Judgment 18, 1971

18

18/1971

No. 42 OF 1970

Supreme Court of Ceylon,
No. 454 (Final) of 1965.

District Court of Colombo,
Case No. 1265/ZL.

IN HER MAJESTY'S PRIVY COUNCIL

ON AN APPEAL FROM THE SUPREME COURT OF CEYLON

BETWEEN

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED
of "Kalyani Studios", Dalugama, Kelaniya.

(Plaintiff-Respondent)
APPELLANT

AND

1. HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE in her personal capacity as well and the Administratrix of the intestate estate of MUDALIYAR JAYASENA MADANAYAKE, also called and known as MADANAYAKE JAYASENA of "Kalyani", Peliyagoda.

2. SIRINATHA KUMARADASA MADANAYAKE of "Kalyani", Peliyagcda.

3. DHARMAWANSA SIRIPALA MADANAYAKE of No. 93, Rosmead Place, Colombo 7.

4. IRANGANI HEMAMALI WIJEWARDENA (*nee* Madanayake) of No. 100, Horton Place, Colombo 7.

5. UPALI GOTABHAYA MADANAYAKE and

6. MALINI SOMAKUMARI KOTAGAMA (*nee* Madanayake) both of "Kalyani", Peliyagoda.

(Defendants-Appellants)
RESPONDENTS

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No. 42 OF 1970

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(Defendants-Appellants)
RESPONDENTS

RECORD
OF PROCEEDINGS

No. 1

No. 1
Journal Entries
22/29-5-64
to
13-11-69

JOURNAL ENTRIES

IN THE DISTRICT COURT OF COLOMBO

THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., of "Kalyani Studios", Dalugama, Kelaniya.

Plaintiff.

No. 1265/ZL.
Class : VI.
Amount : Rs. 545,000/-
Nature : Z L.
Procedure : Regular.

Vs.

1. H. C. MADANAYAKE also called and known as H. CHANDRAWATHIE the Administratrix of the estate of MUDALIYAR JAYASENA MADANAYAKE and others.

Defendants.

JOURNAL

(1)
The 22/29th day of May, 1964.
Messrs. Dharmadasa Wijemanne & Co., files appointment and plaint together with Petition, Affidavit, Agreement and moves for an Injunction.

Plaint accepted and summons ordered. Support application for injunction.

Initialled .....
Additional District Judge
30-5-64

(2)
29/30-5-64
For reasons stated Proctors for Plaintiff-Company move that the caption of the motion, petition, affidavit, plaint and proxy filed by them on 22-5-64 be amended as mentioned in the motion.

They also move to support the application on 30-5-64.

Mr. Advocate Eric Amerasinghe with Mr. B. J. Fernando instructed by M/S. Wijemanne & Co., in support.

Vide proceedings. Accept plaint. Issue summons for 29-7-64.

Issue notice and Enjoining order returnable 4-6-64.

Call 4-6-64.

Initialled .....

No. 1
Journal Entries
22/29-5-64
to
13-11-69
—*Continued*

(3)
1-6-64
Enjoining Order issued on defendants, Western Province. *Vide* proceedings.

Issue notice of Injunction with Enjoining order returnable 4-6-64.

Initialled .....

(4)
1-6-64
Notice of Injunction issued on 1—6 Defendants. Western Province.

Initialled .....

(5)
4-6-64
M/s. Dharmadasa & Wijemanne & Co., for Plaintiff.

No return to notice of Injunction on 1—6 Respondents.
They are absent.
Vide proceedings. Objections 17-6-64.

Initialled. .....

(6)
17-6-64
Objections due — filed.
Enquiry for 25-8-64.

Initialled .....

(7)
23-6-64
Summons issued on Defendants. Western Province.

Initialled .....

(8)
29-7-64
Mr. D. Wijemanne for plaintiff.

1. Summons served on 1, 2, 5 & 6 defendants.
2. No return to summons on 3 & 4 defendants. Await and reissue for 19-8-64. Proxy of all defendants already filed. Answer on 2-9-64.

Initialled .....

(9)
10-8-64
Proctor for Defendants-Respondents-Petitioners files additional list of witnesses and moves for summons.

Proctors for plaintiff-petitioner-respondent received notice by registered post.

1. File.
2. Issue summons on 2—11 witnesses.
3. Issue summons of 1st witnesses if certified copies have been obtained.

Initialled .....
Additional District Judge
11-8-64

(10)
10-8-64
Proctor for defendant-respondents-petitioners with notice to proctors for plaintiff-petitioner-respondent sent under registered post files list of witnesses and ducuments and moves for summons.

1. File.
2. Issue summons on 1, 3 & 4 witnesses.
3. Issue summons of 2nd witness if certified copies have been obtained.

Initialled .....
Additional District Judge
12-8-64

(11)
13-8-64
7 Subpoenas issued by defendants-respondents.

Initialled .....

(12)
13/17-8-64
Mr. J. B. Puvimanasinghe files his proxy together with revocation of proxy granted to M/s. D. Wijemanne & Co., and moves that the same be accepted.

1. Proxy granted by plaintiff to Mr. J. B. Puvimanasinghe accepted.
2. Proxy granted by plaintiff to M/s. Wijemanne & Co., is revoked and cancelled.

Initialled .....
Additional District Judge
17-8-64

(13)
17-8-64
Proctor for plaintiff files list of witnesses and documents and moves for summons. He also undertakes to have the summons served on the 7th witness by a Special Process Server.

Proof of posting copy to proctor for defendant filed.

1. File.
2. Issue summons.

Initialled .....
Additional District Judge
17-8-64

No. 1
Journal Entries
22/29-5-64
to
13-11-69
—*Continued*

(14)
17-8-64
Proctor for plaintiff files additional list of witnesses and moves for summons.

Proof of posting copy to proctor for defendants filed.

Issue summons.

Initialled .....
17-8-64

(15)
20-8-64
1 Subpoena issued by plaintiff.

Initialled .....

(16)
20-8-64
Proctor for plaintiff files a list of witnesses and documents and moves for summons on the witnesses. Copy of motion posted to proctor for defendants respondents and a receipt filed.

Re witness 1 allowed.

Re witness 2 allowed on obtaining certified copies.

Initialled .....
Additional District Judge
21-8-64

(17)
25-8-64
Mr. J. B. Puvimanasinghe for plaintiff.
Mr. Ben Samarasinghe for defendants.

1. *Vide* Journal Entry (6). Inquiry into objections.
2. Summons served on 4th defendant I. H. Wijewardena (nee Madanayake).

Not served on 3rd defendant (not to be found).

Answer on 16-9-64.

Vide proceedings. Trial now on 15th and 16th October and 19th & 20th November. This is specially fixed.

Initialled .....

(18)
4-9-64
Proctor for defendants, for reasons stated, with notice to proctor for plaintiff sent under registered cover moves that :

1. Notice do issue on the plaintiff Corporation their servants and/or agents restraining them from proceeding with the said building operations, and

2. that the plaintiff Corporation be noticed to show cause, if any, why they should not be dealt with for contempt of Court.

Support application.

Initialled .....
Additional District Judge
4-9-64

Eo-die
Mr. N. E. Weerasooriya (Jr.) instructed supports this application. He states the facts.

Issue notice returnable 18-9-64.

Initialled .....

(19)
7-9-64
Notice issued on plaintiff.

Initialled .....

(20)
16-9-64
Mr. J. B. Puvimanasinghe for plaintiff.

Answer due — *Vide* Journal Entry (17)

Filed with notice for commission by defendant. Issue commission returnable 7-10-64.

Trial date to stand.

Initialled .....
Additional District Judge

(21)
18-9-64
Advocate Mr. B. J. Fernando duly instructed by

Mr. J. B. Puvimanasinghe for plaintiff.

Mr. Ben Samarasinghe for defendants present. *Vide* Journal Entry (18).

Notice (to shew cause why the plaintiff's servants and/or agents be not restrained from proceeding with building operations etc.) served on the plaintiff.

The Sinhala Film Industrial Corporation Ltd.

Vide also (2) Journal Entry 18.

Mention 15-10-64 for consideration of the matter. Replication has to be filed. Replication to be filed on 23-9-64. Issue notice to proctor for defendants.

Call on 23-9-64 for replication.

Intld. .....
18/9

No. 1
Journal Entries
22/29-5-64
to
13-11-69
—*Continued*

(22)
18-9-64
Commission issued to Mr. A. F. Sameer, Licensed Surveyor.

Initialled .....

(23)
23-9-64
1. Case called *Vide* Journal Entries 20-&21. Replication filed.
2. Commission already issued for 7-10-64.

Initialled .....

(24)
28/29-9-64
Proctor for defendants with notice sent under registered cover to proctor for plaintiff files additional list of witnesses and documents and moves for summons.

1. File.
2. Issue summons.

Initialled. .....
Additional District Judge
1-10-64

(25)
29-9-64
Proctor for defendants with notice sent under registered post to proctor for plaintiff files additional list of witnesses and documents and moves for summons.

1. File.
2. Issue summons.

Initialled. .....
Additional District Judge
1-10-64

(26)
1/2-10-64
Proctor for plaintiff Company with notice sent to proctor for defendants by registered post files additional list of witnesses and documents and moves for summons.

1. File.
2. Issue summons.

Initialled. .....
Additional District Judge
1-10-64

(27)
2-10-64
8 Subpoenas issued by plaintiff. W. P.
8 Subpoenas issued by defendants. W. P.
1 Subpoena issued by plaintiff-Kurunegala.

Initialled. .....

(28)
7-10-64
Mr. J. B. Puvimanasinghe for plaintiff.

1. Return to commission due — filed, with plan No. 657 and Report.
2. Trial already fixed for 15-10-64 etc.

Initialled. .....
Additional District Judge

(29)
7/9-10-64
Proctor for plaintiff Company with notice to proctor for defendants sent under registered cover, files additional list of witnesses and documents and moves for summons.

1. File.
2. No time to cite witnesses.

Initialled. .....
Additional District Judge
10-10-64

(30)
9-10-64
Proctor for plaintiff with notice to proctor for defendants sent under registered post files additional list of witnesses and moves for summons.

1. File.
2. No time to cite witnesses.

Initialled. .....
Additional District Judge
10-10-64

(31)
12-10-64
Reference to the additional list of witnesses filed (*Vide* Journal Entry 29) proctor for plaintiff moves for summons on John Roger, for service through a Special Process Server.

Allowed.

Initialled. .....
Additional District Judge
12-10-64

No. 1
Journal Entries
22/29-5-64
to
13-11-69
—*Continued*

(32)
13-10-64
1 Subpoena issued by plaintiff. W. P.

Initialled. .....

(33)
12/14-10-64
Proctor for defendants with notice to proctor for plaintiff sent under registered post files additional list of documents.
File.

Initialled. 10
Additional District Judge
14-10-64

(34)
12/14-10-64
For reasons stated proctor for defendants moves to disallow the evidence of Mr. A. V. Perera the witness referred to in the additional list of witnesses and documents dated 8-10-64.

Mention on 15-10-64.

Initialled. .....
Additional District Judge 20
14-10-64

(35)
13/14-10-64
Proctor for plaintiff with notice to proctor for defendants sent under registered post files additional list of witnesses and documents and moves for summons.

1. File.
2. No time to issue summons.

Initialled. .....
Additional District Judge 30
14-10-64

(36)
15-10-64
Mr. J. B. Puvimanasinghe for plaintiff.
Mr. Ben Samarasinghe for defendants.
Vide Journal Entry (21)
Trial
Vide proceedings. Further hearing 2-12-64 and 7-12-64.

Initialled. .....
Additional District Judge 40

(37)
14/16-10-64
Proctor for plaintiff with notice to proctor for defendants sent under registered post files additional list of documents.

File.

Initialled. .....
Additional District Judge
17-10-64

(38)
2-12-64
Mr. J. B. Puvimanasinghe for plaintiff.
Mr. Ben Samarasinghe for defendants.
Vide Journal Entry (36)
Trial — Further hearing. *Vide* proceedings.
Further hearing 18-2-65 and 25-2-65.

Initialled. .....
Additional District Judge

(39)
18-2-65
Mr. J. B. Puvimanasinghe for plaintiff.
Mr. Ben Samarasinghe for defendants.
Vide Journal Entry (38)
Trial — Further hearing. *Vide* Proceedings. Further hearing 25-2-65.

Initialled. .....
Additional District Judge

(40)
25-2-65
Mr. J. B. Puvimanasinghe for plaintiff.
Mr. Ben Samarasinghe for defendants.
Further hearing — *Vide* Journal Entry (39). *Vide* proceedings.
Further hearing on 17-5-65 , 24-5-65 & 26-5-65.

Initialled. .....
Additional District Judge

(41)
17-5-65
Mr. J. B. Puvimanasinghe for plaintiff.
Mr. Ben Samarasinghe for defendants.
Vide Journal Entry (40). Trial-Further hearing.
Vide proceedings. Further hearing 24-5-65.

Initialled. .....
Additional District Judge

No. 1
Journal Entries
22/29-5-64
to
13-11-69
—*Continued*

(42)
24-5-65
Mr. J. B. Puvimanasinghe for plaintiff.
Mr. Ben Samarasinghe for defendants.
Vide Journal Entry (41).
Trial — Further hearing.
Vide proceedings. Further hearing 27-5-65.

Initialled. .....
Additional District Judge

(43) 10
27-5-65
Mr. J. B. Puvimanasinghe for plaintiff.
Mr. Ben Samarasinghe for defendants.
Vide Journal Entry (42).
Trial — Further hearing.
Vide proceedings.
Addresses on 25th & 26th of June 1965.

Initialled. .....
Additional District Judge

(44) 20
25-6-65
Mr. J. B. Puvimanasinghe for plaintiff.
Mr. Ben Samarasinghe for defendants.
Vide Journal Entry (43).
Addresses. Refixed for tomorrow 26-6-65 at 9 a.m.

Initialled. .....
Additional District Judge

(45)
26-6-65
Same appearances as before. *Vide* Journal Entry (44). 30
Addresses. *Vide* proceedings.
Documents be tendered in office before 7-7-65. Call 7-7-65 to fix date for judgment.

Initialled. .....
Additional District Judge

(46)
7-7-65
Vide Journal Entry (45)
Case called to fix a date for judgment.
Documents *not tendered* to office. 40

Call case 14-7-65 to see if documents are tendered.

Initialled. .....
Additional District Judge

(47)
7-7-65
Since the Officer in Charge, Police Station Peliyagoda requires an order of Court before issuing a certified copy of notes of inquiry at the spot made by Police Constable L. A. Karunaratne No. 7488 on 1-9-64 pursuant to a complaint made by U. G. Madanayake Proctor for defendants moves to authorise the issue of such copy.

The said copy is to be produced in this case marked D52.

Application allowed.

Initialled. .....
Additional District Judge

(48)
13-7-65
Documents marked P1 to P39 and D1 to D52 filed with lists.

Initialled. .....

Documents are filed in Volume II.

Initialled. .....
13/7

(49)
14-7-65
Vide Journal Entry (46).

Case called to see if documents are tendered. *Vide* Journal Entry (48). Documents already filed.

Judgment on 25-8-65.

Initialled. .....
Additional District Judge

(50)
25-8-65
Judgment delivered in open Court in the presence of proctors on record.

Initialled. .....
Additional District Judge

(51)
28-8-65
Proctor for plaintiff refers to judgment and moves for order to deposit Rs. 25,000/- in favour of plaintiff Company and also direct Secretary of this Court to execute the necessary conveyance in favour of plaintiff Company.

Issue deposit note for Rs. 25,000/-.

Initialled. .....
Additional District Judge
31-8-65

No. 1
Journal Entries
22/29-5-64
to
13-11-69
—*Continued*

(52)
1-9-65
Proctor for plaintiff tenders Decree and moves that same be filed of record.
Decree entered.

Sgd. .....
Additional District Judge
2-9-65

(53)
6-9-65
Mr. Ben Samarasinghe files petition of appeal against the Judgment of this Court dated 25-8-65 together with stamps to the value of Rs. 306/- for Secretary's Certificate and Rs. 563/- for Supreme Court Judgment and moves to accept same.

He also moves for a Paying-in-voucher for Rs. 25/- being fees for typewritten copies of brief to be deposited at the Kachcheri, Colombo.

He also tenders notice of tendering securtiy and moves to issue same on Fiscal, Western Province for service on plaintiff-respondent and his proctor returnable 14-9-65.

He also tenders an application for typewritten copy of brief with Kachcheri Receipt for Rs. 25/-.

1. Accept petition of appeal.
2. Cancel stamps for Supreme Court Order and keep in safe.
3. Issue notice of security returnable 14-9-65.
4. Issue Paying-in-voucher for Rs. 25/-.
5. Call case 14-9-65.

Initialled. .....
Additional District Judge
6-9-65

(54)
6-9-65
Notice of tendering security issued to Fiscal, Western Province for service on plaintiff-respondent and its proctor.
(Precept returnable 12-9-65).

Initialled. .....

(55)
14-9-65
Mr. Ben Samarasinghe for appellants.
Vide Journal Entry (53).
Notice of tendering security served on the proctor for plaintiff—respondent.
Mr. J. B. Puvimanasinghe — absent.

Accept security. Issue Deposit Note. Perfect Bond. Issue notice of appeal for 10-11-65.

Signed. .....

(56)
14-9-65
Security Bond together with Kachcheri Receipt for Rs. 600/- duly perfected and filed of record.

(57)
14-9-65
Notice of appeal issued to Fiscal, Western Province for service on the proctor for plaintiff respondent. (Precept returnable 8-11-65).

Initialled. .....

(58)
24-9-65
Kachcheri Receipt No. E/16 — 717150 of 2-9-65 for Rs. 25,000/- filed.

Initialled. .....

(59)
12-10-65
Proctor for plaintiff-respondent moves for Paying-in-voucher for Rs. 75/- to deposit fees for three typewritten copies of brief.

Issue Paying-in-voucher for Rs. 75/-.

Signed. .....
Additional District Judge
15-10-65

(60)
10-11-65
Notice of appeal served on Proctor for plaintiff-respondent—Absent.

Forward record to Supreme Court.

Signed. .....
Additional District Judge
10/11-—

(61)
8-1-66
Record in two volumes forwarded to the Registrar, Supreme Court, together with cancelled stamps to the value of Rs. 563/- for Supreme Court Decree.

Signed. .....
Asst. Secretary.

No. 1
Journal Entries
22/29-5-64
to
13-11-69
—*Continued*

(62)
29-8-66

Kachcheri Receipt No. $\frac{J}{16}$ 695518 of 22-7-66 for Rs. 650/- filed.

Initialled: .....

(63)
29-8-66

Kachcheri Receipt No. $\frac{J}{16}$ 695519 of 22-7-66 for Rs. 39/04 filed.

Initialled: .....

Mr. J. B. Puvimanasinghe for Plaintiff.
Mr. Ben Samarasinghe for Defendant. 10

(64)
6-6-69
Registrar of the Supreme Court returns record with Supreme Court Order No. 454/65 (R) dated 26-5-69.

"The Appeal of the defendants is allowed with costs in both Courts, and the decree of the District Court is set aside. The case is sent to the District Court for trial and determination by another Judge of the issues relating to compensation and the jus retentionis"

(1) Proctor to note.
(2) Call case on 31-7-69 to fix date of trial on the issues relating to 20 compensation and the jus retentionis.

Signed: D. WIMALARATNE,
Additional District Judge

(65)
31-7-69
1. Case called, vide Journal Entry (64).
2. Trial 27-1-70.

Initialled: .....

(66)
5-11-69 30
Registrar, Supreme Court calls for the record as an appeal to the Privy Council has been allowed.

Forward Record.

Signed: .....
Additional District Judge

(67)
13-11-69
Record forwarded to Registrar, Supreme Court.

Initialled: .....
Additional Secretary 40

No. 2

No. 2
Plaint of the Plaintiff—
22-5-64

PLAINT OF THE PLAINTIFF

IN THE DISTRICT COURT OF COLOMBO.

THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., of "Kalyani Studios", Dalugama, Kelaniya.

Plaintiff.

No. 1265/ZL.
Class: VI.
Value: Rs. 545,000/-
Procedure: Regular.

Vs.

1. HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE the Administratrix of the intestate estate of MUDALIYAR JAYASENA MADANAYAKE also called and known as MADANAYAKAGE JAYASENA of 'Kalyani", Peliyagoda.
2. SIRINATHA KUMARADASA MADANAYAKE of "Kalyani", Peliyagoda.
3. DHARMAWANSA SIRIPALA MADANAYAKE of 93, Rosmead Place, Colombo 7.
4. IRANGANI HEMAMALI WIJEWARDENA (nee Madanayake) of 100, Horton Place, Colombo 7.
5. UPALI GOTABAYA MADANAYAKE and
6. MALINI SOMAKUMARI KOTAGAMA (nee Madanayake) both of "Kalyani", Peliyagoda.

Defendants.

On this 22nd day of May, 1964.

The Plaint of the Plaintiff abovenamed appearing by Dharmadasa Wijemanne and Joseph Bertram Puvimanasinghe practising in partnership in Colombo under the name style and firm of "Dharmadasa Wijemanne & Co.," and their assistants Lakshmi Mangala Fernando and Harilal Susantha Fernando, its Proctors states as follows:—

1. The Plaintiff is a Company duly incorporated in Ceylon under the provisions of the Companies Ordinance Chapter 145, Legislative Enactments and having its registered office at the abovenamed place within the jurisdiction of this Court.

No. 2
Plaint of the Plaintiff—
22-5-64
—*Continued*

2. The 1st Defendant abovenamed is the duly appointed Administratrix of the intestate estate of Mudaliyar Jayasena Madanayake, now deceased.

3. That the Defendants reside, the contract sought to be enforced was made and the causes of action hereinafter set forth arose within the local limits of the jurisdiction of this Court.

4. That by an agreement in writing bearing No. 342 dated 2nd March 1959 and attested by H. C. Perera Notary Public (a copy whereof is annexed hereto marked "A" and pleaded as part and parcel of this Plaint) the said Mudaliyar Jayasena Madanayake agreed to sell and convey to the Plaintiff-Company abovenamed at a price of Rs. 40,000/- of lawful money of Ceylon and subject to the other terms and conditions of the said agreement set forth all that and those the allotments of lands in the schedule hereto and more particularly described.

5. That in terms of the said agreement the Plaintiff-Company at the execution thereof duly paid to Mudaliyar Jayasena Madanayake a sum of Rs. 15,000/- in part payment of the purchase price aforementioned leaving a balance sum of Rs. 25,000/- payable upon the execution of the deed of conveyance in favour of the Plaintiff-Company in accordance with the provisions of the said agreement.

6. That in and by the said Agreement No. 342 it was expressly agreed between the parties *inter alia* that:—

(i) the Vendor shall sell and the purchaser Company shall purchase the said property and premises within a period of eighteen (18) months from the date hereof;

(ii) that the Vendor undertakes to perfect the title of the said property and premises before the expiration of the said period at the cost and expense of the Vendor and the Purchaser-Company accepts the title of the Vendor when perfected as agreed upon between the Vendor and the Purchaser-Company;

(iii) the Purchaser-Company shall be in possession of the said property and premises from the date hereof;

(iv) the Purchaser-Company can put up any buildings of any kind permanent or temporary for the purpose of the Purchaser-Company.

7. That in order to perfect the title of the said land and premises it was agreed between the parties thereto at the time of the execution of the said agreement that a decree under the provisions of the Partition Act No. 16 of 1951 be obtained in respect of the same and that the said Mudaliyar Jayasena Madanayake shall and will take all steps towards obtaining the said decree.

8. That the Plaintiff-Company abovenamed duly entered into possession of the said land and premises in pursuance of the provisions of the said agreement and with the full knowledge acquiescence and approval of Mudaliyar

Jayasena Madanayake at its own cost and expense erected permanent buildings thereon and proceeded to equip the same for the purposes of its business as contemplated by the parties. That the Plaintiff-Company has up to date incurred a sum of Rs. 380,000/- on account of the said buildings, equipments and other structural features required for the Plaintiff-Company's business.

9. That the said Mudaliyar Jayasena Madanayake died intestate on or about 13th March, 1963 without having perfected the title of the said land and premises as agreed of and before the completion of the said sale and purchase in accordance with the provisions of the said agreement.

10. That the said Mudaliyar Jayasena Madanayake left him surviving as his heirs his widow the 1st Defendant abovenamed and his five children, the 2nd to 6th defendants abovenamed, who thereupon became jointly entitled to the said land and premises subject to the obligations arising out of and under the said Agreement No. 342.

11. The 1st Defendant abovenamed as widow of the deceased applied for Letters of Administration in respect of the intestate estate of Mudaliyar Jayasena Madanayake in Testamentary Proceedings No. 21231 of the District Court of Colombo and order absolute declaring her entitled to the said grant of Letters was entered on 28th November, 1963 but the same has still not been issued pending the certificate of the Commissioner of Inland Revenue in respect of due payment of Estate Duty.

12. That despite the default as aforesaid on the part of the said Mudaliyar Jayasena Madanayake and in view of the improvements effected as aforesaid by the Plaintiff-Company on the faith of the undertaking and agreement of the said Mudaliyar Jayasena Madanayake, the Plaintiff-Company expressed its readiness and willingness to pay to the Defendants abovenamed the balance purchase price of Rs. 25,000/- and called upon the Defendants to execute a valid conveyance of the said property and premises in favour of the Plaintiff-Company in terms of the said Agreement No. 342.

13. That the Defendants have wrongfully and unlawfully refused to comply with the lawful request as aforesaid of the Plaintiff-Company and is now dishonestly repudiating their obligations under the said agreement.

14. A cause of action has in the premises arisen to the Plaintiff-Company to sue the Defendants as heirs of the said Mudaliyar Jayasena Madanayake and as persons presently entitled to the aforesaid property for specific performance of the said Agreement No. 342 and for an order compelling them to execute a valid conveyance in favour of the Plaintiff-Company.

FOR AN ALTERNATIVE CAUSE OF ACTION

15. That the Plaintiff-Company is engaged in the business of Film Production and the aforesaid buildings and premises have been planned, laid out and constructed for the purposes of a Film Studio and other purposes incidental thereto and necessary thereof, during the lifetime of the said Mudaliyar Jayasena Madanayake with the full knowledge acquiescence and approval and in

No. 2
Plaint of the Plaintiff—
22-5-64
—*Continued*

pursuance of an agreement between the Plaintiff-Company and the said Mudaliyar Jayasena Madanayake that the Plaintiff-Company would be entitled to the use and enjoyment of the said property and premises with the buildings thereon for the purposes of its business.

16. That in the premises and in the event of the Plaintiff-Company being held not entitled to specific performance of the said agreement as claimed, a cause of action will accrue to the Plaintiff-Company to sue the Defendants:—

(a) to recover compensation for the said improvements and to a *jus retentionis* of the said property and premises with the improvements standing thereon until payment of compensation;

(b) for recovery of damages against the Defendants as aforesaid consequent upon the breach of agreement set out in paragraph 15 above, which the Plaintiff-Company assesses at Rs. 100,000/-.

17. The Plaintiff-Company values the said land and premises described in the Schedule hereto with the buildings and equipments now standing thereon at Rs. 445,000/-.

WHEREFORE THE PLAINTIFF COMPANY PRAYS:—

(a) that the Plaintiff-Company be declared entitled to specific performance of the said Agreement No. 342 dated 2nd March, 1959 attested by H. C. Perera, Notary Public and the Defendants be ordered and decreed to execute a valid conveyance in favour of the Plaintiff-Company of the said land and premises fully described in the schedule hereto on payment of the balance sum of Rs. 25,000/-.

(b) in the alternative—

(i) in the event of the Plaintiff-Company being held not entitled to specific performance as hereinbefore prayed for that the Defendants be ordered and decreed to pay to the Plaintiff-Company a sum of Rs. 400,000/- or such other sum as the Court shall determine as compensation for improvements;

(ii) that the Plaintiff-Company be declared entitled to *jus retentionis* of the said property and premises with the improvements thereon until the payment in full of the said compensation awarded to the Plaintiff-Company;

(iii) that the Defendants be ordered and decreed to pay to the Plaintiff-Company a sum of Rs. 400,000/- as damages claimed as aforesaid;

(c) that the Defendants, their agents, servants and other persons acting through or under them be restrained by injunction from entering upon or into the said buildings and premises and/or disturbing or hindering the quiet possession use and enjoyment of the same by the Plaintiff-Company and its agents, servants, workmen and persons claiming through or under it and/or

committing any other act in violation of the Plaintiff-Company's rights to the possession enjoyment and use of the said property buildings and premises pending the final determination of this action;

(d) for costs; and

(e) for such other and further relief in the premises as to this Court shall seem meet.

Signed: D. Wijemanne & Co.,
Proctors for Plaintiff-Company

THE SCHEDULE ABOVE REFERRED TO

1. All those several allotments of land called Owita of the field, Weliketiyekumbura, Wanata, Millagahakumbura, Millagahawatta, Pelengahakumbura, Millagahapillewa, Highland of Mullekumbura and Mullekumbura described as lots 1 to 15 in Plan No. 496 dated 8th and 9th January 1956 made by S. H. Fernando, Licensed Surveyor situated at Dalugama in the Adicari Pattu of Siyane Korale in the District of Colombo, Western Province and bounded on the North by High Road to Kandy, lands of K. W. A. Hemapala and K. W. A. Abeysena, Lands of Abilinu Saram, D. F. J. Perera, Peduru Perera, on the East by paddy land of Peduru Perera, land of S. A. K. W. Perera, lands of Marshal Perera and others, land of D. D. S. Abeysekera, land of M. A. J. Dias and the land of Jamis, on the South by Ela, Kurundugahakumbura and paddy land of the Gan Aratchi, paddy lands of Barlan and Charlishamy, and on the West by land of B. W. Dias and the paddy land of Aron and containing in extent eight acres one rood and thirty two decimal two perches (A8. R1. P32.2) according to the said Plan No. 496 which said land is comprised of the lands registered in folios C200/61, 205/141, 225/35, 237/115, 1282/70, 203/294, 232/180 and 136/228.

2. All that allotment of land called Kurundugahakumbura situated at Dalugama aforesaid and bounded on the North by an ela, on the East by Mullekumbura of Mudaliyar Madanayake, on the South by paddy land known as Muttettuwa, and on the West by Mudun ela and Pelengahakumbura of Mudaliyar Madanayake containing in extent one acre, one rood and fourteen perches (A1. R1. P14) according to Plan No. 506 dated 26th March, 1936 made by S. H. Fernando, Licensed Surveyor—which said land is comprised of the land registered in folios C324/125, 326/109 and 240/102.

Signed: D. Wijemanne & Co.
Proctors for Plaintiff-Company

DOCUMENTS FILED WITH THE PLAINT

1. Copy of Deed No. 342 dated 2nd March, 1959. Attested by H. C. Perera, Notary Public and marked letter "A".

2. Appointment.

Signed: D. Wijemanne & Co.
Proctors for Plaintiff-Company

(*See PI in Index Part II, Page* 255 *for Annex marked "A".*)

No. 3
Application of the Plaintiff for an Injunction—(i) Petition of the Plaintiff—22-5-64

No. 3

APPLICATION OF THE PLAINTIFF FOR AN INJUNCTION

(I) PETITION OF THE PLAINTIFF

IN THE DISTRICT COURT OF COLOMBO

THE SINHALESE FILM INDUSTRIAL CORPORATION, LTD., of "Kalyani Studios", Dalugama, Kelaniya.

Petitioner.

No. 1265/ZL.

AND

1. HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE the Administratrix of the intestate estate of MUDALIYAR JAYASENA MADANAYAKE, also called and known as MADANAYAKAGE JAYASENA of "Kalyani", Peliyagoda.

2. SIRINATHA KUMARADASA MADANAYAKE of "Kalyani", Peliyagoda.

3. DHARMAWANSA SIRIPALA MADANAYAKE of 93, Rosemead Place, Colombo 7.

4. IRANGANI HEMAMALI WIJEWARDENA (nee MADANAYAKE) of 100, Horton Place, Colombo 7.

5. UPALI GOTABAYA MADANAYAKE, and

6. MALINI SOMAKUMARI KOTAGAMA (nee MADANAYAKE) both of "Kalyani", Peliyagoda.

Respondents.

On this 22nd day of May, 1964.

The Petition of the Petitioner abovenamed appearing by Dharmadasa Wijemanne and Joseph Bertram Puvimanasinghe, practising in partnership in Colombo under the name, style and firm of "Dharmadasa Wijemanne & Company" and their assistants Lakshmi Mangala Fernando and Harilal Susantha Fernando, its Proctors state as follows:—

1. The Petitioner is a Company duly incorporated in Ceylon under the provisions of the Companies Ordinance Chapter 145 Legislative Enactments and having its registered office at the abovenamed place within the jurisdiction of this Court.

2. The 1st Respondent abovenamed is the duly appointed Administratrix of the intestate estate of Mudaliyar Jayasena Madanayake, now deceased.

3. That the Respondents reside, the contract sought to be enforced was made and the causes of action hereinafter set forth arose within the local limits of the jurisdiction of this Court.

4. That by an agreement in writing bearing No. 342 dated 2nd March, 1959 and attested by H. C. Perera, Notary Public (a true copy whereof is annexed hereto marked "A" and pleaded as part and parcel of the plaint) the said Mudaliyar Jayasena Madanayake agreed to sell and convey to the Petitioner-Company abovenamed at a price of Rs. 40,000/- of lawful money of Ceylon and subject to the other terms and conditions of the said agreement set forth all that and those allotments of lands in the schedule hereto and more particularly described.

5. That in terms of the said agreement the Petitioner-Company at the execution thereof duly paid to Mudaliyar Jayasena Madanayake a sum of Rs. 15,000/- in part payment of the purchase price aforementioned leaving a balance sum of Rs. 25,000/- payable upon the execution of the deed of conveyance in favour of the Petitioner-Company in accordance with the provisions of the said agreement.

6. That in and by the said Agreement No. 342 it was expressly agreed between the parties *inter alia* that:—

(i) The Vendor shall sell and the Purchaser-Company shall purchase the said property and premises within a period of eighteen (18) months from the date thereof;

(ii) that the Vendor undertakes to perfect the title of the said property and premises before the expiration of the said period at the cost and expense of the Vendor and the Purchaser-Company accepts the title of the Vendor when perfected as agreed upon between the Vendor and the Purchaser-Company;

(iii) the Purchaser-Company shall be in possession of the said property and premises from the date hereof;

(iv) the Purchaser-Company can put up any buildings of any kind permanent or temporary for the purpose of the Purchaser-Company.

7. That in order to perfect the title of the said land and premises it was agreed between the parties thereto at the time of the execution of the said agreement that a decree under the provisions of the Partition Act No. 16 of 1951 be obtained in respect of the same and that the said Mudaliyar Jayasena Madanayake shall and will take all steps towards obtaining the said decree.

8. That the Petitioner-Company abovenamed duly entered into possession of the said land and premises in pursuance of the provision of the said agreement and with the full knowledge, acquiscence and approval of Mudaliyar Jayasena Madanayake at its own cost and expense erected permanent buildings thereon and proceeded to equip the same for the purposes of its business as contemplated by the parties. That the Petitioner-Company has up to date incurred a sum of Rs. 380,000/- on account of the said buildings, equipment and other structural features required for the Petitioner-Company's business.

No. 3
Application of the Plaintiff for an Injunction—(i) Petition of the Plaintiff—22-5-64
—*Continued*

9. That the said Mudaliyar Jayasena Madanayake died intestate on or about 13th March 1963 without having perfected the title of the said land and premises as agreed of and before the completion of the said sale and purchase in accordance with the provision of the said agreement.

10. That the said Mudaliyar Jayasena Madanayake left him surviving as his heirs his widow the 1st Respondent abovenamed and his five children the 2nd to 6th Respondents abovenamed, who thereupon became jointly entitled to the said land and premises subject to the obligations arising out of and under the said Agreement No. 342.

11. The 1st Respondent abovenamed as widow of the deceased applied for Letters of Administration in respect of the intestate estate of Mudaliyar Jayasena Madanayake in testamentary proceedings No. 21231 of the District Court of Colombo and order absolute declaring her entitled to the said grant of Letters was entered on 28th November 1963 but the same has still not been issued pending the certificate of the Commissioner of Inland Revenue in respect of due payment of Estate Duty.

12. That despite the default as aforesaid on the part of the said Mudaliyar Jayasena Madanayake and in view of the improvements effected as aforesaid by the Petitioner-Company on the faith of the undertaking and agreement of the said Mudaliyar Jayasena Madanayake, the Petitioner-Company expressed its readiness and willingness to pay to the Respondents abovenamed the balance purchase price of Rs. 25,000/- and called upon the Respondents to execute a valid conveyance of the said property and premises in favour of the Petitioner-Company in terms of the said Agreement No. 342.

13. That the Respondents have wrongfully and unlawfully refused to comply with the lawful request as aforesaid of the Petitioner-Company and is now dishonestly repudiating their obligations under the said agreement.

14. An action is simultaneously filed with this petition suing the Respondents as heirs of the said Mudaliyar Jayasena Madanayake and as persons presently entitled to the aforesaid property for specific performance of the said Agreement No. 342 and for an order compelling them to execute a valid conveyance in favour of the Petitioner-Company.

15. That the Petitioner-Company is engaged in the business of film production and the aforesaid buildings and premises have been planned, laid out and constructed for the purpose of a Film Studio and other purposes incidental thereto and necessary thereof, during the lifetime of the said Mudaliyar Jayasena Madanayake with the full knowledge acquiescence and approval, and in pursuance of an agreement between the Petitioner-Company and the said Mudaliyar Jayasena Madanayake that the Petitioner Company would be entitled to the use and enjoyment of the said property and premises with the buildings thereon for the purposes of its business.

16. That in the premises in the event of the Petitioner-Company being held not entitled to specific performance of the said agreement as claimed, the Petitioner-Company has alternatively sued the respondents:—

(a) to recover compensation for the said improvements and to a *jus retentionis* of the said property and premises with the improvements standing thereon until payment of compensation;

(b) for recovery of damages against the Respondents as heirs aforesaid consequent upon the breach of the agreement set out in paragraph 15 above, which the Petitioner-Company assesses at Rs. 100,000/-.

