutely in the company referred to in that Order.*

.....

*(2) Without prejudice to the generality of subsection (1) -*

*(a) all property movable or immovable*

*(i) owned by the corporation; or*

*(ii) vested in the State,*

*and used for the purposes of the corporation or the business undertaking, as the case may be, on the day immediately preceding the relevant date and specified in the Order made under section 2 (2) shall with effect from the relevant date, vest in the company;*

*(b) all liabilities of the corporation or the business undertaking, as the case may be, subsisting on the date immediately preceding the relevant date, and specified in the Order made under section 2 (2) shall be deemed to be liabilities of the company with effect from the relevant date;*

.....

*(d) all contracts and agreements entered into for the purposes of the corporation or the business undertaking, as the case may be, and subsisting on the day immediately preceding the relevant date, and specified in the Order made under section 2 (2) shall be deemed to be contracts and agreements entered into by that company; ....*

The orders made by the Registrar of Companies under section 2(2)(ii) of the Conversion of Public Corporations or Government Owned Business Undertakings into Public Companies Act No. 23 of 1987 (as amended) dated 18.06.1992 and published in Extraordinary Gazette No. 719/15 dated 18.06.1992 have been annexed to the petition marked 'P-4' and the order in respect of Watawala Plantations Limited, from which the Petitioner seeks to derive its rights and entitlements in the instant application, has been marked 'P-5' therein. It is observed that Henfold Estate, Lindula and Dickoya Estate, Hatton, in which the Petitioner claims that the LRC has made illegal, wrongful and unlawful transfers of allotments of land, are included in the list of estates set out in Part II of the Schedule to order.

Acting in pursuance of the aforementioned order ('P-5'), the SLSPC and the JEDB had executed the lease agreements designating Watawala Plantations Limited as the lessee in respect of 17 estates vested in the said SLSPC and the JEDB during the period from 21.09.1993 to 17.03.1994 and certified copies of the said lease agreements are annexed to the petition marked 'P-6(i)'- 'P-6(xvii)'. In paragraph 10 of the petition, the Petitioner had clarified that Carolina Estate had been purchased outright by the SLSPC upon the Deed of Transfer ('P-6(viii)') and that that Poolbank Estate, which was a division of Dickoya Estate, had been initially excluded from the lease agreement ('P-6(xvi)') but such error had been rectified and the lease agreement ('P-6(xviii)') had been executed in respect of such estate.

In addition, Powers of Attorney had been executed by the SLSPC and the JEDB in favour of Watawala Plantations Limited in respect of each estate contemporaneously with such lease agreements, *inter alia*, to manage and operate any business on the demised premises, including the mortgage or hypothecation thereof, and certified copies of the said Powers of Attorneys have been annexed to the petition marked 'P-8(i)' to 'P-8(xvii)'.<sup>4</sup> The petition also discloses that, pursuant to a decision of the Cabinet of Ministers, the period of the leases had been reduced from 99 years to 53 years (i.e. from 18.06.1992 – 17.06.2045) and such amendment was incorporated by a single Amendment of the Leases dated 12.10.1995 ('P-7').

Thereafter, it is stated in the petition that Watawala Plantations Limited has instituted the action HC (Civil) No. 28/2017/CO in terms of section 256(1) of the Companies Act, No. 07 of 2007 (as amended) seeking, *inter alia*, the vesting of its operational assets and liabilities relating to its "upcountry tea business segment" in the Petitioner and the said scheme of arrangement under section 256 of the Companies Act had been approved by the Court on 26.09.2017 ('P-1(iii)'). Accordingly, Deeds of Declarations had been executed jointly by Watawala Plantations Limited and the Petitioner in confirmation of the scheme of arrangement and certified copies thereof have been annexed to the petition marked 'P-9(i)' – 'P9(xvii)'.

Upon a query raised by the Court, learned Counsel for the Petitioner has stated that clause 4(a) of the Lease Agreements ('P-6(i)' - 'P-6(xvii)') permits the Lessee to assign its rights under the lease and accordingly the rights of Watawala Plantations Limited under the said Lease Agreements had been assigned to the Petitioner pursuant to the scheme of arrangement entered into between the said parties. Accordingly, he contended that the Petitioner is entitled to all rights and benefits conferred upon the Lessee under the aforementioned Lease Agreements. Thus, I am satisfied that the Petitioner has sufficient *locus standi* to have and maintain the instant application.

