

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

*In the matter of an Application for
Orders in the nature of Writs of
Certiorari, Prohibition and Mandamus
under Article 140 of the Constitution of
the Democratic Socialist Republic of Sri
Lanka.*

Union Industrial Washing (Private)
Limited,
No.20, Lake Road, Maharagama.

CA (Writ) App. No. 418/2023

PETITIONER

Vs.

1. Minister of Industries,
Ministry of Industries,
P.O. Box 570,
73/1, Galle Road,
Colombo 03.
2. Secretary to the Ministry of Industries,
Ministry of Industries,
P.O. Box 570, No. 73/1,
Galle Road,
Colombo 03.
3. H. M. J. M. Herath,
The Director
(Industrial Development),
Ministry of Industries,

P.O. Box 570,
73/1, Galle Road,
Colombo 03.

4. Divisional Secretary of Wennappuwa,
The Divisional Secretariat,
Wennappuwa.
5. Dasun Rajapakshe,
Regional Director,
Regional Industries Service Centre
-North Western Province,
1st Floor,
No.42, Mihindu Mawatha,
Kurunegala.
6. Commissioner General of Land,
Land Commissioner,
General's Department,
"Mihikatha Medura",
Land Secretariat,
No.1200/6,
Rajamalwatta Road,
Battaramulla.
7. Minister of Tourism and Lands,
Ministry of Lands,
"Mihikatha Medura",
Land Secretariat,
No.1200/6,
Rajamalwatta Road,
Battaramulla.
8. Yvonne Lanka (Pvt) Ltd.
No.216,
De Saram Place,
Colombo 10.
9. Sui Pui Yeung,
The Director,

Yvonne Lanka (Pvt) Ltd.,
No.216,
De Saram Place,
Colombo 10.

RESPONDENTS

Before: Dr. D. F. H. Gunawardhana, J.

Counsel:

Farzana Jameel, PC with Shiloma David and Shahanie Mackie instructed by Anoma Gunatilake for the Petitioner.

Manoj Bandara with Thivanka Hettiarachchi and Kasuni Ranaweera instructed by Sudath Perera Associates for the 8th to 9th Respondents.

Ishara Madarasinghe, SC for the 1st to 7th Respondents.

Argued on: 11.12.2025

Written submissions filed on:

03.02.2026 by the Petitioner.

09.01.2026 by the 1st to 7th Respondents.

05.02.2026 by the 8th Respondent.

Delivered on: 23.02.2026

Dr. D. F. H. Gunawardhana, J.

Judgement

Introduction

The Petitioner in this Application has sought to obtain *inter alia* the following relief from this Court against the Respondents;

“c. Grant and issue a Writ of Certiorari quashing the decision of the RISC to cancel allocation of the said land to the Petitioner (the State Lease), contained in letter dated 31.12.2021 marked P14;

d. Grant and issue a Writ of Certiorari quashing the decision of the 2nd Respondent to cancel the State Lease given in favour of the Petitioner, to terminate the Petitioner's project on the said land as contained in letter dated 05.06.2023, marked P32;

e. Call for, and grant and issue a mandate in the nature of a Writ of Certiorari, quashing any directive, /decision/ issued by any one or more of the 1st to 7th Respondents and, or their servants/ agents entering into a State Lease with the 8th Respondent, of the land or any portion of the said land, leased to the Petitioner under the State Lease bearing No. 4/10/21126, marked P3.

f. Issue a Mandate in Writ of Mandamus compelling the 4th and/or 6th and/or 7th Respondents to issue a notice according to law, to the 8th Respondent to vacate the State land described in the schedule to the State Lease marked P3;

g. Until the final determination of this application, issue an interim order suspending any approval granted by any of the Respondents authorising the 8th and 9th Respondents to continue in occupation of the subject land;

h. Grant and issue a Mandate in the nature of a Writ of Certiorari to quash the decision of the 1st and 2nd Respondents contained in P32;

i. Grant and issue a Mandate in the nature of a Writ of Prohibition preventing the 1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Respondents from granting a long-term lease in favour of the 8th Respondent and or any other entity over the subject land or any portion of the land described in the State Lease bearing No.4/10/21126 marked P3;”