17. That in the event of the Petitioner-Company being held not entitled to a decree for specific performance as claimed above, a cause of action has in the premises arisen to the Petitioner-Company to sue the respondents for compensation for improvements and damages, as set out above and for a declaration that the Petitioner-Company is entitled to a *jus retentionis.*

18. That since February 1964 the 1st Respondent abovenamed is wrongfully and unlawfully disturbing the possession of the Petitioner-Company of the said land and premises and unlawfully interfering with the conducting of the Petitioner-Company's business thereon.

19. That the 1st Respondent with the knowledge and approval of the 2nd to 6th Respondents is unlawfully taking steps to take forcible possession of the said property and premises in violation of the rights of the Petitioner-Company, the Petitioner-Company has good reason to believe that the Respondents will take forcible possession of the said property and premises or parts thereof unless they are restrained therefrom by injunction.

20. That in the event of the Respondents taking forcible possession of the said property and premises or any part thereof as aforesaid grave and irreparable loss and damage would be caused to the Petitioner-Company and it will tend to render the ultimate judgment ineffectual.

21. The Petitioner-Company values the premises, the buildings and equipments now standing on the said land at Rs. 405,000/-.

WHEREFORE the Petitioner-Company prays:—

(a) that the Respondents, their agents, servants and other persons acting through or under them be restrained by injunction from entering upon or into the said land, buildings and premises and/or disturbing or hindering the quiet possession use and enjoyment of the same by the Petitioner-Company and its agents, servants, workmen and persons claiming through or under it and/or committing any other act in violation of the Petitioner-Company's right to the possession, enjoyment and user of the said property, buildings and premises pending the final determination of this action;

No. 3
Application of the Plaintiff for an Injunction—(i) Petition of the Plaintiff 22-5-64
—Continued

(b) for costs and

(c) for such other and further relief in the premises as to this Court shall seem meet.

Signed: D. Wijemanne & Co.
Proctors for Petitioner-Company

THE SCHEDULE ABOVE REFERRED TO

(1) All those several allotments of land called Owita of the field, Weliketiyekumbura, Wanata, Millagahakumbura, Millagahawatta, Pelengahakumbura, Millagahapillewa, Highland of Mullekumbura and Mullekumbura described as lots 1 to 15 in Plan No. 496 dated 8th and 9th January 1956 made by S. H. Fernando, Licensed Surveyor situated at Dalugama in the Adikari Pattu of Siyane Korale in the District of Colombo Western Province and bounded on the North by High Road, to Kandy, lands of K. W. A. Hemapala and K. W. A. Abeysena, lands of Abilinu Saram, D. F. J. Perera, Peduru Perera, on the East by paddy land of Peduru Perera, land of S. A. K. W. Perera, lands of Marshal Perera and others, land of D. D. S. Abeysekera, land of M. A. J. Dias and the land of Jamis, on the South by Ela, Kurundugahakumbura and paddy land of the Gan Aratchi, paddy lands of Barlan and Charlishamy, and on the West by land of B. W. Dias and the paddy land of Aron and containing in extent eight acres, one rood and thirty two decimal two perches (A8. R1. P32.2) according to the said Plan No. 496 which said land is comprised of the lands registered in folios C 200/61, 200/141, 225/35, 237/115, 128/270, 203/294, 232/180 and 136/228.

2. All that allotment of land called Kurundugahakumbura situated at Dalugama aforesaid and bounded on the North by an ela, on the East by Mullekumbura of Mudaliyar Madanayake, on the South by paddy land known as Muttettuwa, and on the West by Mudun Ela and Pelengahakumbura of Mudaliyar Madanayake containing in extent one acre, one rood and fourteen perches (A1. R1. P14) according to Plan No. 506 dated 26th March 1956 made by S. H. Fernando, Licensed Surveyor which said land is comprised of the land registered in folios C 324/125, 326/109 and 240/102.

Signed: D. Wijemanne & Co.
Proctors for Petitioner-Company

DOCUMENTS FILED WITH THE PETITION

Affidavit of the Petitioner-Company.

Signed: D. Wijemanne & Co.
Proctors for Petitioner-Company

No. 3

No. 3
Application of the Plaintiff for an Injunction— (ii) Affidavit of G. Hewavitarane 22-5-64

APPLICATION OF THE PLAINTIFF FOR AN INJUNCTION (II) AFFIDAVIT OF G. HEWAVITARANE

IN THE DISTRICT COURT OF COLOMBO

THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., of "Kalyani Studios", Dalugama, Kelaniya.

Petitioner.

No. 1265/ZL.

AND

10 1. HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE the Administratrix of the intestate estate of MUDALIYAR JAYASENA MADANAYAKE, also called and known as MADANAYAKAGE JAYASENA of "Kalyani", Peliyagoda.

2. SIRINATHA KUMARADASA MADANAYAKE of "Kalyani", Peliyagoda.

3. DHARMAWANSA SIRIPALA MADANAYAKE of 93, Rosmead Place, Colombo 7.

20 4. IRANGANI HEMAMALI WIJEWARDENA (nee MADANAYAKE) of 100 Horton Place, Colombo 7.

5. UPALI GOTABAYA MADANAYAKE, and

6. MALINI SOMAKUMARI KOTAGAMA (nee MADANAYAKE) both of "Kalyani", Peliyagoda.

Respondents.

I, GILBERT HEWAVITARANE of Unapandura, Dalugama, Kelaniya, do hereby solemnly sincerely and truly declare and affirm as follows :—

1. I am a Director of the Petitioner-Company abovenamed and I am personally aware of the facts affirmed to herein.

30 2. The Petitioner is a Company duly incorporated in Ceylon under the provisions of the Companies Ordinance Chapter 145 Legislative Enactments and having its registered office at the abovenamed place within the Jurisidiction of this Court.

3. The 1st Respondent abovenamed is the duly appointed Administratrix of the intestate estate of Mudaliyar Jayasena Madanayake, now deceased.

No. 3
Application of the Plaintiff for an Injunction—(ii) Affidavit of G. Hewavitarane 22-5-64
—*Continued*

4. That the Respondents reside, the contract sought to be enforced was made and the causes of action hereinafter set forth arose within the local limits of the jurisdiction of this Court.

5. That by an agreement in writing bearing No. 342 dated 2nd March 1959 and attested by H. C. Perera, Notary Public (a true copy whereof is annexed hereto marked "A" and pleaded as part and parcel of the plaint) the said Mudaliyar Jayasena Madanayake agreed to sell and convey to the Petitioner-Company abovenamed at a price of Rs. 40,000/- of lawful money of Ceylon and subject to the other terms and conditions of the said agreement set forth all that and those allotments of lands in the schedule hereto and more particularly described.

6. That in terms of the said agreement the Petitioner Company at the execution thereof duly paid to Mudaliyar Jayasena Madanayake a sum of Rs. 15,000/- in part payment of the purchase price aforementioned leaving a balance sum of Rs. 25,000/- payable upon the execution of the deed of conveyance in favour of the Petitioner-Company in accordance with the provisions of the said agreement.

7. That in and by the said Agreement No. 342 it was expressly agreed between the parties *inter alia* that :—

(i) the Vendor shall sell and the Purchaser-Company shall purchase the said property and premises within a period of eighteen (18) months from the date thereof;

(ii) that the Vendor undertakes to perfect the title of the said property and premises before the expiration of the said period at the cost and expense of the Vendor and the Purchaser-Company accepts the title of the Vendor when perfected as agreed upon between the Vendor and the Purchaser-Company;

(iii) the Purchaser-Company shall be in possession of the said property and premises from the date hereof;

(iv) the Purchaser-Company can put up any buildings of any kind permanent or temporary for the purpose of the Purchaser-Company.

8. That in order to perfect the title of the said land and premises it was agreed between the parties thereto at the time of the execution of the said agreement that a decree under the provisions of the Partition Act No. 16 of 1951 be obtained in respect of the same and that the said Mudaliyar Jayasena Madanayake shall and will take all steps towards obtaining the said decree.

9. That the Petitioner-Company abovenamed duly entered into possession of the said land and premises in pursuance of the provisions of the said agreement and with the full knowledge, acquiescence and approval of Mudaliyar Jayasena Madanayake at its own cost and expense erected permanent buildings thereon and proceeded to equip the same for the purposes of its business as contemplated by the parties. That the Petitioner-Company has

up to date incurred a sum of Rs. 380,000/- on account of the said buildings equipment and other structural features required for the Petitioner-Company's business.

10. That the said Mudaliyar Jayasena Madanayake died intestate on or about 13th March 1963 without having perfected the title of the said land and premises as agreed of and before the completion of the said sale and purchase in accordance with the provisions of the said agreement.

11. That the said Mudaliyar Jayasena Madanayake left him surviving as his heirs his widow the 1st Respondent abovenamed and his five children the 2nd to 6th respondents abovenamed, who thereupon became jointly entitled to the said land and premises subject to the obligations arising out of and under the said Agreement No. 342.

12. The 1st Respondent abovenamed as widow of the deceased applied for Letters of Administration in respect of the intestate estate of Mudaliyar Jayasena Madanayake in testamentary proceedings No. 21231 of the District Court of Colombo and order absolute declaring her entitled to the said grant of Letters was entered on 28th November 1963 but the same has still not been issued pending the certificate of the Commissioner of Inland Revenue in respect of due payment of Estate Duty.

13. That despite the default as aforesaid on the part of the said Mudaliyar Jayasena Madanayake and in view of the improvements effected as aforesaid by the Petitioner-Company on the faith of the undertaking and agreement of the said Mudaliyar Jayasena Madanayake, the Petitioner-Company expressed its readiness and willingness to pay to the Respondents abovenamed the balance purchase price of Rs. 25,000/- and called upon the respondents to execute a valid conveyance of the said property and premises in favour of the Petitioner-Company in terms of the said Agreement No. 342.

14. That the Respondents have wrongfully and unlawfully refused to comply with the lawful request as aforesaid of the Petitioner-Company and is now dishonestly repudiating their obligations under the said agreement.

15. An action is simultaneously filed with this petition suing the Respondents as heirs of the said Mudaliyar Jayasena Madanayake and as persons presently entitled to the aforesaid property for specific performance of the said Agreement No. 342 and for an order compelling them to execute a valid conveyance in favour of the Petitioner-Company.

16. That the Petitioner-Company is engaged in the business of film production and the aforesaid buildings and premises have been planned, laid out and constructed for the purposes of a film studio and other purposes incidental thereto and necessary thereof, during the lifetime of the said Mudaliyar Jayasena Madanayake with the full knowledge, acquiescence and approval and in pursuance of an agreement between the Petitioner-Company and the said Mudaliyar Jayasena Madanayake that the Petitioner-Company would be entitled to the use and enjoyment of the said property and premises with the buildings thereon for the purposes of its business.

No. 3
Application of the Plaintiff for an Injunction—(ii) Affidavit of G. Hewavitarane 22-5-64
—Continued

17. That in the premises in the event of the Petitioner-Company being held not entitled to specific performance of the said agreement as claimed, the Petitioner-Company has alternatively sued the Respondents:—

(*a*) to recover compensation for the said improvements and to a *jus retentionis* of the said property and premises with the imrpovements standing thereon until payment of compensation;

(*b*) for recovery of damages against the Respondents as heirs aforesaid consequent upon the breach of the agreement set out in paragraph 15 above, which the Petitioner-Company assesses at Rs. 100,000/-.

18. That in the event of the Petitioner-Company being held not entitled to a decree for specific performance as claimed above, a cause of action has in the premises arisen to the Petitioner-Company to sue the Respondents for compensation for improvements and damages, as set out above and for a declaration that the Petitioner-Company is entitled to a *jus retentionis*.

19. That since February 1964 the 1st Respondent abovenamed is wrongfully and unlawfully disturbing the possession of the Petitioner-Company of the said land and premises and unlawfully interfering with the conducting of the Petitioner-Company's business thereon.

20. That the 1st Respondent with the knowledge and approval of the 2nd to 6th Respondents is unlawfully taking steps to take forcible possession of the said property and premises in violation of the rights of the Petitioner-Company, the Petitioner-Company has good reason to believe that the Respondents will take forcible possession of the said property and premises or parts thereof unless they are restrained therefrom by injunction.

21. That in the event of the Respondents taking forcible possession of the said property and premises or any part thereof as aforesaid grave and irreparable loss and damage would be caused to the Petitioner-Company and it will tend to render the ultimate judgment ineffectual.

22. The Petitioner-Company values the premises the buildings and equipments now standing on the said land at Rs. 405,000/-.

THE SCHEDULE ABOVE REFERRED TO

1. All those several allotments of land called Owita of the field, Weliketiyekumbura, Wanata, Millagahakumbura, Millagahawatta, Pelengahakumbura, Millagahapillewa, Highland of Mullekumbura and Mullekumbura described as lots 1 to 15 in Plan No. 496 dated 8th and 9th January 1956 made by S. H. Fernando Licensed Surveyor situated at Dalugama in the Adicari Pattu of Siyane Korale in the District of Colombo Western Province and bounded on the North by High Road to Kandy, lands of K. W. A. Hemapala and K. W. A. Abeysena, lands of Abilinu Saram, D. F. J. Perera, Peduru Perera, on the East by paddy land of Peduru Perera, land of S. A. K. W. Perera, lands of Marshal Perera and others, lands of D. D. S. Abeysekera, land of M. A. J. Dias and land of Jamis, on the South by ela, Kurundugahakumbura

and paddy land of the Gan Aratchi, paddy lands of Barlan and Charlishamy, and on the West by land of B. W. Dias and the paddy land of Aron and containing in extent eight acres, one rood and thirty two decimal two perches (A8. R1. P32.2) according to the said Plan No. 496 which said land is comprised of the lands registered in folio C 200/61, 200/141, 225/35, 237/115, 128/270, 203/294, 232/180 and 136/228.

2. All that allotment of land called Kurundugahakumbura situated at Dalugama aforesaid and bounded on the North by an ela, on the East by Mullekumbura of Mudaliyar Madanayake, on the South by paddy land known as Muttettuwa and on the West by Mudun ela and Pelengahakumbura of Mudaliyar Madanayake containing in extent one acre, one rood and fourteen perches (A1. R1. P14) according to plan No. 506 dated 26th March 1956 made by S. H. Fernando Licensed Surveyor which said land is comprised of the land registered in folios C 324/125, 326/109 and 240/102.

Read over, signed and affirmed to at Colombo this 22nd May 1964. } Sgd. GILBERT HEWAVITARANA.

BEFORE ME :

Sgd. Illegibly.
A Justice of the Peace.

No. 4

PROCEEDINGS BEFORE, AND ORDER OF THE DISTRICT COURT

30-5-64

MR. ADV. ERIC AMERASINGHE with MR. ADV. B. J. FERNANDO for the Plaintiff-Petitioner.

Mr. Amerasinghe states that the fact that the 1st Defendant is being sued not merely as administratrix, but also in her personal capacity has not been fully brought out in the caption to the plaint and in order therefore to straighten up matters he says that his Proctor has filed the necessary motion asking for an amendment of the caption.

I allow. Amend caption accordingly.

Mr. Amerasinghe proceeds to state that the main matter which he brings up now is that on the averments made in the plaint and on the affidavit filed, it is his submission that irreparable loss and damage would be caused to the Plaintiff unless an interim injunction as asked for in the plaint is allowed. Counsel details the various circumstances which have led the parties up to

No. 4
Proceedings before, and Order of the District Court—
30-5-64
1-6-64
4-6-64
—*Continued*

this dispute. He says that in the first instance the Plaintiff would be satisfied with a notice coupled with an enjoining order in terms of Section 664 of the Civil Procedure Code.

Initialled. .....
Additional District Judge
30-5-64

Order

I am satisfied on a perusal of the various matters alleged in the plaint, that this application for an enjoining order could be granted in terms of Section 664 of the Civil Procedure Code. Issue order in terms of that Section with notice of application for enjoining order intimating to the Defendant that she will be heard in opposition on 4-6-64. I inform Mr. Amerasinghe that I will be considering the question of security if necessary on that day.

Accept plaint and issue summons returnable 29-7-64.

Initialled. .....
Additional District Judge
30-5-64

1st June, 1964.

Mr. Adv. Amerasinghe refers me to the order made on 30th May, 1964, and states that the order needs a little clarification.

I have gone through the order and I find that the order has to be clarified. Issue Notice of Injunction with Enjoining Order returnable 4-6-64.

Initialled. .....
Additional District Judge
1-6-64

4-6-64

Mr. Advocate N. E. Weerasuriya (Jnr.) instructed by Mr. Ben Samarasinghe appearing for all Defendants states that notice of injunction and restraining order has not been served on all the Defendants, but in order to facilitate matters his Proctor has filed proxy on behalf of all the Defendants and he enters an appearance for all the Defendants today.

He further states that he waives formal notice of service of injunction and restraining order on those Defendants who have not been served.

Objections on 17-6-64.

Initialled. .....
Additional District Judge
4-6-64

No. 5

No. 5
Petition of the Defendants in reply to the Plaintiff's Application for an Injunction—17-6-64

PETITION OF THE DEFENDANTS IN REPLY TO THE PLAINTIFF'S APPLICATION FOR AN INJUNCTION

IN THE DISTRICT COURT OF COLOMBO

1. HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE, the Administratrix of the Intestate Estate of MUDALIYAR JAYASENA MADANAYAKE, also called and known as MADANAYAKAGE JAYASENA of "Kalyani", Peliyagoda.
2. SIRINATH KUMARADASA MADANAYAKE of "Kalyani", Peliyagoda.
3. DHARMASENA SIRIPALA MADANAYAKE of 93, Rosmead Place, Colombo.
4. IRANGANI HEMAMALI WIJEWARDENA (nee MADANAYAKE) of 100, Horton Place, Colombo.
5. UPALI GOTABHAYA MADANAYAKE, and
6. MALINI SOMAKUMARI KOTAGAMA (nee MADANAYAKE) both of "Kalyani", Peliyagoda.

Defendants-Respondents-PETITIONERS.

No. 1265/ZL.

Vs.

THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., of "Kalyani Studios", Dalugama, Kelaniya.

Plaintiff-Petitioner-RESPONDENT.

On this 17th day of June, 1964.

The Petition of the Defendants-Petitioners abovenamed appearing by BEN SAMARASINGHE, their Proctor, states as follows:—

1. These defendants-petitioners deny all and singular the averments in the plaintiff-respondent's petition save as herein expressly admitted.

2. These defendants-petitioners admit the averments in paragraphs 2 and 11 of the said petition.

3. Answering paragraph 3 of the said petition these defendants-petitioners admit that they reside at the places mentioned above, but deny all and singular the other averments in that paragraph.

No. 5
Petition of the Defendants in reply to the Plaintiff's Application for an Injunction— 17-6-64
—*Continued*

4. Answering paragraphs 4, 5 and 6 of the petition the defendants-petitioners admit the execution of the said Agreement No. 342 dated 2nd March, 1959, and the terms and conditions in the said Agreement. The defendants-petitioners deny all and singular the other averments in the said paragraphs.

5. Answering paragraphs 7, 9 and 10 of the petition the defendants-petitioners admit that the said Mudaliyar J. Madanayake died intestate on the 13th March, 1963, and left him surviving as his heirs the 1st to the 6th Defendants. The defendants-petitioners deny all and singular the other averments in the said paragraphs.

6. The defendants-petitioners deny all and singular the averments in paragraphs 8, 12, 13, 14, 15, 16 and 17 of the petition save and except as is expressly admitted in this answer.

7. Answering paragraphs 18, 19 and 20 of the petition the defendants-petitioners state that all and singular the avermants in the said paragraphs are false; that the plaintiff-respondent has maliciously made the said averments in order to obtain an interim injunction and an enjoining order against the Defendants; that the plaintiff-respondent has wilfully suppressed from the Court material facts which were well within its knowledge and obtained an enjoining order on the basis of the said false averments and by the suppression of material facts.

8. Answering paragraph 21 of the petition and further answering paragraph 8 the Defendants-Petitioners state that the valuation of Rs. 370,000/- in respect of the buildings, equipments and other structural features as stated in paragraph 8 of the petition is a gross over-valuation.

9. Further answering the Defendants-Petitioners state that in pursuance of the terms in clause 3 of the said Agreement No. 342, the late Mudaliyar J. Madanayake took steps to perfect his title to the premises described in the schedule to the plaint *inter alia* by filing actions for partition in respect of the said lands *inter alia* Actions Nos. 9134/P to 9140/P of this Court, but the said actions were withdrawn by him with the knowledge and acquiescence of the plaintiff-company in view of the facts hereinafter set out.

10. The Defendants-Petitioners also say that the Plaintiff-Company was permitted by the said Mudaliyar J. Madanayake to put up two buildings on the said premises and install equipment in the said buildings in view of the said Agreement No. 342 by the Plaintiff-Company to purchase the said premises in terms of the said Agreement but that the Plaintiff-Company committed a breach of the said Agreement and handed the keys of the buildings to the said Mudaliyar J. Madanayake in view of the facts hereinafter set out. The said Mudaliyar J. Madanayake was thereafter upto his death in possession of the said land and buildings and thereafter the 1st Defendant as the Applicant for Letters of Administration and the Defendants as the intestate heirs of the said Mudaliyar J. Madanayake, were and are in lawful possession.

11. The Defendants-Petitioners say that in and by the said Agreement No. 342, the Plaintiff-Company *inter alia* agreed:—

(i) to complete the said purchase on or before the expiration of a period of 18 months from the date thereof, and

(ii) to forfeit the sum of Rs. 15,000/- paid on the execution of the said Agreement; that the Plaintiff-Company was unable and failed and neglected to complete the said purchase within the said period or at all and the Plaintiff-Company has therefore no rights under the said Agreement either for specific performance, damages or other reliefs and that the Plaintiff-Company in law forfeited the said sum of Rs. 15,000/- in favour of the said Mudaliyar J. Madanayake.

12. Further answering the Defendants-Petitioners state that subsequent to the execution of the said Agreement dated 2nd March, 1959, the Plaintiff-Company fell into financial difficulties and had no funds to carry on the project for which it was incorporated, viz: the Business of Film Production and abandoned the project of establishing a Film Studio and engaging in the business of Film Production and had decided to liquidate the Company prior to the death of the said Mudaliyar J. Madanayake on the 13th March, 1963.

13. That the said Mudaliyar J. Madanayake was the Managing Director of the Plaintiff-Company and in view of the financial difficulties and lack of funds of the Plaintiff-Company as aforesaid :—

(*a*) the Plaintiff-Company and the said Mudaliyar J. Madanayake mutually resolved to rescind the resolution to purchase the lands which are the subject matter of this action and the said Agreement was thereby rescinded and lapsed, and the proposed purchase was abandoned by the Plaintiff-Company and the Plaintiff-Company failed and neglected to fulfill the said Agreement, and

(*b*) the said Mudaliyar J. Madanayake thereafter directed that the sum of Rs. 15,000/- paid to him at the execution of the said Agreement be credited to his Studio Account with the Plaintiff-Company and waived the balance sum of Rs. 25,000/- referred to in the said Agreement.

14. That the late Mudaliyar J. Madanayake filed cases Nos. 9134/P to 9140/P of this Court in respect of the lands referred to in the schedule to the plaint through his Proctors Messrs. D. L. Gunasekera and H. C. Perera (Mr. D. L. Gunasekera being at the said period the Chairman of the Board of Directors of the Plaintiff-Company) but later in view of the facts set out in paragraphs 12 and 13 hereof withdrew the said actions for partition with the knowledge and acquiescence of the Plaintiff-Company.

15. The Defendants-Petitioners further say that the Plaintiff-Company have at their own risk put up two buildings on the lands described in the schedule to the plaint and brought in certain equipment both of which have been grossly over-valued in the plaint. The Defendants-Petitioners have no objection to the Plaintiff-Company removing the said materials of the buildings and the said equipment without damages to the said lands.

16. The defendants-petitioners further say that by reason of the facts pleaded in paragraphs 12, 13, 14 and 15 hereof the Plaintiff-Company is estopped by their conduct from making a claim for specific performance, damages or any of the other reliefs asked by the Plaintiff-Company in this action.

No. 5
Petition of the Defendants in reply to the Plaintiff's Application for an Injunction— 17-6-64
—*Continued*

17. The Defendants-Petitioners further say that the Plaintiff-Company have in their plaint, petition and affidavit asked for an enjoining order and obtained from the Court a notice of an injunction and an enjoining order by making averments of facts which are false and by the suppression of material facts as aforesaid and further by the suppression from Court of the following material correspondence which passed between the Defendants and their lawyers and the Plaintiff-Company and their lawyers viz:—

(i) Letter dated 1st February, 1964, sent by Mr. Ben Samarasinghe on behalf of the 1st Defendant to the Plaintiff-Company and to Mr. D. L. Gunasekara the former Chairman and Director of the Plaintiff-Company.

(ii) Letters dated 27th January, 1964 sent by Messrs. Dharmadasa Wijemanne & Company on behalf of the Plaintiff-Company to the 1st Defendant, letter dated 8th February, 1964 by Messrs. Dharmadasa Wijemanne & Company to Mr. Ben Samarasinghe, and letter dated 29th February, 1964 by Mr. Ben Samarasinghe to Messrs. Dharmadasa Wijemanne & Company and to the Plaintiff-Company.

18. The defendants-petitioners further say that under cover of the order made on the 30th May, 1964, viz:— "Issue notice and enjoining order", the Plaintiff-Company has sent people to enter by force on the land and premises which were in the possession of the Defendants' watcher and Defendants' cultivator and in spite of their protests to pluck coconuts and jak fruits and to prevent the cultivator from cultivating the paddy field which is part of premises in question.

19. The defendants-petitioners further say that this action is a belated and speculative one brought by certain members of the Company who have recently acquired shares and become directors of the Company taking advantage of the fact that Mudaliyar J. Madanayake who was the Managing Director of the Company and a party to the said Agreement No. 342 died on the 13th March, 1963.

20. The defendants-petitioners say that in any event the application by the Plaintiff-Company is a belated one and the allegations made in regard to the alleged disturbance of the alleged possession of the Plaintiff-Company are vague and not specific and are not sufficient in law to entitle the Plaintiff-Company to obtain an injunction or an enjoining order.

WHEREFORE the defendants-petitioners pray :—

(*a*) that the application for the Plaintiff-Petitioner-Respondent for an injunction and an enjoining order be dismissed;

(*b*) that all steps taken on the basis of the said application be set aside;

(*c*) that the orders made in respect of the said application be discharged;

(*d*) for costs, and

(*e*) for such other and further relief in the premises as to this Court shall seem meet.

Signed: BEN SAMARASINGHE.
Proctor for Defendants-Respondents-Petitioners.

No. 6

No. 6
Affidavit of
U. G. Mada-
nayake
(5th Defendant)
17-6-64

AFFIDAVIT OF U. G. MADANAYAKE (5th DEFENDANT)

IN THE DISTRICT COURT OF COLOMBO

1. HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE, the Administratrix of the Intestate Estate of MUDALIYAR JAYASENA MADANAYAKE, also called and known as MADANAYAKAGE JAYASENA of "Kalyani", Peliyagoda.
2. SIRINATHA KUMARADASA MADANAYAKE of "Kalyani", Peliyagoda.
3. DHARMASENA SIRIPALA MADANAYAKE of 93, Rosmead Place, Colombo.
4. IRANGANI HEMAMALI WIJEWARDENE (nee MADANAYAKE) of 100, Horton Place, Colombo.
5. UPALI GOTABHAYA MADANAYAKE, and
6. MALINI SOMAKUMARI KOTAGAMA (nee MADANAYAKE) both of "Kalyani", Peliyagoda.

Defendants-Respondents-PETITIONERS.

No. 1265/ZL

Vs.

THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., of "Kalyani Studios", Dalugama, Kelaniya.

Plaintiff-Petitioner-RESPONDENT.

I, Upali Gotabhaya Madanayake of "Kalyani", Peliyagoda, do hereby solemnly, sincerely and truly declare and affirm as follows :—

1. I am the 5th defendant-respondent-petitioner abovenamed, and am an heir of the estate of the late Mudaliyar J. Madanayake. The 1st defendant-respondent-petitioner is the applicant for Letters of Administration and is the widow of the said Mudaliyar J. Madanayake and this Defendant and the other defendants-respondents-petitioners are their children.

2. These defendants-petitioners deny all and singular the averments in the plaintiff-respondent's petition save as herein expressly admitted.

3. These defendants-petitioners admit the averments in paragraphs 2 and 11 of the said petition.

No. 6
Affidavit of U.G. Madanayake (5th Defendant) 17-6-64
—*Continued*

4. Answering paragraph 3 of the said petition these defendants-petitioners admit that they reside at the places mentioned above but deny all and singular the other averments in that paragraph.

5. Answering paragraphs 4, 5 and 6 of the petition the defendants-petitioners admit the execution of the said Agreement No. 342 dated 2nd March, 1959, and the terms and conditions in the said Agreement. The defendents-petitioners deny all and singular the other averments in the said paragraphs.

6. Answering paragraphs 7, 9 and 10 of the petition the defendants-petitioners admit that the said Mudaliyar J. Madanayake died intestate on the 13th March, 1963, and left him surviving as his heirs the 1st to the 6th Defendants. The defendants-petitioners deny all and singular the other averments in the said paragraphs.

7. The defendants-petitioners deny all and singular the averments in paragraphs 8, 12, 13, 14, 15, 16 and 17 of the petition save and except as is expressly admitted in this answer.

8. Answering paragraphs 18, 19 and 20 of the petition, the defendants-petitioners state that all and singular the averments in the said paragraphs are false; that the plaintiff-respondent has maliciously made the said averments in order to obtain an interim injunction and an enjoining order against the Defendants; that the plaintiff-respondent has wilfully suppressed from the Court material facts which were well within its knowledge and obtain an enjoining order on the basis of the said false averments and by the suppression of material facts.

9. Answering paragraph 21 of the petition and further answering paragraph 8 the defendants-petitioners state that the valuation of Rs. 370,000/- in respect of the buildings, equipments and other structural features as stated in paragraph 8 of the petition is a gross overvaluation.

10. Further answering the defendants-petitioners state that in pursuance of the terms in clause 3 of the said Agreement No. 342, the late Mudaliyar J. Madanayake took steps to perfect his title to the premises described in the schedule to the plaint *inter alia* by filing actions for partition in respect of the said lands *inter alia* Actions Nos. 9134/P to 9140/P of this Court but the said actions were withdrawn by him with the knowledge and acquiescence of the Plaintiff-Company in view of the facts hereinafter set out.

11. The defendants-petitioners also say that the Plaintiff-Company was permitted by the said Mudaliyar J. Madanayake to put up two buildings on the said premises and install equipment in the said buildings in view of the said Agreement No. 342 by the Plaintiff-Company to purchase the said premises in terms of the said Agreement but that the Plaintiff-Company committed a breach of the said Agreement and handed the keys of the buildings to the said Mudaliyar J. Madanayake in view of the facts hereinafter set out. The said Mudaliyar J. Madanayake was thereafter upto his death in possession of the said land and buildings and thereafter the 1st Defendant as the applicant for Letters of Administration and the Defendants as the intestate heirs of the said Mudaliyar J. Madanayake, were and are in lawful possession.

12. The defendants-petitioners say that in and by the said Agreement No. 342, the Plaintiff-Company *inter alia* agreed:

(i) to complete the said purchase on or before the expiration of a period of 18 months from the date thereof, and

(ii) to forfeit the sum of Rs. 15,000/- paid on the execution of the said Agreement; that the Plaintiff-Company was unable and failed and neglected to complete the said purchase within the said period or at all and the Plaintiff-Company has therefore no rights under the said Agreement either for specific performance, damages or other reliefs and that the Plaintiff-Company in law forfeited the said sum of Rs. 15,000/- in favour of the said Mudaliyar J. Madanayake.

13. Further answering the defendants-petitioners state that subsequent to the execution of the said Agreement dated 2nd March, 1959, the Plaintiff-Company fell into financial difficulties and had no funds to carry on the project for which it was incorporated, viz:— the Business of Film Production and abandoned the project of establishing a Film Studio and engaging in the business of Film Production and had decided to liquidate the Company prior to the death of the said Mudaliyar J. Madanayake on the 13th March, 1963.

14. That the said Mudaliyar J. Madanayake was the Managing Director of the Plaintiff-Company and in view of the financial difficulties and lack of funds of the Plaintiff-Company as aforesaid:—

(*a*) the Plaintiff-Company and the said Mudaliyar J. Madanayake mutually resolved to rescind the resolution to purchase the lands which are the subject matter of this action and the said Agreement was thereby rescinded and lapsed, and the proposed purchase was abandoned by the Plaintiff-Company and the Plaintiff-Company failed and neglected to fulfill the said Agreement, and

(*b*) the said Mudaliyar J. Madanayake thereafter directed that the sum of Rs. 15,000/- paid to him at the execution of the said Agreement be credited to his Studio Account with the Plaintiff-Company and waived the balance sum of Rs. 25,000/- referred to in the said Agreement.

15. That the late Mudaliyar J. Madanayake filed cases Nos. 9134/P to 9140/P of this Court in respect of the lands referred to in the schedule to the plaint through his Proctors Messrs. D. L. Gunasekera and H. C. Perera (Mr. D. L. Gunasekera being at the said period the Chairman of the Board of Directors of the Plaintiff-Company) but later in view of the facts set out in paragraphs 13 and 14 hereof, withdrew the said actions for partition with the knowledge and acquiescence of the Plaintiff-Company.

16. The defendants-petitioners further say that the Plaintiff-Company have at their own risk put up two buildings on the lands described in the schedule to the plaint and brought in certain equipment both of which have been grossly over-valued in the plaint. The defendants-petitioners have no objection to the Plaintiff-Company removing the said materials of the buildings and the said equipment without damage to the said lands.

No. 6
Affidavit of U.G. Madanayake (5th Defendant) 17-6-64
—*Continued*

17. The defendants-petitioners further say that by reason of the facts pleaded in paragraphs 13,14, 15 and 16 hereof, the Plaintiff-Company is estopped by their conduct from making a claim for specific performance, damages or any of the other reliefs asked by the Plaintiff-Company in this action.

18. The defendants-petitioners further say that the Plaintiff-Company have in their plaint, petition and affidavit asked for an enjoining order and obtained from the Court a notice of an injunction and an enjoining order by making averments of facts which are false and by the suppression of material facts as aforesaid and further by the suppression from Court of the following material correspondence which passed between the Defendants and their lawyers and the Plaintiff-Company and their lawyers, viz:—

(i) Letter dated 1st February, 1964, sent by Mr. Ben Samarasinghe on behalf of the 1st Defendant to the Plaintiff-Company and to Mr. D. L. Gunasekera, the former Chairman and Director of the Plaintiff Company;

(ii) Letters dated 27th January, 1964, sent by Messrs. Dharmadasa-Wijemanne & Company on behalf of the Plaintiff-Company to the 1st Defendant, letter dated 8th February, 1964, by Messrs. Dharmadasa Wijemanne & Company to Mr. Ben Samarasinghe, and Letter dated 29th February, 1964, by Mr. Ben Samarasinghe to Messrs. Dharmadasa Wijemanne & Company and to the Plaintiff-Company.

19. The defendants-petitioners further say that under cover of the order made on the 30th May, 1964, viz:— "Issue notice and enjoining order", the Plaintiff-Company have sent people to enter by force on the land and premises which were in the possession of the Defendants' watcher and Defendants' cultivator and in spite of their protests to pluck coconuts and jak fruits and to prevent the cultivator from cultivating the paddy field which is part of premises in question.

20. The defendants-petitioners further say that this action is a belated and speculative one brought by certain members of the Company who have recently acquired shares and become Directors of the Company taking advantage of the fact that Mudaliyar J. Madanayake who was the Managing Director of the Company and a party to the said Agreement No. 342 died on the 13th March, 1963.

21. The defendants-petitioners say that in any event the application by the Plaintiff-Company is a belated one and the allegations made in regard to the alleged disturbance of the alleged possession of the Plaintiff-Company are vague and not specific and are not sufficient in law to entitle the Plaintiff-Company to obtain an injunction or an enjoining order.

Affirmed to and signed at Colombo, on this 17th day of June, 1964..... Signed. U. G. MADANAYAKE.

BEFORE ME :

Signed. A. V. PUSHPADEVI JOSEPH.
Commissioner for Oaths.

No. 7

No. 7
Proceedings before, and Order of the District Court 25-8-64

PROCEEDINGS BEFORE, AND ORDER OF THE DISTRICT COURT

25th August, 1964.

Mr. Advocate Amerasinghe with Mr. Advocate B. J. Fernando for Plaintiff.

Mr. Advocate N. E. Weerasooria, Q.C., with Mr. Advocate N. E. Weerasooria, Jnr., for Defendant instructed.

Mr. Amerasinghe moves to read the affidavit filed along with the petition which has been sworn to and which is marked P1.

Mr. Amerasinghe calls:—

GILBERT HEWAVITHARANA, affirmed, 54, Business. of No. 239, Dalugama, Kelaniya.

I was the Manager appointed by the Plaintiff-Company at the commencement of business. That was in 1957. I am aware that the Plaintiff-Company by Agreement No. 342 of 2nd March, 1959, marked P2, agreed to purchase certain property described in the schedule to the plaint from Mudaliyar Madanayake. Among the terms of that agreement was the right of the Plaintiff-Company to enter into possession of the property. The Plaintiff-Company was placed in possession accordingly.

Another of the terms of that agreement was the right to put up buildings necessary for the production of films. Buildings were put up on this land. Machinery was also imported and installed in these premises.

I was the General Manager at the time the business was started. At the beginning I was paid a salary of Rs. 500/- a month. I was paid that salary till July, 1961. Thereafter the Company was placed in financial difficulties and, therefore, they terminated my services as General Manager.

On 4th July, 1961, Mudaliyar Madanayake was appointed Managing Director of the Company. At that time the buildings had come up, and the machinery had also been installed. That was before July, 1961, when Mudaliyar Madanayake was appointed Managing Director.

At this stage it is agreed that, in order to obviate the necessity of having to lead a volume of evidence which would ultimately have to be canvassed at the trial, this matter be fixed for an early date of trial.

In answer to Court, both Counsel state that the trial would take about three days.