The complaint of the Petitioner was that, although the Petitioner has been granted the right to enjoy the said demised premises under the Lease Agreements ('P-6(i)' – ('P-6(xvii)'), the LRC, which was no longer the legal owner nor had any rights or interests in the said agricultural and estate lands, had through its servants and agents purported to illegally, wrongfully and unlawfully transfer to various third parties some of the said agricultural and estate lands. In

---

<sup>4</sup> Vide paragraph 13 of the amended petition.

support of such position, the Petitioner has cited the following examples of illegal, wrongful and unlawful transfers;

- (a) The LRC had purported to transfer a 20-perch allotment of land from Henfold Estate owned by the JEDB and leased to the Petitioner to one Kamala Arunasalam by Deed of Transfer No. 263 dated 03.06.2013 ('P-11') and that the said Kamala Arunasalam had subsequently transferred such land to Arunachalem Aravindh Kumar by Deed of Transfer No. 7533 dated 11.11.2015 ('P-12'); and
- (b) The LRC had purported to transfer a 10-perch allotment of land from Dickoya Estate owned by the JEDB and leased to the Petitioner to one Tissa Jayaweera by Deed of Transfer No. 7093 dated 17.02.2016 ('P-13' and Plan marked 'P-13(c)') for consideration of Rs. 550,000/=.

### **Grounds of Review and Analysis**

As in the case ***Balangoda Plantations PLC v. Janatha Estates Development Board and others (supra)***, the central issue that arises for consideration of this Court in the instant application is whether the LRC 4<sup>th</sup> Respondent can exercise any power in respect of lands which were vested with it in terms of Section 42A of the LRC Law, an order made by the Minister under Section 27A(1) of the said Law subsists.

In summary, the position of the Petitioner, as reflected in the pleadings and the submissions made by learned Counsel, is that the effect of the orders 'P-2(i)', 'P-2(ii)', 'P-3(i)' and 'P-3(ii)' made by the Minister under section 27A(1) of the LRC Law was that all rights, title and interest that the LRC had over the agricultural and estate lands referred to in the said orders were vested with the SLSPC and the JEDB, that, thereafter, the LRC ceased to have any rights, title or interests in respect of the said lands. The learned Counsel for the JEDB associated himself with the aforementioned position taken up by the Petitioner.

The position taken up by the learned Deputy Solicitor General and in the written submissions filed on behalf of the 1<sup>st</sup>, 3<sup>rd</sup>, 6<sup>th</sup> and 7<sup>th</sup> Respondents on the legal competence of the LRC to alienate property is substantially aligned to the position taken up by the Petitioner. Tracing the progression of title, the learned Deputy Solicitor General submitted that, subject to the provisions of the LRC Law, the LRC could have alienated agricultural or estate lands after such lands had vested in the Commission in terms of section 3(2) of the LRC Law, but that the Commission has no authority over such lands after an order is made by the Minister under section 27A(1) of the LRC Law, vesting such lands in the SLSPC or the JEDB. He further submitted that such position is evident from the provisions of section 27A(2) of the LRC Law. The learned Deputy Solicitor General also submitted that, if the LRC wished to resume its authority over such lands, it would have to persuade the Minister to revoke the said order in terms of section 24A(4) on any of the grounds set out therein, and, that, no such revocation had taken place, to date. Thus, he concluded that the LRC had no authority over the lands in issue in the instant application.

The attention of this Court was drawn by both the learned Deputy Solicitor General and the learned Counsel for the Petitioner to the fact that a legal opinion had been issued by the Hon. Attorney General as far back as 10.02.2005 confirming the position that “an order made under section 27A(1) has the effect of vesting in the relevant Corporation such title in the land that was held by the Land Reform Commission immediately before the making of such order,” and, a copy of the said opinion has been annexed to the petition marked ‘P-14’. In fact, such opinion has also been referred to in the decision of this Court in ***Balangoda Plantations PLC v. Janatha Estates Development Board and others (supra)***.<sup>5</sup>

Thus, it is seen that only the 4<sup>th</sup> and 5<sup>th</sup> Respondents, who are the LRC and its Chairman, have objected to the reliefs sought by the Petitioner. Hence, it is necessary to examine the objections raised on behalf of the said Respondents and the response to same by the Petitioner in detail.