The Petitioner is a lessee of a certain plot of land which had been leased out to the Petitioner under the State Lands Act for a period of 50 years. The said lease is marked as **P3** annexed to the Petition. However, in 2016, with the consent of the 4th and 6th Respondents, the Petitioner had subleased the same by **P7** to the 8th Respondent for a period of five years. Although permission was sought by the Petitioner from the 4th and 6th Respondents to extend the sublease after its (**P7**) expiry, no permission came forth; however, some of the Respondents behind the curtains are now allegedly trying to directly lease out the premises in suit to the 8th Respondent after cancelling the said lease **P3** given to the Petitioner. Therefore, the Petitioner challenges the same in this Application.

In the meantime, the Petitioner has received the letter **P32**, sent by the 2nd Respondent, cancelling the said lease **P3**; reasons which are given therein, is that the Petitioner had failed to carry on operations of his industry after 2013, and therefore, has violated the conditions stipulated in **P3**. As such, the said lease **P3** is liable to be cancelled; thus, the Petitioner challenges the same in this Application.

After initially issuing formal notice, the Respondents have filed their respective Objections, and this was argued before me on 11.12.2025; hence, this judgement.

Arguments

The thrust of Ms. Jameel's main argument is that **P32** is irrational, illegal, capricious, and a clear case of abuse of power; therefore, it should be quashed by a *Writ of Certiorari*. At the same time, she argues that the 8th Respondent, who had been introduced by the Petitioner to the 1st Respondent as its lessee, is going to benefit behind the Petitioner's back, as there are now certain under-the-table dealings with certain officers of the 1st Respondent. Therefore, she further argues that unless the 1st to 7th Respondents are prevented from issuing any lease directly to the 8th Respondent, the Petitioner's legal rights are not secured, which emanates from the lease agreement **P3**.

On the other hand, Ms. Madarasinghe, the learned State Counsel for the 1st to 7th Respondents, argues that the Noorani industrial park was set up pursuant to the document marked as **R1** and **R2**, and **R2(a)**, culminating in allotting plots of land in the industrial park depending on the proposals submitted by various industrialists, including the Petitioner. **P3** is the lease agreement entered into between the Petitioner and the Government to legalise the Petitioner's possession of the land in suit. However, after 2013, the Petitioner ceased to carry on the operations of the industry it had proposed; therefore, the sublease was permitted for five years. Thus, the Petitioner and the 8th Respondent entered into the said sublease with the approval of the relevant authorities.

It is her next argument that the Petitioner is making a profit without contributing to the rationale of allotting a plot of land of the industrial park, from and out of the lease marked as **P3**, if the Petitioner continues to sublease the premises to third parties like the 8th Respondent, in the manner it continues to do in the instant Application. Therefore, the Government has decided in furtherance

of the original concept of “Gamata Karmantha”, to directly enter into an agreement with the real industrialist, who is the 8th Respondent.

It was further argued that prior to the cancellation of the lease **P3**, in fairness to the Petitioner, four officers of the 1st Respondent made a field visit and submitted an evaluation report marked as **R3**, by which it is proposed that after cancelling the lease **P3** on the basis that the Petitioner had ceased to carry on the initially proposed industrial operations for more than a decade, to call for applications from prospective industrialists including the 8th Respondent and the Petitioner, should be made, and after considering the received proposals, to lease out the said plot of land (in suit) where the Petitioner has developed by constructing certain infrastructure to setup its industry. It has been further recommended to compensate the Petitioner for the expenditure incurred for development, which is to be recovered from the prospective industrialist to whom the allocation of the land will be made.

Mr. Bandara appearing for the 8th Respondent also argued that the Petitioner had long ceased to operate his industry since 2013; thereafter, for the purpose of subleasing the said land to a third party, the lease **P3** was entered into between the Government and the Petitioner, with a covenant empowering the Petitioner to enter the land in suit into a sublease.

Responding to an argument advanced by Ms. Jameel referring to certain documents, particularly **P13** and **P14**, his argument is that after the expiry of the lease on 30.11.2021, his client was not in lawful possession; as such, to legalise his possession, he sought the assistance of the 6th Respondent for the contribution towards the development of the economy, including bringing forex into the country, while creating employment opportunities. Therefore, the Petitioner’s application has no merits.

