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.

Krishna Mining Company Ceylon Private Limited,
No. 255/3, High Level Road,
Kirulapona, Colombo 05.

CA (Writ) App. No. 217/2023

PETITIONER

Vs.

Land Reform Commission,
No. 475, Kaduwela Road,
Battaramulla.

RESPONDENT

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

Counsel:

Kalinga Indatissa, P.C. with Rashmini Indatissa instructed by Sajini Wickramasuriya for the Petitioner.

Nayomi Kahawita, S.S.C. for the Respondent.

Argued on: 13.05.2026

Delivered on: 07.07.2026

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

Judgement

Introduction

The Petitioner is a body corporate incorporated under the laws of Sri Lanka and is engaged in the business of quartz mining and processing, and in the sale and export of value-added finished and semi-finished products manufactured from quartz extracted from various mines in Sri Lanka.

In the course of its business, the Petitioner negotiated with the Land Reform Commission (LRC) and reached an agreement to obtain a long-term lease in respect of an extent of 10 Acres of land situated in the Galaha area of the Kandy District, where a large quartz rock deposit is located. Although the LRC placed the Petitioner in possession of the said land for a considerable period from 2003, it has thus far failed to execute the relevant long-term lease. The LRC now appears to have vacated to proceed with the formalisation of the lease. Consequently, the Petitioner seeks to invoke the jurisdiction of this Court seeking to compel the LRC to formalise and execute the lease.

Upon the Application being supported, this Court issued notice on the Respondent. Prior to the issuance of notice, the Respondent filed Limited Objections. Although formal notice was thereafter issued, no formal statement of objections was filed. However, at the stage of argument, learned Senior State Counsel for the Respondent informed Court that the Respondent would rely on the limited objections previously filed.

This matter was argued before me on 13.05.2026. The following submissions were advanced by the counsel; hence, this judgement.

Arguments

The first argument advanced by Mr. Indatissa, the Learned President's Counsel is that the documents marked **X9** to **X10** have created a situation which made the Petitioner to entertain a legitimate expectation. Mr. Indatissa having referred to Section 115 of the Evidence Ordinance, argued that by representation, the Respondent is now estopped from denying that the Petitioner is in lawful possession of the land in question.

Having referred to the objections filed by the Respondent, particularly paragraph 16 thereof, Mr. Indatissa, President's Counsel, argues that it is frivolous in view of the documents marked **X2** to **X9**. In addition to that, he further supports his arguments by the fact that the Respondent has not, so far, taken any action against the Petitioner to evict him on the basis that he is a trespasser.

His next argument is that the Petitioner has purchased two plots of land adjacent to the plot of land in question from the LRC itself, as evidenced by the documents marked **X11(a)** and **X11(b)**. Therefore, the Petitioner entertained a legitimate expectation to purchase the property in suit from the Respondent, in so far as it was in furtherance of his business or profession, which is legitimately justified in terms of Article 14(1)(d) of the Constitution.

Further, he argued that, by **X11(a)**, **X11(b)**, and **X12**, the Respondent has dealt with the Petitioner in respect of the same land.

However, on the other hand, Ms. Kahawita, S.S.C, while conceding that the LRC issued documents **X3** to **X9**, argued that the LRC cannot further take steps to formalize a lease in view of the Cabinet Decision marked **R1**. She further argued that the land in suit, in respect of which the Petitioner seeks a formal lease, has now been identified as one of the lands alienated during the period between 2001 and 2004 without proper procedure, as stated in the Cabinet

Memorandum marked as **R1**. Therefore, the LRC cannot now take any further steps to formalise the lease.

However, in reply, Mr. Indatissa argued that **R1**, having been taken in 2024, is *ex parte* and was made without giving the Petitioner an opportunity of being heard. In addition, he argued that **X9** was issued in 2021, long before 2024, thereby making the Petitioner believe that he would be granted a lease.

The Petitioner's position

The Petitioner asserts that it is engaged in the business of mining, processing, exporting, and selling quartz extracted from various mines in Sri Lanka, and in the course of its business. Having negotiated with the Land Reforms Commission (LRC), it agreed with the LRC to obtain a lease in respect of a 10-acre land for the purpose of mining quartz in the Galaha area in the District of Kandy. The said land, which is of an extent of 10 acres, forms part of a larger estate vested in the LRC under the LRC Law. Before formalizing the lease, the LRC called upon the Petitioner to deposit Rs. 200,000/- (Two Hundred Thousand Rupees) as part of the lease rental, which the Petitioner deposited, and an acknowledgment of receipt thereof was provided by the LRC; the Petitioner filed the documents marked as **X3** and **X4** annexed to the Petition to establish the same.