(a) Failure to properly identify the lands

The learned President’s Counsel on behalf of the 4<sup>th</sup> and 5<sup>th</sup> Respondents submitted to Court that the Petitioner has failed to properly identify boundaries and establish whether the 20-perch land referred to in ‘P-11’ and ‘P-12’ and the 10-perch land referred to in ‘P-13’ purportedly transferred by the LRC Respondent are part and parcel of the lands vested by the Lease Agreements in respect of Henfold Estate (‘P-6(xi)’) and Dickoya Estate (‘P6-(xvi)’). Accordingly, it was submitted that there exist facts in dispute that cannot be determined by this Court in an application for judicial review. He continued that, without ascertaining the relevant boundaries of the vested lands and the lands referred to in ‘P-11’, ‘P-12’ and ‘P-13’, it would not be possible to discern whether in fact those lands are part and parcel of the lands so vested in the Petitioner.

Furthermore, the reference was also made to the fact that the statutory records and field surveys of the LRC demonstrated that substantial portions of Abbotsleigh, Darawela, Dickoya, Vellaioya and Binoya Estates have always remained under the absolute ownership and control of the Commission, including lands occupied by families and religious institutions, lands allocated to public utilities, lands identified for housing schemes, and uncultivated lands retained for public purposes.<sup>6</sup> I have also examined the documents marked ‘4R1’ – ‘4R6’ submitted by the LRC with its objections in support of its position.

In the first instance, it is observed that the discrepancies that the LRC has sought to point out all related to discrepancies between the extents of land vested in the SLSPC and the JEDB in terms of orders under section 27A read with Section 47H of the LRC Law and the extents of land leased included in the Lease Agreements in respect of such estates. The Petitioner has denied the existence of such discrepancies. Even assuming the existence of discrepancies as alleged by the Petitioner, in my view, the LRC still would not have any legal title over such land or the right to alienate or transfer same. I have arrived at such conclusion upon consideration of the provisions of section 27A(2) of the LRC Law, which sets out the legal effect of an order

---

<sup>5</sup> vide page 16 of the judgment.

<sup>6</sup> vide paragraphs 14 to 21 of the written submissions of the 4<sup>th</sup> and 5<sup>th</sup> Respondents.

made under section 27A(1), as discussed above, and as the alleged discrepancies arise post-section 27A order.

With regard to the identity of the allotments of lands purportedly transferred by the LRC, the learned Counsel contested the position taken up by the LRC and explained that the said lands were located within Henfold and Dickoya Estates respectively leased to the Petitioner, with recourse to the survey plans available.

Notwithstanding such fact, the identity of such lands becomes relevant only if the Petitioner is seeking to set aside the purported transfers made by the LRC. It is evident from the reliefs sought in the petition and the clarification made by the learned Counsel for the Petitioner that the Petitioner is not seeking to set aside such transfers already made and that the only relief sought is to prohibit the LRC from alienating and transferring lands included in the Lease Agreements in its favour unlawfully beyond its legal mandate. In arriving at such conclusion, I am guided by the findings made in the case ***Balangoda Plantations PLC v. Janatha Estates Development Board and others (supra)***, wherein a similar objection was raised by the LRC.<sup>7</sup>

In view of the foregoing, I am not inclined to accept the objections raised by the LRC relating to the identity of the lands and the existence of facts in dispute and state that they do not disentitle the Petitioner from seeking the reliefs sought in the instant application or this Court from granting same. Regarding the objection on disputed facts, it is my view that the Petitioner has been able to satisfy Court about its entitlement to the lands in issue, and further, that the alleged discrepancies raised by the LRC does not in any event ensure to its benefit or justify its conduct. I am also satisfied that there is no misrepresentation of material facts since the Petitioner has disclosed information and documents available to it regarding the lands that it has leased which are necessary to determine the instant application.