Factual matrix

The Ministry of Industries, having decided to setup industrial parks in different districts under the concept of “Gamata Karmantha”(Industries for Rural Sri Lanka) to achieve the objectives of the Industrial Promotion Act, No. 46 of 1990, desired to setup Noorani Industrial Park of Wennappuwa, in the District of Puttalam. Thereafter, applications were called for from entrepreneurs to allot plots of land in the said industrial park to put up their industries. The object of setting up of the said industrial parks in rural areas is to bring the industries to rural areas that are concentrated in cities and urban areas. Thus, to encourage and promote private entrepreneurship, creating employment opportunities for the people in the area, and bringing in foreign exchange to the country. For that purpose, various concessions, including tax concessions, were given to the entrepreneurs by the Government.

The Petitioner has submitted a project application dated 27.03.2006 to the Secretary to the Ministry of Industrial Development, which was approved by the Secretary of Industrial Development by his letter dated 25.05.2006, where the said project of the Petitioner of manufacturing garments, washing and finishing of garments was to be carried out in a state land referred to in the said letter, subject to the conditions therein; the said proposal was approved and land in suit was allocated to the Petitioner by the document marked as **R1**, annexed to the Objections.

For that, a Cabinet Memorandum had been presented to the Cabinet, dated 04.10.2006, and the same was approved by the Cabinet for the allocation of the land blocks to set up various industries on industrial estates in extent given in Annexure II to the said memorandum. Each investor’s name is also listed in the said Annexure, and the same was approved by the Cabinet, dated 11.10.2006 at the Cabinet Meeting. The said Cabinet Memorandum and the Minutes of the Cabinet meeting have been marked as **R2(a)** and **R2(b)** annexed to the Objections. Thus, the Petitioner was given

the said plot of land. Accordingly, the Petitioner was selected as a prospective industrialist to allot a plot of land in the said Noorani industrial park of Wennappuwa, and it was given the possession of a Two Acre plot of land by the document marked as **R1**.

The Petitioner has put up an industry of garments and washing of unused garments for export purposes, after the Petitioner was placed in possession of the said land in 2006. It was a pre-conditioned that all the allottees in the industrial park had to put up their industries and invest money to develop the said plots as per **R1**. Thus, the Petitioner states that it had erected industrial buildings on the plot of land, spending Rs. 150,000,000/- (One Hundred and Fifty Million Rupees) as a permanent investment.

The Petitioner's plight

The Petitioner asserts that the harsh economic conditions that prevailed in 2013 affected its business; thus, its production and services came to a stand-still. Therefore, it had decided to sub-lease the said plot of land along with the industrial buildings that it had already erected on the said plot to the 8th Respondent, since the 8th Respondent by that time had approached the Petitioner seeking to take the plot of land along with its buildings on a sub-lease from the Petitioner.

For that purpose, the Petitioner has sought the permission of the 6th Respondent through the 4th Respondent by its letter dated 11.03.2016, marked as **P2** annexed to the Petition. Pursuant to that request only that through **P3** dated 06.04.2016 was entered into between the Petitioner and the State to facilitate such sub-lease to be entered into between the Petitioner and the 8th Respondent. At the request of the Petitioner dated 11.03.2016, the 4th Respondent has given permission by letters dated 18.11.2016 and 21.11.2016, marked as **P4** and **P5** annexed to the Petition. This was

further approved by the 5th Respondent by the letter dated 23.11.2016, marked as **P6** annexed to the Petition.

Sub-Lease ‘P7’

Consequently, the sub-lease was entered into between the Petitioner and the 8th Respondent on 01.12.2016, marked and annexed to the Petition as **P7**, for a period of five years.

However, after five years, when the Petitioner sought further permission from the Respondents to enter into a new sub-lease subsequent to the expiry of the sub-lease **P7** with the 8th Respondent, the other Respondents never permitted it. Instead, the Petitioner had come to know that negotiations were being held between the 8th and 6th Respondents for the 8th Respondent to obtain a direct lease for the same land and premises in suit from the State by-passing the Petitioner after the cancellation of the lease **P3** which has been given to the Petitioner by the State for a period of fifty years. Thus, the Petitioner has received the document marked as **P32** annexed to the Petition, which contains the Respondents decision to terminate the lease **P3**.