In addition to that, the LRC has called upon the Petitioner to have a private surveyor to identify the land to be alienated by a formalised the long term lease, which the petitioner complied with and obtained a plan prepared after surveying and identifying the 10-acre land from out of the larger estate belonging to the LRC; the documents marked **X5**, **X6** and **X7** bear testimony to the same. Thereafter, in 2021, the Petitioner requested the permission of the LRC to fix a weighbridge within the land pending the formal lease by '**X8'**, which the LRC permitted by the document marked as **X9**.

In those circumstances, although the Petitioner entertained the view that the LRC would not grant the lease which it had expected since 2003, despite the Petitioner had been in possession and had been extracting and mining quartz from the land in suit the LRC had not taken steps to do so; therefore, the Petitioner instituted the above styled application before this Court, seeking a *Writ of Mandamus* compelling the LRC to grant a formalised lease.

The Respondent's Objections

The Respondent has filed its Limited Objections prior to the issuance of formal notice; however, the same objections have been adopted even for their main arguments. Therefore, now I will refer to them.

The Respondent by its Objections has accepted **X3**, a document referred to by the Petitioner and issued by the Respondent.

The LRC along with the Objections, produced the document marked **R1**, which is a Cabinet Minutes of 2004. In the said minute, it is recorded that certain parcels of land from and out of certain estates vested in the LRC had been alienated without due process between 2001 to 2004. Accordingly, a committee was appointed by the Cabinet to look into the said matters, and the said committee identified 96 such lands which had been alienated without due process.

It is the Respondent's stand that the land in suit in the possession of the Petitioner has also been identified along as one such lands alienated without due process of law. In view of that Cabinet decision, it is submitted that the Petitioner is not entitled to obtain relief and moved for the dismissal of the application.

In addition to that, answering paragraph 7 of the Petition, the Respondent has vehemently denied the averments stated therein, stated that no other productivity is concerned by the Land Reforms Law; its only concern was to utilise the land to increase of agricultural productivity and employment generation.

The Petitioner has filed Counter Affidavits as well and annexed documents marked **X10A**, **X10B**, **X11A**, **X11B**, **X12**, and **X13**, and has denied the averments contained in the statement of objections.

Questions to be Decided

In view of the averments contained in the Petition, the complaints of the Petitioner contained therein, the objections of the Respondent, and the arguments advanced at the hearing of this application, the following questions arise for my consideration;

(i) Whether the Petitioner has been in possession of the land since 2003 consequent to the negotiations that took place between the Petitioner and the Respondent, the LRC.

(ii) Whether the Petitioner entertains a legitimate expectation of having a formalised long-term lease.

(iii) Whether the Respondent is entitled to deny the legitimate expectation of the Petitioner based on the Cabinet decision marked as **R1.**

(iv) Whether the Respondent is estopped by their conduct.

On a perusal of the record, I found that the Respondent has denied the documents marked as **X4** to **X7**, which are the very same documents had been issued by the officers of the Respondent, after having accepted the money from the Petitioner. Thus, the denial of the Petitioner of those documents cannot be accepted for the mere purpose of objecting the Petitioner's Application.

Further, if it is paddy land, the extent is about 25 acres. Large areas of some parcels of land are not arable lands or cannot be utilized for agricultural purposes at all. In the present case, the land in suit is largely covered by rock from which quartz is mined. However, had ownership remained with the former owners, they would have known how to utilise the land.

Nevertheless, once it was vested, they lost their proprietorship, and the new proprietorship never made use of the land for the sake of the nation. On the other hand, some other private entity, such as the Petitioner, is willing to make use of such land for creating employment opportunities and bringing foreign exchange into the country, an aspect that should have been considered when leasing out such land. Further, when there is a change of political leadership, national policy should not be changed merely for that reason.