(b) Failure to cite Necessary Parties

The learned President's Counsel submitted that the Petitioner's application was defective in view of the failure to cite the transferees in the purported transfers of the allotments of lands made by the LRC (vide 'P-11' and 'P-13') and also other persons in occupation of the lands alleged to be under the control of the LRC in the estates referred to above. In view of the findings made by me on this issue above, citing the transferees of the alleged transfers made by the LRC or occupants and beneficiaries of the lands alleged to be under the ownership and control of the LRC too is not required, considering the reliefs sought by the Petitioner in the instant application. I re-iterate that a similar objection was raised and a similar conclusion was reached in the case ***Balangoda Plantations PLC v. Janatha Estates Development Board and others (supra)***.<sup>8</sup>

---

<sup>7</sup> vide page 20 of the judgment.

<sup>8</sup> vide page 20 of the judgment.

(c) Misinterpretation of the Statutory Concept of Vesting

The learned President's Counsel also challenged the interpretation of section 27A of the LRC Law advanced by the Petitioner, stating that the Petitioner's claim of "absolute ownership" under the said section 27A is based on a fundamental misunderstanding of the statutory concept of vesting.<sup>9</sup> Drawing a comparison between the provisions of section 29 of the State Lands Ordinance, No.8 of 1947 (as amended), which vests State land in local authority solely for administrative purposes whilst title remains with the Republic, and section 39 of the Land Acquisition Act No. 9 of 1950 (as amended), which explicitly states that the land vests "absolutely free from encumbrances" and confers absolute title, he contended that the meaning of "vesting" depends on its particular statutory context, and, that absolute ownership does not arise or pass unless expressly stated.

Extending such interpretation to the LRC Law, the learned President's Counsel sought to draw a distinction between the provisions of section 6 and 42A(2) on the one hand and section 27A(1) on the other. He pointed out that sections 6 and 42A(2) provide that for the vesting of lands in the Commission "absolutely free from all encumbrances," whilst no equivalent language appears in Section 27A(1) and it only provides for conditional and administrative vesting of lands in the SLSPC or JEDB "subject to such terms and conditions." It was further submitted that section 27A(2) limits transfers to only such "right, title and interest" as the Commission held immediately prior to vesting and that "such title is held solely for the purpose of allocating, managing, and administering land in accordance with ministerial discretion." Hence, the conclusion was drawn that statutory ownership could not be transferred absolutely unless explicitly authorized by Parliament and that no such authorization existed.

In their written submissions, the 4<sup>th</sup> and 5<sup>th</sup> Respondents have advanced the further argument that, since section 27A(4) empowers the Minister to revoke a vesting order and re-vest the land in the Commission, such right of divesting is incompatible with the Petitioner's theory of absolute ownership.<sup>10</sup> They sought to rely on the decision of the Privy Council in **Attorney General v. Herath**,<sup>11</sup> wherein it was held that the power of reversion is a core incident of ownership. The decisions of this Court in **Namunukula Plantations PLC and another v. Minister of Lands and others**<sup>12</sup> and **Pussellawa Plantations PLC v. Minister of Plantation Industries and others**<sup>13</sup> in support of the proposition that the Minister's discretionary authority to revoke vesting orders can be exercised even decades after issuance of vesting orders.

In relation to the aforementioned argument presented, the first observation I wish to make is that such argument itself appears to be premised on a misunderstanding or misinterpretation of the case presented by the Petitioner. There was no claim of "absolute ownership" advanced

---

<sup>9</sup> vide paragraphs 23 to 25 of the written submissions of the 4<sup>th</sup> and 5<sup>th</sup> Respondents.

<sup>10</sup> vide paragraphs 26 and 27 of the written submissions of the 4<sup>th</sup> and 5<sup>th</sup> Respondents.

<sup>11</sup> (1960) 62 NLR 145.

<sup>12</sup> CA Writ Application No. 38/2003, decided on 02.05.2008.