ORDER:— The inquiry into this question of injunction is stayed. Trial in this case is fixed specially for the 15th and 16th of October, and 19th and

No. 7
Proceedings before, and Order of the District Court 25-8-64
—*Continued*

20th November, 1964. Answer to be filed on or before 16th September, 1964. Pending the disposal of this matter, the Enjoining Order will be in force, and it is agreed that neither party will prejudice the progress of the trial in this case by any act of omission or commission in regard to the subject matter of this action.

It is specifically agreed that no new buildings or structures would be put up on the basis of the agreement relied on. In the event of either party putting up any new buildings or causing any obstruction or installing anything in the shape of machinery, the matter may be brought up before this Court at that stage for consideration whether such matter should be permitted or not.

Initialled .....
Additional District Judge
25-8-64

No. 8
Answer of the Defendants
16-9-64

No. 8

ANSWER OF THE DEFENDANTS

IN THE DISTRICT COURT OF COLOMBO

THE SINHALESE FILM INDUSTRIAL CORPORATION, LTD., of "Kalyani Studios", Dalugama, Kelaniya.

Plaintiff.

No. 1265/ZL. *Vs.*

1. HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE in her capacity and as the Administratrix of the Intestate Estate of MUDALIYAR JAYASENA MADANAYAKE, also called and known as MADANAYAKAGE JAYASENA of "Kalyani", Peliyagoda, and 5 others.

Defendants.

On this 16th day of September, 1964.

The Answer of the Defendants abovenamed appearing by Ben Samarasinghe their Proctor states as follows:—

1. The Defendants admit the averments in paragraphs 2 and 11 of the plaint.

2. Answering to paragraph 3 of the plaint the Defendants admit that they reside and the contract referred to in the plaint was entered into within the jurisdiction of this Court. The Defendants deny that any cause of action has accrued in Plaintiff's favour.

3. Answering to paragraphs 4, 5 and 6 of the plaint the Defendants admit the execution of the said Agreement No. 342 and the terms and conditions stated in the said Agreement and that a sum of Rs. 15,000/- was paid to the said Mudaliyar Madanayake at the execution of the said Agreement. The Defendants deny all and singular the other averments in the said paragraphs.

4. Answering to paragraphs 7, 9 and 10 of the plaint the Defendants admit that the said Mudaliyar J. Madanayake died intestate on the 13th of March, 1963 and left him surviving as his heirs the 1st to the 6th Defendants. The Defendants deny all and singular the other averments in the said paragraphs.

5. The Defendants deny all and singular the averments in paragraphs 1, 8, 12, 13, 14, 15, 16 and 17 of the plaint save and except as is expressly admitted in this answer.

6. By way of further answer the defendants say that the mutual agreement entered on 27th February 1959 was that the Plaintiff-Company should on the one hand buy the proposed studio site from the late Mudaliyar Madanayake for Rs. 40,000/- and that Mudaliyar Madanayake should on the other hand invest in a further 4,000 shares of the Plaintiff-Company.

7. That in pursuance of the said agreement Indenture No. 342 dated 2nd March, 1963 was executed and Mudaliyar Madanayake who was always in possession of the said land permitted the Plaintiff-Company at their own risk to put up two buildings and to instal certain machinery therein conditional on the Plaintiff-Company completing the transfer of the same in terms of the said Indenture.

8. That in and by the said Indenture No. 342 the Plaintiff-Company *inter alia* agreed:—

(1) to complete the said purchase on or before the expiration of 18 months from the date thereof;

(2) to forfeit by way of liquidated damages the sum of Rs. 15,000/- paid by the Plaintiff-Company to Mudaliyar Madanayake in the event of the Plaintiff-Company refusing or neglecting to purchase the said property when the title was perfected by the Vendor.

9. That the said Mudaliyar Madanayake thereafter brought *inter alia* Partition Actions Nos. 9134, 9135, 9136, 9137, 9138, 9139 and 9140 of this Court to perfect the title as aforesaid. The said actions were filed by the firm of Gunasekera & Perera of which the senior partner was D. L. Gunasekera who was at all relevant dates the Chairman of the Plaintiff-Company.

10. That in view of its financial difficulties and lack of funds the Plaintiff-Company on or about the 9th of November 1960 resolved:—

(a) to rescind the said agreement and/or

No. 8
Answer of the Defendants
16-9-64
—*Continued*

(b) to waive and abandon its rights under the said agreement which waiver and abandonment was accepted by the late Mudaliyar Madanayake, and

(c) to negotiate with the said Mudaliyar Madanayake for a lease of the said premises.

11. That the said project to lease the said land as aforesaid was also abandoned in view of the financial embarrassment of the Plaintiff-Company and the said actions by agreement and with the knowledge and acquiescence of the Plaintiff-Company withdrawn on 18th November, 1960 and dismissed on 14th December, 1960.

12. That prior to the death of the said Mudaliyar Madanayake who was the Managing Director of the Plaintiff-Company on 13th March 1963 the Plaintiff-Company decided to abandon the project of establishing a Film Studio and engaging in the business of Film production and steps were being taken to sell the plant and machinery and liquidate the Plaintiff-Company but that recently and subsequent to his death certain persons have purported to acquire shares in the said Company and to become directors thereof and are now making on behalf of this Company a false claim in this action taking advantage of the death of the said Mudaliyar Madanayake.

13. That in any event these Defendants state that the Plaintiff-Company represented to the late Mudaliyar Madanayake that it had no intention of performing its obligations under the said agreement and had abandoned the said Film Studio and that the said Mudaliyar Madanayake acting on that representation altered his position to his prejudice and also made no further investment in shares of the Plaintiff-Company and that the Plaintiff-Company is consequently estopped from claiming the relief prayed for in this action.

14. That the Plaintiff-Company has by making false representations and by the suppression of material facts induced this Court which was then unaware of the true facts to issue an Enjoining Order and a notice of an injunction on the Defendants and under cover of the same entered through their agents and servants into forcible and wrongful possession of the said land and are now in contempt of the directions of this Court putting up extensions and new buildings and are preparing to instal further equipment, plant and machinery and interfering with the possession of the Defendants.

15. The Defendants say that in the event of the Plaintiff-Company being permitted to carry on the operations set out in paragraph 14 hereof the Defendants would suffer grave and irreparable loss unless the Plaintiff-Company and its agents and servants are restrained from so doing by Injunction to which the Defendants say they are entitled.

16. The Defendants also say that the Plaintiff-Company has committed a breach of the conditions to be observed by the Company in terms of the said Indenture No. 342 and that the Plaintiff-Company has now no rights thereunder either to specific performance by the Defendants or to damages as against the Defendants; that the Plaintiff-Company has grossly over-valued

the buildings put up and equipment, plant and machinery installed by them and under-valued the said lands; that the Defendants have no objection to the Plaintiff-Company removing the said equipment, plant and machinery without damage or injury to the said lands which are the property of the Defendants.

17. The Defendants further say that the lands described in the schedule to the plaint are much over the value of Rs. 40,000/- and are worth Rs. 200,000/- more or less and that the arrangement between the Mudaliyar Madanayake and the Plaintiff-Company that the Plaintiff-Company should purchase the same from Mudaliyar Madanayake for Rs. 40,000/- was part of an agreement between them that Mudaliyar Madanayake should invest in 4,000 shares in the Company at the same time, that as the Plaintiff-Company has failed to purchase the lands in terms of the said agreement and/or induced the Mudaliyar Madanayake to refrain from investing in the said shares, the Defendants are not liable, in any event, to convey the same to the Plaintiff-Company.

18. In any event the Defendants say that the said agreement to sell the said lands at or for the price or sum of Rs. 40,000/- is bad and unenforceable on the ground of *laesio enormis* as the said price is wholly disproportionate to the value of the same at the time.

By Way of a Claim in Reconvention

19. That the Defendants have by reason of the Plaintiff-Company obtaining an Enjoining Order and notice of an Injunction as aforesaid and by entering into wrongful and unlawful possession caused loss and damage to the Defendants in a sum of Rs. 5,000/- with further damages at Rs. 100/- a month from 30th May 1964.

20. The Defendants say that by reason of the premises the Defendants are entitled to a decree in reconvention ejecting the Plaintiff-Company and its agents and servants from the said lands, for an Injunction as aforesaid and for damages in the said sum of Rs. 5,000/- with further damages at Rs. 100/- a month from 30th May 1964 until the Plaintiff-Company and its agents and servants are ejected and the Defendants placed and quieted in possession thereof.

By way of a Further Claim in Reconvention

21. That the said Mudaliyar Madanayake since the decision to float the said Company from time to time lent and advanced to the Plaintiff-Company various sums and there is now due to the estate of the said Mudaliyar Madanayake the sum of Rs. 35,922/61.

22. That the Plaintiff-Company has wrongfully failed and neglected to pay the said sum of Rs. 35,922/61 or any part thereof.

23. In the premises a cause of action has accrued to these Defendants to sue the Plaintiff-Company in reconvention to recover the said sum of Rs. 35,922/61 with legal interest thereon from date hereof until payment in full.

No. 8
Answer of the Defendants
16-9-64
—*Continued*

24. These Defendants lastly say that it is essential and necessary for a proper adjudication of the matters arising in this case that the Court do issue a Commission to a Commissioner to make a survey of the lands and submit to Court a Plan thereof together with a Report giving the extent of the said lands and of the buildings standing thereon, the equipment, plant and machinery thereon and a valuation of the same as the Plaintiff-Company has failed to furnish the same to Court.

WHEREFORE these Defendants pray:—

(1) that the Plaintiff's action be dismissed with costs;

(2) that the Court do order a Commission to issue to a Commissioner to make a survey of the said lands and submit to Court a Plan thereof together with a Report giving the extent of the said lands and the buildings standing thereon, the equipment and machinery and a valuation of the same;

(3) that judgment be entered in favour of these Defendants in reconvention:—

(a) for an Injunction restraining the Plaintiff-Company, its agents, servants from putting up extensions and new buildings on the said lands and installing equipment, plant and machinery thereon;

(b) for ejecting the Plaintiff-Company and its agents and servants from the said lands and premises;

(c) for damages on the 1st Claim in Reconvention in the sum of Rs. 5,000/- and Rs. 100/- a month from 30th May 1964 as aforesaid with legal interest thereon from date hereof until payment in full;

(d) that judgment be entered in favour of these Defendants on the said 2nd Claim in Reconvention for the said sum of Rs. 35,922/61 with legal interest thereon until payment in full;

(e) for costs, and

(f) for such other and further relief as to this Court shall seem meet.

Signed: Ben Samarasinghe
Proctor for Defendants.

Settled by:— Mr. N. E. Weerasooria (Jnr.)
Mr. N. E. Weerasooria, Q.C.
Advocates.

No. 9

No. 9
Replication of
the Plaintiff
23-9-64

REPLICATION OF THE PLAINTIFF

IN THE DISTRICT COURT OF COLOMBO

THE SINHALESE FILM INDUSTRIAL CORPORATION, LTD., of "Kalyani Studios", Dalugama, Kelaniya.

Plaintiff.

No. 1265/ZL.

Vs.

1. HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE in her personal capacity as well as the Administratrix of the intestate estate of MUDALIYAR JAYASENA MADANAYAKE also called and known as MADANAYAKAGE JAYASENA of "Kalyani", Peliyagoda.
2. SIRINATHA KUMARADASA MADANAYAKE of "Kalyani" Peliyagoda.
3. DHARMASENA SIRIPALA MADANAYAKE of 93, Rosemead Place, Colombo.
4. SURANGANI HEMAMALI WIJEWARDENE (nee Madanayake) of 100, Horton Place, Colombo.
5. UPALI GOTABHAYA MADANAYAKE, and
6. MALINI SOMAKUMARI KOTAGAMA (nee Madanayake) both of "Kalyani", Peliyagoda.

Defendants.

On this 23rd day of September, 1964.

The Replication of the Plaintiff-Company abovenamed appearing by Joseph Bertram Puvimanasinghe, its Proctor states as follows:—

1. The Plaintiff Company joins issue with the Defendants on the several denials contained in their answer and on all averments therein contained not expressly admitted in the plaint.

2. Replying specially to paragraph 18 of the answer the Plaintiff-Company denies all and singular the averments therein contained and further pleads that in any event the Defendants are not entitled to impeach the agreement on the ground of *laesio enormis* in-as-much as:—

(a) the late Mudaliyar Madanayake was at the time of the agreement fully aware of the fair value of the said allotments of lands;

(b) the price agreed upon was in fact a fair purchase price for same at the time of the agreement;

(c) that the said agreement has already been acted upon by the Plaintiff-Company with the full knowledge acquiescence and approval of the said Mudaliyar Madanayake;

No. 9
Replication of the Plaintiff
23-9-64
—*Continued*

(d) the said Mudaliyar Madanayake has subsequent to the said agreement affirmed same.

3. Replying to paragraphs 19 and 20 of the answer the Plaintiff Company denies all and singular the averments therein contained and puts the Defendants to the strict proof thereof.

4. Replying to paragraphs 21, 22 and 23 of the answer:—

(a) the Plaintiff-Company admits that the said Mudaliyar Madanayake from time to time advanced monies to the Plaintiff-Company aggregating to Rs. 35,922/61;

(b) the Plaintiff-Company pleads that the cause of action, if any, to recover the said sum enures in favour of the Administratrix of the estate of Mudaliyar Madanayake;

(c) the Plaintiff-Company pleads that the alleged claim in reconvention based on the cause of action pleaded in paragraphs 21, 22 and 23 of the answer cannot in law be sued upon and/or joined and/or maintained in this action.

WHEREFORE the Plaintiff-Company prays:—

(a) that the Defendants' claim in reconvention be dismissed;

(b) that the relief prayed for in the plaint be granted;

(c) for costs; and

(d) for such other and further relief as to this Court shall seem meet.

Signed: J. B. Puvimanasinghe
Proctor for Plaintiff.

Settled by:— Mr. B. J. Fernando
Mr. Eric Amarasinghe
Advocates

No. 10

No. 10
Commission Issued to A. F. Sameer, Licensed Surveyor
18-9-64

COMMISSION ISSUED TO A. F. SAMEER, LICENSED SURVEYOR

COMMISSION

IN THE DISTRICT COURT OF COLOMBO

THE SINHALESE FILM INDUSTRIAL CORPORATION, LTD., of "Kalyani Studios", Dalugama, Kelaniya.

Plaintiff.

No. 1265/ZL.

Vs.

1. HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE in her personal capacity and as the Administratrix of the intestate of MUDALIYAR JAYASENA MADANAYAKE also called and known as MADANAYAKAGE JAYASENA of "Kalyani", Peliyagoda.

No. 10
Commission
Issued to A. F.
Sameer,
Licensed Surveyor
18-9-64
—*Continued*

2. SIRINATHA KUMARADASA MADANAYAKE of "Kalyani", Peliyagoda.

3. DHARMAWANSA SIRIPALA MADANAYAKE of 93, Rosemead Place, Colombo 7.

4. IRANGANI HEMAMALI WIJEWARDENA (nee Madanayake) of 100, Horton Place, Colombo 7.

5. UPALI GOTABAYA MADANAYAKE and

6. MALINI SOMAKUMARI KOTAGAMA (nee Madanayake) both of "Kalyani", Peliyagoda.

Defendants.

TO:—

A. F. Sameer,
Licensed Surveyor,
No. 6, Meeraniya Street,
Hultsdorf,
Colombo 12.

WHEREAS the Plaintiff-Company abovenamed has instituted the above action against the abovenamed Defendants praying *inter alia*:—

(a) that the Defendants be ordered to execute a Conveyance in favour of the Plaintiff-Company conveying to the Plaintiff-Company the land and premises described in the Schedule to the Plaint and in the Schedule hereto fully described;

(b) alternatively to recover compensation for the improvements and damages against the Defendants and to a *jus retentionis* of the said property and premises with the improvements standing thereon until payment of compensation.

AND WHEREAS the Defendants have filed answer praying *inter alia*:—

(a) for a dismissal of the Plaintiff's action;

(b) for issue of a Commission to make a survey of the lands and submit to Court a Plan thereof together with a report giving the extent of the said lands and buildings standing thereon the equipment and machinery and a valuation of the same;

(c) for ejectment of the Plaintiff-Company the said lands and premises and for recovery of damages against the Plaintiff-Company.

AND WHEREAS for the proper adjudication of this case a survey of the said lands and premises is necessary showing the extent of the lands and the buildings thereon and the equipment plant and machinery together with a valuation of the same.

No. 10
Commission
Issued to A. F.
Sameer,
Licensed Surveyor
18-9-64
—*Continued*

AND WHEREAS the Court has appointed you the Commissioner to carry out the said Survey.

NOW KNOW YE AND THESE PRESENTS WITNESS THAT you are hereby appointed Commissioner and empowered and authorised to proceed to the said lands and with due notice to the parties survey the same and submit to Court a Plan of the said premises together with your Report thereto showing the extents of the said lands and buildings and their value and the equipment plant and machinery and a valuation of the same on or before the 7th day of October, 1964.

GIVEN under my hand at Colombo on this ..... day of September, 1964.

THE SCHEDULE ABOVE REFERRED TO:

(1) All those several allotments of land called Owita of the field Weliketiyekumbura, Wanata, Millagahakumbura, Millagahawatte, Pelengahakumbura, Millagahapillewa, Highland of Mullekumbura and Mullekumbura described as Lots 1 to 15 in Plan No. 496 dated 8th and 9th January 1956 made by S. H. Fernando Licensed Surveyor situated at Dalugama in the Adikari Pattu of Siyane Korale in the District of Colombo, Western Province and bounded on the North by High Road to Kandy lands of K. W. A. Hemapala and K. W. A. Abeysena, lands of Abilinu Saram, D. F. H. Perera, Peduru Perera, on the East by paddy land of Peduru Perera, land of S. A. K. W. Perera, lands of Marshal Perera and others, land of D. D. S. Abeysekera land of M. A. J. Dias and the land of Jamis, on the South by Ela Kurundugahakumbura and paddy land of the Gan Aratchi, Paddy lands of Barlan and Charlishamy, and on the West by land of B. W. Dias and the paddy land of Aron and containing in extent eight acres, one rood and thirty two decimal two perches (A8. R1. P32.2) according to the said Plan No. 496 which said land is comprised of the lands registered in folios C 200/61, 200/141, 225/35, 237/115, 128/270, 203/294, 232/180 and 136/228.

(2) All that allotment of land called Kurundugahakumbura situated at Dalugama aforesaid and bounded on the North by an Ela, on the East by Mullekumbura of Mudaliyar Madanayake, on the South by paddy land known as Muttettuwa, and on the West by Mudun Ela and Pelengahakumbura of Mudaliyar Madanayake containing in extent one acre one rood and fourteen perches (A1. R1. P14) according to Plan No. 506 dated 26th March 1956 made by S. H. Fernando, Licensed Surveyor which said land is comprised of the land registered in folios C 324/125, 326/109 and 240/102.

By Order of Court,

Signed: ....Ranatunga
for Secretary.

Drawn by me:—

Signed: Ben Samarasinghe
Proctor for Defendant

No. 11

No. 11
Report of the
Commissioner,
A. F. Sameer
6-10-64

REPORT OF THE COMMISSIONER A. F. SAMEER, WITH PLAN NO. 657.

A. F. SAMEER—6, Meeraniya Street, Hulftsdorf Colombo 12

6th October, 1964.

REPORT

IN THE DISTRICT COURT OF COLOMBO

THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., of "Kalyani Studios", Dalugama, Kelaniya.

Plaintiff.

No. 1265/ZL.

Vs.

HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE in her personal capacity and as the Administratrix of the intestate of MUDALIYAR JAYASENA MADANAYAKE, also called and known as MADANAYAKEGE JAYASENA of "Kalyani", Peliyagoda, & 5 others.

Defendants.

Pursuant to the commission issued to me in connection with the above-mentioned Case, I issued notices to the parties concerned on the 23rd September, 1964 and proceeded to the property on the 30th September, 1964 for the survey.

The watcher J. Rajapaksa was present on behalf of the Defendants, he took me around and showed me the boundaries. I have made a survey accordingly and now produce my Plan No. 657 showing the land and buildings.

This property is situated about a 100 yards away from the 6th mile post along the Colombo-Kandy high road in Dalugama, Kelaniya, a V. C. area. The land is a contiguous block with water-courses running through. The plantation comprises paddy, abandoned paddy and coconut garden. The coconut garden is flat buildable land. There are 3 buildings on this land shown marked 1, 2 and 3 on my Plan. There is electricity to these buildings and water is available from a well.

Building No. 1.

Is used as an Office and a laboratory. There are photographic equipment installed in this building. Other accessories are being assembled and at the moment electrical wiring is also being done. The cons-

No. 11
Report of the Commissioner, A. F. Sameer
6-10-64
—*Continued*

truction is of brick walls lime plastered, floors cement rendered and roof of asbestos on metal trusses and metal beams. In my opinion this building must be about 5 years old.

Building No. 2.

Is a Studio the construction being the same as building No. 1. There is also an upstairs covering a portion. Some extensions to the existing building has been commenced and work appears to have been stopped at the moment. The existing building also appears to be about 5 years old.

Valuation :—

	Rs. Cts.	Rs. Cts.
Abandoned paddy (2A.OR. 17P) at Rs. 3,000/- an acre	6,319.00	
Paddy in harvest (5 acres) at Rs. 5,000/- an acre	25,000.00	
High land (2A.2R.00.5P) at Rs. 200/- a perch ..	80,100.00	111,419.00
Building No. 1.		
Office and laboratory at Rs. 10/- a sq. ft. ..	30,240.00	
Building No. 2.		
(Partly with an upstairs).	28,200.00	
Watchers house & well.	2,100.00	60,540.00
Value of equipment as per bill produced and shown to me by the 5th Defendant less 10% for incidental depreciation.		190,700.00
	TOTAL	362,659.00

In view of the above mentioned facts I am of opinion that the land, plantation, buildings along with the equipment installed are of the value of Rupees Three Hundred and Sixty Two Thousand and Six Hundred and Fifty Nine.

Sgd. A. F. SAMEER
Commissioner.

Licensed Surveyor &
Leveller.
6th October, 1964.

120.

No. 657

D.C. Colombo Case No. 1265/ZL

Scale of 2 Chains to an Inch

PLAN

of 6 allotments of land marked Lots 1–6 called Owita of the field Welikeliyakumbura, Waraka, Millagahakumbura, Mullegahaowita, Pelengahakumbura, Millegahajillewa, High land of Mullekumbura, Mullekumbura and Kurundugahakumbura Situated at Dalugama in Adikari Pattu of Siyane Korale in the District of

COLOMBO

WESTERN PROVINCE

Entire Land bounded as follows :-

North by Light Road to Kandy, Lands claimed by K. E. P. Gunawardena, A. W. Hemapala & others, Ablinu Fernando, D. F. J. Perera, Albut Perera, Ela and Land claimed by D. D. S. Abesekera.

East by Grass field claimed by Mathin Perera, Lands claimed by D. M. Perera, Ela, Lands claimed by M. A. J. Dias and James.

South by Road, Ela, Muttettuwa Kumbura and Mudun Ela.

West by Mudun Ela, Paddy field claimed by Aaron and Land claimed by B. W. Dias.

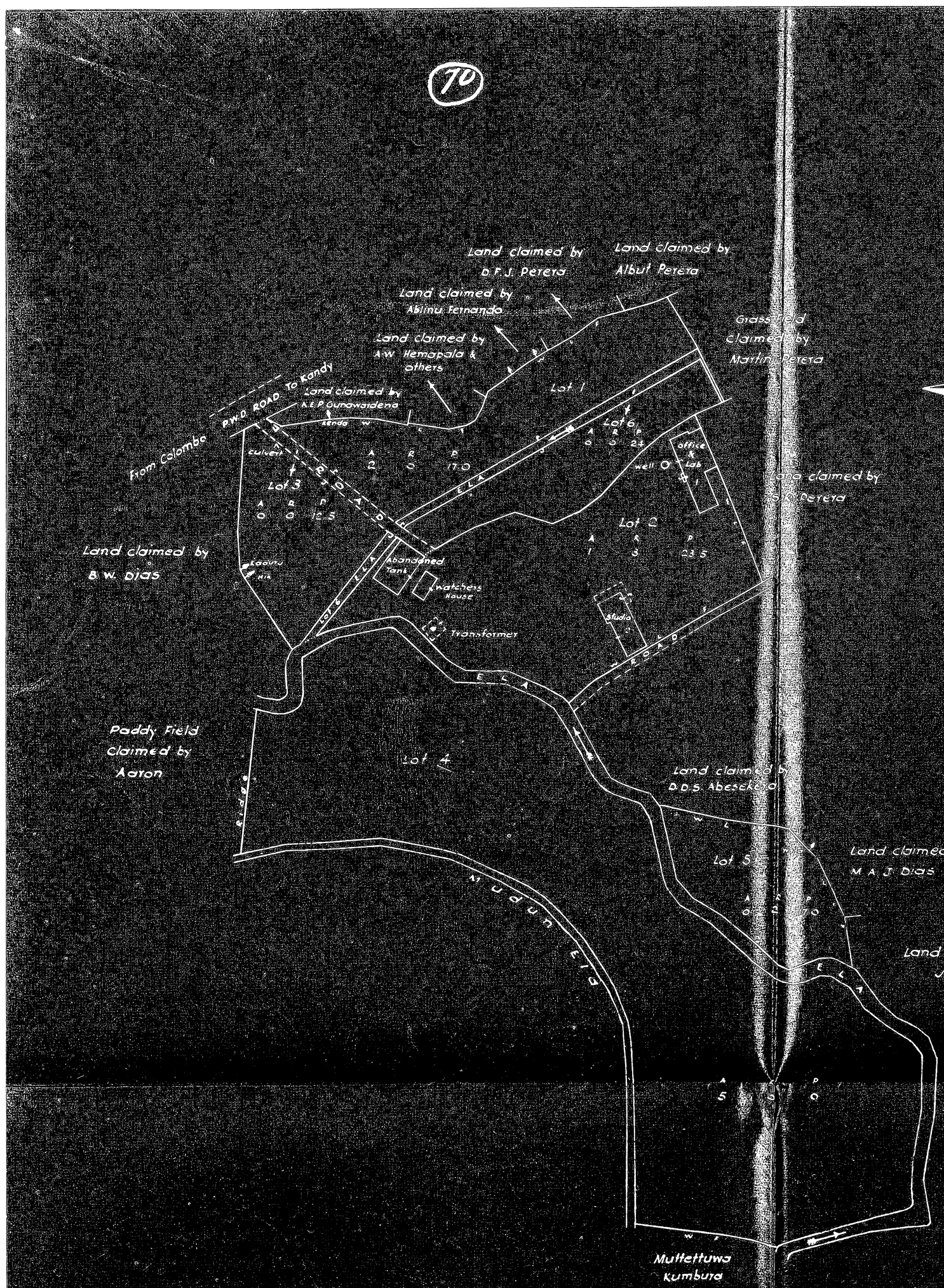
	R	P
Containing in Extent: 0	3	14.0

Lot No	EXTENT A	R	P	Remarks
1	2	0	17.0	Abandoned Paddy
2	1	3	23.5	Coconut Garden
3	0	0	12.5	Road
4	5	0	00.0	Paddy Fields
5	0	2	17.0	Coconut Garden
6	0	0	24.0	Public water Course
TOTAL	9	3	14.0	

Surveyed on the 30th September and 1st & 2nd October 1964.

A. F. Sameer
Licensed Surveyor & Leveller

6. Meeraniya Street,
Colombo- 12. 5th October 1964.



No. 12

No. 12
Issues framed

ISSUES FRAMED

15-10-65.

MR. WIJEMANNE the Director of the Plaintiff's firm is present in Court.

MR. ADVOCATE ERIC AMERASINGHE with MR. ADVOCATE B. J. FERNANDO and MR. ADVOCATE D. C. AMERASINGHE instructed for the Plaintiff.

MR. ADVOCATE N. E. WEERASURIYA, Q. C., with MR. ADVOCATE N. E. WEERASURIYA (Jnr.) instructed for the Defendant.

Mr. Amarasinghe Suggests :—

1. Did Mudaliyar Jayasena Madanayake, now deceased, hereinafter referred to as the vendor, by deed of Agreement No. 342 dated 2nd March, 1959 and attested by H. C. Perera, Notary Public agree to sell and convey to the Plaintiff-company the property and premises more-fully described in the schedule to the plaint on the terms and conditions set out in the said deed at the price of Rs. 40,000/- ?

2. Was a sum of Rs. 15,000/- out of the purchase price duly paid to the vendor in pursuance of the said agreement leaving a balance of Rs. 25,000/- payable at the execution of the conveyance in favour of the Plaintiff-Company?

3. Did the vendor undertake to perfect the title of the said property and premises before the period of 18 months fixed for the completion of the purchase?

4. Was it agreed between the parties to the agreement at the time of execution that in order to perfect the title to the said land and premises that a decree under the provisions of the Partition Act. No. 16 of 1951 be obtained and that the vendor should take all necessary steps thereto?

5. Did the Plaintiff-Company in pursuance of the provisions of the said agreement and, with the full knowledge, acquiescence and approval of the vendor :—

   (*a*) duly enter into possession of the said property and premises?

   (*b*) at its own cost and expense erect permanent buildings thereon and equip the same for the purpose of his business as contemplated by the parties in the agreement?

6. What is the present value of the said buildings and equipment?

7. Did the vendor die on or about 13th March, 1963 without having perfected the title of the said land and premises as agreed?

No. 12
Issues framed
—*Continued*

8. Did the Defendants as heirs of the vendor become entitled to the said land and premises subject to the said Agreement No. 342?

9. Did the Plaintiff-Company thereafter express its readiness and willingness to pay to the Defendants the balance purchase price of Rs. 25,000/- and call upon the Defendants to execute a valid conveyance of the said property and premises in favour of the Plaintiff-Company?

10. The Defendants having refused to comply with the said request, is the Plaintiff-Company entitled to compel the Defendants to a specific performance of the said Agreement No. 342 and to execute a valid conveyance in favour of the Plaintiff-Company upon payment by the Plaintiff of the balance sum of Rs. 25,000/-?

11. Were the aforesaid buildings and other improvements effected by the Plaintiff-Company during the life time of the said Mudaliyar Madanayake in pursuance of an agreement between him and the Plaintiff-Company, that the Plaintiff-Company would be entitled to the use and enjoyment of the said property and premises with the buildings thereon for the purpose of its business?

12. If issue No. 11 is answered in the affirmative, and in the event of the Plaintiff-Company not being entitled to a decree for specific performance, is it entitled to recover from the Defendants :—

    (*a*) compensation for the said improvements?

    (*b*) damages for breach of the said agreement referred to in issue No. 11?

13. What is the amount of such :

    (*a*) Compensation?

    (*b*) Damages?

14. If issue No. 12 is answered in the affirmative is the Plaintiff entitled to a *Jus Retentionis*?

15. If issue No. 10 or issue No. 12 and issue No. 14 are answered in favour of the Plaintiff, is the Plaintiff entitled *inter alia* to the reliefs claimed for in prayer (*c*) to the plaint?

Arising from issues Nos. 9 and 10 raised by Mr. Amerasinghe, Mr. Weerasuriya suggests the following issue :—

16. Even if issues Nos. 9 and 10 are answered in the affirmative, do the facts stated therein entitle the Plaintiff-Company to maintain this action claiming the reliefs claimed therein?

In regard to issue No. 16, Mr. Amerasinghe states that he seeks clarification of that issue.

Mr. Weerasuriya states that even assuming that the facts are true to the effect that Mudaliyar Madanayake entered into an agreement with the Plaintiff Company which was subsequently broken for some reason or other, the heirs of Mudaliyar Madanayake cannot be called upon to fulfill the terms of the said contract.

Mr. Weerasuriya further states that it may be of some importance to Court to make a note of the fact that up to date letters of administration have not been issued to any person in respect of the estate of the deceased Mudaliyar Madanayake and, that his submission is that this action is premature in the reliefs it seeks to have against the heirs of Mudaliyar Madanayake. In short, Mr. Weerasuriya states that his submission is that here is a person who had entered into a contract and who is now dead. But without the legal representative being brought to Court, an action has been filed against certain persons on the basis that they are the heirs of Mudaliyar Madanayake the person who entered into the contract.

Mr. Weerasuriya also submits that the mere fact that Mudaliyar Madanayake left his widow and children, does not necessarily saddle them with any liability. They may choose not to have anything to do with the estate of Mudaliyar Madanayake. He also states that at some stage before the evidence is led in this case he will be calling upon this Court to decide this matter primarily for the purpose of finding out whether the Plaintiff can proceed on with this action as now pointed out by him.

Mr. Weerasuriya Suggests :

17. Did the Defendants wrongfully and unlawfully refuse to execute a valid conveyance of the premises described in the schedule to the plaint in favour of the Plaintiff-Company on the Plaintiff-Company paying to the Defendants a sum of Rs. 25,000/-?

18. Was the said Agreement No. 342 entered into as part and parcel of an agreement entered into on the 27th February, 1959 between the Plaintiff-Company and the said Mudaliyar Madanayake:

    (*a*) that the Plaintiff-Company should buy the proposed studio site from the late Mudaliyar Madanayake paying Rs. 40,000/-?

    (*b*) that Mudaliyar Madanayake should invest in a further 4,000 shares of the value of Rs. 10/- per each share in the Plaintiff-Company?

19. After the execution of the said Agreement No. 342 was the Plaintiff-Company in financial difficulties and in lack of funds?

20. Did the Plaintiff-Company on or about 9th November, 1960 resolve:

    (*a*) to rescind the said Agreement No. 342? and/or

    (*b*) waive and/or abandon its rights under the said Agreement No. 342? and/or

    (*c*) negotiate with the said Mudaliyar Madanayake for a lease of the said premises?

No, 12
Issues framed
--Continued

21. If issues Nos. 20 (*a*) or 20 (*b*) are answered in Defendants' favour, did the said Mudaliyar Madanayake agree to rescind the said agreement and accept the said waiver and abandonment?

22. Did the Plaintiff-company in view of its financial difficulties:

(*a*) Abandon its project to lease out the said premises from the said Mudaliyar Madanayake?

(*b*) Were partition actions brought by the said Mudaliyar Madanayake withdrawn on 18th November, 1960 by him by agreement with and/or with the knowledge and acquiescence of the Plaintiff-Company? 10

23. Did the Plaintiff-Company prior to the death of Mudaliyar Madanayake :—

(*a*) Decide to abandon the project of establishing a film Studio and engage in the business of film production?

(*b*) Take steps to sell the plant and machinery?

(*c*) Liquidate the Plaintiff-Company?

24. Were :—

(*a*) Buildings erected on the said premises?

(*b*) Equipment and/or installed in the said premises by the Plaintiff-Company equipped and installed with the permission of Mudaliyar 20 Madanayake and at the request of the Plaintiff-Company on the footing that the Plaintiff-Company would perform and fulfill its obligations on the said agreement?

25. Has the Plaintiff-Company failed and neglected :—

(*a*) to fulfill the terms and conditions and obligations on its part contained in the said Agreement No. 342? and/or

(*b*) to enable the said Mudaliyar Madanayake to invest in a further 4,000 shares in the Plaintiff-Company?

26. If issues Nos. 18 to 25 or any one of them are answered in Defendants' favour is the Plaintiff-Company entitled to claim any of the reliefs 30 prayed for in this action?

27. (*a*) Did the Plaintiff-Company represent to the late Mudaliyar Madanayake that it has abandoned and/or waived and/or rescinded the said Agreement No. 342?

(*b*) If so did the said Mudaliyar Madanayake act on such representations to his prejudice?

(*c*) If issue No. 27 (*a*) and/or (*b*) are answered in Defendants' favour is the Plaintiff-Company estopped from claiming the reliefs prayed for?

28. (*a*) Has the Plaintiff-Company made false representations? and/or

(*b*) Suppress from Court material facts?

29. If so, has the Court been thereby induced :—

(*a*) To issue an enjoining order?

(*b*) To issue notice of an injunction on the Defendants?

30. Has the Plaintiff-Company under cover of the said enjoining order and notice of injunction entered into forcible and unlawful possession of the said premises?

31. Is the Plaintiff-Company putting up extensions and new buildings and/or preparing to instal further equipment and/or interfering with the possession of the Defendants?

32. Are the Defendants entitled to have an injunction against the Plaintiff-Company restraining its agents and servants as prayed for in the prayer 3 (*a*) of the answer?

32. (*a*) Are the Defendants entitled to judgment for ejecting the Plaintiff-Company and its agents and servants, from the said land and premises as prayed for in paragraph 3(*b*) of the prayer?

33. Were the premises described in the schedule to the plaint :

(*a*) Much over Rs. 40,000/- in value? and/or

(*b*) Worth two lakhs of rupees more or less?

34. If Issue No. 33 is answered in Defendants' favour, is the Agreement No. 342 unenforceable on the ground of *leaso enormis*?

35. Did the Plaintiff-Company enter into wrongful and unlawful possession of the said land and premises on or about 30th May, 1964?

36. (*a*) Did Mudaliyar Madanayake at various times lend and advance to the Plaintiff-Company a sum amounting to Rs. 35,922/61?

(*b*) If so, is the said sum due from the Plaintiff-Company to the estate of the late Mudaliyar Madanayake?

37. Are the Defendants entitled to recover the said sum of Rs. 35,922/61 with legal interest from 16th September, 1964 from the Plaintiff-Company?

No. 12
Issues framed
—*Continued*

In regard to Issue No. 31, Mr. Amerasinghe wishes it to be noted that he denies that the Defendants were in possesssion of these premises after the agreement was entered into and that the Plaintiff took over possession.

Mr. Amerasinghe states that he seeks clarification of Issue No. 23 in regard to the period of time the company decided to abandon the project.

Mr. Weerasuriya gives the date of the abandonment as 2nd March, 1959 up to the death of Mudaliyar Madanayake at various stages.

Mr. Amerasinghe states that he objects to Issue No. 23 in its present form on the ground that it is vague and that it does not specify any period of time.

Mr. Weerasinghe gives a period of time between 22nd March, 1959 and a subsequent period of 4 years.

Mr. Amerasinghe states that the decisions taken by the Plaintiff-Company to abandon the project mentioned in Issue No. 23 is very vague.

I ask Mr. Weerasuriya to clarify the issue further so that it may be useful to the parties, and if possible to give the exact date.

From the statements that are now being made by Mr. Weerasuriya it appears to me that he probably relies on several matters in the shape of letters and other transactions between the parties which would lead one to the conclusion that there was a decision to abandon the project.