Further, we know, and we have witnessed, as submitted by Mr. Indatissa in the course of his erudite submissions, that he referred to the very political leadership which introduced the LRC Law and engaged in demagoguery by stating that if there was insufficient rice, rice could be imported from the Moon and will feed the nation. However, after agricultural land was vested in the Government, productivity drastically dropped. During election periods, politicians may engage in such demagoguery, but legal professionals should neither engage in nor encourage such demagoguery, unless a lawyer chooses to wear the hat of a politician.

Therefore, the argument based on such considerations cannot be accepted at all. Thus, what is relevant is the productivity for which the land can be utilized.

Further, I wish to state that in this case, the Petitioner had a legitimate expectation from 2003; the document '**R1**' is a Cabinet decision taken by the Government. Even after a change of Government, however, such a decision should not affect the legitimate expectation of the party who once entertained such an expectation.

Possession of the Petitioner

The Petitioner claims that it had already purchased two plots of land adjacent to the land in suit, where the Petitioner had already commenced its quartz mining operations. Since there is a large deposit of quartz situated in the land in suit, the Petitioner asserts that it negotiated with the LRC, and that the LRC, the Respondent decided to grant a long-term lease to the Petitioner.

Consequently, the Petitioner has been placed in possession of the land since 2003. Thereafter, the LRC called upon the Petitioner to deposit rental amounting to Rs. 200,000/- (Two-Hundred Thousand Rupees), which the Petitioner duly complied with, as reflected in the documents marked **X3** and **X4**.

Further, the Petitioner was requested by the LRC to obtain the services of a private surveyor and identify a 10-acre extent of land from and out of the larger estate for the purpose of formalizing the lease. Accordingly, the Petitioner complied with the said request, obtained the services of a private surveyor, and identified the relevant land; the relevant documents and survey plans have been marked as **X5**, **X6**, and **P7**. Thereafter, upon a request made by the Petitioner in 2021 by **X8**, the LRC permitted the Petitioner to install a weighbridge on the land in suit pending the execution of the formal lease; the said document has been marked as **X9**, which the Respondent has also admitted.

The Respondent has categorically admitted the notice to pay Rs. 200,000/- as rental, which is reflected in **X3**, as well as the permission granted to install the weighbridge by the document marked as **X9**.

Therefore, it is clear that the Petitioner has been placed in possession by the Respondent since 2003. In addition to placing the Petitioner in possession, the Respondent has permitted the Petitioner to carry out various development activities, including the installation of the weighbridge. Further, the Petitioner has asserted that it has conducted mining operations in the same area of land which was intended to be granted to it under a formal lease.

It is my view that, consequent to the negotiations that took place between the Petitioner and the Respondent, the LRC, the Petitioner has been in possession of the land since 2003 and continues to remain in possession up to date, carrying on its operations, which form part of its main business.

Whether the Petitioner entertains a legitimate expectation

Since following the negotiations, the Petitioner was placed in possession and was made to understand that a formal lease would be executed in its favour, the Respondent acted in a manner evidenced not only by documents **X3, X4, X5, X6, X7** and **X9,** but also by **X10A**, **X10B, X11A, X11B** and **X11C**.

The Petitioner has filed Counter Affidavits and annexed the document marked as **X10A** and **X10B**, which are two deeds attested by Devika S. Kasturiarachchi, and several letters including **X11A**, written by the Director of the Respondent on the alienation of land, **X11B** which was written by the Director of the District LRC, **X11C** which is a letter addressed to the Surveyor, Ms. Kumari Wijekoon, to identify the land in question to be alienated to the Petitioner, and in addition to that, a letter signed by a director addressed to the Central Environmental Authority, calling for a report regarding the land proposed to be alienated to the Petitioner; another letter addressed to the Petitioner which is the final letter dated 10.02.2020, regarding the unlawful possession of a portion of land in extent of Two Roods possessed by the Peraj Mining (Pvt) Limited, was also filed. All these letters are dated after the Cabinet Memorandum marked as **R1**.

These documents establish that, by their conduct, the Respondent made the Petitioner understand that it was going to formalise the lease. In furtherance thereof, the Respondent even took steps by calling upon various Government agencies to furnish the necessary reports, including environmental reports, to enable the Petitioner to carry on its quartz mining business on the land in suit as reflected in **X11A** to **X11C**.

As such, it is my view that the Petitioner entertained a legitimate expectation of obtaining a formalised lease.