<sup>13</sup> CA Writ Application No. 228/2012, decided on 14.06.2016.

by the Petitioner, and, as reflected in the pleadings and submissions made by learned Counsel and as understood by this Court, the rights that the Petitioner has sought to enforce are those conferred upon it as the Lessee under the respective Lease Agreements with the SLSPC and the JEDB and which the SLSPC and the JEDB derive under section 27A (read with 42H) of the LRC Law. On the contrary, according to the Petitioner, it is the LRC which has sought to assert rights of “absolute ownership,” which it does not possess under the LRC Law, by unlawfully transferring allotments of lands within estates that it no longer owns or controls.

My second observation is that, as mentioned in the factual narrative, all 4 orders made under section 27A read with section 42H of the LRC Law ('P-2(i)', 'P-2(ii)', 'P-3(i)' and 'P-3(ii)') refer to the fact that the Minister has made such orders “pursuant to a request of the Land Reform Commission, having considered it necessary in the interest of the Commission to do so.” It is further seen that no terms or conditions had been laid down as regards consideration in the orders 'P-2(i)', 'P-3(i)' and 'P-3(ii)' whilst it had been specified that the SLSPC was bound to pay the LRC the nominal value of the lands referred to in the Schedule in the order 'P-2(ii)'. No material has been placed before this Court by the 4<sup>th</sup> and 5<sup>th</sup> Respondents controverting such position or demonstrating that the LRC had objected to the said vesting orders, at the time. Thus, having requested the Minister to make such vesting orders, I am of the view that the LRC had unequivocally and unambiguously agreed to surrender and transfer the title that it had acquired pursuant to the vesting of such estate lands in the Commission pursuant to section 42A of the Law. Hence, I am of the view that the LRC is bound by the circumstances under which the said vesting orders have been made and the terms and conditions set out therein, particularly since it has received valuable consideration from the SLSPC for the transfer of its ownership and rights under the order ('P-2(ii)'), albeit the nominal value of the estates. Consequently, the LRC is estopped from denying the position reflected in the aforementioned vesting orders and taking up a contrary position belatedly in these proceedings.

Thirdly, it is abundantly clear from a plain reading of section 27A(2) of the LRC Law that whatever right, title and interest that the LRC held is vested in the relevant State Corporation consequent to the making of an order under section 27A(1). Such view is reinforced by the provisions of section 27A(3) which relates to the transfer of rights and liabilities under existing contracts. The use of the words “such right, title and interest” and “as was held by the Commission on the day immediately preceding the date on which the Order takes effect” in section 27A(2) and the words “which subsist on the day immediately prior to the date of such vesting” in section 27A(3) further clarify that what is envisaged by an order under section 27A(1) is a vesting of the entirety of the rights, title and interests of the LRC in the particular lands and is not merely a “conditional and administrative vesting,” as contended by the LRC. Further, there is no evidence before this Court that any residual rights of ownership were retained by the LRC.

My fourth observation is that the legal effect of a vesting order under section 27A(1) has been examined by this Court in a series of cases filed typically by regional plantation companies holding leasehold rights and it is proposed herein to examine the findings made therein. In

**Kelani Valley Plantation PLC v. Janatha Estate Development Board and others**,<sup>14</sup> quoting sections 27A (1),(2) and (3), the Court observed as follows (per Deepali Wijesundera, J.):

*Under the above sections of the said Act the lands have been vested in Petitioners, the only way the third respondent [LRC] can have legal title to the said lands is if the Minister in charge revokes the lands vested under sec. 27A(1) by acting under sec. 27A(4) of the Land Reform Law.*

After an exhaustive analysis of the provisions of the LRC Law on the issue of the vesting of estate lands, **Balangoda Plantations PLC v. Janatha Estates Development Board and others (supra)**, wherein the factual circumstances and the reliefs sought were strikingly similar, this Court concluded as follows (per Obeyesekere, J.):

*For the above reasons, this Court rejects the argument of the 4<sup>th</sup> Respondent [LRC] (a) that the Orders 'P2' and 'P3'[orders under section 27A(1)] does not have the effect of passing title to the 1<sup>st</sup> and 2<sup>nd</sup> Respondents [JEDB and SLSPC]; and (b) that the 4<sup>th</sup> Respondent continues to remain the absolute owner of the said estate lands.*