I inform Mr. Weerasuriya that as far as possible before evidence is led in this case, the dates on which he relies in respect of Issue No. 23 be furnished.

Mr. Weerasuriya gives the following dates :—

12-12-60 — Tentative termination of agreement.

20- 6-62 — Call for advice for sale of water carrying plant.

11- 9-62 — Mudaliyar writes to Mr. D. L. Goonesekera to liquidate.

29-12-63 — Letter calling for steps regarding liquidation.

Mr. Weerasuriya states that he depends on the resolutions of the Plaintiff-Company.

In regard to issue No. 25 Mr. Amerasinghe wants clarification in regard to what exactly were the conditions which the Plaintiff-Company had neglected to fulfill.

Mr. Weerasuriya states that the financial condition of the Plaintiff-Company was so poor, that they intimated to Mudaliyar Madanayake that they cannot proceed with the project.

Mr. Weerasuriya also states that there was a breach of covenant No. 4 of the agreement. No. 12 Issues framed —*Continued*

(*For issue No.* 38, *see proceedings of* 24-5-65 *appearing at page* 114.)

Mr. Amerasinghe Further Suggests :—

39. (*a*) Was the time of 18 months specified in the agreement of the essence of the contract?

(*b*) Was the failure to complete the sale within the said period of 18 months imputable to default on the part of Mudaliyar Madanayake in that he failed in the perfection of the title of the said property as aforesaid?

Mr. Amerasinghe states that Issue No. 34 canvasses the question of *Laeso Enormis*. He submits that the legal position according to him would be that this agreement would not become unenforceable merely by reason of the fact that there is such a discrepancy in value even if it is true, but that steps should have been taken to have a decree to the effect that it is unenforceable. He states that if this is conceded he would raise further issues.

Mr. Amerasinghe Further Suggests :—

40. Is the relief of *Laeso Enormis* canvassed in Issue No. 34 barred by prescription?

41. In any event are the Defendants not entitled to impeach Agreement No. 342 on the ground of *Laeso Enormis* for all or any of the reasons set out in paragraph 2 of the replication?

Mr. Weerasuriya objects to Issue No. 39 relating to the period of 18 months specified in the agreement and states that there is no pleading anywhere in the replication or in the other pleadings that the period of 18 months was the essence of the contract.

Initialled .....
Additional District Judge
15-10-64

Order

In view of the various issues raised in this case, I wish to bring my mind to bear on the various matters and it is my view that this issue appears to me to be a corollary to the main issue in the case whether there was a breach of the agreement.

Initialled .....
Additional District Judge
15-10-64

No. 12
Issues framed
—*Continued*

Mr. Amerasinghe Further Suggests :—

42. Can the claim in reconvention for the sum of Rs. 35,922/61 be sued upon and/or joined and/or maintained by the Defendants in this action?

Mr. Weerasuriya Further Suggests :—

43. Is the Plaintiff's claim, if any, barred by prescription?

All issues are accepted.

Initialled .....
Additional District Judge
15-10-64

Further hearing on 2nd & 7th December, 1964. 10

Initialled .....
Additional District Judge
15-10-64

2nd December, 1964.

Trial resumed.

Same appearances as on the last date.

Mr. Weerasooria states that on 15th October, 1964, the 2nd, 3rd and 5th Defendants were present in Court.

Mr. Weerasooria suggests the following further issue:—

32. (*a*) Are the Defendants entitled to judgment for ejecting the Plaintiff-Company and its agents and servants from the said land and premises as prayed for in paragraph 3 (*b*) of the prayer? 20

Mr. Weerasooria now refers me to the plaint, paragraphs 11 and 12, and amplifies what he has already stated on the last date to the effect that the Defendants are really not clothed with the necessary authority by a competent Court to be made liable or answerable to the claim or claims that are being made by the Plaintiff. He refers me to Issue No. 16 and states that it is his submission that a decision on that issue would go to the root of the matter. He submits that his arguments are going to be entirely on the pleadings, and that, on the inferences that had to be drawn, the Plaintiff, cannot, in law, 30 maintain this action. He, therefore, moves that Issue No. 16 be taken up preliminarily for arguments.

Mr. Weerasooria further states that the issues that would have to be considered along with this matter are Issues 8, 9, 16 and 17.

Mr. Amerasinghe objects to this application to have this matter heard piecemeal even on the basis that some legal arguments may be made on the issues suggested by Counsel for Defendants. He asks that instead of this

matter being heard piecemeal, the matter be gone into by this Court on the facts admitted, and ultimately, in the course of the judgement, the legal aspects, even including this aspect of the matter, could be gone into.

No. 12
Issues framed
—*Continued*

Order

I am not unmindful, in making this Order, of the fact that matters which would go to the root of the matter should be tried and disposed of preliminarily. Mr. Weerasooria states that it will be his submission that the issues suggested by him, if answered in his favour, would end up in the dismissal of the Plaintiff's action, and that there would be no further matter to be gone into. He is entitled, as of law, to call upon this Court to decide such a matter preliminarily.

The case for the Plaintiff, in my view, does not depend solely on the decision of the question whether by reason of the fact that the Letters of Administration have not yet been granted to the 1st Defendant, the Defendants are not liable or answerable to the claim or claims that are being made by the Plaintiff. In my view, it would be in the best interests of parties that I should, at one and the same time, hear both on the facts and the law and express my views so that, once and for all, it may be possible for either side to canvass or to test it in another Court. It may well be that Mr. Weerasooria may succeed in satisfying me on the matters on which he seeks to satisfy me, but I am largely concerned with the best interests of parties. In this view that I have taken, I call upon the parties to lead the evidence, and I indicate to parties that I would like to hear both parties on the law at the end of the case.

Initialled .....
Additional District Judge
1-12-64

Mr. Weerasooria states that he intends appealing from this Order.

This note is being made in view of the statements made by Counsel.

No. 13

No. 13
Plaintiff's
Evidence

PLAINTIFF'S EVIDENCE

MR. AMERASINGHE CALLS :—

Evidence of
G. Hewavitharana—
Examination

GILBERT HEWAVITHARANA. Affirmed, 54, Businessman of Dalugama, Kelaniya.

I was one of the original shareholders of the Plaintiff-Company. Mudaliyar Madanayake, now dead, was one of the original directors. By Agreement No. 342 of 2nd March, 1959, P1, the Company agreed to purchase from Mudaliyar Madanayake the property described in the schedule to the deed and also described in the schedule to the plaint on the terms and conditions set out in that agreement.

No. 13
Plaintiff's Evidence

Evidence of G. Hewavitharana—Examination —*Continued*

At the very outset of the Company's commencement of business, a Manager was appointed. I was the Manager.

Q. Clause 3 of the agreement P1 says "the vendor undertakes to perfect the title of the said property and premises before the expiration of the said period at the cost and expense of the vendor . . . ". What is this reference to 'perfect title'?

A. Village title.

(To Court :—

Q. What is the title that was sought to be passed by that?

A. Partition title.)

Q. What was meant by perfect title?

A. To have a partition title.

Q. Was the vendor expected to do anything to have partition title?

A He has to partition and perfect his title.

In pursuance of this agreement, a sum of Rs. 15,000/- was paid in advance to Mudaliyar Madanayake. I produce the receipt dated 2nd March 1959, marked P2. (Shown P2) This is the receipt.

After this agreement was entered into, Mudaliyar Madanayake filed a partition action. The property was handed over to the Company.

I went to the premises when possession was taken over by the Company. The others who were present at the time were the Chairman Mr. D. L. Gunasekera, Mr. Sherman de Silva a Director of the Company, and Mr. Sirisena Madanayake who was a brother of the late Mudaliyar Madanayake. Mudaliyar Madanayake himself went to hand over the premises.

At that date there were no buildings on the property except one or two huts. Having taken over possession of the property, the Company constructed buildings thereon. Today there are buildings put up by the Company on the premises. The machinery was also purchased by the Company and installed on the premises. That is the machinery required for the processing of films.

Q. The building construction commenced how long after the signing of the agreement on 2nd March, 1959?

A. The building operations commenced immediately.

Q. The main buildings were completed within what period of time?

A. Within about three or four months.

Q. Machinery was also installed?

A. Yes.

Q. What period of time was taken for the completion of the buildings in which machinery was installed ?

A. Three or four months.

When the machinery arrived, the buildings were ready.

Q. How long after the signing of the agreement ?

A. The machinery was installed in January or February 1960.

Q. This property which the Company had agreed to buy composes of several fragments of land of about ten acres ?

A. Yes.

Mudaliyar Madanayake filed a partition action. I produce a certified copy of the plaint dated 27th April, 1960, filed in D. C. Colombo Case No. 9134/P, marked P3.

I produce a certified copy of the plaint dated 27th April, 1960, filed in D. C. Colombo Case No. 9135/P, marked P4.

I produce a certified copy of the plaint dated 27th April, 1960, filed in D. C. Colombo Case No. 9136/P, marked P5.

I produce a certified copy of the plaint dated 27th April, 1960, filed in D. C. Colombo Case No. 9137/P, marked P6.

I produce a certified copy of the plaint dated 27th April, 1960, filed in D. C. Colombo Case No. 9138/P, marked P7.

I produce a certified copy of the plaint dated 27th April, 1960, filed in D. C. Colombo Case No. 9139/P, marked P8.

I produce a certified copy of the plaint dated 27th April, 1960, filed in D. C. Colombo Case No. 9140/P, marked P9.

I also draw the attention of Court to paragraph 11 of the plaint P3 where the Plaintiff avers that by Deed No. 343 of 24th March, 1959, he transferred an undivided 1/4th share of the land to the 1st Defendant. That is so in all the plaints P4 to P9. Mudaliyar Madanayake, just before the institution of the action, transferred a share to the 1st Defendant.

In all the plaints P3 to P9 the Plaintiff-Company in this case has been made the 2nd Defendant.

Q. Paragraph 10 of the plaint P3 avers that the 2nd Defendant, being so made a party as a corporation, has agreed to purchase the land?

A. Yes.

No. 13
Plaintiff's Evidence
—
Evidence of G. Hewavitharana—Examination —*Continued*

Q. That is so in all the plaints in these partition cases P3 to P9?

A. Yes.

As Manager I was paid a salary of Rs. 500/- by the Company. I functioned as Manager till July 31, 1961.

Q. Why did you cease to function as Manager after 31st July, 1961?

A. Because there was a little shortage of funds. The Company was in financial difficulties, and they wanted to save by not paying my salary.

The Company kept a Minute Book which was regularly maintained. Both the minutes of the Board of Directors' meetings and Annual General Meetings are contained in the same book. 10

Adjourned for lunch.

Intld. .....
Additional District Judge
1-12-64

2-12-64.

Same appearances as in the morning.

Trial resumed.

Gilbert Hewavitharana : Recalled. Affirmed.

Examination Continued : At one time there was a proposal to take a long lease of the property prior to the purchase of the property. I produce 20 certified copy of the minutes of a meeting of the Board of Directors held on 9th November, 1960 marked P10. Those minutes are found at page 62 of the Minutes Book. Item of P10 refers to the following matter, namely, "Settling of the studio matter". I was also present at that meeting according to these minutes and also Mudaliyar Madanayake. Ultimately a lease of the property was not taken. The matter was not carried any further after the discussion at this meeting and it ended there. I produce marked P11 minutes of a meeting of the Board of Directors held on 24th February, 1961, marked P11. That meeting was adjourned for 4th July, 1961. I produce the minutes of the continued meeting of 4th July, 1961, marked P11A. That meeting was further 30 adjourned till 12th July, 1961, the minutes of which adjourned meeting I produce marked P11B. As a matter of fact a meeting held on 9th November, 1960 was adjourned for a number of days. It was adjourned till 18th April, 1961. Then again it was adjourned till 15th May, 1961. Again the meeting was continued on 15th May, 1961. Then it was adjourned till 4th July, 1961.

(The minutes of the meetings relating to 24th February, 1960; 28th March, 1961; 18th April, 1961 and 15th May, 1961 are all marked as P11.)

I draw the attention of Court to P11, namely, to the minutes of the adjourned meeting held on 15th May, 1961. According to Item No. 1 it was decided to recommend to the shareholders to wind up the corporation. P11 is a correct minute of what happened at the meeting. (Item No. 3 in P11A put to witness.) This is a correct record of the minutes of that meeting. I draw the attention of Court to Item No. 2 of the adjourned meeting of 4th July, 1961. The suggestion to wind up the corporation thereafter was not taken up. No suggestion was ever made to the General body of the corporation to wind up the corporation. I was asked to hand over all the assets, books, etc. to the Managing Director Mudaliyar Madanayake and I did so and there is a minute of it which was made. I produce the minutes of a meeting of the Board of Directors held on 18th August, 1961 marked P12. I draw the attention of Court to item 3 of P 12. I handed over all the keys of the Studio in the presence of the other Directors to Mudaliyar Madanayake. I produce the minutes of a meeting of the Board of Directors held on 20th June, 1962 marked P13. I draw the attention of Court to Item 4 and 5 in particular of P13. I produce certified copy of the minutes of a meeting of the Board of Directors held on 30th June, 1962 marked P14. Mudaliyar Madanayake died in March, 1963. I produce the minutes of a meeting of the Board of Directors held on 16th July, 1963 marked P15. According to P15 it appears that it was the first meeting of the Board of Directors after the death of Mudaliyar Madanayake. These minutes show that I was called upon to act as Secretary *pro tem* at that meeting. I draw the attention of Court to Item No. 4 of P15. From that day I became a Director of this Company. According to Item No. 3 of P15 Mr. Sirisena Madanayake resigned. Item No. 5 of P15 refers to the change of the address of the Company from Kandy Road to Dalugama, Kelaniya. I produce the minutes of a meeting of the Board of Directors held on 24th December, 1963, marked P16. According to these minutes Mr. Dharmadasa Wijemanne had attended that meeting by invitation. I refer to Item No. 3 of P16 which shows that the Board of Directors decided Mr. Dharmadasa Wijemanne to join the corporation. I was at first the Manager of the corporation and thereafter I ceased to be the Manager of the corporation. On a certain date I was appointed Director. Throughout all this time I was closely connected with this Company. The Company was in possession of the property which it was with a view to purchase. At the time of the death of Mudaliyar Madanayake, the Company continued to be in possession of the property. Throughout the whole of 1963 there was no dispute to that possession of the property. I knew Mudaliyar Madanayake very well. I was closely associated with him as the other directors who were interested in this venture. The Company never decided to abandon its business or the processing of films. It did not decide to abandon the contract of purchasing this property. This site is about 2 1/4 miles away from the residence of Mudaliyar Madanayake. Up to the time of his death Mudaliyar Madanayake came to this site. He saw the buildings coming up. He was aware of the installation of the machinery. He was closely connected with all the activities of the Company. After Mudaliyar Madanayake died, Dharmadasa Wijemanne was appointed as Managing Director. I produce the minutes of the Board of Directors' meeting held on 28th January, 1964 marked P17. I draw the attention of Court to Item No.2 of P17 by which it was resolved to appoint Dharmadasa Wijemanne as the Managing Director and also to Item No. 6 by which it was decided to hand

No. 13
Plaintiff's Evidence

Evidence of G. Hewavitharana—Examination —*Continued*

over the minute books etc. I was present when the handing over took place and I am personally aware that they were handed over to him. In fact Mr. Dharmadasa Wijemanne is carrying on business in partnership under the name of D. Wijemanne & Co. In that capacity he wrote letter dated 27th January, 1964 to Mrs. Madanayake the wife of Mudaliyar Madanayake and I produce a copy of that letter marked P18.

(The original of P18 is handed over by Counsel for Defendants to Counsel for the Plaintiff.)

I also produce letter dated 5th February, 1964 written by Mr. Ben Samarasinghe to the Plaintiff-Company marked P19 with which he enclosed a letter addressed to Mr. D. L. Goonesekera, Proctor for the Plaintiff - Company dated 1st February, 1964. I produce that copy of the letter marked P19A. Mr. D. L. Goonesekera is not a Director of the Company. He ceased to be a Director somewhere in January, 1964. I also produce marked P20 original of a letter dated 8th February, 1964 written by Proctors for the plaintiff to Mr. Ben Samarasinghe in reply to his letter P19.

(The original letter of Mrs. Madanayake dated 10th February, 1964 in reply to P18 is marked as P21.)

I produce letter dated 10th February, 1964 written by the Plaintiff-Company to Mr. Ben Samarasinghe marked P22. I produce letter dated 29th February, 1964 from Mr. Ben Samarasinghe to Messrs. Dharmadasa Wijemanne & Co., marked P23. By letter dated 12th May, 1964 Dharmadasa Wijemanne & Co., on behalf of the Plaintiff-Corporation addressed a letter to D. S. Madanayake the 3rd Defendant in this case and I produce that letter marked P24. I produce marked P25 copy of a letter dated 12th May, 1964 addressed to Dr. S. K. Madanayake the 2nd Defendant. I produce marked P26 copy of a letter addressed to U. G. Madanayake the 5th Defendant dated 12th May, 1964. Mudaliyar Madanayake died leaving his widow and 5 children. The 1st Defendant is the widow and the children are the other Defendants. He died intestate and application for letters of administration has been made in D.C. Colombo Testamentary Case No. 21231. I produce a copy of the letter sent to Mrs. Wijewardene the 6th Defendant marked P27 and marked P28 copy of a letter bearing the same date addressed to the 4th Defendant. I produce marked P29 certified copy of an affidavit of the 1st Defendant filed in D.C. Colombo Testamentary Case No. 21231 in respect of the intestate estate of the late Mudaliyar Madanayake dated 30th September, 1963. I produce marked P30 copy of the Journal Entries in the same testamentary case No. 21231T commencing from 13th September 1963 and ending 28th July, 1964. I produce a copy of a further Journal Entry dated 24th September, 1964 in the same Testamentary Case marked P30A. After the letters were sent, first to Mrs. Madanayake in January, 1964, I know that the request that the agreement to implement the agreement was refused by her.

Q. Did anything happen which permitted or required the Company to take legal action?

A. There was interference by the heirs of Mudaliyar Madanayake.

Q. What do you mean by interference?

A. Disturbing the peaceful possession of the property by the Company.

Q. Was this plaint thereupon filed in this Court?

A. Yes.

Simultaneously an application was made for an injunction restraining these Defendants and their agents from disturbing the quiet possession of the Company pending the decision of this action and that was on 30th May, 1964. Then an enjoining order was issued together with the notice of application for an injunction. In support of the application for interim injunction an affidavit was sworn by me was filed with the petition and that affidavit is filed of record. I draw the attention of Court to the fact that I have sworn in para 19 of the affidavit that the 1st Defendant is wrongfully disturbing the business of the Company. That averment is true. That affidavit is dated 22nd May, 1964. I apprehended that the Defendants might take forcible possession of the propery. As a matter of fact the order of Court granting an enjoining order was made on a Saturday. In view of the delay in getting the order served on the Defendants by the Fiscal, the Defendants were written to about the enjoining order that was made by the Plaintiff's proctors. The enjoining order was served on the Defendants on 1st June, 1964, namely, the following day. At that date the Company had a watcher of its own and his name is Stanley Silva. On Monday the 1st June, in the morning the Company's watcher and a workman were taken away by the Police and a clerk employed by the Defendants. Thereafter Mr. Dharmadasa Wijemanne was informed and on that same day he went to the Police Station. After that the matter has been before Court. I produce letter dated 13th May, 1964 to Mr. Ben Samarasinghe by Proctors for Plaintiff marked P31. I produce certified copy of the minutes of the first Annual General Meeting of the shareholders of the Plaintiff-Company held on 30th March 1959 marked P32. At that meeting the Annual Report of the Directors amongst other documents were tabled and was adopted accordingly. Present at the meeting amongst others were Mudaliyar J. Madanayake. I produce a copy of that report with the Balance Sheet as at 31st March, 1958 Marked P33. I also produce the report of the Directors present at the 2nd Annual General Meeting of the shareholders and the Balance Sheet marked P34. That is for the year ended 31st March 1959. I produce the minutes of the Annual General Meeting held on 22nd December, 1959 marked P35. I produce the audited Balance Sheet as at 31st March, 1960 marked P36 and the Profit and Loss Account for year ended 30th March, 1960 marked P36A. In P36 I draw the attention of Court to the cost of the fixed assets which is Rs. 36, 375/- and the cost of machinery costing Rs. 219,445/-. I produce the audited Balance Sheet as at 31st March 1961 marked P37 with the annexed Profit and Loss Account for the same year marked P37A dated 23rd September, 1961. I produce the Balance Sheet for the year ending 31st March, 1962 marked P38 together with the annexed Profit and Loss Account dated June, 1962 marked P38A.

(These documents are objected to unless the auditors are called.

No. 13
Plaintiff's Evidence
—
Evidence of G. Hewavitharana—Examination —*Continued*

The documents are admitted subject to proof.)

Initialled: .....
Additional District Judge
2. 12. 64

Further hearing on 18th February, 1965.

Initialled: .....
Additional District Judge
2. 12. 64

18th February 1965

Same appearances as before.

Mr. Weerasooria (Jnr.) for the defendant states that on account of certain proposals for adjustments suggested between these parties it was not possible for his senior counsel himself to get ready for this trial. But, he now finds that the negotiations for settlement have failed. In these circumstances he moves that this matter, which is already fixed for 25-2-1965, may be taken up on 25. 2. 1965 as his senior counsel is unable to be in Court today.

ORDER:— This matter is fixed for the 25th of this month. It is now almost close upon lunch time, and I accede to the request to adjourn this case for the 25th for which date this case has been fixed originally. I inform the parties that on that date, after the evidence is recorded, I would consider the question of fixing two or three more dates for purposes of hearing and having the case concluded early.

Initialled: .....
Additional District Judge
18. 2. 1965

25th February, 1965

Trial resumed.

Same appearances as before.

Gilbert Hewavitarana: Recalled. Affirmed.

Examination-in-chief continued:—

Q. The buildings put up by the Company on this property as well as the machinery have cost the Company roughly about how much?

A. Over three lakhs of rupees.

Q. Today, what is the value of the machinery relating to the value at the time it was installed; is it more or less?

A. Considerably more.

Q. That machinery has still not been used?

A. Yes; they are untouched.

Q. Today are there considerable difficulties in the way of importing of machinery?

A. Yes.

Q. Administrative and other exchange difficulties?

A. Yes.

Q. So that, all machinery has much value today than at the time they were imported by the Company?

A. Yes.

Q. In this action the Company asks for specific performance of the agreement to sell and ask that the heirs of Mudaliyar Madanayake, the Defendants do transfer the property on the payment of the balance sum of Rs. 25,000/-?

A. Yes.

Q. At the time these buildings were put up, was Mudaliyar Madanayake aware of it?

A. Yes.

Q. You have also testified to the fact that the buildings must have been completed by 3 or 4 months?

A. Yes.

Q. During the period of construction did Mudaliyar Madanayake come to the site?

A. Yes; very often.

Q. When the machinery was installed was Mudaliyar Madanayake aware of it?

A. Yes.

Q. When the Company constructed those buildings and installed those machinery, did the Company have the assurance that it will be given the use of the buildings?

(Mr. Weerasooria objects to the question.

Mr. Amarasinghe withdraws the question.)

No. 13
Plaintiff's Evidence
—
Evidence of G. Hewavitharana—Cross-Examination

Cross-Examined

I started life as a Broker. I do not have a licence now; my licence has expired. It expired in 1956. I stated that the machinery were ordered from Messrs. Andre Debries of Paris. The order for the machinery must have been placed somewhere in 1959; I think so.

Q. When did the machinery arrive in Ceylon?

A. In 1960.

Q. What month?

A. I am not certain; somewhere about March or April, 1960.

My first appointment in the Company as Manager was from 1957 end.

Q. How long did you continue as Manager?

A. There was a break in 1958, because the Board of Directors at that time decided to dissolve the Company. I was the Manager till the first break for a few months; that was I think at the beginning of 1958 or at the end of 1957. Thereafter I started as Manager by the end of 1958 and continued till July 1961.

I am now a Director of the Company. I have been a Director of the Company from 1963; that is from about July 1963. I was not a Director of the Company before.

Q. Why did you cease to be Manager on the first occasion?

A. The Board resolved to wind-up.

Q. Then Mr. V. T. de Zoysa was the Managing Director?

A. Yes, and Chairman both.

Q. In fact, a meeting was fixed for the purpose of passing a special resolution to wind-up?

A. Yes, it was a meeting of the shareholders.

Q. That was in which year?

A. In the middle of 1958.

Q. What happened?

A. The shareholders did not approve of it.

Q. Why was the matter brought up at all?

A. (No answer).

Q. Why?

A. I cannot say.

Q. Why did the Managing Director, Mr. de Zoysa, put on the Agenda a resolution to wind-up?

A. I never attended that meeting.

Q. At the time you were Manager, and you told the Court that there was a resolution to wind-up the Company?

A. I was the Manager at that time. I did not know. Some of the shareholders did not approve of the resolution and the Board gave it up.

Q. Is it not the fact that as early as 1958 some of the shareholders thought that the Company should be wound-up?

A. I cannot say why the Board resolved to do that, because I never attended that meeting.

Q. It was decided for the Board to bring up a resolution to wind-up?

A. There was a resolution by the Board to wind-up; at the same time shares were coming into the Company.

Q. At that time who were the Directors in 1958?

A. Mr. V. T. de Zoysa, Mudaliyar Madanayake, Mr. Sirisena Fernando and P. H. William.

Q. Mr. P. H. William was a Director of a Bus Company?

A. Yes.

Q. He was a Director of High Level Road Bus Company Ltd.?

A. Yes.

Q. Mr. V. T. de Zoysa was also a bus Director — South-Western Bus Company Limited?

A. Yes.

Q. Mudaliyar Madanayake was also a bus Director—Sri Lanka Omnibus Company Limited?

A. Yes.

Q. They were all big businessmen?

A. They were bus magnates.

No. 13
Plaintiff's Evidence

Evidence of G. Hewavitharana — Cross-Examination —*Continued*

Q. They were all good businessmen?

A. I cannot say.

Q. They were Directors of very big companies?

A. They were Directors of their own companies.

Q. Were they not Directors of big bus companies at that time?

A. They were.

Q. South-Western Bus Company was a big bus company?

A. Yes.

Q. P. H. William was a Director of High Level Road Bus Co. Do you say that it was not a big bus company? 10

A. Not as big as South-Western.

Q. It was a big bus company?

A. Yes.

Q. It ran buses from Colombo to Balangoda and all over?

A. I do not know the routes.

Mudaliyar Madanayake was the Managing Director of Sri Lanka Omnibus Company Limited. Mr. Sherman de Silva was also a Director of the Company. He was a Produce Exporter. Mr. Sirisena Fernando was also a Director of the Company; he was also a Director of B. J. Fernando Bus Company Limited. Mr. Harasgama was also a Director, and he was the Secretary of the Company. 20

Q. They were all experienced businessmen?

A. I do not know much about Mr. Harasgama.

Q. Mr. V. T. de Zoysa, Mudaliyar Madanayake, Mr. William and Mr. Sirisena Fernando, are they not big businessmen?

A. Yes; there is no dispute about it.

Q. They met at a Board Table and resolved to wind-up the Company?

A. Yes.

Q. They decided to dissolve the Company one year after the Company started business?

A. Yes. 30

Q. The machinery purchased from Debries of Paris was for what purpose?

A. That is to equip the laboratory; the developing unit and colour plant.

Q. What were the machinery purchased?

A. Developing Unit, Power Plant, Printing Equipment, Colour Plant and all its accessories.

Q. The Company was not able to pay the claim of Messrs. Debries for the machinery it had ordered; is that not so?

A. The Directors had given personal guarantee to pay.

Q. Guarantee is not a payment?

10 *A.* The Company also paid a large sum.

Q. How much?

A. The Company also paid nearly Rs. 70,000/-.

Q. When was it paid?

A. From the time the agreement came into force.

Q. When did the machinery arrive?

A. May be in March or April.

Q. Which year?

A. In 1960.

Q. The total cost was how much, roughly?

20 *A.* At that time it must have been about Rs. 225,000/-.

Q. How much did the Company pay?

A. Out of Company's funds it paid about Rs. 70,000/-.

Q. That was paid to Debries?

A. Yes.

Q. Then you were left with Rs. 150,000/-?

A. No.

Q. What happened then?

A. There was a balance of Rs. 98,000/-.

No. 13
Plaintiff's Evidence

Evidence of G. Hewavitharana— Cross-Examination —*Continued*

Q. Then what happened?

A. They filed action.

Q. In which year?

A. I think they filed action in 1963 or 1962.

Q. Did the Company first try to defend the action?

A. I think so.

Q. Did they defend the action?

A. They admitted the claim.

Q. And consented to judgment?

A. Yes.

Q. At that time the Chairman of the Board was Mr. D. L. Gunasekera?

A. Yes.

(Shown D1 - letter dated 12th November, 1962). The signature of Mr. D. L. Gunasekera appears on D1. This letter has also been signed by the Acting Secretary Mr. Sirisena Madanayake and also by Mudaliyar Madanayake. D1 is a document signed by three Directors requesting the Proctor for the Company to consent to judgment. D1 also refers to a resolution passed by the Board of Directors of the Company.

Q. Are you familiar with this Minutes Book? You have seen this Minutes Book?

A. Yes.

This Minutes Book is paged. At page 67 are the Minutes of a meeting held on 9.1.1961; at page 68 are the Minutes of a meeting held on 24. 1. 1961. Similarly at page 69 are the Minutes of a meeting held on 18. 8. 1961; page 70 of 28. 6. 62; page 71 of 30. 6. 1962; page 72 of 11. 7. 1963; page 73 of 24. 12. 1963; page 74 of 28. 1. 1964.

Q. Where are the Minutes of the meeting of 1. 11. 1962?

A. It is pasted on to the book.

Q. A typed paper is pasted on to the main Minutes Book?

A. Yes.

(TO COURT:—

Q. All Minutes are typed and pasted on a separate sheet?

A. Yes.)

Q. In between there are no Minutes after 30. 6. 1962 and before 11. 7. 1963 in this book?

A. Yes. Mr. Sirisena Madanayake should know about it as he was the Secretary at that time.

Q. The Minutes of 1. 11. 1962 are not in the Minutes Book as far as you can see?

A. Yes; as far as I was shown:

Messrs. Debries of Paris filed two actions against the Company in D.C. Colombo, Cases Nos. 24947/S for Rs. 83,372/09. (Shown Journal Entries in D. C. 24947/S, D2.) There is a journal entry under date 12.11.1962 to the effect, "Call on 26. 11. 62 for terms of settlement". On that day (26. 11. 62) the case was put off for 10. 12. 62. On 10. 12. 62 the journal entry says, "Case was called for terms of settlement. Vide proceedings enter decree accordingly." On 7. 11. 1963 the Proctors for the Plaintiffs tendered decree for signature. Similarly there was another action No. 24987/S of this Court against the Company by Debries for the recovery of a sum of Rs. 6,270/92. Both their claims amounted to Rs. 89,642/-. (Shown Journal Entries in D. C. 24987/S, D3.) D3 shows that on 12. 11. 62 the case was called with connected case D.C. 24947/S.

Q. Has that Rs. 89,642/- been paid?

A. No.

Q. You told the Court a little earlier that the machinery came to Ceylon in March 1960?

A. Yes.

Q. About what part of 1960 did the machinery come?

A. I cannot remember.

25% of the value has been paid by the Company with the order.

Q. And the Company was unable to pay the balance?

A. I cannot say that the Company was unable to pay; the Company was also contributing towards the instalments.

Q. They did not pay the amount due. When the goods came to Ceylon in 1960 payment became due?

No. 13
Plaintiff's Evidence

Evidence of G. Hewavitharana—Cross-Examination —*Continued*

A. Payment was due and it was in the process of being paid. All the due debts were met.

Q. Except for this Rs. 89, 642/- for which the Company was sued?

A. Yes.

Q. That amount was not paid, because the money was tight?

A. There were difficulties where funds were concerned.

Q. The Company was unable to pay the balance?

A. The Guarantors were there as Directors.

Q. The Company was unable to pay?

A. There was difficulty in paying.

Q. That is why the Company could not pay?

A. May be. The undertaking was that these 3 Directors should continue to pay.

Q. When a person gives a guarantee he guarantees to pay?

A. Yes.

Q. On a guarantee the debtor has primarily to pay?

A. Yes.

Q. If he does not pay, the person who guaranteed is liable to pay?

A. Yes.

Q. The Company did not pay?

A. At a certain stage the Company did not pay.

Q. The Company could not pay the Rs. 89,642/-, and Debries had to come to Court?

A. Yes.

Q. The Company did not pay because it did not have the money to pay?

A. Yes.

(Shown P11 including P11a and P11b.) P11 is meeting No. 3. It is a meeting held on 24. 2. 1961. This meeting was continued on 28. 3. 1961. P11 says that I was present as Manager.

(Counsel refers to the various dates of adjourned meetings.)

I brought in certain shareholders to the Company. I cannot remember the shareholders I brought in. The Company was unable to pay my remuneration and I was working in an honorary capacity. I was paid at the rate of Rs. 500/- per month. I did not waive my claim; all those accounts are in the books. I gave over all the books to the Managing Director; the Board requested me to do so and I did so.

Q. Was it not that they were not satisfied with your management?

A. I do not think so; if so they would not have asked me to do honorary service.

Q. When a man who is in charge of the management is to give over, it is customary for him to help the auditors?

A. From the very inception of this Company the auditors were maintaining the accounts of this Company.

Q. When a person who was Manager has to give up his management, he is instructed to help the auditor during that period?

A. Yes.

At the meeting the letters and bills of Debries were tabled and Mudaliyar Madanayake was to advance Rs. 3,000/- to meet the expenses of the Water Cooling Plant. (Shown P12.) Those are the Minutes of the meeting held on 18-8-1961. Item No. 3 of P12 shows that the Laboratory was not functioning at that time.

Q. It had never functioned up to that time?

A. Yes.

The Water Cooling Plant was for the Developing Unit, because we were intending to develop films. Up to 18-8-1961 no films had been developed as the Studio was not completed.

Q. The Water Cooling Plant was subsequently sold?

A. I did not know; I came to know recently.

Q. It had been sold?

A. Yes; that is what I heard.

Q. That was ordered from Colombo Agencies?

A. Yes; through the agency of Colombo Agencies.

No. 13
Plaintiff's Evidence

Evidence of G. Hewavitharana—Cross-Examination —*Continued*

Mr. N. U. Jayawardena was running the concern called Colombo Agencies. The balance was not paid to Colombo Agencies, and the Water Cooling Plant was sold. I came to know recently that it had been sold long ago. Now we have purchased a Water Cooling Plant; it is a second hand plant purchased recently. We purchased it a few months ago; about five or six months ago. We purchased that plant in October 1964; it cost us about Rs. 10,000/-. This action was filed on 22-5-1964. An enjoining order was issued in this case. I affirmed to an affidavit which was filed with the plaint on 22-5-1964. On 30-5-64 on my affidavit and the petition filed by the Proctors in this case, the Court issued an enjoining order on the Defendants. The matter came up for enquiry on 25-8-64, which I gave some evidence. I was present in Court on that day. A certain direction was made by the Court in my presence on that day.

Q. Who brought in the Water Cooling Plant in October 1964?

A. The Company.

Q. Who brought it in?

A. One of the Directors.

Q. Which Director?

A. Mr. M. S. Perera.

Mr. M. S. Perera was in Court on that day when the Court made that order giving certain directions; that was on 25-8-1964. The Water Cooling Plant is not brought to the Laboratory yet; it is in his Studio at Colpetty. It has not been installed there; but it is to be installed here.

Q. Have you brought anything into the site at Dalugama after the Court made its order on 25-8-1964?

A. I do not think I have not seen anything brought in.

Q. Did you go there?

A. Yes; very often I go there.

Q. Has nothing been brought in?

A. No; except a few office furniture.

Q. Have you put up any buildings?

A. There was the abandoned extension.

Q. Have you put up what was abandoned?

A. That has been completed.

Q. After the Court's order?

A. It was being done before the Order.

Q. Was anything done after the Court's Order?

A. Nothing.

Q. Nothing has been done after the Order?

A. Nothing new was done.

Q. If anything was done, you would have known?

A. If anything new was done, I would have known.

Q. Then nothing was done?

10 *A.* No.

Q. Nothing ever has been done in this Laboratory?

A. Except the internal electric connection for lighting purposes.

Q. No business of production of films?

A. Not started yet.

Q. Are there any workmen working there today now?

A. Yes.

Q. What are they doing?

A. Acoustic corrections are being done in the Sounds Theatre.

Q. How many workmen are there on the site?

20 *A.* About 3 or 4; sometimes 2 or 3. They are attending to the ceiling on the roof and the cleaning of the well.

Q. Nothing else?

A. I cannot see anything else other than what I stated to Court.

Q. No structural alterations of any kind?

A. There was a structure that was partly being built; it was started before the Court's order.

(**To Court :** It may have been completed after the Order)

No. 13
Plaintiff's Evidence

Evidence of G. Hewavitharana — Cross-Examination —*Continued*

Q. Have any machinery brought in after the Court's order?

A. So far, nothing, except what has been installed there.

(Shown Minutes dated 27-2-1959, D4.)

Q. Item 6 says that Mudaliyar Madanayake was to transfer that allotment of land for Rs. 40,000/- and 4,000 ordinary shares of the Company were to be given to him?

(Mr. Amerasinghe objects to the question.
Mr. Weerasooriya withdraws the question.)

Q. Mudaliyar Madanayake was to sell this allotment of land, and the other part of the Minute is that he is to invest in 4,000 ordinary shares of the Company?

A. Yes; that is how it reads.

In my evidence I referred to this agreement P1. That agreement was signed on 2-3-1959, subsequent to the Minutes D4. Clause 3 of this agreement P1 was put to me and I was asked whether the vendor, Mudaliyar Madanayake, has undertaken in it to perfect the title. I was also asked what was this reference to perfecting title. I understood the question and answered as "Village Title". Thereafter I said that it was partition title. I knew about the partition case. I have stated to Court that 7 partition actions were filed. They are the documents P3 to P9. They were filed on 27-4-1960 by Mudaliyar Madanayake whose Proctors were Messrs. Gunasekera & Perera. The members of the firm of Gunasekera & Perera are Mr. D. L. Gunasekera and Mr. Hector Perera. 21 days after the agreement, Mudaliyar Madanayake had transferred a 1/8 share to P. B. Herath, the 1st Defendant. The 2nd Defendant was the Sinhala Film Corporation; that is the Plaintiff-Company. They were made parties because they had agreed to purchase the land. Mr. D. L. Gunasekera was the Chairman of the Plaintiff-Company at that time. He ceased to be Chairman only when he resigned very recently. He resigned on 31st January, 1964.