To buttress my view above, I rely on the following passage in the classic book, "Administrative Law" of Wade and Forsyth;

> *"D. WHEN IS AN EXPECTATION LEGITIMATE?*
>
> *It is not enough that an expectation should exist; it must in addition be legitimate. But how is it to be determined whether a particular expectation is worthy of protection? This is a difficult area since an expectation reasonably entertained by a person may not be found to be legitimate because of some countervailing consideration of policy or law. A crucial requirement is that the assurance must itself be clear, unequivocal and unambiguous. Many claimants fail at this hurdle after close analysis of the assurance. The test is 'how on a fair reading of the promise it would have been reasonably understood by those to whom it was made. But different judges may take different views of the same assurance, thus leading to uncertainty.*
>
> *Some points are relatively clear. First of all, for an expectation to be legitimate it must be founded upon a* ***promise*** *or p****ractice by the public authority that is said to be bound to fulfil the expectation****"*[1] [Emphasis is mine]

To further buttress my view, I rely upon the judgements of *Wickremratne v. Jayaratne and Others*[2], and *Kapuruhamige Bisomenika v. U.B. Herath Banda and Others*[3].

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[1] Wade, W., & Forsyth, C. (12th Edition, Oxford University Press 2023). *Administrative Law*, Part VI Chapter 14, p. 437-439.
[2] [2001] 3 Sri L.R. 161.
[3] CA (WRT) No. 154/2018 (CA Minutes 03.03.2020).

The Respondent's Objections are without merits

In this case, the Respondent's main objection is that the Petitioner was placed in possession during the period from 2003 to 2004, when a government led by a different political party was in power.

However, following the change of Government in 2004, the new Cabinet decided to cancel certain alienations of land that had taken place between 2003 and the early part of 2004, on the basis that such alienations had been effected without due process. According to the Respondent, the land in respect of which the Petitioner expects to obtain a formal lease was one such land.

However, even after the Cabinet decided not to alienate the land by executing a formal long-term lease in favour of the Petitioner, the LRC Respondent continued to negotiate with the Petitioner. In furtherance of executing the formalised lease, the Respondent acted in such a manner as to stultify their own argument based on **R1**.

Therefore, it is my view that the Respondent is not entitled to deny the legitimate expectation entertained by the Petitioner of obtaining a formalised lease nor can the Respondent deny such legitimate expectation solely by reason of **R1**.

To buttress my view above, I rely on the judgement in the case of *Multinational Property Development Ltd v. Urban Development Authority* [1996][4] . For further clarity, I will narrate the facts as stated therein;

> *"The land on which 'Chalmers Granaries' Fort/Pettah, stand, in extent of acres 3 roods 27.2 perches, was vested with the 1st Respondent Urban Development Authority by Special Grant certificate (R1) bearing No. 4/2/8988 dated 20th June 1980. In terms of the*

[4] 2 Sri L.R 51.

Urban Development Authority Law No. 41 of 1978 as amended, the Respondent had on 1.3.83 approved a project by the Petitioner Multinational Property Development Ltd, to construct a shopping complex and car park on the said land. (p1). By letter P5 dated 28.2.94 the Respondent informed the Petitioner that it had decided to allocate the said land on a 99 year lease for a premium of Rs.142,848,000/- at 90,000/- per perch, subject to the conditions set out therein. The Petitioner accepted the offer of the lease by letter P6 dated 4.3.94, and forwarded cheque No. 858951 dated 11.3.94 for a sum of Rs. 7,200,000/- being 10% of the premium for 5 acres of the said land as requested by P5 The Petitioner also paid a sum of Rs.1,50,000/- as legal fees, and a further sum of Rs. 64,800,000/- being the balance premium (P13). The Respondent prepared the final draft of the lease agreement (P6) on 14.7.94. It also accepted a sum of Rs. 750/- on 15.7.94 as annual ground Rent. (P17).

By letter P18 dated 28.9.94 the Petitioner requested the Respond- ent to fix an early date for the execution for the lease agreement. The Respondent by P19 dated 10.10.94 informed the Petitioner that it had decided not to allocate the said land to the Petitioner. The Respondent enclosed two cheques for Rs.72,223,501/- as a refund of the premium, legal fees and stamp fees. By letter P20, dated 15.10.94 the Petitioner protested and refused to accept the Respondent's cheques. The Petitioner also wrote to the Minister in charge of the subject. There was no reply to either letter.