*It is indeed disheartening to note that the 4<sup>th</sup> Respondent, which is an agency established by the Government and funded by the Government, has completely disregarded the advice tendered by the Hon. Attorney General and acted totally contrary to the provisions of the LRC Law. The 4<sup>th</sup> Respondent must bear in mind that, just as much as the 1<sup>st</sup> and 2<sup>nd</sup> Respondents, it is also an agency created by the Government to execute State policy relating to the management and utilisation of lands vested in terms of the LRC Law, and that it cannot act contrary to State policy or in an arbitrary manner.*

*In the above circumstances, this Court, having carefully considered the provisions of Sections 27A(1) - (3), is in agreement with the submission of the learned President's Counsel for the Petitioner that the 4<sup>th</sup> Respondent does not have any legal authority over the agricultural and estate lands vested in the 1<sup>st</sup> and 2<sup>nd</sup> Respondents by 'P2' and 'P3'. The 4<sup>th</sup> Respondent cannot exercise any powers over the said lands, as long as the Orders 'P2' and 'P3' subsists. This Court is therefore of the view that the 4<sup>th</sup> Respondent acted ultra vires its powers and illegally when it executed leases after the Orders 'P2' and 'P3' came into effect. This Court, being further of the view that the 4<sup>th</sup> Respondent must be restrained from continuing with such interference, issues the Writs of Prohibition prayed for in paragraphs (b) and (c) of the prayer to the petition. This Court makes no order with regard to costs.*

In the case **Ven. Rajawela Nandarathana Thero v. Land Reform Commission and others**,<sup>15</sup> in which the Petitioner sought to enforce a decision made by the LRC to handover a land to him that had been vested with the JEDB pursuant to an order under section 27A(1), the Court reached a similar conclusion and observed as follows (per Obeyesekere, J.):

---

<sup>14</sup> CA Application No. 657/2011, decided on 03.06.2016.

<sup>15</sup> CA Writ Application No. 45/2016, decided on 31.07.2020.

The consequences of an Order made under Section 27A(1) has been set out in Section 27A(2), which reads as follows:

*“An Order under subsection (1) shall have the effect of vesting in such State Corporation specified in the Order **such right, title and interest** to the agricultural land or estate land or portion thereof described in that Order, **as was held by the Commission** on the day immediately preceding the date on which the Order takes effect.”*

The provisions of Section 27A(3) leaves no room for any ambiguity when it states as follows:

*“Where any agricultural land or estate land or any portion thereof is vested in a State Corporation by an Order made under subsection (1), **all the rights and liabilities of the Commission** under any contract or agreement, express or implied, **which relate to such agricultural land or estate land or portion thereof**, and which subsist on the day immediately prior to the date of such vesting, **shall become the rights and liabilities of such State Corporation.**”*

The above provisions reflect the intention of the legislature that the rights and liabilities of the Land Reform Commission in respect of any agricultural or estate land, together with the absolute title that the Land Reform Commission had to such lands shall pass to the Janatha Estates Development Board, with the making of an Order under Section 27A(1).

With the publication of the said Order ‘R2’, the Land Reform Commission ceased to be the owner of all the agricultural and estate lands referred to therein, and in terms of Section 27A(1) of the LRC Law, the said lands referred to in the Schedule to ‘R2’ vested with the Janatha Estates Development Board and the title to the said lands stood transferred to the Janatha Estates Development Board effective from the date of such Order.

Such reasoning was also followed by this Court in **Kotagala Plantations PLC v. H.A. Kamala Pushpakumara, Divisional Secretary and others**,<sup>16</sup> which related to acquisition proceedings initiated in respect of an estate land (per Obeyesekere, J., P/CA (as he then was);

*There is one other matter that I must advert to. The learned Senior State Counsel submitted that the possession of the land has already been handed over to the 1st Respondent by the officials of the Land Reform Commission. However, as I have already referred to, the Minister of Lands and Mahaweli Development has made an order in terms of Section 27A of the Land Reform Commission Law vesting Sorana Estate in the 6th Respondent. It has been held in **Balangoda Plantations PLC v. Janatha Estates Development Board and Others** that in view of the provisions of Sections 27A(1) – (3), title of the Land Reform Commission stands transferred to the 6<sup>th</sup> Respondent upon the said Order being published in the Gazette and that the Land Reform Commission does*

---

<sup>16</sup> CA Writ Application No. 380/2017, decided on 03.06.2021.