(Shown D5). These are the Journal Entries in D. C. Colombo Case No. 9134/P. (Shown D6). These are the Journal Entries in D. C. Colombo Case No. 9135/P. (Shown D7). These are the Journal Entries in D. C. Colombo Case No. 9136/P. (Shown D8). These are the Journal Entries in D. C. Colombo No. 9137/P. (Shown D9). These are the Journal Entries in D. C. Colombo No. 9138/P. (Shown D10). These are the Journal Entries in D. C. Colombo No. 9139/P. (Shown D11). These are the Journal Entries. in D. C. Colombo Case No. 9140/P.

D5 shows that on 2-9-1960 Commission was issued to Mr. Senaratne, Surveyor, and he asked for an extension of time. On 18-11-1960 Court made order recalling the Commission. On 14-12-1960 Messrs. Gunasekera & Perera moved to withdraw the action. The Defendants were absent and the action was dismissed without costs. In all the other actions the same entries are made and D6 to D11 contain entries in the same form.

Q. All the Partition Actions were withdrawn?

A. We came to know about it last year. Now I know that they were withdrawn.

Q. Till when were you Manager?

A. Till July 1961.

Q. These actions were withdrawn and dismissed on 14-12-1960?

A. We never knew; we were not informed. We did not know what actually happened.

(To Court :

Q. Mudaliyar Madanayake was the Plaintiff in all these actions?

A. Yes.

Q. The actions were withdrawn before his death?

A. We came to know about the withdrawal of the actions in or about July 1963 that was the day when were appointed Directors and we questioned Mr. Gunasekera.)

Q. You told this Court that although you were Manager of this Company, you never knew about the withdrawal of these actions?

A. Yes.

Q. Were these matters brought up before the Board?

A. No.

Q. Was any matter with regard to the agreement brought up before the Board?

A. (No answer).

I was present at meetings of the Board as Manager of the Company.

Q. Was any matter in regard to the agreement either Mudaliyar Madanayake should sell the land and the Company should buy or any matter brought up before the Board at a meeting at which you were present?

A. According to the resolution, it was put into action by the agreement.

Q. That Mudaliyar Madanayake should transfer the land for Rs. 40,000/-?

A. Yes.

No. 13
Plaintiff's Evidence

Evidence of G. Hewavitharana— Cross-Examination —*Continued*

Q. After that that matter was never brought up before the Board at which you were present; the question of the agreement and the sale of the land?

A. Even the land was handed over to the Board and I was present at that time.

Q. Was any matter in regard to the agreement to sell the land by the Mudaliyar and the Company to buy the land brought up at a meeting of the Company at which you were present?

A. Question is not clear.

I know the agreement P1; it was according to the resolution.

Q. The agreement P1 of 2-3-1959 was in terms of a decision of the meeting of the Board held on 27-2-1959. The agreement was that Mudaliyar Madanayake should sell and the Company should buy a certain allotment of land in Dalugama for Rs. 40,000/-?

A. Yes.

Q. After the agreement was signed, was any matter in relation to the agreement brought up before the Board at a meeting at which you were present?

A. That a sum of Rs. 15,000/- was paid on the date when the agreement was signed.

(To Court :

Q. After the agreement was entered into, did this question of the purchase of this property come up at a meeting of the Board at which you were present?

A. There was a suggestion that the Company should enter into a long lease.

Q. When was that?

A. Sometimes back; and it ended there. It did not materialise.)

Q. What was it you mentioned about a long lease?

A. The discussion took place at the Board about a long lease.

Q. What about buying of the land?

A. They did not give it up. As there were no funds, the Chairman suggested a long lease. It was discussed at the meeting and it ended there and nothing happened.

(To Court : After the agreement, a number of partition actions had been filed for the purpose of getting a perfect title. All those actions were withdrawn. Now I know that those actions were withdrawn.)

Q. Mudaliyar Madanayake did not pursue the matter of perfecting title for the transfer of this property?

A. Now I know.

Q. And there had been a change of attitude on the part of Mudaliyar Madanayake regarding this matter?

A. I cannot say anything.

I knew that the partition actions were filed, but I did not know that they were withdrawn. The Directors were under the impression that the partition actions were going on; no single Director questioned about it. The Chairman Mr. D. L. Gunasekera, is known to me for a very long time. He is a very senior Proctor of this Court.

Q. He withdrew these actions without informing anybody on the Board?

A. I do not think that anybody was aware; not a single shareholder of the Company knew.

Q. You as Manager did not know?

A. Yes.

Q. So that Mr. D. L. Gunasekera as Chairman withdrew the actions without instructions from the Board?

A. Definitely so.

Q. You can give no reason why he withdrew the actions?

A. I cannot.

Q. At that time only Mudaliyar Madanayake was a very active member of the Board?

A. Yes.

Q. He was the man advancing most of the money?

A. Even the other Directors. Mr. Liyanage also had advanced moneys.

Q. Mudaliyar Madanayake also has done something contrary to the decision of the Board for having allowed the actions to be withdrawn?

A. I do not know.

Q. Do you tell the Court that you did not know that those actions were withdrawn at any time?

A. Yes; I knew it at no time.

No. 13
Plaintiff's Evidence

Evidence of G. Hewavitharana—Cross-Examination —*Continued*

Q. Did they take any decision with regard to the purchase; whether they were going to carry on with the purchase or not?

A. There was a little difficulty about the funds. At that time there was little difficulty about funds and they discussed about a long lease, but the idea of purchasing was never given up.

Q. Was a decision taken in regard to the agreement of purchase?

A. To abandon the agreement no decision was taken.

Q. Was it decided to take a long lease in lieu of the purchase?

A. There was a resolution brought up by the Chairman to go in for a long lease and it was discussed at that meeting. If they decided they would have to go before the shareholders.

Q. Did the Board decide to take a long lease instead of an outright purchase?

A. I am not aware whether it was a decision. It was discussed. The Board decided to go in for a lease and Mr. D. L. Gunasekera undertook to submit the conditions on which the lease should be taken.

Q. It was not a mere suggestion, but a decision to take a lease?

A. Yes.

Q. The Board decided to take a long lease?

A. Yes.

Q. What did the Board decide in regard to the purchase of the land?

A. They never abandoned it.

Q. They did not decide to take a long lease instead of an outright purchase?

A. That did not work.

Q. Did they decide it?

A. I cannot straightaway say what they decided.

Q. You were not present at any meeting of the Board at which it was decided to take a long lease instead of an outright purchase?

A. Except that particular meeting there was no meeting.

Q. Were you present at a meeting of the Board at which the Board decided to take a long lease instead of an outright purchase?

A. I was present.

Q. So that the Board decided to take a lease instead of an outright purchase?

A. I may say yes.

(Shown P10 — Item 3 is read out.) I admit that there was a decision of the Board to take a long lease for 50 years instead of an outright purchase of this land due to the non-availability of funds at that time.

Initialled. .....
Additional District Judge
25-2-1965

(LUNCHEON INTERVAL)

Gilbert Hewavitarana : Recalled, affirmed.

Cross-Examination Continued :— The Plaintiff-Company was incorporated on 24th July, 1957. (Shown D12 — Certificate of Incorporation.) D13 is the Memorandum of Association issued on 24-7-1957, and D14 is the Articles of Association dated 24-7-1957. D13 and D14 are still in force today, for there has been no change. One of the signatories to the Memorandum of Association is myself; I am the 8th signatory. I am also a signatory to the Articles of Association. I have given my designation in D13 as Honorary Treasurer and propaganda Officer, Sinhala Jathika Sangamaya. In D14 too I have given similar particulars. The first signatory is Mudaliyar Madanayake, who is designated as Managing Director of M. J. Estates & M. J. Insurance. The second signatory is Mr. V. T. de Soyza who is designated as Managing Director, South-Western Bus Company Limited. The other signatory is Mr. D. M. Marcellene who is designated as Director, Ceylon Extraction Co. He was a leading mill owner and broker. The other signatory is Mr. P. H. William.

Q. All the signatories to D13 and D14 are well known businessmen at the time?

A. Yes.

A return has to be made of Directors under the Companies Ordinance. That Return has been sent from time to time to the Registrar of Companies. The 1st return is dated 21-8-1957, D15, and the Directors were persons mentioned in D13 and D14. The second return is dated 10-7-1959, D16. D16 shows that Mr. Marcellene resigned on 6-9-1957, and that from 29-8-1957 Mr. Sirisena Fernando, Mr. Sirisena Madanayake and Mr. S. T. Harasgama were appointed. The next return is dated 15-5-1958, D17, which gives the names of the same Directors. The next return is dated 27-10-1958,D18, which shows that Mr. V. T. de Soyza resigned on 21-10-1958.

Q. That was after the resolution to dissolve the Company was not accepted?

A. Long after that.

No. 13
Plaintiff's Evidence

Evidence of G. Hewavitharana
Cross-Examination
—*Continued*

D18 shows that Mr. P. H. William died on 5-10-1958 and that Mr. S. T. Harasgama resigned on 21-10-1958. Mr. Thomas Liyanage was appointed in place of Mr. Harasgama on 21-10-1958, and Mr. D. L. Gunasekera was appointed in place of Mr. William on 21-10-1958. Mr. H. N. Liyanage was appointed in place of Mr. V. T. de Soyza on 21-10-1958. Mr. H. N. Liyanage was the son of Mr. Thomas Liyanage. The next return is dated 5-11-1958, D19 in which appears the name of Mr. Abeysekera. After D19 no return has been sent up to the return dated 22-7-1963, D20. D20 shows that Mudaliyar Madanayake died on 12-3-1963; that Mr. Sirisena Fernando resigned on 11-7-63; that Mr. Sirisena Madanayake resigned on 11-7-1963 and that Mr. M. S. Perera was appointed on 11-7-63. D20 also shows that I was appointed on 11-7-1963.

Q. That was the day you returned to the Company on 11-7-63?

A. Yes.

Q. You had ceased to be Manager in 1961?

A. Yes.

Q. And you were not holding office of Director at that time?

A. No.

Q. After 1961 you were not a Secretary, Treasurer or Director of the Company?

A. I was the Honorary Manager.

Q. You were not appointed to any office after you gave up the office of Manager in 1961?

A. Yes, as paid Manager. When I gave up the post as paid Manager.

Q. You were not appointed as any officer of the Company after you ceased to be the Manager.

A. Yes.

The next return made to the Registrar of Companies was on 29-1-1964, D21, showing that Mr. Sherman de Silva resigned on 20-1-1964 and that Mr. Dharmadasa Wijemanna was appointed on 20-1-1964. The next return was made on 7-2-1964, D22, which shows that Mr. D. L. Gunasekera resigned on 31-1-1964, and that Mr. J. E. Amaratunga was appointed on 31-1-1964 and also that Miss Seetha Hapuaratchi was appointed on 31-1-1964. I am not aware whether she is a relation of any of the Directors of this Company. The next return was made on 11-3-1964, D23, according to which Mr. H. N. Liyanage resigned on 22-2-1964. The next return is dated 6-4-1964. D24, which shows that Mr. Y. R. Piyasena was appointed on 17-3-1964. He is a trader and importer of household goods. I have signed the returns D21,

D22 and D23. The next return is dated 17-7-1964, D25, which shows that Mr. J. W. Piyatissa was appointed on 14-7-1964. He is also a merchant. He is an Industrialist; I think he is having Ice Plants. The next return is dated..... D26, sent by Mr. Dharmadasa Wijemanna. D26 shows that Mr. Tudawa was appointed on 21-7-1964 and Mr. Gunasekera was appointed on 21.7.1964. I do not think a return was made thereafter.

Q. After the return D19 of 5-11-1958 was sent no return had been sent until D20 of 22-7-1963?

A. Yes.

Q. There is provision under the Companies Ordinance that every return of Directors should be sent?

A. I am not aware of that.

Q. From November 1958 to July 1963 no returns were sent?

A. I think annual returns were filed.

Q. No return of Directors was sent?

A. Those statements have been filed. All appointments and changes have been filed.

Q. Between November 1958 and July 1963 is it your case that returns of Directors were sent?

A. For 1958, 1959, 1960 and 1961 were sent; up to 1961 I think they were sent.

All annual returns have been filed up to 1962. We have the copies of the annual returns in our files. D20 of 22-7-1963 shows that of those who were Directors earlier there remained only Mr. Sirisena Fernando, Mr. Sherman de Silva, Mr. D. L. Gunasekera, Mr. Thomas Liyanage and Mr. H. N. Liyanage. Of those even Mr. Sherman de Silva resigned in January 1964; Mr. D. L. Gunasekera resigned in July 1964; Mr. H. N. Liyanage resigned in February 1964 and Mr. Sherman de Silva resigned in January 1964.

Q. The documents show that by 28-2-1964 all the Directors have ceased to be in the Directorate?

A. Yes. Some Directors have resigned and there were certain Directors still on the Board.

Q. Except Mr. Thomas Liyanage, all had resigned? And Mudaliyar Madanayake had died?

A. Yes.

No. 13
Plaintiff's Evidence
—
Evidence of G. Hewavitharana—Cross-Examination —*Continued*

Q. Mr. Dharmadasa Wijemanne became a Director on 28-1-1964?

A. Yes.

Q. How many days before he became a Director, did he buy shares of the Company?

A. One or two months earlier.

Q. How many shares did he buy?

A. I think he bought 200 shares; he bought shares worth Rs. 20,000/- or Rs. 30,000/-.

According to P17, meeting of 28-1-1964, Mr. Dharmadasa Wijemanne was present on invitation, and Item 2 of those Minutes is a resolution to appoint him a Director of the Corporation and also to appoint him the Managing Director. (Item 3 in P17A is put to the witness.)

ITEM 1 — to negotiate with a view to a settlement of the matter of Debries transaction.

ITEM 2 — to proceed with the land matter pertaining to Kalyani Studio land trouble, and

ITEM 3 — to negotiate with the Electrical Department with regard to the power supply to the Kalyani Studios.

I was also present at that meeting as a Director.

Q. What do you understand by "to proceed with the land matter pertaining to the Kalyani Studio land trouble"?

A. To proceed on with all matters.

Q. What do the words mean — to proceed with the land matter pertaining to the Kalyani Studio land trouble?

A. To bring about a settlement.

Q. Settlement about what?

A. In regard to its conveyance and things like that.

Q. Why is it that this Minute is worded "to proceed with the land matter pertaining to the Kalyani Studio land trouble?

A. He is a new Director and was coming in as the Managing Director, and the Board decided to entrust him with all that.

Q. With what?

A. With all Company matters.

Q. To proceed with the land matter pertaining to the Kalyani Studio land trouble. What is that?

A. I cannot explain.

(To Court :

Q. Can you say what that all meant. You were present there; a new Director had come in, and in the changed context of events can you tell us what those words — to proceed with the land matter pertaining to the Kalyani Studio land trouble — meant?

A. That is, to pay up the balance and to get the deeds completed.

Q. To pay up the balance of Rs. 25,000/- yet outstanding?

A. To pay it to the heirs and get the land transferred.)

Q. Why did you not write that in the Minutes — to pay up the balance Rs. 25,000/- and get a transfer? Is it what you meant or is it an invention?

A. Not my invention. I think the Managing Director has written to them.

Q. You say now that this Minutes of 3/2 meant to pay the heirs the balance Rs. 25,000/- and get a transfer from them?

A. Yes.

Q. Why did you not write that?

A. I think it is embodied generally; the idea is that.

Q. Is this your present interpretation of the Minutes an invention of yours in the witness box?

A. Not at all.

I acted as the Secretary pro-tem at this Meeting and the Minutes were written by me.

Q. The decision was to pay the Rs. 25,000/- to the heirs and get a transfer from them?

A. Yes.

Q. Why did you not write that in the Minutes?

A. At that time I may not have thought it was very necessary to write that particular sentence.

Q. The Board of Directors of a Company must decide on what action it should take in a particular matter. Is that not so?

A. Yes.

No. 13
Plaintiff's Evidence

Evidence of G. Hewavitharana — Cross-Examination —*Continued*

Q. Here the Board has taken a specific decision, according to you, to pay the balance Rs. 25000/- to the heirs and obtain a transfer from them?

A. That was the idea.

Q. Or did you not put it down in this Minutes, if that was your position?

A. It may be that I did not pay very particular attention to that sentence. I cannot say why I did not include that in the Minutes.

Q. This Company could not function without having a Studio?

A. It must have a Studio.

Q. And the Company had decided long ago to establish a Studio on this land? 10

A. Yes; we have established it.

Q. You had not got a transfer from 1959 up to 1963?

A. Yes; the transfer would have been effected if the perfection of title took place.

(To Court :

Q. I thought you said that there was difficulty in finding the money and you thought of a 50 year lease?

A. Yes.

Q. Earlier Rs. 15,000/- had been paid and Rs. 25,000/- had to be paid, and you could not find the money. This is after all the difficulties you mentioned. Therefore, I cannot understand when you say we would have paid it if the title was perfected? 20

A. We could have raised a loan. We could have gone to a bank and got the money.)

Q. Had Mudaliyar Madanayake perfected his title, your case is that the Company would have paid the Rs. 25,000/- and obtained a transfer?

A. Yes.

Q. And the transfer was delayed, because Mudaliyar Madanayake did not perfect the title?

A. Yes. 30

Q. And the Chairman of that Company who had filed the actions for partition through his firm Gunasekera & Perera had withdrawn those actions without notice to the Board?

A. Yes.

Q. And the Managing Director, Mudaliyar Madanayake had withdrawn the actions?

A. Yes.

Q. The Company, the 2nd defendant in this case, had itself not taken any action in the partition proceedings?

A. Yes.

Q. And you as General Manager did not know what was happening?

A. I still maintain that we did not know anything. We first came to know about the withdrawal of the partition actions in July 1963 and we questioned the Chairman.

(To Court :

Mudaliyar Madanayake was one of the original Directors.

Q. He must have been aware of the difficulties the Corporation had in finding the money to purchase this land, because as one of the Directors he would have known?

A. I do not think so.

Q. You yourself were aware that things were difficult?

A. Yes.

Q. Whether Mudaliyar Madanayake did not realise at some stage or other that this transaction of sale will not go through?

A. No.

Q. Is it for that reason that he withdrew those actions?

A. I cannot say what he had in his mind.)

In July 1963 I came to know that the partition actions had been withdrawn; I came to know about it at our Chairman's office.

Q. Having come to know that the partition actions had been withdrawn by the Chairman without the authority of the Board, what did you do; what steps did you take?

A. I took no steps against him. We were accusing him for having done that.

Q. Where did you accuse him?

A. At that meeting.

No. 13
Plaintiff's Evidence

Evidence of G. Hewavitharana— Cross-Examination —*Continued*

Q. Can you point to any Minutes?

A. We did not record that in the Minutes. All those who were present took it very seriously.

Q. The Chairman had withdrawn those partition Actions on his own?

A. Yes.

Q. Is it not the fact that owing to financial difficulties the project of purchasing the property outright was abandoned?

A. No.

Q. And that the Board decided not to have an outright purchase?

A. Yes at that stage; but the idea of purchasing the land was never abandoned. At that time the Company was in difficulty where funds were concerned; therefore a long lease was discussed and decided to go in for a lease, but that too did not materialise.

Q. The Board also decided at that meeting that instead of purchasing the property outright to switch on to a long lease. Is that correct?

A. Yes.

Q. That is a decision of the Board?

A. Yes.

Q. In what Minutes the Board again decided to purchase the property? Is there a single Minute in this Minutes Book to which you can point out and tell this Court that at a subsequent meeting there was a decision to purchase the property?

A. The lease did not come into force; so the agreement to purchase stands. It was not abandoned.

Q. What you say is that although the Company decided to switch on to a long lease, yet it wanted to purchase the property outright?

A. The agreement to purchase had not been abandoned at any stage. If the lease came into existence the agreement to purchase would still be there.

Q. Not even on the basis of this Minutes where it is stated that instead of purchasing outright a lease was decided?

A. A draft lease was sent. The lease was not signed and the agreement to purchase remained.

(**To Court :**

Q. Was there any consideration for the lease; was there any money that had to be paid for the 50 year lease?

A. I have not read the draft of that lease.

Q. Could it be due to the financial difficulties that the lease was not signed?

A. No. The idea was even if he had agreed to sell the Company would not have paid him, because he had agreed to buy shares in lieu of the money that he would get out of the transfer. There was no question of his getting the money for the land that he was transferring; his whole idea was to run the Company and establish a Studio.)

Q. On 27-2-59 (D4) there was a resolution that Mudaliyar Madanayake further agreed to invest in 4,000 shares after the signing of the transfer?

A. That is the value of the land.

Q. That was agreed to. That was an agreement arrived at by the Board as a result of a resolution by the Board?

A. Yes.

Q. A lease was drafted, but never signed?

A. Yes.

Q. The lease also fell through?

A. That does not mean that the agreement fell through.

Q. The arrangement that there should be a lease also did not materialise into a lease?

A. Yes.

Q. Was it not because the Company was now in financial difficulties; hard-up; stony broke?

A. I do not think that on that there was any rupture in the Board in regard to the land was concerned. He was anxious in regard to the running of the Company.

Q. Was the Company in financial difficulties at that time?

A. No.

Q. You say that the Company was not in financial difficulties?

A. Yes.

No. 13
Plaintiff's Evidence
—
Evidence of G. Hewavitharana—Cross-Examination —*Continued*

Q. Then why did the lease fall through — Why was the lease not signed?

A. I cannot answer that question. The draft of the lease was sent to the Mudaliyar. He had the draft copy. We did not even read the copy. I cannot say why it was not signed. But he never lost interest in the business; he was very helpful.

Q. Where is the copy of the lease?

A. Not with us.

Q. Nobody tried to find out where the copy of that lease was?

A. Mr. D. L. Gunasekera was entrusted to draft and get the thing finalised, and we heard from him that he sent a copy and no answer, that is all.

Q. The agreement of 2-3-1959, P1, was an agreement to purchase?

A. Yes.

Q. On 9-11-1960, P10 it is recorded in the Minutes No. 3 "the Board finds it not possible to pay the purchase price, balance Rs. 25,000/- at this juncture owing to the non-availability of funds". That is correct?

A. Yes.

Q. By the end of the year your position was worse; by December 1960 the position was worse financially. Nothing had come in at that time?

A. They stopped the selling of shares.

Q. No money was coming?

A. Little money was coming in.

Q. How much?

A. Rs. 2,000/- or Rs. 3,000/-. But it could have been more if the Bond was active.

Q. The liabilities were more at that time than the money coming in?

A. The liability was an asset at that time. On 18-11-1960, D5, Mr. D. L. Gunasekera moved to withdraw the partition actions.

Q. 9 days after the resolution not to purchase outright, Mr. D. L. Gunasekera moved to withdraw the partition actions; Court recalled the commission and the partition actions were dismissed without costs in December, 1960?

A. Yes.

Q. Is it not the fact that Mr. D. L. Gunasekera acted properly in terms of the resolution of the Board on 9-11-1960 in withdrawing the partition actions, because the arrangement to purchase outright had been abandoned by the Board?

A. Never.

Q. You cannot give any reason why Mr. Gunasekera withdrew the partition actions?

A. I cannot give a reason why he should have done it without the approval of the Board.

Q. P1 dated 2-3-1959 has this clause (clause 1 read) which says that the vendor shall sell and the purchaser shall purchase the said property and premises within a period of 18 months from the date above. When did that period end?

A. In November 1960. On 1st November, 1960.

Q. The time within which the Company had agreed to expire was on 1-11-1960?

A. He had not done the perfection of the title. That period is governed by the perfection of the title.

Q. On 1-11-1960, the 18 months had elapsed, is that right?

A. Yes.

Q. On 9-11-1960 the Board decided not to proceed with purchase outright?

A. Yes.

Q. On 18-11-1960 Mr. D. L. Gunasekera moved to withdraw the partition actions and they were withdrawn in December, 1960.

A. Yes.

Initialled.
Additional District Judge
25-2-1965

Further hearing on 17th May, 1965; 24th May, 1965 and 26th May, 1965.

Initialled.
Additional District Judge
25-2-1965

17th May, 1965.

Trial resumed.

Same appearances as before.

No. 13
Plaintiff's Evidence

Evidence of G. Hewavitharana — Cross-Examination —*Continued*

Gilbert Hewavitarana : Recalled. Affirmed.

Cross-examination Continued:— On the last date I referred to the Minutes marked P11. P11, P11A and P11B refer to continuation of certain meetings.

Q. According to P11, the meetinig of 24-2-1961 was adjourned to 28-3-1961, which was adjourned to 18-4-1961 and again adjourned to 15-5-1961 ?

A. Yes.

Q. At the meeting of 15-5-1961, was the resolution to wind-up the Corporation ?

A. Yes.

Q. That meeting was continued on 4-7-1961, and adjourned to 12-7-1961 ?

A. Yes.

(Shown letter dated 20-12-1960, D27). This is a letter from Mr. D. L. Gunasekera, as Chairman, addressed to Mudaliyar Madanayake requesting him to attend a conference on 9-1-1961. (Shown Notice and Agenda of meeting of 18-4-1961, D28, dated 10-4-1961.) Item 5 in D28 relates to the Water Cooling Plant Payment. Item 6 is underlined; it says *Consider future of the Corporation.* (Shown letter dated 9-4-1961, D29). This is a letter signed by me stating that the adjourned meeting will be held on 25-4-1961. (Shown letter dated 5-5-1961, D30.) This is another letter signed by me stating that the adjourned meeting will be held on 12-5-1961. (Shown letter dated 28-6-1961, D31.) This is a letter signed by me stating that the above adjourned meeting will be held on 4-7-1961. (Shown letter dated 7-7-1961. D32.) This is a letter signed by me; it is an agenda of the meeting for the 12-7-1961. In D32 is an item "Consider the future of the Corporation", which is underlined. (Shown Notice dated 16-8-1961, D33.) D33 is a notice of a meeting for 18-8-1961. In D33 is an item "Consider inviting Senator N. U. Jayawardena". It is also stated in D33 that the above being a very important meeting kindly be present. Senator N. U. Jayawardena did attend the meeting. (Shown Notice dated 5-9-1961, D34.) D34 is a notice of an adjourned meeting signed by Mudaliyar Madanayake. D34 is in connection with the meeting of 8-9-1961, being the adjourned meeting of 18-8-1961. The meeting of 18-8-1961 was being adjourned to 8-9-1961. The first item in D34 is "Consider the future of the Corporation". (Shown letter dated 22-1-1962, D35.) This is a further letter signed by Mudaliyar Madanayake, which also contains the item "Consider the future of the Corporation".

Q. Many of the meetings that were summoned were not held for want of a quorum ?

A. There was a quorum, but not sufficiently represented.

Q. Why were they always putting down on the Agenda "Consider the future of the Corporation" ?

A. To consider what was stopped.

Q. No decision to continue what was stopped was taken at these meetings?

A. No decision was taken.

Q. On the contrary, decision was taken to wind-up?

A. No. Never.

Q. You are sure that no decision was taken to wind-up?

A. No decision was taken to wind-up.

(P11 read.)

Q. A decision was taken to wind-up?

A. It was discussed.

Q. The Board decided to recommend to the shareholders to wind-up the Corporation?

A. Yes.

Q. Then you, as Manager, requested the Board to grant you time to bring in more shareholders?

A. Yes.

Q. On 4-7-1961 (P11) you were requested to hand over all the assets, books etc. to the Managing Director?

A. Yes.

Q. The Minute says, "Hand over all assets and books to the Managing Director", and for that purpose to get all the books audited?

A. Yes.

Q. Did you hand over the assets?

A. Yes.

Q. When did you hand over the assets? This minute is dated 4-7-1961?

A. On a subsequent date.

Q. How long after?

A. Not very long after. I cannot give the exact date of handing over.

Q. How long did you take to hand over the assets?

A. It cannot be months; I cannot exactly tell you the date. It may be one or two weeks later.

Q. Is it not the fact that you did not do so even on 30-6-1962?

A. Immediately after he was appointed Managing Director, I was requested to hand over.

Q. That was on 4-7-1961?

A. Yes.

Q. And you did not hand over them till 30-6-1962?

A. They were handed over before that.

Q. In the Minute P14 of 30-6-1962, Item 6 is a resolution to write a letter to the Ex-Manager, Gilbert Hewavitarana, to return all the articles belonging to the Corporation? 10

A. There was no such stage, because the assets were handed over. This letter refers to some tools belonging to Mudaliyar Madanayake. They were his private property. They had been removed by me for use in the studio.

Q. Therefore, this minute is wrong according to what you say?

A. I have severed connections somewhere in July 1961.

Q. According to this minute there were some articles which you had to return to the Corporation. This minute says—write a letter to you asking you to return them?

A. That may have been some tools and things which were subsequently 20 handed over. The main assets and the keys were handed over in the presence of the Directors at the premises. I had removed some tools belonging to Mudaliyar Madanayake for use in the Studio. This letter refers to those items.

Q. The keys of the laboratory were handed to the Managing Director on 18-8-1961?

A. Yes. The letter referred to in this minute refers to the small tools which I had removed from Mudaliyar Madanayake, and I returned those tools to Mudaliyar after that letter was written to me.

(Shown Minutes of 10-8-1960, D36.) 30

Q. They were unable at that time to find the money to construct the water service storage tank and the Mudaliyar was requested to supply Rs. 8,780/40 for that purpose?

A. Not only the Mudaliyar, but the other Directors also.

Q. Anyway, he gave that advance?

A. Yes.

Mr. Klaus was a German Technician, who came from Germany.

Q. The Corporation had no money to pay for his ticket?

A. It was advanced.

Q. The Company had no money to pay for his ticket?

A. There may have been a shortage of funds.

Q. It was short of funds?

A. Yes.

Q. The Directors advanced the money?

A. Yes.

Q. The following amounts were advanced by Mr. D. L. Gunasekera Rs. 1,000/-; Mudaliyar Madanayake Rs. 1,200/- and Mr. Thomas Liyanage Rs. 1,500/-?

A. Yes.

(Shown Minutes of 9-9-1960, D37). The German Technician came to Ceylon. The Company had to pay instalments to D. U.C., which is the trade name of that Developing Machine supplied by Debries. The Company undertook to pay Debries by instalments. On 9-9-1960 there was an instalment of Rs. 6,151/88 due; that was the instalment due for August, 1960.

Q. Which the Company could not pay?

A. Yes.

Q. And it was paid by the Directors?

A. Yes.

Q. The Directors paid it as follows :— Mr. D. L. Gunasekera Rs. 1,150/-; Mr. Thomas Liyanage Rs. 2,100/- and Mudaliyar Madanayake Rs. 2, 900/-?

A. Yes.

(Shown Minutes of 7-10-1960, D38.) (Item 4 in D38 is read). There was an instalment due to Debries again. The Company could not pay it, and the Directors advanced that money.

No. 13
Plaintiff's Evidence

Evidence of G. Hewavitharana—Cross-Examination —*Continued*

Q. The Directors advanced that amount as follows:— Mr. Thomas Liyanage Rs. 2,000/- and Mudaliyar Madanayake Rs. 1,450/-?

A. Yes.

Q. So that, at that time the Company could not even pay the instalments that were due on the machinery imported?

A. The Directors undertook to advance the money and they were advancing the money.

Q. Directors' payment is not the Company's payment?

A. Company also had little money and that was not sufficient.

Q. The Company was unable to pay?

A. The Company was not able to meet the bill.

Q. And the Directors gave loans?

A. Yes.

Q. Part of the payments made on the Debries' bill, which you referred to on the previous date were paid on the advances made by the Directors?

A. Yes.

Q. According to the Minutes of September and October 1960, the instalments were paid by the Directors?

A. Yes.

(Shown Minutes of 21st and 28th October, 1960, D39.) The meeting of 21-10-1960 was continued on 28-10-1960. The record of the minutes says that that meeting was continued on 28-11-1960; it is a mistake for 28-10-1960. (Shown Minutes of 28-11-1960, D40.) D40 is stated to be the Minutes of the adjourned meeting of 28-11-1960; it is a mistake for 28-10-1960. It was on that date that the Board decided to receive loans from Directors.

Q. That was to raise a loan to pay off the advances received from the Directors?

A. Yes.

Q. That is to say, the Company has no money to pay even the advances received from the Directors?

A. They were raising a further loan from the Directors. Those are moneys advanced by three Directors; there are other Directors who had not contributed any loan. This was to raise a loan from other Directors.

Q. Did the other Directors give any money?

A. I cannot remember.

Q. On 9-11-1960 at the next meeting (P10) the Board decided to swich on to a long lease of 50 years instead of purchasing outright?

A. Yes.

Q. One month later, on 19-12-1960, the Company was unable to pay the German Technician's Rest House bills?

A. May be.

(Shown Minutes of 19-12-1960, D41.)

Q. On that day Rs. 461/40 was due and loans were raised for the purpose from Mr. D. L. Gunasekera Rs. 200/-, Mr. Thomas Liyanage Rs. 100/- and Mudaliyar Madanayake Rs. 200/-?

A. Yes.

Q. The Company was stony broke; the Company could not pay the Rest House bill of the Technician?

A. At that time there was no money.

Q. At that time Mudaliyar Madanayake and Mr. Thomas Liyanage had advanced a large sum of money?

A. Yes.

Q. It was resolved to issue promissory notes to the tune of Rs. 32,259/21 to Mudaliyar Madanayake and Rs. 19,000/- to Mr. Thomas Liyanage?

A. Yes.

Q. Had any of those amounts been repaid to those two Directors?

A. Not paid yet. Mr. Gunasekera's sum was converted into shares. Their undertaking was to convert them to shares and accordingly the amounts due to Mr. Gunasekera were converted into shares.

Q. The Minutes of 19-1-1961, D41a—Item 5—say again that the technician's Rest House charges could not be paid and there was a loan by Mudaliyar Madanayake in Rs. 216/69 and Mr. D. L. Gunasekera in Rs. 150/- and Mr. Thomas Liyanage in Rs. 100/-?

A. Yes.

No. 13
Plaintiff's Evidence

Evidence of G. Hewavitharana — Cross-Examination —*Continued*

Q. The technician was sent away; the Company was not doing any business and he was sent away?

A. He finished his job. He put up the machinery and he was sent away.

Q. You undertook to bring in more shareholders.

A. Yes.

Q. Did you bring them?

A. Yes.

Q. How much; how many?

A. I cannot remember. I must have brought in a few small shareholders, but I was discussing with bigger investors.

Q. Shares to the value of about how much did you bring?

A. About Rs. 4,000/- or Rs. 5,000/-.

Q. The bigger shareholders were not caught?

A. I was in the process of discussing with them.

Q. That was in 1961?

A. Yes.

Q. They did not come in?

A. They came in.

Q. When?

A. At a later date.

Q. When did they come in?

A. Probably by about the middle of 1963.

Q. When did they buy shares?

A. They bought shares after the death of the Mudaliyar.

Q. Up to the death of Mudaliyar Madanayake you did not bring in any shareholders other than those shareholders who bought shares to the value of Rs. 4,000/- to Rs. 5,000/-?

A. The terms were not settled.

Q. Did you or did you not bring in shareholders other than those who purchased shares to the value of Rs. 4,000/- to Rs. 5,000/- from July 1960 to July 1963?

A. I was discussing with Senator N. U. Jayawardena and others; the discussions did not materialise, because there was no co-operation.

Q. You did not bring in shareholders?

A. Not large shareholders.

Q. Apart from the Rs. 4,000/- or Rs. 5,000/- value of shares you did not bring in any other shareholders?

A. During the life time of Mudaliyar Madanayake my discussion with large investors did not materialise.

Q. In 1961 did you have a single share?

A. I had 1,000 shares; Rs. 10,000/- worth of shares.

Q. You were first the Manager?

A. Yes.

Q. You ceased to be Manager?

A. Yes.

Q. After that you were asked to help in the auditing of accounts?

A. Not only in the accounts; to help in all matters where the Corporation was concerned.

Q. What did you do?

A. I was going about to bring in shareholders and help the Corporation.

Q. Did you meet Mudaliyar Madanayake often prior to his death?

A. Very often.

Q. Is it not the fact that everytime he saw you he said "තමුසෙ තමයි අපිව කෑවේ"? (It is you who ate us up)?

A. I cannot remember.

Q. Were you sued in any case? An action brought against you?

A. In connection with what?

No. 13
Plaintiff's Evidence
—
Evidence of G. Hewavitharana—Cross-Examination
—*Continued*

Q. Were you ever sued in any civil Court?

A. Yes; the firm was sued.

Q. By whom?

A. By Aitken, Spence & Co., Ltd.

Q. Who were the partners of your firm?

A. Myself, Mr. Wijesekera and Mr. de Silva.

I started business with them in 1953 as Produce Brokers. That partnership was wound-up in 1962 or 1963. Aitken, Spence & Co., Ltd. sued us in 1957 or 1958. They claimed from us a sum of Rs. 30,000/- odd.

Q. Judgment went? 10

A. Judgment was entered.

Q. Has a single cent of that money been paid up to date?

A. We offered some terms and they did not accept them.

Q. Was a single cent paid?

A. No.

Q. Up to date nothing has been paid?

A. Nothing.

Q. Notice under Section 219 was served on you?

A. Yes.

Q. You said that you had no assets? 20

A. Yes.

Q. After that you went to India?

A. No.

Q. When did you go to India?

A. Long ago; that was somewhere in 1950.

After that action I continued my business; it was called Hewavitarana, Wijesekera and de Silva Limited. The claim made against us by Aitken, Spence was in connection with some money due on some coconuts taken by one of our clients. I wound-up that business, because one of the partners died. I did not start another Company thereafter. 30

Q. You started a company called the Eastern Estates Supplies and Company Agency thereafter?

A. No. That Company was started earlier. That Company is now in the process of being wound-up. That Company was started in 1954. That firm was exporting Ceylon Produce and Mudaliyar Madanayake was the Chairman of the Company.