The Petitioner’s complaint

The Petitioner has made several requests to the 4th Respondent, seeking permission to extend the sub-lease or enter into a new sub-lease after the expiry of **P7**, which is marked as **P8**. Consequent to **P8**, the 4th Respondent has sought the recommendation of the 5th Respondent to grant permission for a sub-lease to the Petitioner. In addition to that, the Petitioner has written directly to the 5th Respondent as well; those letters are marked and annexed to the Petition as **P9** and **P10**. The 5th Respondent has informed the 4th Respondent that the extension of the sub-lease cannot be granted due to reasons set out in the letter marked as **P11** annexed to the Petition.

In the meantime, the Petitioner has informed the 3rd Respondent that his financial situation has improved and is willing to carry on the business in the premises in suit, and those letters are marked as **P16** and **P17** annexed to the Petition. However thereafter, a field visit had been conducted by the officers attached to the Ministry of Industries on 31.10.2022. After the field visit, they had submitted a report, recommending the following;

- (a) Cancel the existing lease given to the Petitioner (**P3**) since the Petitioner does not carry out any operations as approved by the Ministry.
- (b) Calling for fresh proposals from interested investors, including the 8th Respondent, to grant a new lease to such an investor who comes out with the best proposal.
- (c) If the 8th Respondent's proposal is not successful, he will be given a period of three years to reinstall his industry in a different land, after removing the same from the premises in suit.
- (d) If the said lease **P3** is cancelled, to pay off the compensation for the improvements effected by the Petitioner to the buildings.

The said report of the recommendations is marked as **R3**. Based on **R3**, the 2nd Respondent has decided to cancel the lease given to the Petitioner, which is marked as **P32** along with the Petition, dated 05.06.2023, and the Petitioner is challenging the same.

Objections of the 1st to 7th Respondents

The 1st to 7th Respondents have filed their respective joint Objections, and according to their Objections, the Petitioner was allotted a plot of land of Two Acres as way back as in 2006, upon the proposal submitted, on the document marked as **R1** annexed to the Objections (of the 1st to 4th Respondents). A Cabinet decision had been taken after submitting the Cabinet Paper marked as

R2 and **R2(a)** to set up an industrial park in the Northwestern Province, identified as “Noorani Industrial Park” under the concept of “Gamata Karmantha”, which is a concept pursued to achieve the object of the Industrial Promotion Act. Later from 2013, the Petitioner failed to carry out the operations of the said industry; thereafter, on the Petitioner’s application, permitted the Petitioner to sublease it to the 8th Respondent. Thus, now the Petitioner is receiving a profit without contributing to the development of the economy nor participating in any industrial work as expected, which is against the rationale of the industrial park of Wennappuwa under the “Gamata Karmantha”. Thereby, the Petitioner has only become an agent who draws a profit as a commission by subleasing it to the 8th Respondent.

Thus, the 1st to 7th Respondents have decided to cancel the lease and directly lease out the premises in suit to the 8th Respondent, who contributes to the economy and derives an income while generating employment opportunities to the people in the area. This decision was taken upon the said report submitted by some of the officers attached to the Industrial Ministry. Hence, that prevents an intermediary, the Petitioner, from making a profit from the contract of the sublease.

The 8th Respondent’s Objections

The 8th Respondent by his Objections has stated that it is a company incorporated in Sri Lanka, under the Companies Act, No. 7 of 2007, and all its directors are Chinese nationals having a Board of Investment (BOI) approval to carry on its business as a BOI project. In addition to that, it has stated that its main business is manufacturing garment accessories which includes heat transfer labels, bar code tags, adhesive stickers, printed fabric labels, woven labels, corrugated and paper boxes, handbags and plastic boxes. It is one of the main suppliers to locally renowned brands such as Brandix Apparel (Private) Limited and MAS Holdings as well, in addition to international businesses.

It is its position that the Petitioner has ceased to carry on its business operations in the premises in suit, where it had put up a factory of garment washing; however, due to reasons only known by the Petitioner, the Petitioner's business has ceased to operations, but definitely not due to any economic crisis based on the Central Bank Report marked as **Y5**.