*not have any legal authority thereafter over the agricultural and estate lands vested in the 6<sup>th</sup> Respondent.*

The aforementioned decisions of this Court reflect a clear and consistent line of reasoning that an order under section 27A(1) has the effect of vesting absolute title in the relevant State Corporation, namely, the SLSPC or the JEDB, and thereafter the LRC does not have title or legal authority over the particular agricultural or estate land. I am in full agreement with such line of reasoning and observe no grounds to deviate from same in the instant application. As such, I am of the view that the interpretation advanced by the LRC relating to the concept of vesting under the LRC Law is misconceived in law and should be rejected.

(d) Legal Effect of Leases executed by the SLSPC and the JEDB

Although such matter was not urged by learned President's Counsel at the hearing of this application, it is observed that the LRC has taken up the position in its written submissions that the Petitioner's reliance on leases and powers of attorney executed by SLSPC or JEDB is devoid of legal foundation since a lease does not confer proprietary title, nor can a public corporation purport to transfer rights which it does not possess.<sup>17</sup> It is further contended that, as section 5(a) of the Sri Lanka State Plantation Corporation Act, No. 4 of 1958 (as amended) confirms that its mandate extends only to management and not alienation, any instrument purporting to alienate proprietary rights is *ultra vires* and void. Thus, it is contended that all the Gazettes the Respondents purport to rely on are *ultra vires* and void.

As in the case of the argument presented on statutory vesting, this argument too appears to be founded on a misconception of the position taken up by the Petitioner. As reflected in the pleadings and submissions, the Petitioner is not seeking to claim or assert proprietary title through the relevant lease agreements. Rather, the Petitioner's grievance is that the LRC, which is an extraneous party in so far as the leases are concerned, is unlawfully interfering with the enjoyment of its leasehold rights under the said lease agreements.

In the context of the issue of the SLSPC and the JEDB to enter into such lease agreements, it is observed that section 5(2)(1) of the State Agricultural Corporations Act No. 11 of 1972 (as amended) under which the JEDB was established and section 6(1) of the Sri Lanka State Plantation Corporation Act (as amended) under which the SLSPC was established, specifically empower the said institutions to enter into lease agreements in respect of lands vested in them. In such circumstances, I hold that the argument presented by the LRC challenging the *vires* and legal effect of the lease agreements is entirely devoid of merit.

The LRC seeks to further contend that all the Gazettes the Respondents purport to rely on are *ultra vires* and void, presumably referring to the 1<sup>st</sup> and 2<sup>nd</sup> Respondents, as the 4<sup>th</sup> and 5<sup>th</sup> Respondents are the LRC and its Chairman. As discussed elsewhere in this judgment, all the orders contained in the Gazette notifications referred to in this application have been issued in terms of statutory provisions to fulfil certain policy objectives relating to the effective management and utilization of agricultural and estate lands vested in terms of the LRC Law.

---

<sup>17</sup> vide paragraph 28 of the written submissions of the 4<sup>th</sup> and 5<sup>th</sup> Respondents.

The LRC has been an integral part of such process and have not at time sought to challenge the *vires* of any orders contained in such Gazette notifications. Thus, I reject such argument presented on the *vires* of the Gazette notifications and observe that such argument has been presented by the LRC without any legal basis and in scant disregard of its own legal status and powers.

(e) Interference with statutory functions of the LRC

Another objection raised by the learned President's Counsel was that the Petitioner has sought to restrain the Commission from performing statutory duties such as surveying, allocating land for public purposes, regularizing long-term occupation, and managing retained extents and that the writ jurisdiction of this Court cannot be invoked to prevent lawful statutory functions. It has further submitted that that judicial review does not extend to directing or restraining the exercise of statutory powers unless there is patent illegality, none of which is shown here.<sup>18</sup> In this regard specific reference was made to section 22(1)(c) of the LRC Law which permitted the Commission to alienate allotments of land by sale for the construction of residential houses.