Q. Eastern Estates Supplies & Company Agency also failed?

A. Yes. It is in the process of being wound-up.

Q. Thereafter you came into this Corporation?

A. Yes.

Q. And in 1961 the Corporation could not pay its dues?

A. It was in difficulty.

Q. Mudaliyar Madanayake whenever he met you he said (It is you who ate us up)?

A. He never said that.

Initialled. .....
Additional District Judge
17-5-1965

(Luncheon Interval)

Gilbert Hewavitarana : Recalled. Affirmed.

Cross-Examination Continued :— I told Court in the morning that I had 1,000 shares.

Q. They were the Promoters' Shares for which you made no payment?

A. It was given for my services.

(Shown Plaint in D. C. Colombo Case No. 24947/S dated 22-3-62, D43)

(This document is being admitted subject to the question of admissibility being discussed at a later stage, if necessary.)

(Shown plaint in D. C. Colombo Case No. 24987/S dated 26-4-62, D43).

D42 and D43 are two actions by Debries against the Plaintiff-Corporation and the 3 Directors. These were the three cases in which we consented to judgment. The Company was incorpprated on 24th July, 1957 (P12) and it held its Second Annual General Meeting on 22-12-1959.

No. 13
Plaintiff's Evidence

Evidence of G. Hewavitharana—Cross-Examination —*Continued*

(Shown Report of the Directors dated 10-12-1959, D44, and the Balance Sheet as at 31-3-59 with the Profit and Loss Account dated 23-4-1959, D44A.)

(Shown Report of the Directors for presentation at the 3rd Annual General Meeting on 30-11-1960 dated 15-11-60, D45, with the Balance Sheet as at 31-3-1960 with the Profit and Loss Account dated 17-5-1960, D45A.) I have seen these Balance Sheets. Reports and Balance Sheets marked P33 to P38A were produced by me during my evidence-in-chief.

(Shown P33). This is the first Report of the Directors dated 31-3-1958.

(Shown P34). This is the second Report of the Directors.

(Shown P36). This is the Balance Sheet as at 31-3-1960, and the Profit and Loss Account P36a.

(Shown P37). This is the Balance Sheet as at 31-3-1961 and the Profit and Loss Account P37a.

(Shown P38). This is the Balance Sheet as at 31-3-1962 and the Profit and Loss Account P38a.

Q. Those Reports of the Directors and the Accounts were placed before the Annual General Meeting and approved?

A. Yes.

Q. In D44 the Balance Sheet as at 31-3-1959 under the heading "Fixed Assets" there is the word "Advance on Studio Site"?

A. Yes.

Q. The Minute to buy this land for the Studio was on 27-2-1959?

A. It was decided from the very inception of the Company.

Q. So that the Balance Sheet as at 31-3-1959 shows an advance of Rs. 15,000/-?

A. Yes.

Q. The next Balance Sheet D45 for the period 30-11-60 gives under "Fixed Assets" Studio Site and Cost Rs. 40,000/-?

A. Yes.

Q. In the Balance Sheet of 31-3-1960 (P36) there is under "Fixed Assets" Studio Site and Cost Rs. 40,000/-?

A. Yes.

Q. And on the left hand side "Creditors" J. M. Madanayake Rs. 25,000/-?

A. Yes.

Q. That is on the basis that Rs. 25,000/- has to be paid to him?

A. Yes.

There was a meeting in that financial year. The financial year that ended on 31-3-1961 was the financial year from 1-4-60 to 31-3-61.

Q. By 9-4-1961 the Board decided to switch over to a long lease?

A. Yes.

Q. The Balance Sheet for the year ending 31-3-1961 (P37) does not show as a fixed asset the Studio Site?

A. Yes; this was prepared under the direction of Mudaliyar Madanayake as the Managing Director.

Q. And on the Creditors side there is an amount "Mudaliyar Madanayake loan account Rs. 34,209/31"?

A. Yes.

Q. That is the money which he had advanced?

A. Yes.

Q. And it has nothing to do with the Rs. 25,000/- that was due to him for the balance on the land?

A. Yes.

Q. So that according to the Balance Sheet of 31-3-1961 the Studio Site was not an asset nor was the Company under any liability to pay Rs. 25,000/- to Mudaliyar Madanayake for that asset?

A. Yes.

Q. And in P37 on the current assets there is an item "Advance on Studio Site" to Mudaliyar Madanayake Rs. 15,000/-; that is given as an asset?

A. Yes.

Q. So that Mudaliyar Madanayake, according to this entry, is a debtor to the Company in Rs. 15,000/-?

A. Yes.

No. 13
Plaintiff's Evidence
——
Evidence of G. Hewavitharana—Cross-Examination
—*Continued*

Q. Similarly in P38, the Balance Sheet as at 31-3-1962?

A. Yes.

Q. Under fixed assets there is not an item for Studio Site?

A. Yes.

Q. Nor is under the creditors side the amount of Rs. 25,000/- payable to Mudaliyar Madanayake?

A. Yes.

Q. There is a sum of Rs. 35,922/61 on the creditors side under Mudaliyar Madanayake on the loan account?

A. Yes.

Q. Similarly in the current assets side "Advance on Studio Site to Mudaliyar Madanayake Rs. 15,000/-?

A. Yes.

Q. After the decision to switch over to a long lease, the Company had treated the Studio Site not as an asset; it has gone off the Balance Sheet?

A. No. I do not think so. That Balance Sheet was prepared in 1963.

Q. This Balance Sheet was approved by the Company?

A. Yes, long after.

Q. The new shareholders, meaning the shareholders who came in after the death of Mudaliyar Madanayake, bought shares from July 1963?

A. Yes.

Q. One of the major shareholders of the Company is Mr. Dharmadasa Wijemanne?

A. He is holding 1,000 shares worth Rs. 10,000/-. That is the qualification limit.

Mrs. Wijemanne holds Rs. 25,000/- worth of shares which she purchased on 24-12-1963. She had transferred some of those shares to some others. about two months ago. That was after the last date of trial in this case, She transferred those shares to Mr. Amaratunga.

Q. For the Studio Site what is the extent of land that is required?

A. A very large acreage is necessary.

I have seen other Studio Sites in Ceylon; there are some in extent 25 acres and some in extent 20 acres and 15 acres. I have seen the Ceylon Studios site at Thimbirigasyaya. I have also seen a Studio site of 25 acres in extent in India. Wijaya Studio site is the largest extent on which a Studio is situated in Ceylon; I have seen that site too. They started with 5 or 6 acres in the first instance; now they have extended its area. It is about 6 or 7 acres in extent.

Two buildings have been put up on this site. Those building operations were commenced in 1959. In those two buildings laboratory equipment has been installed.

Q. Is the Studio now complete for production?

A. The Laboratory is ready except for the fixing of the Cooling Plant.

Q. What has been fixed in the Laboratory?

A. There is the Laboratory for Processing. The D. U. C. machine is installed for developing purposes.

There are two buildings. One building is the Laboratory. The extent of the land on which the Laboratory stands is about 100 feet long and 22 feet wide. The other building will be about 75 feet long and 12 feet in height approximately. Machinery is installed in the first building.

Q. The machinery could be dismantled and removed?

A. Yes, with damage to the construction. There are underground pipes, etc.; if they were to be removed it would damage the construction. The laboratory equipment could not be removed without damage.

The other building is meant for sound recording; so far as the instruments are concerned, they have not been brought yet for the Sound Theatre. Those were the only two buildings so far put up for purposes of production; another building is in the process of being completed. It is a larger building meant for the stage. We should also have a carpentry shop.

Q. The whole extent of land on which the buildings have now been put up is about 2 acres?

A. The present construction does not even serve 1/10th of our requirements.

Q. Why?

A. There are many other buildings that have to come up.

We had a plan of the buildings to be put up at the very outset and that plan was approved by famous experts.

A part of this land is paddy field; there are about 6 to 7 acres of paddy fields. The total extent of this land is about 10 acres. Sheds will have to be constructed on the paddy fields. I have heard of the firm called

No. 13
Plaintiff's Evidence
—
Evidence of G. Hewavitharana—Cross-Examination
—*Continued*

House & Properties Trade. They auction lands for building purposes; they block up lands and auction them. I presume Mr. Dharmadasa Wijemanne is the head of that concern.

There is a Minute under date 18-8-1961 which says that keys were handed to Mudaliyar Madanayake. I cannot say whether the keys were with me or with the Chairman. It was the Chairman who returned the keys to Mr. Wijemanne. There is a Minute as to when the keys were handed over to Mr. Wijemanne by the Chairman, Mr. D. L. Gunasekera.

(Shown Minute of 28-1-1964, P17). The keys were handed over by Mr. Gunasekera to Mr. Dharmadasa Wijemanne. On 18-8-1961, Mr. Gunasekera was one of the Directors who handed over the keys to Mudaliyar Madanayake. In the presence of the other Directors I handed over the keys to Mudaliyar Madanayake. They were the keys of the Studio which I handed over to Mudaliyar Madanayake. I am not aware that Mudaliyar Madanayake handed back the keys to Mr. D. L. Gunasekera; he must have handed them over. There is no Minute in the Minute Book to that effect; Mudaliyar Madanayake must have handed over the keys to the Chairman. When the keys were handed over to Mudaliyar Madanayake, Mr. D. L. Gunasekera was the Chairman, and there is no Minute to say that Mudaliyar Madanayake handed back the keys to Mr. Gunasekera. The presence of the keys with the Chairman can be inferred as having the keys been handed to him. However, I cannot point to any Minute to that effect. I say that as the keys were with him, it has to be inferred that the keys were handed back to him. (Shown Minute of 28-1-1964, P17). This Minute says that the keys were handed over.

(Shown P18). On 27-1-1964 by this letter P18 Messrs. Wijemanne & Company has sent a letter to Mrs. Madanayake. P18 is the first letter in the correspondence that passed after the death of Mudaliyar Madanayake. By P18 Messrs. Wijemanne & Co., wrote to Mrs. Madanayake referring to the agreement.

The present action was filed on 22-5-1964, and the Plaintiff-Company obtained an Enjoining Order from Court. I swore to an affidavit in connection with the application made to Court in connection with the Enjoining Order. Subsequently the Defendants filed papers for the dissolution of the Enjoining Order. I was present in Court on that day when that matter was enquired into. The Court gave certain directions on 10-8-1964. The Court made its order and gave certain directions on that day.

(Mr. Weerasooria reads the Order of Court dated 10-8-1964).

I was present in Court when the Court delivered its Order on that day.

I am not aware that the 5th Defendant, Upali Madanayake, made a complaint at the Peliyagoda Police Station to the effect that people had entered the land by force and plucked coconuts and jak fruits.

I am not aware of any such complaint. I am also not aware that Rajapakse made a complaint on 30-5-1964. I am also not aware that on 1-2-1964 Mr. Ben Samarasinghe wrote to the Corporation that no person should enter the land (P19A).

Q. Did you put up a construction after the Court made its order?

A. No. Nothing structural.

Q. Did you make any extensions to the buildings?

A. No new extensions were put up.

Re-Examined

I have been a Founder Member of the Plaintiff-Corporation, and have been a shareholder throughout from its inception. Throughout this period and up-to-date I have taken a close interest in the affairs of the Plaintiff-Corporation.

Q. Throughout this period, was there any item on the agenda of General Meetings where the Shareholders suggested liquidation of the Corporation?

A. Never.

Q. Was there any intimation to the Shareholders of a proposal to abandon the agreement which had been entered into?

A. Never.

Q. In the first instance the Shareholders were informed of the proposed purchase before the agreement was entered into?

A. Yes.

Q. And the agreement was entered into with their approval?

A. Yes.

Q. On the last date you were questioned with regard to the Statutory Returns—the Annual Returns that the law requires that the Company should make to the Registrar of Companies?

A. Yes.

Q. Can you tell the Court whether between 1958 and 1963 those Statutory Returns were in fact made?

A. Yes; all were made.

No. 13
Plaintiff's Evidence

Evidence of G. Hewavitharana— Re-Examination —*Continued*

Q. Were all the changes which occurred in the composition of the Corporation—Directors and Shareholders—duly notified to the Registrar of Companies?

A. Yes.

Q. Any suggestion made that the last Return prior to 1963 was in fact made in 1958; it is incorrect? Is it correct to say that no Return was made between 1958 and 1963?

A. No. It is wrong to say that no return was made between 1958 and 1963.

I have not gone through any Accountancy Course. I do not know how a Balance Sheet should be drawn up. I remember the time when Mudaliyar Madanayake died. At that time the office of the Corporation was at his bungalow. After his death the office of the Corporation was removed to the Studio site itself. At a certain stage I knew that the keys were in the custody of Mr. D. L. Gunasekera.

Q. Did you become aware that Mr. D. L. Gunasekera had those keys while Mudaliyar Madanayake was alive, or after his death?

A. I came to know about it while Mudaliyar was alive.

(**To Court:** *Q.* That is why you referred to earlier that the inference was that Mudaliyar Madanayake handed over the keys to the Chairman Mr. D. L. Gunasekera?

A. Yes).

Q. Although there is no Minute to show that the keys were handed back, you say that as the keys were with the Chairman you inferred that they had been in fact returned to him?

A. Yes.

Initialled,
Additional District Judge
17-5-1965

Evidence of A. Panditaratne— Examination

ANDRAYAS PANDITARATNE. Affirmed. 62 years, Partner, Messrs. Billimoria & De Silva, Peiris & Panditaratne, Architects, Colombo.

I am a Chartered Architect and have been practising my profession as such for the last 20 years. I am a Member of the Royal Institute of British Architects. I was requested by Mr. Dharmadasa Wijemanne to inspect the site of the Film Studio, which is in dispute in this case. For that purpose I inspected the premises and provided him with a valuation of the buildings standing thereon. I have set out in my Report dated 14-10-1964, the date which I have personally collected for this purpose. I produce my Report dated 14-10-1964, marked P39. In these buildings there are structural features peculiar to a Film Studio. There are two buildings. I have valued the first

building at Rs. 53,375/- calculating at the rate of Rs. 17/50 per sq. ft. I have valued the other building at Rs. 61,312/50 also at the rate of Rs. 17/50 per square ft. The second building is about 21 feet in height.

(**To Court:**– The buildings that stand there are worth over a lakh of rupees now.)

Those buildings have not been still used. I was informed that they were constructed in 1960. It is not reasonable to allow for depreciation, for the buildings have been put up in 1960. As a matter of fact, I have not allowed for any depreciation in arriving at my valuation of these two buildings. Building materials increased in price in 1965 over the prices prevailing in 1960, and I have taken that into account in fixing the rate per sqarefoot. Cost of labour also has gone up, and I have taken into account both these factors in computing the value at the rate of Rs. 17/50 sq. ft. I have set out in my report values. The cost of construction of these two buildings in 1960 could be less the 1964 than the cost placed by me in 1964.

Cross-Examined. There are two buildings. The second building consists of walls of two different heights. The first building can be described as a laboratory, and the second one can be described as a Sound Theatre. P39 is an estimate by me of the value of the two buildings in 1964. The two respective values I have placed on each of the buildings is the value in 1964. The cost of the first building in 1960 could have been at the rate of Rs. 15/- per sq. ft., and on that basis the total cost would have been Rs. 45,750/-. The total cost of the second building at the rate of Rs. 15/- per sq. ft., would have been Rs. 15,375/-.

We are a big firm of Chartered Architects, and our firm handles big contracts.

Q. If the construction of those two buildings had been done by a smaller contractor, it would have been done at a lesser amount?

A. Could have been.

A small contractor could have been able to do it at a lesser cost. The first building is not a large hall nor is it a large hall partitioned by walls. There are some walls which go right up to the ceiling; there are some short walls about 8 ft. in height. It cannot be called a large hall. The perimeter of the building is a hall. The second building is a hall. The Auditorium is about 21 ft. in height; there is a sound absorption system in the second building; it is a difficult construction and it is a technical construction. When I visited some of the walls of the second building were incomplete. In the first building almost all the work had been completed at the time I went there. When I went there I found a small extension being made to the second building. It was under construction at the time I went there. There was no extension to the first building. When I went there the extension to the second building I referred to was in the course of construction. That extension looked about a year old when I went there in October 1964.

No. 13
Plaintiff's
Evidence
—
Evidence of
A. Pandita-
ratne—
Cross-
Examination
—*Continued*

If these buildings were put up in 1959 it may be possible that a further reduction of Re. 1/- per sq. ft., could be made. I know that sometimes contractors could obtain the necessary materials cheap. The cost of the building would depend on the price of materials and the source from which the contractor could get them. It also depends on from where the contractor gets his stuff. It may be that he could get the necessary materials cheap at times.

Q. The Laboratory has only cost the Company Rs. 17,000/- and the Sound Theatre has cost them Rs. 19,000/-?

A. I am not aware of these figures.

Evidence of
A. Pandita-
ratne—
Re-Examination

Re-Examined. I was asked by Mr. Wijemanne for a report on the present value of the buildings. For that purpose I have been apprised of the cost of the building. By my Report P39 I have given a fair market value of the buildings today.

Further hearing on 24-5-1965.

Initialled
Additional District Judge
17-5-65

24th May, 1965.

Trial resumed.

Same appearances as before.

It is now brought to my notice that there is no Issue No. 38. The Issue after No. 37 is numbered as Issue No. 39.

Initialled
Additional District Judge
24. 5. 1965

Mr. Amerasinghe closes Plaintiff's case, reading in evidence P1 to P39 reserving his right to lead evidence on Issues 32, 32(a) to 37 and 40 and 41.

In regard to this application to reserve the right to lead evidence relating to certain issues referred to by Counsel for Plaintiffs, Mr. Weerasooria states that the entire evidence should be led before the case is closed.

Mr. Amerasinghe states that if and when it becomes necessary to lead evidence as suggested by him, the Court may consider his application at that stage.

Mr. Weerasooria states that he is withdrawing his objections to the admissibility of documents P33 to P38a, as he himself had cross-examined on those documents.

Initialled.
Additional District Judge
24-5-1965

No. 14

DEFENDANTS' EVIDENCE

Mr. Weerasooria Calls:—

UPALI GOTABHAYA MADANAYAKE. Affirmed, 29 years, Merchant, Kalyani, Peliyagoda, Kelaniya.

I am the 5th Defendant. My father was Late Mudaliyar J. Madanayake. He died in March, 1963, leaving as his widow, my mother, and 5 children. This action had been filed against the Defendants in this case upon an agreement made on 2nd March, 1959 between my father and the Plaintiff-Company. In this action the Plaintiffs claim specific performance of the agreement P1, a right of retention of the property till compensation is paid and a sum of Rs. 100,000/- as damages.

On 27-1-1964 my mother received the letter P18 referring to the agreement P1 and stating that my father had failed and neglected to perfect title to the property as undertaken by him and that the Plaintiff-Company was prepared to pay the balance consideration of Rs. 25,000/- and obtain the conveyance of the title.

Q. Prior to that letter P18 did you or any of your brothers or your mother get any intimation of the claim by the Plaintiff-Company ?

A. No. Nothing Prior to that.

The letter P18 was referred to my mother's lawyer, Mr. Ben Samarasinghe who sent a letter to Mr. D. L. Gunasekera dated 5-2-1964, P19a, who was a Director of the Company and Chairman, stating that no person should enter the land without a written consent of my mother who had applied for Letters of Administration. A copy of that letter was sent to the Plaintiff-Company as well (P19). In the meantime my mother received a further letter P20 from the Plaintiff-Company referring among other things to the agreement and stating not to interfere with the alleged possession of the Plaintiff-Company. A reply was sent to the Plaintiff-Company's Proctor, who had written P18 and P20 by our Proctor Mr. Ben Samarasinghe dated 29-2-1964, P23, stating that the Corporation was unable to fulfil the terms of the agreement under reference and the agreement was rescinded and lapsed and for that reason as well as other reasons the Corporation had no right whatsoever on the agreement. Thereafter other correspondence followed. On 22-5-1964 the Plaintiff-Company has filed the plaint in this case for the reliefs which I earlier stated and an Enjoining Order was issued on 30-5-1964.

I know the property which is the subject matter of this action. During the lifetime of my father he was in possession of this property. There was a Caretaker called Rajapakse to look after the property on behalf of my father. After this action was filed, Rajapakse saw me on 30-5-1964. He came and complained to me that some people had entered the land and some jak fruits

No. 14
Defendant's Evidence
—
Evidence of U. G. Madanayake—Examination —*Continued*

and coconuts had been plucked. He came on the 30th and told me that some people had come on the 29th and that some other people had come again on the 30th; on the 29th three people had come and gone away and on the 30th the same three people had come and had plucked coconut and jak fruits, and that 2 of them had gone away and one had remained there. I asked my Caretaker to make a complaint to the Police. He made a complaint on 30-5-1964 to the Peliyagoda Police.

(Mr. Weerasooria states that he would be calling the Caretaker, Rajapakse, and marks in evidence the complaint made by Rajapakse to the Peliyagoda Police on 30-5-1964 at 1 p.m. as D46.)

At about 3 or 4 p.m. on 30-5-1964 all the Defendants in this case received the letters, one of which I produce marked D47, sent by the Plaintiffs' Proctors dated 30-5-1964 referring to this action. In the morning of 30-5-1964 my Caretaker informed me that 3 people had entered the land on the 29th and again on 30th the very same 3 persons came, plucked some jak fruits and coconuts and two of them went away while I remained on the land.

Q. It was after that that you received this letter D47?

A. Yes.

Q. It was also after your Caretaker had complained to the Police on 30th?

A. Yes.

We, Defendants, made application to Court to have the Enjoining Order dissolved and the matter came up for enquiry on 25-8-1964, on which date the Court made order. (Order is read).

Q. The one man who remained on the land on the 30th, did he thereafter leave the land?

A. I do not know.

Q. Are there any people on the land?

A. There are people now; I do not know whether he is the same man.

Q. Are there anybody on the land now?

A. Yes.

On 1-9-1964 I made a complaint at the Peliyagoda Police Station stating that I saw several people putting up a building on the land contrary to the orders of the Court. I produce a certified Copy of the complaint made by me on 1-9-1964 marked D48.

Q. What were they putting up?

A. They were putting up an extension to the existing building; it was a new structure.

There was an inspection of the site by the Police on my complaint D48; a police constable went to the site. He saw what was being done on the land. I went along with the police constable and showed him the land from the road; I did not enter the land, but he entered the land.

Q. Are there any people now in occupation of the land?

A. Yes.

Q. Whose people are they?

A. They are the Plaintiff-Company's people.

There are coconut trees and jak trees on this land.

Q. Since May,1964 who is taking the produce of this land; the coconuts and jak fruits?

A. The Plaintiffs.

Q. That is by the people who are there under the Plaintiff-Company?

A. Yes.

Q. Have you been able to cultivate the paddy fields on this land?

A. We were able to cultivate only for one season.

Q. Are the Palintiffs now in occupation of the full extent of the land?

A. I suppose so.

Q. At present can you say what portion of the land is in the occupation of the Plaintiffs?

A. I do not know.

Q. There is an Order of Court served on you and the other Defendants restraining you from entering the land. That is why you did not enter the land, but showed the land to the constable from the road?

A. Yes.

Q. During your father's lifetime had you gone to this land?

A. Yes.

Q. That was shortly before his death?

A. Yes.

No. 14
Defendant's Evidence
—
Evidence of U. G. Madanayake — Examination —*Continued*

Q. Had you seen the buildings on the land ?

A. Yes.

Q. How many buildings are there ?

A. There are 2 buildings.

Q. Is there 1 building where there is nothing inside ?

A. Yes.

Q. Then in the other building ?

A. There is some machinery in the other building.

Q. Anything else other than the machinery ?

A. There are some plastic tanks. 10

Q. Are they fitted on to the ground ?

A. No. They are placed on a pedestal.

Q. How is the machinery placed ?

A. The machinery is fixed on to a concrete foundation; they stand on a concrete base.

Q. Could that machinery be removed ?

A. Yes.

Q. What is the size of that machinery; I mean the space occupied by the machinery ?

A. The size of the machinery is about the size of this table. (Witness points 20 to the Bar table).

In one building there is the machine and some plastic tanks. There is some other equipment also, but that equipment is not fixed to the ground. At the time I went to the land, prior to the death of my father, he had the keys with him.

Q. When you wanted to go into the buildings, how did you go ?

A. I took the keys from my father.

Q. What did you do with the keys after you went into the buildings ?

A. I returned the keys to my father.

I am a Barrister-at-Law, and also an Advocate of this Court. I am a Graduate of the Cambridge University.

(At this stage Mr. Weerasooria marks as D49 the Minutes of 12-12-1960 of a meeting of the Board of Directors of the Plaintiff-Company). (Item 4 in D49 read).

There are about 40 coconut trees on this land. The average pick is about 400 nuts. The income from each pick is about Rs. 40/- to Rs. 50/-; the annual income is about Rs. 240/- to Rs. 300/-. The income from the paddy on this land is about Rs. 1,000/- to Rs. 1,500/- per year. During the lifetime of my father he used to take the produce on this land; he used to send the coconuts to our estate at Kuliyapitiya, for curing for copra. They were sent by lorry to the estate at Kuliyapitiya. This land in respect of which this action is brought is about 10 acres in extent. Of this 10 acres there are 6 acres of paddy fields and the rest is high land. Land in that area is valuable.

Q. According to today's value, about how much is an acre of high land there?

A. About Rs. 40,000/- to Rs. 50,000/-.

Q. What about an acre of paddy land ?

A. About Rs. 10,000/-.

Q. To your knowledge, is land in that area blocked out and sold ?

A. Yes.

Q. That is for building purposes ?

A. Yes.

Q. The paddy field if it were to be converted to a building land could be filled up and sold for building purposes ?

A. Yes.

Q. If the paddy field is converted to a building land about how much would that land be worth ?

A. About the same price as the high land.

Q. Could you say about how much it would cost to fill up an acre of land in this area ?

A. I am unable to say.

Q. In 1959 was the value of land as high as in 1964 ?

A. Not so high as in 1964.

No. 14
Defendant's Evidence

Evidence of U. G. Madanayake—Examination —*Continued*

Q. About how much would you have valued an acre of high land in this area in 1959?

A. At Rs. 20,000/- to Rs. 30,000/-.

Q. About how much would you have valued an acre of paddy land in this area in 1959?

A. About Rs. 5,000/- or Rs. 6,000/- an acre.

Q. If the paddy land is converted to high land, about how much would you have valued in 1959?

A. About Rs. 15,000/- to Rs. 20,000/- au acre.

(Mr. Weerasooria states that he has no further questions to be put to this witness, excepting to establish one fact, which is actually forthcoming from the Minutes Book of the Plaintiff-Company, to the effect that at no stage before or after agreement in question was entered into was there any specific resolution of the Shareholders either to buy or to enter into any agreement relating to that purchase. He states that this witness is no Shareholder of the Plaintiff-Company, but that it would be an important point for the purpose of making certain submissions. Mr. Amerasinghe leaves the matter in the hands of Court.

I direct that the Minutes Book itself may be marked, and it will be only for the specific purpose of bringing to the notice of Court that at no time prior to the entering of this agreement or after was there any resolution of the Shareholders relating to the purchase or anyting else in regard to this land.)

(Mr. Weerasooria marks the Minutes Book as D50. He states that the relevant pages are from page 3 to page 101 of D50).

We, Defendants have claimed in our answer in reconvention a sum of Rs. 35,922/61 with legal interest thereon as money lent and advanced to the Palintiff-Company at various times by my late father.

(Mr. Amerasinghe states that the principal amount of Rs. 35,922/61 is admitted, but that he denies liability to pay interest thereon.)

This sum of Rs. 35,922/61 is shown as a debt to my father in the balance sheets and accounts of the Palintiff-Company. I ask for ejectment of the Plaintiff-Company from these premises and damages from the Plaintiff-Company.

Evidence of U. G. Madanayake—Cross-Examination

CROSS-EXAMINED

I was never a shareholder of the Plaintiff-Company. I am here today giving evidence in this case, because I happen to be a Defendant in the case and an heir of my father late Mudaliyar J. Madanayake. I am 29 years old. Except for a few months before his death, my father was attending to his affairs. That is, till about 2 or 3 months prior to his death, he was attending

to his own affairs. He was a very experienced businessman. He was one of the biggest bus magnates during the time of private ownership of buses. He owned considerable land, which he himself had purchased. He did not inherit any land; all his land was acquired by him.

Q. You do not know when he acquired this land in question?

A. I do not know.

Q. When did you first enter any part of this land; in which year?

A. As a small child I have been to this land.

Q. How old were you then?

A. About 10 years.

Q. When did you last go to this land?

A. Before the death of my father.

Q. On how many occasions between the first occasion you went to this land as a boy of 10 years old and the last occasion prior to your father's death, did you go to this land?

A. I cannot remember.

I visited this land just before my father's death; I returned from England in the middle of 1961 and after my return, I have visited this land 3 to 5 times till the death of my father. I was away in England for 6 years.

Q. Why did you visit this land?

A. To see the machinery.

Q. What you say is that you have been to this land 3 to 5 times after you became an adult?

A. Yes.

Q. And that was for the purpose of seeing the machinery?

A. Sometimes to see the machinery, and at other times to see the paddy fields.

Q. Do you say that you did go to this land to see the paddy fields?

A. I entered the land and looked at the paddy fields.

Q. Why did you go to see the machinery? You have not studied any mechanical engineering?

A. I have not studied engineering, but I can recognize machinery fitted in a Film Studio.

No. 14
Defendant's Evidence

Evidence of U. G. Madanayake--Cross-Examination
—*Continued*

Q. You have no interest in machinery in a mechanical point of view ?

A. Yes.

Q. Have you seen Mr. D. L. Gunasekera ? Do you know him ?

A. I have seen him.

Q. He was your father's Proctor at one time ?

A. He was not my father's lawyer at the time of his death; I do not know.

When I returned from England my father's lawyer was Mr. Ben Samarasinghe. I know Mr. D. L. Gunasekera slightly.

Q. You have not studied any valuation ?

A. No.

Q. Not even of value of land ?

A. No.

Q. Have you bought any land ?

A. I have not. Government has acquired some of my land.

Q. When was that ?

A. That was about 1962.

Q. Did that land belong to you ?

A. Yes, it was my land. It is about a mile away from the land in question.

Q. Where did that land stand ?

A. Along the Station Road, Kelaniya; that was about 200 yards away from the Biyagama Road.

Q. You yourself personally know nothing about the transaction which involved in the agreement to purchase this land from your father ?

A. Yes.

Q. You had no interest whatsoever in the business of your father ?

A. Yes.

Q. You had no occasion to give your mind to this business until your father's death ?

A. We used to discuss this matter.

Q. With whom did you discuss this matter?

A. We discussed it with our father.

Q. Apart from what your father told you, you had no other knowledge?

A. Yes.

Q. What were those discussions you refer to?

A. My father had discussions with the family.

Q. When did he discuss those things with the family?

A. He had discussed with the family throughout the period after I returned from England.

10 **(TO COURT:**

Q. Were building operations carried on on this land after you returned from England?

A. I do not think so.

Q. Were any machinery installed there?

A. Everything had been completed by the time I returned from England.)

Q. When you came in 1961 from England, this machinery had already been installed?

A. Yes.

20 *Q.* Up-to-date that machinery is there unused?

A. To my knowledge up to my father's death, the machinery was not used.

Q. You do not know whether it was used after your father's death?

A. Yes.

Q. Most valuable part of this property in question is the buildings and the machinery inside?

A. The land is also valuable.

Q. Which is more valuable according to you?

A. The land is more valuable.

No. 14
Defendant's Evidence
—
Evidence of U. G. Madanayake—Cross-examination —*Continued*

Q. A land of 6 acres of paddy fields and 4 acres of high land?

A. Yes.

Q. You knew the value of land from that one government acquisition?

A. Yes.

Papers for the administration of his estate were filed in September 1963 after the death of my father. Chandrawathie Madanayake is my mother. She was the applicant for Letters. She filed an affidavit on 30. 9. 1963, P29, in my father's testamentary case No. D.C. Colombo 21231/T. I assisted my mother in that regard; all brothers attend to the business affairs of the family and I also assisted my mother in the filing of papers for Letters. 10

Q. Do you know the name of the land involved in this case?

A. I know the land.

Q. Do you know the name of the land?

A. I cannot remember.

Q. You had no occasion to see the deed in respect of this land?

A. I have seen the deed.

(Shown P29). My father had transferred an undivided 1/8th share of this 10 acres, which is made up of several fragments for the purpose of a partition case. All this had happened when I was away in England; I came to know about it subsequently. 20

(Items 8, 9, 10, 11, 12, 13 and 14 of P29 put to the witness.)

These items refer to the various fragments of land comprising the 10 acre land, which is the subject matter of this action.

Q. In this affidavit P29 affirmed to by your mother, she had affirmed to the effect that the value of the property comprising the estate, and you take it from me that the 7/8th share of these fragments is Rs. 26,900/-?

A. Yes.

Q. Even if the other 1/8 th share is included the value will be Rs. 32,000/- on the outside according to her valuation in P29?

A. Yes. 30

Q. That is the value of this land which your mother placed in her affidavit when she applied for Letters?

A. This was a provisional valuation; this value was taken as it appeared in the deed at that time.

Q. At the time of your father's death, you did not know what its true value was?

A. This was the value that appeared in the deeds.

Q. Do you know that you have to give the value of the land at the time of the death of the deceased?

A. Yes.

Q. You said that you did not know when the deed was executed?

A. Yes.

Q. You cannot even say whether that was the value that was taken from the deed?

A. I cannot say.

Q. Did you yourself give the assessment for this property?

A. I did not give the assessment. All the members of the family discussed the matter and fixed the value of the property.

Q. That conference among the members of your family was shortly before your mother affirmed to this affidavit P29?

A. Yes.

(To Court:

Q. At that time in 1963 what would have been a reasonable value of an acre of high land in this particular area?

A. About Rs. 50,000/-

Q. Rs. 26,000/- or Rs. 30,000/- for ten acres looks a gross under estimate?

A. This is only a provisional valuation.

Q. You knew and the rest of the members of your family knew that the reasonable value was much higher—it was in the region of lakhs of rupees?

A. Yes.)

Q. Do you realise that according to your answer the value of this land is considerably more than the value you have placed on it for purposes of Estate Duty?

A. Yes.

No. 14
Defendant's Evidence
—
Evidence of U. G. Madanayake—Cross-Examination
—*Continued*

Q. Do you realise the implication of your answer to my earlier question?

A. Yes.

Q. Do you stand by your last answer?

A. Yes.

Q. So that P29 does not reflect a fair value of this property at the time of your father's death?

A. This valuation was taken from the deeds. This is only a provisional valuation

Letters of administration have not yet been issued to my mother. A provisional assessment of the Estate Duty has been made by the Department.

Q. Your mother had received that provisional assessment?

A. I am not certain whether my mother had recieved a provisional assessment.

Q. The value given in this affidavit P29 does not include the value of the existing buildings?

A. Yes.

Q. Did Mr. D. L. Gunasekera address any letter to you at any time; he has written to you?

A. Yes.

Q. Just two months after your father's death he wrote to you?

A. Yes.

Q. And he addressed as Upali?

A. Yes.

Q. Did he write to you about this agreement that your father had entered into with the Plaintiff-Corporation?

(Objection is taken by Mr. Weerasooria to the question and states that this is a question which goes into the contents of a document.

O R D E R

This witness is a party defendant in this case. He is under corss-examination. I allow the question.)

Q. Did Mr. D. L. Gunasekera write to you about this agreement entered into by your father with the Plaintiff-Corporation?

A. Yes.

Q. Did you reply to that letter?

A. No.

Q. Did you deny that that agreement was subsisting at any time? You never denied that that agreement was subsisting at the time of your father's death?

A. (No answer).

Q. Do you know Mr. M. S. Perera?

A. I have seen him.

Q. Have you met him?

A. Yes.

Q. Did you speak to him?

A. I cannot remember.

Q. What was the purpose of that meeting with Mr. M. S. Perera?

A. I casually met him; there was no purpose.

Q. He was no friend of yours before that.

A. No.

Q. Who introduced him to you?

A. There was no question of introduction; I casually met him.

(To Court:

Q. Can you remember?

A. I showed one of his films at my Theatre; he may have come in connection with the collections and I must have spoken to him.)

Q. Which Theatre was that?

A. Asoka Theatre.

Q. When was this film shown?

A. In 1963, and he must have come to check the collections.

Q. What was the picture shown?

A. Ambapali.

Q. It was shown during the latter half of last year?

A. Yes.

Q. You can be certain that it was after July 1964 that that film was shown?

A. Yes.

Q. Have you met Mr. M. S. Perera in 1963?

A. No.

Q. Did you not meet Mr. M. S. Perera in connection with some invitation to Mr. M. S. Perera by the plaintiff to join the Plaintiff-Company? 10

A. No.

I was not aware of a debit by the Plaintiff-Company to Debries, but in the course of this case I became aware of it. I do not know much about the Plaintiff-Company, except for what I gathered from my father during his life time. Even during his life time I did not know that there was a debt due by this company to Debries. It was only when this action was filed that I knew that action had been filed by Debries against the Plaintiff-Company and judgment was entered against the Plaintiff-Company during my father's life-time.

Q. Did you know that Mr. D. L. Gunasekera also had advanced loans to this company? 20

A. No.

Q. You said you received a letter from Mr. D. L. Gunasekera?

A. Yes.

Q. He addressed as Upali?

A. I do not know.

Q. You said a little while ago that he addressed you as Upali?

A. Yes.

Q. He addressed you as Upali?

A. Yes. 30

(Shown a document.)

Q. Did you receive a document in these terms?

A. I cannot remember whether I received a document like this.

Q. You did not even read through the document I showed you before you answered my question?

A. I glanced through it.

Q. That is a distinction you draw between reading and glancing through?

A. Yes.

Q. In view of your answer that you did not visit this property after March 1963 any information with regard to what took place there is what you gathered from others?

A. I saw it from the road.

Q. What did you see from the road?

A. I saw building operations going on.

Q. That is all, and that too while going along the road casually?

A. Yes.

Q. Casually driving down or walking down?

A. Whilst driving down.

This property has no boundary walls. The buildings are quite close to the road.

Q. I suggest to you that you are not at all acquainted with the situation of the buildings, except from what you saw from the road?