It has further asserted that the Petitioner had been given the said premises under the lease **P3** which has been entered in terms of State Lands Ordinance, between the Petitioner and the State, consequent to the establishment of the Noorani Industrial Park in Wennappuwa area, which had been established pursuant to the Cabinet decision taken in terms of Industrial Promotion Act, No. 46 of 1990. However, it is further its position that since the Petitioner has ceased to operate after 2013, the Regional Industrial Services Centre (RISC) Committee of Northwestern had on several occasions had instructed the Petitioner to resume operations of the factory, if not, close down the factory and hand over the premises in suit to the State; this is borne out by the documents marked **Y6** and **Y7** along with the Objections of the 8th Respondent.

Furthermore, the 8th Respondent has stated that after entering into the sublease with the Petitioner marked as **P7** along with the Petition, it has been placed in possession and thereafter having incurred enormous expenses amounting to Rs. 189,000,000/- (One Hundred and Eighty-Nine Million Rupees), it has effected improvements for the purpose of fixing its machinery and also setting up a particular platform to install its machinery, and in addition to that, after entering into the said sublease, the recruitment of employees was also effected from the same area; therefore, if it is to relocate in another location, not only will it have to bear tremendous hardship, financially and otherwise, but also it will cause hardships to its employees of whose service it had already secured after recruiting them.

In addition to that, it is the 8th Respondent's position that if it is to close down or be relocated, it might cause the loss of employment of the 140 employees that have already been employed and are residents of the Wennappuwa area of the radius of between five to ten kilometres from the said factory.

Further, it is its position that even in **P7**, there is a particular clause to the effect that it has reserved its rights to renew the sublease since it has effected many improvements to the infrastructure after taking possession of the premises in suit, and spending more money for the recruitment of employees from the area.

Additionally, it is its position that if the Petitioner has sought as an intermediary to sublease the premises in suit to the 8th Respondent, it has done so without any right; however, negotiations have been conducted between some of the Respondents, namely the 4th to 6th Respondents, with the 8th Respondent, to directly sublease the premises in suit to the 8th Respondent as the payment of rent can directly be made by the 8th Respondent to the State, and thereby, contributing to the economy. Therefore, the Petitioner is not entitled to maintain this Application against the 8th Respondent or the State, since the Petitioner has no right to request for any relief as prayed for.

In addition to that, the 8th Respondent has taken up the position that the Petitioner has wilfully suppressed certain material facts, including the fact that the dispute between the Petitioner and the 8th Respondent which has already been referred to arbitration pursuant to an arbitration clause contained in the same sublease **P7**¹.

Objectives of establishing Noorani Industrial Park

¹ *Walker Sons & Co. Ltd. v. Wijayasena* [1997] 1 Sri LR. 293.

According to **R2** and **R2(a)**, the Cabinet of Ministers have decided that Noorani Industrial Park of Wennappuwa should be established for the purpose of encouraging entrepreneurs to locally produce various items, including garments, and export them to earn foreign exchange, and in the process, create employment opportunities for the residents in and around the area. Thus, this Noorani Industrial Park was set up in Wennappuwa in the Northwestern Province in the course of setting up various other industrial parks all over the country under the concept and scheme of regional industrialisation, which is known popularly as “Gamata Karmantha”, established in terms of the Industrial Promotion Act, No. 46 of 1990.

For that purpose, they had called for various proposed projects; thus, the Petitioner has submitted its proposed project, and having been satisfied, the Respondents had decided to allocate a Two Acre plot of land to the Petitioner to set up a building and related infrastructure to facilitate its industry, as borne out by **R1**.

The Petitioner ceased to operate his industry

However, according to the Petitioner’s own showing, there was a dearth in the market; therefore, the Petitioner had to face some financial issues, and thereby causing his business to come to a standstill. Thus, operations ceased, and it was looking for a way out to get out of the financial mess that it was in.