It is a fundamental principle in public law that institutions established by or under a statute, such as the LRC, are bound and constrained to discharge their duties and functions and exercise their powers strictly within the mandate conferred upon them by their constituent instrument. In fact, such principle can be identified as a key foundation of the Rule of Law as it seeks to prevent arbitrariness and abuse of power by public authorities. Accordingly, the LRC too is bound to discharge its duties and functions exercise powers strictly within the parameters set out in the LRC Law. As such, the LRC is entitled to the protection of the law only in so far as it acts within the law.

Certainly, the LRC could alienate by sale allotments of lands for the construction of residential houses under section 22(1)(c) of the LRC provided that the Commission had title over the subject land. However, in the instant case, as discussed above, it is clearly evident that that the LRC has acted illegally and in excess of its powers in purporting to transfer allotments of land within the estates in which the Petitioner is the lawful lessee (vide 'P-11' and 'P-13'), when it no longer had any rights, title or interest. Thus, as the 4<sup>th</sup> and 5<sup>th</sup> Respondents themselves had acknowledged, in view of the patent illegality in its conduct, this Court is entitled to intervene and consider the grant of the reliefs sought by the Petitioner.

In this context, I also wish to re-iterate the following sentiments expressed by His Lordship Justice Arjuna Obeyesekere in ***Balangoda Plantations PLC v. Janatha Estates Development Board and others (supra)*** on the role of the LRC;

*The 4<sup>th</sup> Respondent [LRC] must bear in mind that, just as much as the 1<sup>st</sup> and 2<sup>nd</sup> Respondents [SLSPC and JEDB], it is also an agency created by the Government to execute State policy relating to the management and utilisation of lands vested in*

---

<sup>18</sup> vide paragraph 30 of the of the written submissions of the 4<sup>th</sup> and 5<sup>th</sup> Respondents.

*terms of the LRC Law, and that it cannot act contrary to State policy or in an arbitrary manner.*

### **Conclusion and Orders of Court**

For the reasons set out above, I hold that the 4<sup>th</sup> Respondent Land Reform Commission does not have any legal authority over the agricultural and estate lands vested in the 1<sup>st</sup> and 2<sup>nd</sup> Respondents, namely, the Sri Lanka State Plantations Corporation and the Janatha Estates Development Board, in terms of the vesting orders under section 27A(1) of the Land Reform Law marked 'P-2(i)', 'P-2(ii)', 'P-3(i)' and 'P-3(ii)' and which have been leased to the Petitioner under the Lease Agreements marked 'P-6(i)' to 'P-6(xvii)' to be read with Deeds of Declaration marked 'P-9(i)' to 'P-9(xviii)', as long as the said vesting orders remain in effect. Hence, the 4<sup>th</sup> and 5<sup>th</sup> Respondents have acted *ultra vires* its powers and illegally in executing the Deeds of Transfer marked 'P-11' and 'P-13', whilst the aforementioned vesting orders are in effect. In the circumstances, I am also of the view that the 4<sup>th</sup> Respondent and those acting under its authority should be restrained from continuing such illegal conduct and I proceed to issue the writs of *Prohibition* prayed for in paragraphs (b) and (c) of the prayer to the amended petition. Considering the hardship and expense caused by such conduct to the Petitioner in having to seek redress from this Court, I order the 4<sup>th</sup> Respondent to pay the Petitioner a sum of Rs. 50,000/= as costs to be paid within 03 months of the date of this judgment.

Before parting with this judgement, I must re-iterate the disappointment and displeasure expressed in previous decisions of this Court regarding the conduct of the Land Reform Commission in continuing to act illegally in blatant disregard of its statutory mandate, decisions of this Court and the legal advice of the Attorney General. Whilst I hope that this judgment will compel the Commission to rectify its conduct, I also wish to point out that, as minister-in-charge of the subject and the appointing authority of the Commission, the 3A Respondent Minister is obliged to exercise necessary supervision and oversight in order to ensure that the LRC acts in strict compliance with the law in discharging its duties and functions, for the benefit of the public.

*Application allowed.*

**Judge of the Court of Appeal**

**Mayadunne Corea, J.**

I agree.

**Judge of the Court of Appeal**