A. No.

Q. I put it to you that the buildings are about 400 yards away from the boundary of this land? Is it possible?

A. Yes.

Rajapakse I referred to is the Caretaker. I do not know from when he had been there. When I returned from England he was living in a hut on this land. When I left Ceylon for my studies I cannot remember whether Rajapakse was on the land.

No. 14
Defendant's Evidence

Evidence of U. G. Madanayake — Cross-Examination —*Continued*

Q. When you left for England you also cannot say whether this property belonged to your father?

A. I cannot.

Rajapaske was an employee of my father. He was looking after this land, and was living on the land.

Q. You came into contact with him only after the death of your father?

A. Yes.

Q. You said that this paddy field was cultivated once to your knowledge. When was that?

A. That was last year.

Q. You were personally not aware that it was cultivated before?

A. Not recently.

Q. It was not cultivated until last year?

A. Yes.

Q. In what month was this cultivation did you see?

A. I am not quite sure.

Q. Do you know the months or the season in which paddy fields are cultivated in this country?

A. I am not familiar with the months in which paddy fields are cultivated.

Q. Why did you go to this paddy field at all?

A. I went to see the paddy.

Q. In spite of the fact that you do not know the cultivation seasons in Ceylon, you went to see the paddy?

A. I went to see whether this paddy field was capable of being cultivated.

Q. You have no knowledge of paddy fields?

A. Yes.

Q. Yet you say you went to see this paddy field in order to find out whether it was capable of being cultivated?

A. Yes.

Q. I suggest to you that your shoes never touched any part of that paddy field; not even your bare feet?

A. (No answer).

Q. I put it to you that you never entered this paddy field?

A. I deny that.

Q. Will you contradict my suggestion that this paddy field was sown in or about April 1964? That was the Yala season?

A. That is why I said last year.

Q. That was after the letter P18 was sent to your mother?

A. It was done by "ande" cultivation.

Q. Did you see the field being sown?

A. I did not see the sowing, but I saw it was cultivated.

Q. Even after this action had been filed?

A. Yes.

Q. Therefore, it must be long after the letter P18 was sent to your mother?

A. (No answer).

Q. When your mother received this letter P18, I suppose you and your brothers considered the letter together?

A. Yes.

P18 is dated 27-1-1964. It was by this letter P18 that my mother was first intimated about this agreement by my father to sell this property. I considered this letter with my brothers. We also consulted lawyers about this letter. We instructed Mr. Ben Samarasinghe to write the letter P19a to Mr. D. L. Gunasekera after we received the letter P18.

Q. P19a makes no reference to the fact that you had received the letter P18?

A. Yes.

In reply to P19a the Plaintiff-Company wrote the letter P20 dated 8-2-1964 to Mr. Ben Samarasinghe. In the second paragraph of P20 the Plaintiffs say that they have already written to Mrs. Madanayake, which is without reply.

Q. According to you at the date of these letters the Plaintiff-Company was not in possession of this land or the buildings?

A. Yes.

No. 14
Defendant's Evidence
—
Evidence of U. G. Madanayake—Cross-Examination
—*Continued*

Q. The building was a locked building?

A. Yes.

Q. The building containing machinery had a padlock on its entrance?

A. Yes.

Q. You never entered that building after your father's death?

A. Yes.

Q. You did not nor did any of your brothers or your mother, or anybody on your behalf have the key of that building?

A. I do not know.

Q. All you know is that you certainly did not have it? 10

A. Yes.

Q. You are not sure whether the others had it?

A. Yes.

(Shown P23).

Q. At the time of this letter P23 did you know what other reasons were there which you contemplated setting out, if necessary?

A. I did not know.

Q. What other reasons were there you cannot recall?

A. I cannot.

Q. Is not there in the last paragraph of this letter P23, a clear acceptance 20 that the Company is in possession of the premises?

A. There is no such suggestion.

Q. This idea of abandonment had not occurred at the time of the correspondence; that came only in the answer?

A. (No answer).

Q. To your knowledge you did not know anything about the abandonment; you knew about the rescinding and lapsing?

A. I did not know anything about the abandonment at the time of the letter P23.

Q. I suggest to you that the idea of an abandonment is a fiction? 30

A. (No answer).

I spoke about the coconuts picked from this land. The average pick from 48 trees is about 300 to 400 nuts per pick. I do not know personally what the pick was. Those 300 to 400 nuts were transported to Kuliyapitiya; an empty lorry used to go to the estate at Kuliyapitiya and these nuts were transported to the estate by that lorry. The estate is 40 miles away from this property. The nuts we sent there were cured into copra.

Q. I put it to you that the Film Corporation had been in continuous possession of this property with the buildings up-to-date?

A. I deny that.

Q. I put it to you that attempts to disturb this possession were made after the letter P18 was sent to your mother?

A. I deny that.

Q. I also put it to you that your "ande" cultivators forcibly entered a part of this paddy field and forcibly cultivated it after this action was filed?

A. I do not know.

Q. About what part of this 6 acres had been cultivated?

A. About 4 acres.

Q. That is what you saw from the road?

A. Yes.

Q. You did not enter the paddy field?

A. Yes.

(Shown P24.) This is one of the letters addressed to the Defendants. P24 is dated 12-5-1964. I also received a letter in the same terms as P24. I received a letter delivered by hand on 30-5-1964; I received it in the afternoon. 30th May, 1964 was a Saturday. That was a letter from the Proctor for the Plaintiff-Company. He notified me of a Court order made that morning; made in the morning of 30-5-1964. The Enjoining Order was served on us on Monday, the 1st June, 1964.

Q. Actually you did not see the manner which the cultivation of this paddy field began on that occasion?

A. Yes.

Initialled. .....
Additional District Judge
24-5-1965.

Further hearing on 27-5-1965.

No. 14
Defendant's Evidence

Evidence of U. G. Madanayake — Cross-Examination —*Continued*

27th May, 1965.

Trial resumed.

Same appearances as before.

UPALI GOTABAYA MADANAYAKE: Recalled, affirmed.

Cross-Examination Continued :—

Q. The length of the machine you referred to as being the length of a particular table that is found in this Court house, is about the length of this Bar table?

A. Yes.

Q. The length of one of those machines is about 16 feet. Do you accept that?

A. Yes.

Q. You said that the machinery is fixed on to a concrete base?

A. Yes.

Q. Do you know that there are underground channels connecting that machinery?

A. I did not examine it.

Q. Therefore, you cannot contradict such a statement that there are channels underground connecting the machinery?

A. Yes, I cannot.

Q. With your little experience and amateurish knowledge of film studio machinery, is there not to be provision for an outlet for waste liquid?

A. Yes, there should be.

Q. And that is not spilt all over the production room?

A. No.

Q. As a matter of fact, these machines are meant to be electrically operated?

A. Yes.

Q. And power lines have to be specially installed for the purpose?

A. Yes.

Q. And you say that all that had been done-electrically installed?

A. I am not quite sure.

Q. You did not look for all that?

A. I cannot remember.

Q. Did you ever see the layout of the proposed studio and its appurtenant structures?

A. I must have seen at some stage.

(Shown a Plan).

Q. Is this the layout of that plan which you say you saw at some stage?

A. I saw a plan only of the existing buildings.

Q. That was also after your father's death?

A. Yes.

Q. Was it you who asked Rajapakse to make this complaint, D46?

A. Yes.

Q. Is it your case that this Studio project of the Plaintiff-Company had been completely abandoned long before this action was filed?

A. Yes.

Q. And that in your father's life time itself the Plaintiff-Company had ceased to have anything to do with this property or with the buildings on it?

A. No activities took place.

Q. Is it your position that the Plaintiff-Company had as a result of that abandonment, nothing to do with this property or buildings or machinery thereafter it had been abandoned?

A. Yes.

Q. And therefore that state of affairs had been in existence long before your father died?

A. Yes.

(Shown a certified copy of D46.)

No. 14
Defendant's Evidence
—
Evidence of U. G. Madanayake—Cross-Examination
—*Continued*

Q. This is the complaint made by Rajapakse at your request?

A. Yes.

Q. In D46 he gives his residence as Kalyani Chitragaaraya, Dalugama, Kelaniya?

A. Yes.

Q. That means Kalyani Cinema Studio?

A. Yes.

Q. He says that he lives at the Kalyani Chitragaaraya?

A. He was referring to the land as Kalyani Cinema Studio, because the buildings were there.

Q. He also states that the Studio is being maintained by a Company?

A. Yes.

Q. Do you accept that statement is to the effect that this Kalyani Chitragaaraya or the Kalyani Cinema Studio is maintained by a Company?

A. No.

Q. What other interpretation would you give to that phrase?

A. He was referring to the Company.

Q. You say that he draws a distinction between the Chitragaaraya and the property?

A. Yes.

Q. He says that at the request of the owner of the land he was making that complaint?

A. Yes.

Q. That is referring to you?

A. Yes.

Re-Examined:

Evidence of U. G. Madanayake—Re-examination

I was cross-examined with regard to the machinery that I saw at the Laboratory. They were purchased from Debries, subject to an agreement. I produce that agreement dated 15th December, 1959, marked D51.

(Mr. Amerasinghe objects to the production of this document, on the ground that the document now sought to be produced is a true copy prepared by Mr. Ben Samarasinghe, Proctor for the Defendants. He, however, states that he has no objection to the document going in, provided he is given an opportunity to cross-examine this witness on the said document. Allowed.)

I saw this machinery. My view of the machinery is that it could be dismantled and removed.

I was also cross-examined on certain letters which the Plaintiffs produced. I was referred to P18 of 27-1-1964.

Q. You invite the attention of Court that that was the first intimation that you received with regard to the agreement, P1?

A. Yes.

Q. Were you personally aware of the transactions which your father had with the Plaintiff-Company?

A. Not personally.

Q. Or any member of your family?

A. No.

Q. When this letter P18 was received, what did you do?

A. We had to search for the files and get at the relevant document for purposes of understanding what it was.

On receipt of letter P18 we consulted our Proctor, and he advised us to send a letter asking the Plaintiffs not to enter the premises. We sent the Plaintiffs a letter, P19. The letter P19 was sent on 5-2-1964 asking the plaintiffs not to enter the premises. On 10-2-1964 my mother acknowledged the receipt of letter P18 of 27-1-1964 and stated that a reply would be sent by her lawyers, in due course. On 8-12-1964 we received the letter P12.

Q. How long did it take you to search for the file?

A. It took quite a few days.

Q. At that time did you know what was inside the file?

A. No.

Q. How long did it take?

A. It took about a month.

No. 14
Defendant's Evidence
—
Evidence of U. G. Madanayake — Re-examination —*Continued*

Q. Did you place this file before your Proctor?

A. Yes.

Q. After examining the files, you wrote the letter P23 of 29-2-1964?

A. Yes.

Q. Taking up the position in that letter which you have taken up in the answer in this case?

A. Yes.

(To Court :

Q. It was in these circumstances that there was some delay in sending a reply? 10

A. Yes.)

I live about 3 miles away from the land in dispute in this case. The land in dispute is on the Colombo-Kandy road.

Q. From the road, how far is the land?

A. The land borders the road.

Q. And you see the buildings from the road?

A. Yes.

Q. How often do you take that road?

A. Very often; at least once a month.

Q. When did the extension you referred to come up? 20

A. After the Court Order.

Government acquired one of my properties in early 1962. That property was 5 1/2 acres in extent. A part of that land was high land and the rest was marshy land.

Q. What was the compensation you received for that land?

A. Rs. 140,000/- for the entire land.

Q. For how much was the high land valued?

A. About Rs. 38,000/- an acre.

Q. And the marshy land?

A. Rs. 18,000/- an acre.

That property was less than a mile or about a mile away from the land in question. The land that was acquired by the Government was nearer Colombo.

Q. How does that land compare with the land, which is the subject-matter of this action?

A. With regard to value?

Q. Yes, with regard to value?

A. It is about the same value.

I stated in my evidence that I went to see the paddy field in order to see whether it could be cultivated.

Q. Why was it necessary to see?

A. There was a public waterway going through the land; as a result of that there was water. So I went to see whether the paddy field could be cultivated.

Q. Did you meet Mr. M. S. Perera in 1963?

A. Yes.

Q. Did you meet him later?

A. I think I met him this year.

Q. In what connection?

A. The Plaintiff-Company invited us for a discussion.

Q. And nothing materialised as far as this case is concerned?

A. Yes.

Intialled. .....
Additional District Judge
27-5-1965.

C. A. K. Mani. Sworn, 38 years, Inspector, Department of Registrar of Companies, Colombo.

I have brought to Court the file relating to the Plaintiff-Company. The Plaintiff-Company is a public Company. The Company had to send annual returns to the Registrar of Companies. It also had to send with the Annual Return The Directors' Report and Balance Sheet.

No. 14
Defendant's Evidence

Evidence of C. A. K. Mani—Examination —*Continued*

Q. Was the Annual Return for the year ending 1-4-1959 to 31-3-1960 sent?

A. The Annual Return is sent normally after the General Meeting. There was no fixed time for the Annual Return.

Q. The Balance Sheet and Accounts have to be sent every year?

A. Yes.

Q. That is, the Balance Sheet and Accounts have to be passed at the annual general meeting?

A. Yes.

Q. For the financial year ending 31-3-1960, were the Balance Sheet and Accounts sent? 10

A. Yes, the Balance Sheet has been sent.

Q. When was it sent?

A. Along with the Annual Return made up to 14-12-1960, and it was tendered on 24-1-1961.

Q. For the subsequent years, from 1-4-1960 to 31-3-1961, have the Balance Sheets and Accounts been sent?

A. The Balance Sheet as at 31-3-1961 has been sent along with the Annual Return made up to 31-12-1961, and this document had been tendered on 31-7-1963. The Balance Sheet had been received in the office on 23-8-1962, but the Annual Return indicates that it has been received 20 on 31-7-1963. I have to check it up and find out from the office.

Q. Then the Directors' Report?

A. There is no Directors' Report attached to that Balance Sheet, because, no meeting had been held in 1961.

Q. In 1962?

A. According to the Return for 1962, no meeting had been held.

Q. When was the Return for 1962 received?

A. On 7-8-1963.

Q. Have you received the Balance Sheet and Accounts for 1963?

A. No. 30

Q. And no return of any meetings that has been held has been received by you?

A. In 1963 also no meeting has been held.

Q. Any issue or issues of share transactions have to be returned to the Registrar?

A. Allotments have to be returned.

Q. What is the last return of new shares?

A. An allotment made on 4-7-1961 for 1,478 shares.

Q. Out of those, is there a return for 1,000 shares?

A. Yes, 1,000 shares.

Q. To whom is that allotted?

A. Mr. D. L. Gunasekera.

Q. What is the next highest?

A. 200 shares.

Q. To whom is that?

A. Mr. R. H. Rajakaruna.

Q. There are a number of small share issues?

A. Yes.

Q. They are all of 100 shares?

A. No. 50, 40 and 10.

Q. In all how many shares have been issued?

A. 1,478 shares.

In all there are 25 shareholders; one of 1,000; one of 200 and 23 other shareholders.

Cross-Examined:— Nil.

Initialled. .....
Additional District Judge
27-5-1965.

No. 14
Defendant's Evidence

Evidence of L. A. Karunaratne — Examination

L. A. KARUNARATNE : Affirmed, P. C. 7488, Peliyagoda Police, Peliyagoda.

I was stationed at Peliyagoda in June 1964, and also in September 1964. A complaint was made at the Peliyagoda Police Station on 1-9-1964 by Mr. Upali Madanayake.

Q. That was in regard to a land at Dalugama?

A. Yes.

Q. On that complaint, did you go to the land?

A. I went to the land.

Q. Was there any building on that land? 10

A. Yes.

Q. How many?

A. There were two main buildings.

Q. Did you see any people there on the land?

A. Yes.

Q. About how many were there?

A. There were about 10 persons.

Q. What were they doing?

A. They were constructing a new building.

Q. What had they done in order to construct a building on the land? 20

A. There was a heap of sand and bricks on the land. There were bamboos and scaffolding made, and the building was being constructed at that time.

Q. About how many bricks were there?

A. There must have been about 1,000 bricks.

Q. Did you make a record of what you saw there?

A. Yes.

Q. Have you got the notes you made with you?

A. The notes I made have been pasted on to this book. I made those notes on 1-9-1964. 30

(Witness read out the notes made by him.) I produce a certified copy of the notes made by me at the spot on 1-9-1964 marked D52.

Cross-Examined :— Police investigate crimes.

Q. Did the Complaint made to you that day disclose a crime?

A. I am unable to understand that. I was ordered by the Inspector of Police, Peliyagoda, to go and investigate into the matter.

Q. When you went there, you realised that this was not a matter in which you had the authority to question anybody?

A. Yes.

Q. Who is this Inspector of Police, Peliyagoda?

A. He is Inspector Dayaratne.

Q. How long had he been Inspector of Police, Peliyagoda, in September 1964?

A. For about 2 1/2 years.

Re-Examination :— Nil.

Initialled. .....
Additional District Judge
27-5-1965

RAJAPAKSA ARACHCHIGE JAMES RAJAPAKSE : Affirmed, 43 years, Watcher, residing at Dalugama, Kelaniya.

I made a complaint to the Peliyagoda Police on 30-5-1964. I produce a certified copy of my complaint marked D46.

Q. At what time of the day on 30-5-1964 did you make your complaint D46?

A. At about 1 o'clock in the afternoon.

Q. Before you made that complaint, did you meet Mr. Madanayake, who is now present in Court?

A. Yes.

Q. About what time did you meet him?

A. I met him on the same day at about 12 or 12.30 p.m.

No. 14
Defendant's Evidence

Evidence of R. A. J. Rajapakse — Examination —*Continued*

Q. Why did you go and see Mr. Madanayake?

A. On the previous day, three people entered this land forcibly and they remained there for some time and left the land. Again on the next day the very same three persons came to the land; two of them plucked two jak fruits and those two persons went away with the jak fruits. The third person who came along with them remained on the land.

Q. Had those 3 people been to this land before 29-5-64?

A. No.

Q. Had you ever seen them anywhere about the place at any time before 29-5-1964?

A. I have never seen any of them.

Q. What did the 5th Defendant ask you to do when you told him about this incident?

A. He asked me to make a complaint at the Police Station, and I accordingly made my complaint.

Q. Since then — since 30-5-1964 — has any of those three persons remained on the land?

A. Yes.

Q. Is the person who remained behind on the land on the 30th, there on the land now?

A. No.

Q. Are there any other persons on the land?

A. Yes.

Before these persons came on the land, I was looking after the land.

Q. For whom?

A. For Mudaliyar Madanayake.

Q. After his death?

A. On behalf of the 5th Defendant.

Q. How long have been looking after this land for Mudaliyar Madanayake?

A. For about 5 years.

Q. After 30-5-1964, has any new construction been put up on the land?

A. Yes.

Q. What is that?

A. A row of rooms was constructed adjoining the existing buildings.

Q. When did that construction begin?

A. About a month after I made my complaint.

Q. About how big is the new construction?

A. It is about 15 feet long and 10 feet wide.

Q. Is it a new building?

A. Yes.

Q. Has any other building been put up?

A. Yes. Adjoining this row of rooms they have also constructed a bath-room, lavatory and another room.

Q. Are those also now completed?

A. No. Work on those constructions is being carried on; even now work is being carried on.

Q. About how many people are working now?

A. About 10 to 15 people worked, but now there are about 5 or 6 people working there.

Q. Where do you live?

A. I live in the very same land. I have a watch hut and I live in that hut.

Cross-Examination :—

(Shown witness Mr. Gilbert Hewavitarana, who is seated in Court.) I know this gentleman.

Q. How did you come to know him?

A. In March 1960, late Mudaliyar Madanayake entrusted me to Mr. Hewavitarana.

Q. What do you mean by "entrusted"?

A. I was instructed by the Mudaliyar to carry out instructions given me by Mr. Hewavitarana.

No. 14
Defendant's Evidence

Evidence of R. A. J. Rajapakse — Cross-examination —*Continued*

Q. What was Mr. Hewavitarana doing?

A. He also supervised the work there.

Q. What was the work?

A. After I came there, a building was constructed and a well was sunk. He supervised that work.

Q. You went on carrying on those instructions of Mr. Hewavitarana?

A. Yes.

Q. Till the Mudaliyar's death you continued to do that?

A. No.

Q. Then? 10

A. Till about May 1961 he paid me my salary.

Q. Then thereafter Mudaliyar Madanayake paid your salary.

A. Thereafter Mr. Hewavitarana told me that there was no money to pay my salary.

Q. And Mudaliyar Madanayake paid your salary?

A. Thereafter I went to Mudaliyar Madanayake and told him about that; then the Mudaliyar told me that if the Company does not have money to pay my salary that he would pay my salary and asked me to work under him. I carried on the same work I did and my salary was paid by Mudaliyar Madanayake. 20

Q. And that went on till his death?

A. Yes.

Q. After the death of Mudaliyar Madanayake, was your salary paid by the 5th defendant?

A. Yes.

Q. Do you know a person called Stanley Silva?

A. I do not know.

Q. Do you know Mr. Dharmadasa Wijemanne?

A. Now I know him.

Q. Since when did you know him?

A. I came to know him after I lodged the entry at the Police Station.

Q. That was about 30-5-1964?

A. Yes.

Q. Where did you come to know him?

A. He came to the land.

Q. He came to the land on what date?

A. After 30-5-1964; thereafter every month he used to come to the land.

I complained to the 5th Defendant because 3 persons came to the land and plucked jak fruits. The plucking of the jak fruits must have taken about 5 minutes. On the previous day—on 29-5-1964—the very same three persons came to the land and remained there for about half an hour.

Q. You saw them throughout that half hour?

A. Yes.

Q. Those premises has a gate at the entrance?

A. Yes.

Q. Is there a lock to that gate?

A. There is no lock; I cannot lock it.

Q. When those people entered the land, you did not question them as to on whose authority they came to the land?

A. I asked them.

Q. What did they tell you?

A. They said that they had a right to enter the land.

Q. But you cannot identify those three persons?

A. I cannot.

Q. On that day, you did not make a complaint to the 5th Defendant?

A. No.

No. 14
Defendant's Evidence
—
Evidence of R. A. J. Rajapakse — Cross-examination —*Continued*

Q. At the date of your complaint, the field portion was being cultivated?

A. The fields were being prepared for cultivation.

Q. When were fields being prepared for cultivation?

A. In the month of May itself.

Q. How many days prior to 30-5-1964?

A. About 20 days prior to 30-5-1964.

Q. You know that there was a Company having machinery on this land?

A. Yes.

Q. You know that the land was still in the name of Mudaliyar Madanayake?

A. Yes. 10

Q. Do you know that at this date of the complaint made by you that there had been a demand by the Company for a transfer of this land in the name of the Company?

A. No.

Q. When did Mr. Upali Madanayake come to the land for the last time before 30-5-1964?

A. He did not come to this land after the death of the Mudaliyar; he came to the land before his death.

Mudaliyar Madanayake died in March 1963. This incident took place in May 1964. 20

Q. So that for one year and two months Mr. Upali Madanayake had not been to this land?

A. Yes. On one occasion, the 5th Defendant came to the land along with a gentleman of the Company.

Q. When was that, in relation 30-5-1964? Was it before or after 30-5-1964?

A. It was long after the date I made my complaint.

Q. Did Mr. Upali Madanayake come there with any police officer on 30-5-1964 or on 1-6-1964?

A. No.

Q. Did any clerk of Mr. Upali Madanayake come with the Police to this land?

A. Yes.

Q. When?

A. I remember that it was on 31st May, I cannot remember exactly.

Q. Was it a Sunday or a working day?

A. I cannot remember.

Q. That Police Officer took away a man employed by the Plaintiff-Company?

A. Yes.

(**To Court :**

Q. Who is that man?

A. I do not know the name of the person; he is a Burgher gentleman.

Q. How long had he been on the land before he was removed by the Police?

A. He had been there only for two days.)

Q. I put it to you that, that gentleman who was taken away by the Police had been there from January 1964?

A. I deny that.

Q. Is it not a fact that this Company held a meeting in those premises in February, 1964 — on 29-2-1964?

A. No. There was no such meeting held on this land.

Q. I suggest to you that this complaint to the Police which was made by you was a false complaint?

A. I deny that.

Re-Examined :— After May 1961, Mudaliyar Madanayake asked me to look after the land saying that he would pay me my salary.

Q. On whose account were you looking after the land after that?

A. Under the Mudaliyar.

No. 14
Defendant's Evidence

Evidence of R. A. J. Rajapakse — Re-examination —*Continued*

Q. And he paid you?

A. Yes.

Initialled. .....
Additional District Judge
27-5-1965.

Mr. Weerasooria closes Defendants' case reading in evidence D1 to D52.

Initialled. .....
Additional District Judge
27-5-1965.

At this stage Counsel for Plaintiffs moves for permission to lead evidence relating to possession canvassed in Issue No. 35. He relies on Section 163 of the Civil Procedure Code and submits that that Section completely covers a situation such as this.

Mr. Weerasooria objects and states that on a reading of the plaint, the answer and all other pleadings in this case, the burden was at all times on the Plaintiffs to prove the various facts alleged, particularly in para 8 and Sections succeeding thereto.

Order

At an earlier stage of these proceedings when the Plaintiffs' case was closed, Mr. Amerasinghe moved to have his right to lead evidence at the end of the case for the Defendants, if it became necessary for him to lead such evidence. Counsel's position is that the stage has now reached to lead this evidence touching Issue No. 35.

It is premature for me to bring my mind to bear on the entire evidence led in this case touching possession, ouster and the matters sought to be led in support of Issue No. 35. But, I think, it would be sufficient for me to say that the evidence relating to possession, ouster, etc. is so full that I do not think that any need arises at this stage for the Plaintiffs to lead such evidence in rebuttal on that point.

I refuse the application.

Initialled. .....
Additional District Judge
27-5-1965.

Addresses on the 25th June and 26th June, 1965.

Initialled. .....
Additional District Judge
27-5-1965.

NO. 15

No. 15
Addresses to Court—

ADDRESSES TO COURT

26th June 1965.

Trial resumed.

Appearances as on the last date.

Mr. Weerasooria addresses Court: This is an action against the wife and children of a dead man. When the man is dead, the Court requires what is sometimes referred to as cogent proof in matters relating to him. The Court looks with jealousy on such evidence. The Court has to protect the dead man's reputation and his assets. Cites 58 N. L. R. 35. This affirms the judgment in 57 N. L. R. 27. The Court has to examine the evidence with jealousy.

This is an action by an incorporated Company. Hewavitharne said that when the proposition to purchase the land was considered, the shareholders were consulted, and also later he said that when the decision to switch over to a lease was taken, the shareholders were not concerned. He submits that the practice of consulting shareholders of a public company on such matters is as dead as a door post. A public company can be formed by seven people signing a Memorandum and Articles of Association and forwarding the same to the Registrar of Companies. D13 of 24th July, 1957 is the Memorandum, and D14 of the same date is the Articles of Association. D12 of the same date is the Certificate of Incorporation. In this case, the Memorandum is signed by eight persons, and the Articles also are signed by the same 8 persons. Refers to Companies Ordinance, Vol. 6, commencing at page 57. Sections 2 and 3 deal with Memorandum, Section 7 with the Articles, and Section 12 with the form of Memorandum. Section 13 provides for registration, and 14(1) is the effect of the registration; i.e. the Registrar certifies that the Company is a registered company. Also Section 14(2) says it shall be a body corporate. The individual ceases to exist. There is no question of shareholders individually. Once the company is incorporated then what happens is it can function within the ambit of its objects, and the people who manage the company thereafter are not the individual shareholders; it is the Board of Directors. Article 136 of the Articles of Association referred to. The business of the company is managed by the Directors, but they cannot do something which is against the statute. Article 152(4) referred to. It is not that shareholders completely disappear. The Directors can hold the Annual General Meeting and make returns; vide section 106. They had to make a return of a list of all the persons. They have to prepare Balance Sheet and Accounts. Sections 106 to 108 refer to Returns. Under Section 110 they must hold a General Meeting. The Balance Sheet etc. come for consideration at what is called an Annual General Meeting. That is a shareholders' meeting. A number of them can get together in between and requisition a meeting. The shareholders can say that the directors are mismanaging the company, that the shareholders should retire, that other directors should be appointed &c. The matters within the company have to be settled within the company according to law. Counsel emphasizes the fact that the Board in this case had the right to enter

No. 15
Addresses to Court—
—*Continued*

into the contract P1. Similarly the Board had the right to say that they were not going on with the contract. It cannot be said that this was published to the shareholders and this was not published to the shareholders, unless there was a meeting of the shareholders Refers to Hewavitarana's evidence at bottom of page 76. Shareholders only speak by resolution. There is no minute of any kind produced by the other side to show that the decision either to purchase or not to purchase was considered at a shareholders' meeting. The Directors have the power to attend to the normal business of the company. To purchase or not to purchase is within their discretion. Never has this matter been called in question at any time in any proceedings of the company. It cannot be said that the shareholders were consulted or not consulted, because the question does not really arise. Individual shareholders need not be consulted in regard to the day to day business of the company once a Board of Directors is appointed and had the right to carry on the business of the company. That is the correct company law procedure. There is not a single resolution one way or the other of the company. Refers to evidence at pages 88 and 89. The resulting position is, did the Board decide and what did the Board decide; because that is binding on the company. On that point the first thing relied on is D4 produced in evidence at page 38. That was a decision to purchase, and Mudaliyar Madanayake to get 4,000 Rs. 10/- shares. The Company to allot and Mudaliyar Madanayake to buy 4,000 shares. On that footing agreement P1 was entered into. The document says that "they shall buy within 18 months". That 18 months ended on 1st September, 1960. There is a clause that Mudaliyar Madayanake should perfect the title . Counsel for the Plaintiff stated that the title should be perfected as in a partition action. A partition action was brought on 27. 4. 60, in which the Plaintiff was Mudaliyar Madanayake. He had given a small share to the 1st Defendant, and the 2nd Defendant, the Company, was a party to the partition action. The partition action was withdrawn. The motion was filed on 18th November, 1960—Vide Journal Entries D5 to D11. They were actually withdrawn or dismissed on 4th December. The next minute is P10 of 9th November, 1960, which shows that the Company was "financially tight", and they had to switch over to a long lease, and Mudaliyar Madanayake agreed. Mudaliyar Madanayake agreed to the lease, and the Plaintiff decided to switch over to the lease, instead of an outright purchase. Mr. Hewavitarne pretended not to know what happened. Ultimately he admitted. On 8th September the Chairman of the Board Mr. D. L. Gunasekera put in a motion, and on 9th September the Case was withdrawn or dismissed. They did not have the money to purchase. That was the end of the agreement. They broke the agreement. There is no agreement to lease binding on Mudaliyar Madanayake. The question was how to pay debts. The directors were granted loans which had come to a very large amount. The Company was trying to get a loan to pay the directors.

On 15th may, 1961 - vide P11, there is a decision by the Board to wind up the Company. They tried to function, but they could not function, and on 15th May, 1961 they wanted to wind up the Company. There was a share issue of 1,400 shares. The loan Mr. Gunasekera had given was converted into shares. Mr. Gunasekera accepted 400 shares. That was the first attempt to get new shareholders. They went to Mr. N. U. Jayawardene to get his company wisdom and financial wisdom, but he did not give either. In the meantime they were selling up what they had. Then there were several board

meetings to consider the future of the Company, and there are minutes showing a number of adjournments. Thereafter Mudaliyar Madanayake was taken in, and he had nothing to do with the statute. The Inspector of the Registrar of Companies was called, and his evidence is at page 110. This shows that the Company was not functioning. After the winding up in May 1961, the Directors were adopting Fabian tactics. They did a lot of talking. The Company was *de facto* dead. Mudlaiyar Madanayake also died in March, 1963. Then came the new bunch of shareholders and a new bunch of directors; the old bunch disappeared. The new bunch tried to get something out of the corpse. Evidence at page 47. The relevant documents are D15 to D26. It shows how the returns were sent and how the new directors came in. They cannot revive what is dead. The first attempt to whip the dead horse is P18 of 27th January, 1964; a letter sent by Plaintiff's Proctor to Mrs. Madanayake.

Refers to Balance Sheets D44 and D45. D44 is referred to at page 70. D44 is a Balance Sheet for the year ending 31st March, 1959. It shows an expenditure for studio site Rs. 15,000/-. That was after the Rs. 15,000/- had been paid on the agreement P1 of 2nd March, 1959. D45 is for the year ending 31st March, 1960. That shows that the studio has cost Rs. 40,000/-, and Mudaliyar Madanayake as a creditor in Rs. 25,000/-. D44 is the same as P34, and D45 is the same as P36.

The next document is P37 of 31st March, 1961. On the assets side the studio site has gone off. On the creditor's side the Rs. 25,000/- has gone off. They had written it off their assets and their debts. That supports the submission that on 9th November, 1960, D10, the Company had decided not to purchase, because the Company was dead. The evidence of Hewavitharne that the Company was still alive should be rejected. Refers to P18 of 27th January, 1964 and the reply P23 of 23rd February, 1964. To P18 it took some time to send a firm reply. Immediately Mrs. Madanayake got the letter, she saw her Proctor and got the letter P19 written. On 10th February letter P21 was written. Till 10th February the Defendants did not know the facts. On 29th February P23 was written. Learned Counsel for Plaintiff tried to construe this as an admission that they purchased, but it is not so. D38 to D42 are the minutes where debts are referred to. D28 to D35 are the agenda. The returns show the new members who came in. Counsel asks the Court to hold that there was a complete breach of the agreement.

Hewavitharne left the Company in 1961 and came back in 1963. He said in his evidence that although he left, he took an interest in the Company. That evidence of Mr. Hewavitharne should be rejected. He did not know that the partition action was withdrawn. His evidence at page 42 should be rejected. His evidence at pages 44 and 45 should also be rejected. He came to have 1,000 shares. He says they are promoter's shares. Mr. Hewavitharne was sued in Court, and he was later examined under Section 219, and he said he had no assets. His services were dispensed with in 1961 for reasons known to the Managing Director and other directors. Witnesses Karunaratne and Rajapakse are small men, but their evidence is true, and that evidence should be accepted.

No. 15
Addresses to Court—
—*Continued*

The Corporation should have placed before Court the minutes in regard to the decision to resign and the withdrawal of the partition action. The keys were handed over to Mudaliyar Madanayake on 18th August, 1961. That evidence was not placed before Court when obtaining an injunction. They must get their rights asserted in Court. Under colour of the Court's Order they got into possession, and they are continuing with the work which they have no right to do. They say there was a Burgher gentleman, but the Burgher gentleman was not called. The Plaintiff did not even call Mr. D. L. Gunasekera. They called the man who was sent away, who did not pay for his shares, who has no assets, and who has not paid his debts. They have no right to ask for a specific performance.

The Plaintiff has asked for compensation. The man who owns the soil owns everything above the soil and below the soil. If someone puts something on that soil, they are called improvements. They may be useful improvements. It is true that you are the owner of the soil, and all that is up and below, but no man can enrich himself at the expense of another; he cannot get enriched by the sweat of the other man's brow. So he must pay for it. *Bona fide* possessor and *mala fide* possessor has not been so much in the forefront. Cites 61 N. L. R. 529, Privy Council decision. The owner gives an agreement orally or in writting, but not a notarial agreement. The man builds. Later the owner says "I have changed my mind, you get out". The man has no notarial agreement. A person believes that he is the owner or that he has been given permission by the owner to build, and he builds. Therefore he is given compensation. It may also be that the agreement says either you get compensation or you dont get compensation. This is not that type of case. The instant case is; Madanayake says "I will sell", and the Company says "we will buy within a certain time", and they will pay within that time. The Company failed to buy. Is Madanayake to be blamed for it. Whose fault is it that the Company failed to buy. They knew they were building on another's property and took the risk of building and installing the equipment on the assumption that they would buy. It is not that case where Madanayake said "you can build and I will pay for it". Here he allowed them to build on the understanding that they were going to buy. If they took the risk of putting up buildings on this property and bringing in equipment, and they by their own default were unable to complete the purchase, the principle of compensation does not arise. They were building on what they thought was their own property. If they took the risk, it is not unjust enrichment. You have to defeat a normal principle by putting on it an equitable relief. In this case the principle of unjust enrichment does not arise. If the Plaintiff built on a *bona fide* belief, or *mala fide* belief, or if they took a risk, the Defendants cannot be blamed for it. Therefore the Defendants becoming unjustly enriched at the Plaintiff's expense does not arise. The Plaintiff is not entitled to a *jus retentions*. They are continuing to remain unjustly on this property. Why does one want somebody else to put up improvements on one's property; one could do it himself according to the way one wants. Why should one pay for what one does not want. In law, the Plaintiff is not entitled to compensation. The injustice done is to the Defendants and not to the Plaintiff. According to law, the Defendants may be entitled to the improvements without payment. The Plaintiff could have taken away the materials after demolition within the time of the agreement, but not after the agreement has lapsed. According to Balance Sheet D45 the

value of the building is Rs. 6,370/-. That is the cost. There is no evidence in regard to the equipment. The burden of providing the value is on the plaintiff and not on the Defendants. The Plaintiff is asking for compensation. The value of the machinery which has been sold is not known. Until the final instalment is paid, the equipment is the property of the owner. If anything can be fixed on a land, it can also be removed. If a machine was brought in, it can also be taken out. There is no evidence to the contrary. There is also no evidence in regard to their value. The contract was with Mudaliyar Madanayake and the contract broke with his death. Plaintiff has clothed his plaint with a cause of action. The cause of action died on 1st September, 1963. He refers to para 9 of the plaint. The Defendants have been wrongly brought into this case.