The Petitioner's complaint is that the Respondent had arrived at the decision not to allocate the said land to the Petitioner, (a) without affording it an opportunity of being heard regarding any reason which may have motivated the Respondent's decision,

b) The decision was arbitrary and mala fide.

The Petitioner therefore seeks an order quashing that decision.

The Respondent has filed objections setting out the reasons for the sudden decision not to allocate the land to the Petitioner inter alia as follows.

(1) On or about 13.7.94 Mrs. S.W.R.D. Bandaranayake the then leader of the opposition presented to the then President a protest.

(2) The said protest was carried in the Newspaper.

(3) The Presidential Secretariat, directed the Respondent to suspend forthwith the alienation of the said land (R6).

(4) The land has been given at a value much less than the market value.

(5) No proper scheme was submitted by the Petitioner for the development of that area.

(6) There had been no valuation.

(7) There had been no feasibility report submitted.

(8) There had been no cost benefit analysis.

(9) There had been no tender at any time in connection with the lease.

(10) The Petitioner is a "dummy" company.

(11) The Architectural Drawing in respect of the premises is not yet ready or submitted.

In those circumstances, Justice Ranaraja observed the following;

"...In the public law field, individuals may not have strictly enforceable rights but they may have legitimate expectations. Such expectations may stem either from a promise or representation made by a public body A promise to confer a substantive benefit, may give rise to an expectation that the individual will be given a hearing Decisions before a decision is taken not to confer the benefit. affecting such legitimate expectations are subject to judicial review. "- Judicial Remedies in Public Law - Lewis P 97"

"...The Respondents' decision not to allocate the land to the Petitioner it appears was based on the policy of the new Executive President to review the transactions of the earlier regime

in respect of state lands. The Secretary to the then Executive President had informed the Secretary to the Ministry of Housing by a note dated 13.7.94, the change of policy which led the Respondent to suspend its earlier decision to execute the Deed of Lease. A substantive change in policy resulting from a change in the Executive Presidency cannot be avoided. But where a new policy is to be applied, the individuals who have legitimate expectations based on promises made by public bodies that they will be granted certain benefits, have a right to be heard before those benefits are taken away from them on the ground that there had been a change of policy..."

Estoppel

The Petitioner was required to pay rental for the purpose of executing the formalised lease, and the Petitioner, in fact, made the said payment. Thereafter, the Petitioner was requested to carry out a private survey to identify the land intended to be granted on a long-term lease, with which request the Petitioner duly complied, as evidenced by documents **X5, X6** and **X7**. In addition, the Petitioner was permitted to install a weighbridge on the land itself for the purpose of carrying on its business by weighing the mined quartz. For that purpose, the Petitioner spent a considerable amount of money in installing the said weighbridge.

As such, by its conduct, the Respondent is estopped from denying the Petitioner the right to obtain the formalised lease. Therefore, it is my view that the Petitioner is entitled to the writ sought.

In the instant Application, even in 2012 and 2013, the LRC had written letters, with copies to the Petitioner, as reflected in **X11(b)** and **X11(c)**, stating that the Petitioner was promised a long-term lease in order to regularize the Petitioner's possession of the property in suit. Despite **R1**, which is the very document that the LRC has relied upon to deny the Petitioner's legitimate expectation, the LRC, long after **R1**, by its conduct and through its correspondence with various government institutions, with copies to the Petitioner, continued to create a situation in which the Petitioner was made to believe that the long-term lease awaited by him would be formalised.

In addition to that, even in 2021 when the Petitioner made a request by the letter dated 19.08.2021 to install a weighbridge, thus, it was approved by **X9**. Therefore, the Respondent is bound by its conduct.

It should also be discerned that the Directors of the LRC are not ordinary citizens with simpleton minds, but experts in the field. Therefore, it is my view that the LRC is estopped by its conduct from denying its obligations.

As such, it is my view that writ lies in favour of the Petitioner, and therefore, it is my view that the Petitioner is entitled to obtain a *Writ of Mandamus* to compel the Respondent to take steps to lease out the relevant 10-acre land which the Respondent had promised to give and place the Petitioner in possession of the same.

Conclusion

For the reasons adumbrated above, I grant relief as sought in prayer *(d)* of the Petition.

Since there was considerable resistance, the Petitioner is awarded costs in a sum of Rs. 31,500/- (Thirty-One Thousand Five Hundred Rupees).

JUDGE OF THE COURT OF APPEAL