The 8th Respondent’s involvement

In the meantime, it also transpired that the 8th Respondent was looking for a place to set up its industry, and it had come to know that the Petitioner was searching for someone to take over the plot of land, including the buildings and infrastructure fixed thereto, and carry on some industry. Thus, the Petitioner has sought permission from the 4th and 5th Respondents to permit the 8th

Respondent to enter into a sub-lease, since by that time, the Petitioner's possession and occupation of the industrial plot of land had not properly regularised. Accordingly, the first step to be done, as transpired in the course of argument, was for the 4th to 6th Respondents to regularise the possession of the Petitioner by issuing the lease for fifty years under the State Lands Ordinance, which is marked as **P3** annexed to the Petition. Subject to the conditions therein, the Petitioner has accepted and entered into the said leased with the Head of the State.

Though discussions had already commenced prior to the entering of the lease **P3**, thereafter, permission was formally sought and obtained the same, and in the same year, the sub-lease **P7** was entered into between the Petitioner and the 8th Respondent; thus, the 8th Respondent was placed in peaceful possession of the plot of land where the industrial buildings and infrastructure was initially set up by the Petitioner at his own expenses.

After the regularisation and placing the 8th Respondent in possession for five years in terms of the sub-lease agreement **P7**, when it was about to expire, the Petitioner has sought further permission from the 4th and 5th Respondents to renew the sub-lease given to the 8th Respondent. In the meantime, the 8th Respondent was not sure whether it would be able to obtain the extension, and it had apparently struck a dialogue with the 4th to 6th Respondents, and the Government officers of the relevant authorities had come to know that the 8th Respondent was paying higher rental as the lease rental to the Petitioner, who was in turn making a profit out of it while paying the rental under **P3** due to the Government for a comparatively lesser sum.

In those circumstances, the Government officers had decided to cancel the lease **P3** given to the Petitioner as he was unable to carry on its proposed industry and business under the terms and conditions of **P3**, and they were considering to give a lease directly to the 8th Respondent to carry

on its business in the same premises. Thus, the Government officers had decided to cancel the lease **P3** and inform the Petitioner that permission cannot be given to extend the said sub-lease **P7**.

The said decision has been conveyed to the Petitioner by the document marked **P11**, dated 23.11.2021, by the 5th Respondent. For the purpose of record, I wish to reproduce the same as to why the 5th Respondent had decided to directly enter into a lease with the 8th Respondent after cancelling **P3**;

“උක්ත කරුණ සම්බන්ධයෙන් ඔබේ අංක WEN/LND/L3/5/7 හා 2021.11.11 දිනැති ලිපිය හා බැඳේ

02. කර්මාන්ත අමාත්‍යාංශය කර්මාන්තපුර පිහිටුවීම හරහා ආයෝජකයන් හට අඩු පිරිවැය යටතේ සිය නිෂ්පාදන කටයුතු සිදුකරගෙන යාමට ඉඩසලසා දීම මූලික වශයෙන් අපේක්ෂා කරයි. යම් ආයතනයක් තමා වෙත ලබා දී ඇති ඉඩම් කොටස තවත් ආයතනයකට අතුරු බදු දීම මගින් එම මූලික අරමුණ ඉටු නොවනවා සේම එමගින් අයථා ලෙස ඉපයීමක් ද සිදුවිය හැකිය.

03. නුරාණි කර්මාන්තපුරයෙහි යුනියන් ඉන්ඩස්ට්‍රියල් වොෂින් පුද්ගලික සමාගම විසින් ඉවෝන් ලංකා පුද්ගලික සමාගමට සිය ඉඩම් කොටස අතුරු බදු දීම හේතුවෙන් උක්ත අරමුණ ඉටුකර ගැනීමට නොහැකි වී ඇති බව පෙනී යයි. තවද, ඉවෝන් ලංකා පුද්ගලික සමාගම විසින් වසර පහක් තුළ ඉතා සාර්ථකව ඔවුන්ගේ කර්මාන්තය පවත්වාගෙන යනු ලබයි. එබැවින් යුනියන් ඉන්ඩස්ට්‍රියල් පුද්ගලික සමාගම වෙත ලබා දී ඇති අනුමැතිය අවලංගු කර ඉවෝන් ලංකා පුද්ගලික සමාගම වෙත අනුමැතිය ලබාදීමෙන් මෙය වඩාත් සාර්ථක වනු ඇත.

03. එබැවින් ඉහත හේතූන් මත යුනියන් ඉන්ඩස්ට්‍රියල් පුද්ගලික සමාගම වෙත ලබා දී ඇති 4/10/21126 දරණ දීර්ඝකාලීන බදුකරයේ අතුරු බදු ගිවිසුමෙහි කාලය දීර්ඝ කිරීම කිසිසේත් නිර්දේශ කළ නොහැකි බව කාරුණිකව දන්වමි.”

Thereafter, the Petitioner has requested to reconsider the same, but the Respondents have decided not to extent the lease **P3**, which is borne out by **P32**. Hence, the Petitioner seeks by this Application to quash that decision contained in **P32**.

Questions to be decided

Now the question arises whether the Petitioner is entitled to maintain this Application. Consequently, another question arises whether there is any legal basis for the Petitioner to be able to maintain this Application, and thirdly, whether the 8th Respondent and the 4th to 6th Respondents have collusively agreed upon certain terms behind the curtain, without the Petitioner's knowledge, to cancel the lease **P3** given to the Petitioner and give it to the 8th Respondent, and therefore, consider whether there is any legal basis for such course of action.

In the light of the facts mentioned above, I will deal with the first question that I have raised on whether there is a legal basis for the Petitioner to maintain this Application.

No legal basis for the Petitioner to maintain this Application

The said Noorani Industrial Park had been set up by the Government pursuant to a Cabinet decision marked as **R2** to achieve the objective of the Industrial Promotion Act. The said Cabinet decision has been taken to allocate plots of land within the Noorani Industrial Park to the industrialists, who had submitted proposals of their industries. Thus, the Petitioner's name also appeared in the list of industrialists marked and annexed to the Cabinet decision as **R2(a)**. Thus, as a successful proposer, when the Petitioner was awarded a plot of land of Two Acres within the said industrial park, he was issued with a letter **R1**, and the Petitioner was placed in possession subject to the conditions stipulated in **R1**. The said project has also been established as a BOI project, for which the Government gives various concessions, including tax and tariff concessions.

However, it is common ground that after 2013, the Petitioner ceased its operations, and was therefore, unable to pay the annual rental as agreed in **P3**. Thus, the Petitioner was looking to sub-lease the same; during that time, the 8th Respondent had approached the Petitioner and with the permission of the Respondents, the Petitioner had placed the 8th Respondent in possession of the property in suit where the Petitioner had constructed the industrial buildings, machinery, and certain other fixtures. Therefore, in turn, the Petitioner was permitted under **P7** to collect a rental the 8th Respondent and keep a margin of profit to pay the annual rental agreed under **P3** to the Government; accordingly, the Petitioner has done this for a period of five years. Since the Petitioner has ceased to operate his industry in the premises given initially under **R1**, and later regularised by **P3**, it is my view that the Petitioner has violated the conditions in both documents.

The relevant clause of **P3** reads thus;

“09. ප්‍රදේශීය ලේකම් හෝ වෙනත් අදාළ බලධාරියෙකුගේ හෝ පූර්ව ලිඛිත අනුමැතිය හෝ එවැනි අනුමැතියක කොන්දේසි පිට මිස, අසන්ම එහි ඇති ගොඩනැගිලි හෝ ඒවායෙහි කොටසක් හෝ කර්මාන්ත ශාලාවක් පවත්වාගෙන යාමේ වාණිජ කටයුතු සඳහා හැර වෙන කිසිම කටයුත්තක් සඳහා භාවිතා කිරීම හෝ භාවිතයට ඉඩම දීම ගැනුම්කරු විසින් නොකළ යුතුය.”

The relevant condition in **R1** reads thus;

“4. The Regional Director (North Western Province) of this Ministry/ Divisional Secretary (Wennappuwa) will obtain where necessary a valuation report regarding the land allocated to you. In the event a decision to be taken at a future date to withdraw the allocation of said land due to failure on your part to implement the project, the value of the resources so removed from the land in question, if any, will have to be reimbursed to the Ministry of Industrial Development.”

As such, it is my view that there is no legal basis for the Petitioner to hold on to the said land to continue with the possession thereof, pursuant to the documents marked **P3** and **R1** as mentioned above.

However, since the Petitioner was unable to resurrect its industry or no intention was shown by the Petitioner to do the same, although he claimed that he was able to carry on its industry operations, as transpired, there had been discussions between the Government officers and the 8th Respondent, for the 8th Respondent to directly obtain a lease. By that time, the Government officers had been satisfied that the 8th Respondent was contributing to the economy by providing employment opportunities to the people in the area and earning foreign exchange as well.

Thus, now the question arises whether the Petitioner is entitled to obtain the same profit that he was earning during the five-year subsistence of **P7**.

The Petitioner further failed to fulfil the conditions

The Government has set up this industrial park only for the purpose of creating opportunities for entrepreneurs to have their industries set up in the park, and then create job opportunities for the people in the area and earn foreign exchange, which in this case the Petitioner has failed to do. Therefore, it is my view that the Petitioner has failed to establish that he has any legal or moral right under **P7** or **R2**, or even under the objectives of the Industrial Promotion Act to possess the plot of land that was allocated to him by the Respondents on behalf of the Government for a period of fifty years in terms of **P3**. Thus, it is my view that the Petitioner himself has violated the conditions stipulated in **P3**; as such, the Petitioner is not entitled to maintain this Application as it is formulated, because he has violated the conditions set out in **P3**.

In addition to that, I also hold that when the dispute arose between the Petitioner and the 8th Respondent as well as the 4th to 6th Respondents, certain officers of the Industrial Ministry had visited Noorani Industrial Park, and site inspections were carried out by the officers who found and made four recommendations in their report marked as **1R3** along with the Objections of the Respondents; according to which, it is recommended that **P3** should be cancelled, and since the Petitioner has spent a considerable amount of money in setting up the buildings and other fixed machinery therein, to pay off the compensation to the Petitioner, and thereafter, call for new open tenders, even allowing the 8th Respondent to place its bid, and if the 8th Respondent is not successful, he will be permitted to carry on its business or industry operations only for another three more years and thereafter he has to fix its machinery and industry in some other place that he finds.

However, the Petitioner could not meet the arguments advanced by Ms. Madarasinghe based on the said report, which is consistent with the object of the Industrial Promotion Act and the Cabinet Ministers' decision in **R2(a)**, and the objects as to why this industrial park was also set up. Therefore, it is my view that on this ground too, the Petitioner has failed to establish any legal or moral right for the Petitioner to have this Application maintained and have the demand **P3** valid for the balance period of the given fifty years, since the Petitioner has already benefitted for more than five years with enormous amount of money collected as rent from the 8th Respondent only as an intermediary, which the Government itself could have done.

If the Petitioner is paid compensation for the improvements that it had effected, though it is abandoned, there is no damage caused to the Petitioner as the Petitioner has failed to carry on its operations for more than five years now. Therefore, this Application as it is formulated should fail.

The 8th Respondent is entitled to enter into a new agreement

The next matter that I should advert to is whether the Petitioner can prevent the 4th to 6th Respondents, or any other Government officer, and the 8th Respondent, from entering into any contract of lease in respect of the same premises in suit.

For the reasons already stated above, the Government has set up the said industrial park for the purpose of bringing industries to the countryside and create employment opportunities to the people of the area, promote foreign earning, and promote private entrepreneurship. If the Petitioner is permitted to carry on with the lease **P3** until its expiration, and if the 8th Respondent or any Government officers including the 4th to 6th Respondents are prevented from entering into any agreement or lease agreement with the 8th Respondent, it is my view that it will amount to undermining the objectives of the Industrial Promotion Act, **R2**, and the rights of the parties to enter into independent contracts which is in my view illegal according to the law.

Therefore, in any case, the Petitioner is not entitled to obtain a *Writ of Prohibition*, preventing the other parties from entering into any contract independent of **P3** or **P7**.

As such, it is my view that the Petitioner is not entitled to any relief as sought from this Court based on any of the documents marked as **P3**, **P7**, or **P32**.

Conclusion

Therefore, it is my view that this Application of the Petitioner fails, and I dismiss this Application, subject to the cost of Rs. 105,000/- (One Hundred and Five Thousand Rupees), out of which Rs. 52,500/- (Fifty-Two Thousand Five Hundred Rupees) should be payable to the 8th Respondent, while the balance should be payable to the other Respondents of this Application.

JUDGE OF THE COURT OF APPEAL