Mr. Amerasinghe addresses Court : So far as the plaint goes, it is a straightforward case for specific performance of the agreement which is admitted. Mudaliyar Madanayake had agreed to allow this new company the use of this property after they put up certain buildings in pursuance of the agreement. For that purpose it is necessary to get the property. To carry on business no written document is necessary. The buildings were put up by the company. Two lakhs of rupees were spent in putting up the buildings. If the Plaintiff is evicted from these buildings then the Plaintiff is entitled to compensation on account of not being able to carry on the business. The agreement to put up the buildings does not give title to the land. The agreement is admitted. The whole of the plaint is admitted by the Defendant. But the Defendants seek to deny liability on two grounds, namely — recission and abandonment. Refers to para 10 of the answer. There is no resolution by the Plaintiff Company to rescind the agreement. The two pleas of recission and abandonment are self contradictory because the recission took place on 9th November 1960 and thereafter there is nothing to abandon. Both this recission and abandonment are fiction. Refers to P23. To establish abandonment Defendants should have called Mr. D. L. Goonesekera. He was not called because his evidence would not support the Defendant's case. After P1 was executed there was a right created in the corporation. The bank balance of the Company would not reflect the actual financial position of the Company. Refers to page 42 of the evidence. The proctor Mr. D L. Goonesekera who filed the partition action and who withdrew that action should have been called by the Defendants. Refers to clause 8 of the agreement, and also to D45. Mr. Rodger the accountant was in the list of witnesses of the Defendant, but he was not called. P36 shows that the studio site of the Company has been shown as an asset of the Company, but that is not correct. The Rs. 15,000/- paid by the Plaintiff does not appear anywhere in the Balance Sheet. P37 shows the Rs. 15,000/- as an advance. Defendant alleges breach on the part of the Plaintiff, namely, failure to complete the contract within 18 months. The documents to which parties have subscribed contradicts the position of the Defendant. The 18 month period was not regarded as the essence of the contract. Cites 58 N. L. R. page 505 at pages 532, 534 and 535 and 536. In the circumstances of this case time is not the essence of the contract. Refers to the minute relating to the fact that the keys were handed over to Mr. Madanayake. Refers to item 3 of P11A. Mr. Hewavitharane was a founder member of the Company and he continued to be in the Company right throughout. Madanayake was not a competent witness. The

No. 15
Addresses to Court—
—*Continued*

police constable admitted that it was a civil matter and that there was no crime committed. The paddy field has not been cultivated until this action was filed and that supports the Plaintiff's case. Refers to page 96 of the evidence regarding the fact that the abandonment was an afterthought. Cites 48 N. L. R. page 548 and 15 N. L. R. page 176. D1 binds the heirs of the late Mudaliyar Madanayake. Refers to Section 93 of the Trust Ordinance. Plaintiff sued the Defendants as title holders and the contract was contracted by the predecessor in title of the Defendant. Cites 43 N. L. R. page 361 at page 364 reconveyance pending administration.

On the question of *laeso enormis* there is no evidence.

With regard to the alternative claim for compensation cites 65 N. L. R. page 181; 62 C. L. W. page 27. The claim of Rs. 35,000/- cannot be made by the Defendants, but it should be claimed by the administrator of the estate of the late Mudaliyar Madanayake. Plaintiffs have not denied that claim and the due representative of the estate will get this amount. Section 35 of the C. P. C.

Regarding the prayer for an interim injunction. The orders of the Court were not disobeyed. The Defendants undertook not to erect any extra structures.

Mr. Weerasinghe in reply cites: Palmers Company Law page 520 — 20th Edition. 43 C. L. W. page 28. 118 Law Times page 3430.

Initialled. .....
Additional District Judge
26-6-65

Documents to be tendered in office before 7-7-65.Call case on 7-7-65 to fix date of Judgment.

Initialled. .....
Additional District Judge
26-6-65.

No. 16

JUDGMENT OF THE DISTRICT COURT

No. 16
Judgment of the District Court—
25-8-65

JUDGMENT

The late Mudaliyar Madanayake of Peliyagoda was the owner and proprietor of the lands described in the schedule to the plaint. He entered into a notarially executed Agreement No. 342 of the 2nd March 1959, filed of record marked 'A' with the Sinhala Industrial Film Corporation Ltd., the Plaintiff in this case, to sell and convey these lands to the Plaintiff subject to certain conditions at the fixed price of Rs. 40,000/-.

In part payment of the consideration a sum of Rs. 15,000/- was paid by the Plaintiff-Company to the vendor leaving a balance of Rs. 25,000/- to be paid at the stage when the conveyance was to be finally executed. The vendor agreed to perfect the title to these properties within a period of 18 months

before the expiry of which date the parties agreed that the transaction of this sale should be completed. In terms of the agreement the Plaintiff-Company entered into possession of these lands as from the date of the agreement 2-3-1959 and put up buildings of a permanent nature for the purposes of its business and equipped same at considerable expense.

For the purpose of perfecting the title to these lands — partition title being regarded as one that would serve the purpose — the vendor, Mudaliyar Madanayake filed seven partition actions (P4 — 9) on the 27th April 1960. These actions were later withdrawn on 18th October 1960 by the Proctor for the Plaintiff. I shall refer to this at a later stage.

Mudaliyar Madanayake died on 13th March 1963. The sale had not been completed in terms of the agreement before he died. The 1st Defendant in this action is his widow and in that capacity she had applied for Letters of Administration in respect of the Estate of her deceased husband. She had been declared entitled to Letters but Letters have not yet been issued as the certificate of the Commissioner of Inland Revenue had not yet been granted.

The Plaintiff's case is that in all these circumstances the Plaintiff Company expressed its readiness and willingness to pay the balance consideration, Rs. 25,000/- and called upon the Defendants, who as heirs of the deceased Mudaliyar Madanayake, had now become entitled to these lands to execute the necessary conveyance and perfect the transaction of the sale, but the Defendants have wrongfully and unlawfully refused to comply with the request and are thus repudiating the obligations of the agreement. On this basis the Plaintiff Company seeks to have the various reliefs claimed in this action.

The Defendants while admitting the execution of the agreement resist this claim of the Plaintiff Company and maintain that before the death of Mudaliyar Madanayake the Plaintiff-Company found its financial position so tight and embarassing that they decided to rescind the agreement and to waive and abandon whatever rights were available to them under the agreement. They further maintain that instead of a sale the Plaintiff-Company decided to negotiate with the Mudaliyar for a long lease of these premises, that even this project of a long lease was abandoned as their financial position was so very poor.

In support of this position the Defendants rely on the fact that the partition actions filed by Mudaliyar Madanayake were withdrawn on an application made for that purpose to this Court. They also invited the attention of the Court to the minutes and proceedings and the decisions arrived at various meetings held by the Plaintiff-Company on various dates in support of their contention that the agreement relied on by the Plaintiff-Company was rescinded and abandoned. Further, the Defendants submitted that in terms of this agreement the transaction of sale should have been completed within 18 months of 2-3-1959 the date of the agreement, that though the Mudaliyar had died only on 13th March 1963 no offer was made by the Plaintiff Company of the balance Rs. 25,000/- to him to have the sale completed. In any event, therefore, the Defendants contend that the Plaintiff-Company cannot be permitted at this late stage to exercise their rights under this agreement.

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It is clear from the evidence of Mr. Hewavitharane, who was one of the original shareholders and onetime Manager of the Plaintiff-Company that the Plaintiff-Company found itself in financial difficulties soon after the installation of the machinery on these premises. Time and again the Company had been compelled to obtain loans from various shareholders and Directors and it is in evidence that Mudaliyar Madanayake himself had lent a sum of about Rs. 35,000/- to this Company. Mr. Gunasekera also one of the Managing Directors had advanced certain amounts for certain pruposes and one can therefore take it that during the period relevant for the consideration of this case, the Plaintiff-Company was in financial difficulties.

The proceedings and minutes of some of the meetings had — vide D15 the Minute Book — throw a deal of light in regard to the financial condition of this Company during the period in question. At a certain stage things became so difficult that the Company was compelled to 'consider the future of the Company' and for this purpose several meetings were convened and apparently as no decision could be arrived at those meetings were adjourned on a number of occasions. These are some of the matters which clearly show that the financial condition of this Company was not at all satisfactory during the period in question. The Defendants rely on this aspect of the matter for the purpose of showing that the agreement relied on by the Plaintiff Company in this case was rescinded and abandoned as they could not find the money to implement the terms of the agreement.

Counsel for the Defendants rely on the meeting had on 9-11-1960 as evidence of the fact that the purchase of these lands in question had been abandoned and instead a long lease of the premises was contemplated. P10 are the minutes and it would appear in para 3 of the minutes:

'The question of settling the Studio site at Dalugama was taken up and after a lengthy discussion the Board decided to switch on to a long lease of 50 years instead of purchasing outright because the Board finds it not possible to pay the purchase price the balance being Rs. 25,000/- at this juncture owing to non-availability of Company funds. The Board further decided that a long lease of 50 years as good a proprietary holding and placed the entire matter of drawing up the necessary legal documents in the hands of its Chairman, Mr. D. L. Gunasekera. Mudaliyar J. Madanayake also agreed that he will cooperate to the utmost by providing ample scope and facilities embodied in notarial documents for a lease of the property of 10 acres at Dalugama on which the Kalyani Studio is being built now'.

The Defendants rely on this also as showing that there was an abandonment of the agreement to purchase the land in question. On the other hand, it has been pointed out by Counsel for Plaintiff that at no stage was there any resolution of this Company to abandon this part of the agreement to purchase this land from Mudaliyar Madanayake. In order to constitute abandonment there must be clear and unmistakeable evidence to show that one party or the other or both to the agreement had intended to abandon the rights and obligations embodied in this document. The question is whether the mere fact that this company found itself in financial difficulties and had on that account

thought of various ways and means of wriggling out of their difficulties would amount to evidence of abandonment. The question further is whether on account of the Company having decided on a long lease instead of an outright purchase on account of its financial difficulties an intention to abandon the rights available under this agreement could be inferred. I have examined this aspect of the matter with great care. On entering into this agreement the Plaintiff-Company became entitled to the right to purpchase this property; Rs. 15,000/- had been paid out of the consideration, the balance Rs. 25,000/- had to be paid after the title to these lands had been perfected by the vendor; the balance Rs. 25,000/- had to be paid before the transaction of sale was finally completed. Could this right that had accrued to the Plaintiff-Company in these circumstances to purchase these properties be regarded as having been abandoned by reason of the facts mentioned above. To enter into a long lease being regarded "as good a proprietary holding" as a transfer cannot in my opinion amount to saying that the Plaintiff-Company had abandoned its rights under the agreement to purchase this property. The right to purchase can co-exist with a long lease of the same property.

It is necessary to examine as to what has happened after this decision to enter into a long lease. According to Mr. Hewavitharane, Mr. Gunasekera forwarded the necessary draft deeds to Mudaliyar Madanayake but nothing happened thereafter with the result that the lease itself had been abandoned and the agreement to purchase this property yet remains. This evidence of Mr. Hewavitharane that a draft deed had been forwarded to Mudaliyar Madanayake cannot be rejected in view of the fact that that would have in fact normally followed the decision to enter into a long lease. Mr. Gunasekera had been entrusted with the duty of preparing the necessary legal documents and therefore it is clear to my mind that a draft deed has been forwarded to Mudaliyar Madanayake but that for some reason or other it had been dropped. I agree that once the lease had not been proceeded with the right to purchase this property in terms of the agreement yet remains. As I have earlier stated, one cannot infer an intention to abandon this right to purchase this property by the Plaintiff Company merely by reason of the fact that the Plaintiff-Company was in financial difficulties and had thought of entering into a long lease with the co-operation of Mudaliyar Madanayake himself. It is extremely unlikely that having entered into this agreement and taken possession of the land, put up valuable buildings and installed machinery at heavy cost, the Plaintiff-Company would have thought of abandoning this very valuable asset which would perhaps wipe out the liabilities in a matter of months if the Film Company started functioning at some stage or other.

In all these circumstances, therefore, I hold that there was no recission or abandonment of this right to purchase this property in terms of this agreement, filed of record marked 'A' as maintained by these Defendants. Further from the cross-examination of Mr. Upali G. Madanayake, the 5th Defendant in this case, it was clear that Mr. D. L. Gunasekera one of the Managing Directors of this Company had written to him about this agreement after the death of Mudaliyar Madanayake. The 5th Defendant while admitting that he received such a letter stated that he did not reply to that letter. A pointed question was put to him as follows :—

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Q. Did you deny that that agreement was subsisting at anytime? You never denied that that agreement was subsisting at the time of your father's death?

To this question Mr. Madanayake the 5th Defendant gave no answer. The 5th Defendant was perhaps unable to answer this question as he was not a party to the agreement and could not be expected to know the various developments at various stages insofar as the Company was concerned but what is of importance is that after the death of Mudaliyar Madanayake, Mr. D. L. Gunasekera had written to this 5th Defendant about this agreement and of the right to purchse in terms of the agreement.

As I have earlier stated Mudaliyar Madanayake filed about seven partition actions to have this land in question partitioned in terms of the Partition Laws. After several dates the Proctor for Mr. Madanayake, viz. Mr. D. L. Gunasekera moved Court to withdraw these actions. These actions were subsequently allowed to be withdrawn and they were dismissed. The Defendants rely on this also to show that these actions were withdrawn as the agreement to perfect title in respect of these lands did not exist as there was an abandonment of the rights of the Plaintiff-Company to purchase these lands. As to why the actions were withdrawn one does not know. There is no evidence nor is there anything available in the records of those cases to show as to why those actions were withdrawn. As would be seen from the Journal Entries in those various Partition cases D5 — 11 the Proctor for the Plaintiff, Mr. Gunasekera, moved on 18th November 1960 to withdraw these cases. No reason has been assigned as to why the Plaintiff moved to withdraw these actions. It may well be that as they were not contemplating a sale the need to proceed with these partition actions did not exist thereafter. But that is not the only inference that can be drawn. It is well-known that no sales or any other transactions amounting to sale could be entered into during the pendency of a partition action. It may well be that the parties thought of having the transaction of sale or a lease without the title being perfected; but the mere withdrawal of these cases cannot in my opinion be regarded as a circumstance indicating that there was an abandonment of a vital right in the Plaintiff-Company to purchase this property from Mudaliyar Madanayake.

It would also be clear from the minutes of this Company that at a certain stage the keys of these premises were handed over to Mudaliyar Madanayake, but now the keys are with the officials of the Plaintiff-Company. It was suggested to Mr. Hewavitharane in cross-examination that the keys were handed over to Mudaliyar Madanayake as there was an abandonment of the agreement to purchase and that therefore the possession of the land and buildings was given over to Mudaliyar Madanayake. Mr. Hewavitharane denied this and stated that during certain periods the office of the Plaintiff Company was in the bungalow of Mudaliyar Madanayake and that therefore the necessary documents and keys of the premises had to be with Mudaliyar Madanayake. Mudaliyar Madanayake himself was one of the founder-members of this Company and was one of the Managing Directors and in these circumstances one cannot draw much inference against the Plaintiff-Company by reason of the fact that the keys were in the possession of Mudaliyar Madanayake. In any event, the keys are now with the officials of the Company.

The evidence of James Rajapakse the watcher of this land and premises shows that Mudaliyar Madanayake had asked him to take orders from Mr. Hewavitharane who had given evidence in this case and that he continued to take orders from him until sometime in May 1961 Mr. Hewavitharane was unable to pay his salary. One must remember that Mr. Hewavitharane was acting on behalf of the Company. After they got into financial difficulties payments were made by Mr. Madanayake. He himself was an important member of the Plaintiff-Company and one cannot say therefore that possession of the premises was handed over by the Plaintiff-Company to Mudaliyar Madanayake. I have considered the entire evidence with care and I find that throughout the possession of these premises was with the Company. The agreement itself shows that they were entering into possession for the purpose of their business. His evidence further is that they had installed valuable machinery, put up permanent buildings, and in these circumstances one cannot think that possession of these premises was in anybody other than the officials of the Plaintiff-Company.

In view of the finding that there was no abandonment of this agreement between the parties, the next thing that has to be considered is whether the transaction of sale in any event should have been completed before the expiry of 18 months from 2-3-1959 as stated in the agreement. This leads us to the question whether this 18 months period specified in the agreement is of the essence of the contract. The relevant portions of the agreement relating to this period of 18 months are 'that the vendor shall sell and the Purchaser-Company shall purchase the said property and premises within the period of 18 months from the date thereof, i.e. 2-3-59. The vendor undertakes to perfect the title of the said property and premises before the expiration of the said period at the cost and expense of the vendor and the Purchser Company accepts the title of the vendor when perfected as agreed upon between the vendor and the Purchaser-Company. The purchase shall be completed by the Purchaser-Company on or before the expiration of the period of 18 months by tendering to the vendor for completion of the Deed of Conveyance of the said premises

. . . . . .

It would be seen, therefore, that the vendor agreed that within a period of 18 months he shall perfect the title of the said property and that when such title was perfected, the Purchsser-Company would accept that title as perfected title. The partition actions were filed only on 27th April 1960, over a year after the agreement was entered into. One cannot expect partition cases to be proceeded with and completed in a matter of three or four months for in the nature of things commissions will have to issue to surveyors, claims be preferred at the preliminary survey and it is common knowledge that these matters normally take a long period of time. The vendor himself had not taken the trouble to file the partition actions immediately after the agreement was entered into. As I have earlier stated, he took about a year to file these actions and I am driven to think that he himself had regarded this period of 18 months as not being of the essence of the agreement. No blame can attach to the Plaintiff Company for failing to take any steps to have the transaction of sale completed within 18 months as the title to the land had not been perfected as agreed upon. In all these circumstances therefore I am of the view that time was not of the essence of the contract. At no stage within this

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period of 18 months had the vendor himself given any notice to the Plaintiff-Company that the agreement would stand rescinded unless the transaction of sale was completed before that period, but instead one finds that this vendor himself like some other shareholders and Managing Directors advanced loans to this Plaintiff-Company so as to enable it to meet some of the claims made against it, even after the 18 months period was over'. In para 8 of the agreement it is laid down that if the Purchaser Company fails, refuses or neglects to purchase the said property and premises when the title had been duly perfected by the vendor as agreed upon the vendor shall be entitled to forfeit the said sum of Rs. 15,000/- as and by way of liquidated damages and not by way of penalty. The need to claim this sum of Rs. 15,000/- paid as advance for the purchase of these properties by the Plaintiff-Company never arose for the reason that the title to the property was not perfected within that time. In all these circumstances, therefore, the inference is clear that the period of 18 months was not regarded as being of the essence of the agreement. I, therefore, hold that the failure to have this transaction of sale effected within this period of 18 months cannot operate as a bar against the Plaintiff-Company to assert their rights under the agreement.

It was also contended on behalf of the defendants that this agreement filed of record marked 'A' was part and parcel of the agreement entered into on the 27th February 1959 between the Plaintiff-Company and the late Mudaliyar Madanayake and that one of the conditions of the earlier agreement was that Mudaliyar Madanayake should invest in a further 4,000 shares of the Plaintiff-Company. The agreement of the 27th February 1959 is produced in this case marked D4; the relevant portion of that agreement relating to this aspect of the matter is that 'According to the terms and conditions of the agreement, Mudaliyar Madanayake further agreed to invest in 4,000 ordinary shares of the Corporation after the signing of the transfer and it was resolved to effect the signing of the agreement on 2-3-59 and to hand over possession of the said property to the Chairman, Mr. D. L. Gunasekera. It would be seen, therefore, that whatever investment that could be made by Mudaliyar Madanayake by way of shares in this Company should be after the signing of the transfer. The transfer itself had not been completed and the question of ivesting in any shares could not have arisen in terms of this agreement. I do not think, therefore, that any rights could flow by reason of the fact that Mudaliyar Madanayake had not invested in 4,000 shares before his death. The Defendants further took up the position that the premises in question are worth over two lakhs of rupees and that therefore the value of Rs. 40,000/- placed on it for the purpose of the transfer in terms of the agreement marked 'A' is a gross under-valuation and that in these circumstances the agreement cannot be enforced on the ground of *leasio enormis*. The 5th Defendant himself, Mr. Madanayake in his evidence stated that in the year 1959 an acre of land would have fetched as much as Rs. 20,000/- to Rs. 30,000/- and therefore 10 acres would have been in the region of two to three lakhs. If that represents the real value of the land the figure of Rs. 40,000/- placed on it in the agreement should be regarded as a gross under-valuation but Mr. Madanayake found himself in difficulties when the affidavit sworn to by his mother the 1st Defendant in this case was put to him. In that affidavit, it would appear that the value given for this land in question was about Rs. 27,000/-. When this aspect of the matter was put to Mr. Madanayake he admitted that the

affidavit had been prepared after the family had had a consultation regarding the various aspects of the matter but that the valuation was taken from the deeds. In other words what this witness seeks to impress is that they did not give their minds to the actual value when the affidavit was filed by the 1st Defendant. That may be true, but the matter I think is placed beyond any doubt when one realizes that in March 1959 when this agreement was entered into the late Mudaliyar Madanayake had placed the value of Rs. 40,000/-. He is described as a gentleman with good business acumen and it is extremely unlikely that he would have been a party to place a very low value for his properties. I am inclined therefore on a consideration of all these matters to think that the correct value Rs. 40,000/- fixed for this land in the agreement represents a fair and correct value. In these circumstances the question of the agreement being defeated on account of *leisio enormis* therefore does not arise.

As I have earlier stated, the late Mudaliyar Madanayake had advanced various sums of money to the Plaintiff-Company aggregating to about Rs. 35,922/61. It is contended on behalf of these Defendants that they would be entitled to recover this sum with legal interest from 16th September 1964 from the Plaintiff-Company. This amount has in fact been advanced and this would be due and owing to the Estate of the late Mudaliyar Madanayake which is being administered in Case No. 21231/T of this Court. The necessary steps for collection of these assets of the estate of the deceased late Mudaliyar Madanayake should in my view be taken in the Testamentary Case. In all these circumstances therefore I find the Plaintiff's claim for a declaration that the Plaintiff Company is entitled to specific performance of the Agreement No. 342 of 2nd March, 1959 succeeds.

The issues are answered as follows :—

(1) Did Mudaliyar Jayasena Madanayake now deceased, hereinafter referred to as the vendor, by deed of Agreement No. 342, dated 2nd March, 1959 and attested by H. C. Perera, Notary Public agree to sell and convey to the Plaintiff-Company the property and premises morefully described in the schedule to the plaint on the terms and conditions set out in the said deed at the price of Rs. 40,000/?

Yes.

(2) Was a sum of Rs. 15,000/- out of the purchase price duly paid to the vendor in pursuance of the said agreement leaving a balance of Rs. 25,000/- payable at the execution of the conveyance in favour of the Plaintiff-Company?

Yes.

(3) Did the vendor undertake to perfect the title of the said property and premises before the period of 18 months fixed for the completion of the purchase?

Yes.

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(4) Was it agreed between the parties to the agreement at the time of execution that in order to perfect the title to the said land and premises that a decree under the provisions of the Partition Act No. 16 of 1951 be obtained and that the vendor should take all necessary steps thereto?

Yes.

(5) Did the Plaintiff-Company in pursuance of the provisions of the said agreement and, with the full knowledge, acquiescence and approval of the vendor—

(*a*) duly enter into possession of the said property and premises?

Yes.

(*b*) at its own cost and expense erect permanent buildings thereon and equip the same for the purpose of his business as contemplated by the parties to the agreement?

Yes.

(6) What is the present value of the said buildings and equipment?

As in the Balance Sheet P38, Rs. 379,162/29.

(7) Did the vendor die on or about 13th March, 1963 without having perfected the title of the said land and premises as agreed?

Yes.

(8) Did the Defendants as heirs of the vendor become entitled to the said land and premises subject to the said Agreement No. 342?

Yes.

(9) Did the Plaintiff-Company thereafter express its readiness and willingness to pay to the Defendants the balance purchase price of Rs. 25,000/- and call upon the Defendants to execute a valid conveyance of the said property and premises in favour of the Plaintiff-Company?

Yes.

(10) The Defendants having refused to comply with the said request, is the Plaintiff-Company entitled to compel the Defendants to a specific performance of the said Agreement No. 342 and to execute a valid conveyance in favour of the Plaintiff-Company upon payment by the Plaintiff of the balance sum of Rs. 25,000/-?

Yes.

(11) Were the aforesaid buildings and other improvements effected by the Plaintiff-Company during the life time of the said Mudaliyar Madanayake in pursuance of an agreement between him and the Plaintiff-Company, that the

Plaintiff-Company would be entitled to the use and enjoyment of the said property and premises with the buildings thereon for the purpose of its business?

Yes.

(12) If Issue No. 11 is answered in the affirmative, and in the event of the Plaintiff-Company not being entitled to a decree for specific performance, is it entitled to recover from the Defendants :

(*a*) compensation for the said improvements?

(*b*) Damages for breach of the said agreement referred to in Issue No. 11?

Does not arise in view of the answer to Issue 10.

(13) What is the amount of such :

(*a*) Compensation?

(*b*) Damages?

Does not arise.

(14) If Issue No. 12 is answered in the affirmative, is the plaintiff entitled to a *Jus Retentions*?

Does not arise.

(15) If Issue No. 10 or Issue No. 12 and Issue No. 14 are answered in favour of the Plaintiff, is the Plaintiff entitled *inter alia* to the reliefs claimed for in prayer (*c*) to the plaint?

In view of the answer to Issue 10 to the effect that the Plaintiff-Company is entitled to compel the Defendants to specific performance of the Agreement No. 342 the Plaintiff-Company will be entitled to the reliefs mentioned in parts (*a*), and (*c*) and (*d*).

(16) Even if Issues Nos. 9 and 10 are answered in the affirmative, do the facts stated therein entitle the Plaintiff-Company to maintain this action claiming the reliefs claimed therein?

Yes.

(17) Did the Defendants wrongfully and unlawfully refuse to execute a valid conveyance of the premises described in the schedule to the plaint in favour of the Plaintiff-Company on the Plaintiff-Company paying to the Defendants a sum of Rs. 25,000/-?

Yes.

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(18) Was the said Agreement No. 342 entered to as part and parcel of an agreement entered into on the 27th February, 1959 between the Plaintiff-Company and the said Mudaliyar Madanayake:

(*a*) that the Plaintiff-Company should buy the proposed studio site from the late Mudaliyar Madanayake paying Rs. 40,000/?

Yes.

(*b*) that Mudaliyar Madanayake should invest in a further 4,000 shares of the value of Rs. 10/- per each share in the Plaintiff-Company?

The investing in shares to be only after the signing of the deed.

(19) After the execution of the said Agreement No. 342, was the Plaintiff-Company in financial difficulties and in lack of funds?

Yes.

(20) Did the Plaintiff-Company on or about 9th November, 1960 resolve :

(*a*) to rescind the said Agreement No. 342? and/or

No.

(*b*) waive and/or abandon its rights under the said Agreement No. 342? and/or

No.

(*c*) negotiate with the said Mudaliyar Madanayake for a lease of the said premises?

Yes, but the matter was not proceeded with.

(21) If Issues No. 20 (*a*) or 20 (*b*) are answered in Defendants' favour, did the said Mudaliyar Madanayake agree to rescind the said agreement and accept the said waiver and, abandonment?

Does not arise.

(22) Did the Plaintiff-Company in view of its financial difficulties:

(*a*) Abandon its project to lease out the said premises from the said Mudaliyar Madanayake?

No, it appears that the project of a long lease was also abandoned by both the parties.

(*b*) Were partition actions brought by the said Mudaliyar Madanayake withdrawn on 18th November, 1960 by him in agreement with and/or with the knowledge and acquiescence of the Plaintiff-Company?

Yes.

(23) Did the Plaintiff-Company prior to the death of Mudaliyar Madanayake:

(*a*) Decide to abandon the project of establishing a film studio and engage in the business of film production?

No.

(*b*) Take steps to sell the plant and machinery?

No.

(*c*) Liquidate the Plaintiff-Company?

No.

(24) Were

(*a*) buildings erected on the said premises?

(*b*) equipment and/or installed in the said premises by the Plaintiff-Company equipped and installed with the permission of Mudaliyar Madanayake and at the request of the Plaintiff-Company on the footing that the Plaintiff-Company would perform and fulfill its obligations on the said agreement?

The buildings and equipment thereon were put up and installed in terms of the agreement filed of record marked 'A'.

(25) Has the Plaintiff-Company failed and neglected:

(*a*) to fulfill the terms and conditions and obligations on its part contained in the said Agreement No. 342?

No.

(*b*) and/or to enable the said Mudaliyar Madanayake to invest in a further 4,000 shares in the Plaintiff-Company?

No, as the deed of transfer had not been signed for the investing in shares by Mudaliyar Madanayake.

(26) If Issues Nos. 18 to 25 or any one of them are answered in Defendants' favour, is the Plaintiff-Company entitled to any of the reliefs prayed for in this action?

Does not arise.

(27) (*a*) Did the Plaintiff-Company represent to the late Mudaliyar Madanayake that it had abandoned and/or waived and/or rescinded the said Agreement No. 342?

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(*b*) If so, did the said Mudaliyar Madanayake act on such representations to his prejudice?

No.

(*c*) If Issue No. 27 (*a*) and/or (*b*) are answered in Defendants' favour, is the Plaintiff-Company estopped from claiming the reliefs prayed for?

Does not arise.

(28) (*a*) Has the Plaintiff-Company made false representations?

No.

and/or

(*b*) Suppress from Court material facts?

No.

(29) If so, has the Court been thereby induced —

(*a*) To issue an enjoining order?

(*b*) To issue notice of an injunction on the Defendants?

Does not arise.

(30) Has the Plaintiff-Company under cover of the said enjoining order and notice of injunction entered into forcible and unlawful possession of the said premises?

No.

(31) Is the Plaintiff-Company putting up extensions and new buildings and/or preparing to instal further equipment and/or interfering with the possession of the Defendants?

The Plaintiff-Company is in possession of the premises in terms of the agreement, extensions to buildings have been suspended pending the determination of this action.

(32) Are the Defendants entitled to have an injunction against the Plaintiff-Company restraining its agents and servants as prayed for in the prayer 3 (*a*) of the answer?

No.

(32) (*a*) Are the defendants entitled to judgment for ejecting the Plaintiff-Company and its agents and servants from the said land and premises as prayed for in paragraph 3 (*b*) of the prayer?

No.

(33) Were the premises described in the schedule to the plaint:

(*a*) Much over Rs. 40,000/- in value?

No.

And/or

(*b*) Worth two lakhs of rupees more or less?

No.

(34) If Issue No. 33 is answered in defendants' favour, is the Agreement No. 342 unenforceable on the ground of *laeso enormis*?

Does not arise.

(35) Did the Plaintiff-Company enter into wrongful and unlawful possession of the said land and premises on or about 30th May, 1964?

No. The company entered into possession on the basis of the agreement marked 'A'.

(36) (*a*) Did Mudaliyar Madanayake at various times lend and advance to the Plaintiff-Company a sum amounting to Rs. 35,922/61?

Yes.

(*b*) If so, is the said sum due from the Plaintiff-Company to the estate of the late Mudaliyar Madanayake?

Yes.

(37) Are the Defendants entitled to recover the said sum of Rs. 35,922/61 with legal interest from 16th September, 1964 from the Plaintiff-Company?

No, steps will have to be taken to recover this sum in the Testamentary Action in which the estate of Mudaliyar Madanayake is being administered.

(38) Vide proceedings of 24th May 1965 — there is no issue raised under that number (38). After Issue 37, the next Issue is (39).

(39) (*a*) Was the time of 18 months specified in the agreement of the essence of the contract?

No.

(*b*) Was the failure to complete the sale within the said period of 18 months imputable to default on the part of Mudaliyar Madanayake in that he failed in the perfection of the title of the said property as aforesaid?

Yes.

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(40) Is the relief of *Laeso Enormis* canvassed in Issue No. 34 barred by prescription?

Yes.

(41) In any event are the Defendants not entitled to impeach Agreement No. 342 on the ground of *Laeso Enormis* for all or any of the reasons set out in paragraph 2 of the replication?

Yes.

(42) Can the claim in reconvention for the sum of Rs. 35,922/61 be sued upon and/or joined and/or maintained by the Defendants in this action?

No.

(43) Is the Plaintiff's claim, if any, barred by prescription?

No.

(*a*) In the result I enter judgment declaring the Plaintiff-Company entitled to specific performance of Agreement No. 342 dated 2nd March 1959 filed of record marked (A) as prayed for in the prayer part (*a*).

(*b*) The Defendants, their agents and servants and other persons acting through or under them are hereby restrained by injunction from entering upon or into the said premises or buildings and/or disturbing the quiet possession of user and enjoyment of same by the Plaintiff-Company by their servants, workmen in possession claimed through or under it and/or committing any other act of violation of the Plaintiff-Company's rights to the possession, enjoyment and user of the said buildings. That is the Plaintiff is further entitled to part (*c*) of the prayer. The Plaintiff-Company is hereby directed to bring into Court within a period of two weeks from today the balance sum of Rs. 25,000/- for the purchase of the property described in the schedule to the plaint. On this amount being deposited, the Defendants are hereby ordered to execute the conveyance within a further period of two weeks of the depositing of this sum of Rs. 25,000/-. If the Plaintiff-Company fails or defaults in depositing this amount within a period of two weeks from today, the Plaintiffs' action will stand dismissed with costs, but if the amount of Rs. 25,000/- is deposited in Court by the Plaintiff-Company within the period of two weeks specified above and if the Defendants fail or default to execute the necessary conveyance in favour of the Plaintiff-Company within the further period of two weeks mentioned in the order the Secretary of this Court is directed to execute the necessary conveyance. In any event the costs of conveyance will be borne by the Plaintiff-Company — the Plaintiff-Company is further entitled to costs of action.

Signed .....
Additional District Judge
25-8-65

No. 17
Decree of the District Court— 25-8-65

No. 17

DECREE OF THE DISTRICT COURT

D E C R E E

IN THE DISTRICT COURT OF COLOMBO.

THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., of "Kalyani Studios", Dalugama, Kelaniya.

Plaintiff.

No: 1265/Z.L.

Vs.

1. HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE in her personal capacity as well as the Administratrix of the intestate estate of MUDALIYAR JAYASENA MADANAYAKE, also called and known as MADANAYAKAGE JAYASENA of "Kalyani", Peliyagoda.
2. SIRINATHA KUMARADASA MADANAYAKE of "Kalyani", Peliyagoda.
3. DHARMASENA SIRIPALA MADANAYAKE of 93, Rosemead Place, Colombo.
4. SURANGANI HEMAMALI WIJEWARDENA (NEE MADANAYAKE) of 100, Horton Place, Colombo.
5. UPALI GOTABHAYA MADANAYAKE, and
6. MALINI SOMAKUMARI KOTAGAMA (NEE MADANAYAKE) both of "Kalyani", Peliyagoda.

Defendants.

This action coming on for final disposal before S. THAMBYDURAI Esqr., Additional District Judge of Colombo on the 25th day of August, 1965 in the presence of Messrs. Eric Amarasinghe and B. J. Fernando, Advocates instructed by Mr. J. B. Puvimanasinghe, Proctor on behalf of the Plaintiff-Company and Messrs. N. E. Weerasuriya Q. C. with N. E. Weerasuriya (Jnr.) Advocates instructed by Mr. Ben Samarasinghe, Proctor on behalf of the Defendants it is ordered and decreed that (a) judgment be entered declaring

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Decree of the District Court— 25-8-65
—*Continued*

the Plaintiff-Company entitled to specific performance of Agreement No. 342 dated 2nd March, 1959 filed of record marked "A" as prayed for in the prayer; (b) the defendants, their agents and servants and other persons acting through or under them are hereby restrained by injunction from entering upon or into the premises or buildings and/or disturbing the quiet possession of user and enjoyment of the premises morefully described in the schedule hereto by the Plaintiff-Company, by their servants, workmen in possession claimed through or under it and/or committing any other act or violation of the Plaintiff-Company's rights to the possession, enjoyment and user of the said buildings.

It is further ordered and decreed that the Plaintiff-Company is entitled to para (c) of the prayer Viz: that the defendants their agents servants and other persons acting through or under them be restrained by injunction from entering upon or into the said buildings and premises and/or disturbing or hindering the quiet possession user and enjoyment of the same by the Plaintiff-Company and its agents, servants, workmen and persons claiming through or under it and/or committing any other act in violation of the Plaintiff Company's rights to the possession enjoyment and user of the said property buildings and premises morefully described in the schedule hereto.

It is further ordered and decreed that the Plaintiff Company is hereby directed to bring into Court within a period of two weeks from the date hereof the balance sum of Rs. 25,000/- for the purchase of the property described in the schedule hereto and on this amount being deposited the defendants are hereby ordered to execute the conveyance within a further period of two weeks of the depositing of this sum of Rs. 25,000/-.

It is further ordered and decreed that if the Plaintiff-Company fails or defaults in depositing this amount within a period of two weeks from the date hereof the Plaintiff's action will stand dismissed with costs, but if the amount of Rs. 25,000/- is deposited in Court by the Plaintiff-Company within the period of two weeks specified above and if the Defendants fail or default to execute the necessary conveyance in favour of the Plaintiff-Company within the further period of two weeks mentioned in the order the Secretary of this Court is directed to execute the necessary conveyance, and the costs of conveyance will be borne by the Plaintiff-Company. The Plaintiff-Company is hereby decreed entitled to the costs of this action.

THE SCHEDULE ABOVE REFERRED TO:—

(1) All those several allotments of land called Owita of the field, Welikeiyekumbura, Wanata, Millagahakumbura, Millagahawatta, Pelangahakumbura, Millagahapillewa, Highland of Mullekumbura and Mullekumbura described as lots 1 to 15 in Plan No. 496 dated 8th and 9th January, 1956 made by S. H. Fernando, Licensed Surveyor situated at Dalugama in the Adikari Pattu of Siyane Korale in the District of Colombo Western Province and bounded on the North by High road to Kandy, lands of K. W. A. Hemapala and K. W. A. Abeysena, lands of Abilinu Saram, D. F. J. Perera Peduru Perera on the East by paddy land of Peduru Perera, land of S. A. K., W. Perera, lands of Marshal Perera and others, land of D. D. S. Abeysekera land of M. A. J. Dias and the land of Jamis on the South by ela, Kurundu-

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—*Continued*

gahakumbura and paddy land of the Gan Aratchi, paddy lands of Barlan and Charlishamy and on the West by land of B. W. Dias and the paddy land of Aron and containing in extent eight acres one rood and thirty two decimal two perches (A8. R1. P32.2) according to the said Plan No. 496 which said land is comprised of the lands registered in folios C 200/61, 200/141, 225/35, 237/115, 128/270, 203/294, 232/180 and 136/228.

(2) All that allotment of land called Kurundugahakumbura situated at Dalugama aforesaid and bounded on the North by an ela, on the East by Mullekumbura of Mudaliyar Madayanake, on the South by paddy land as Muttettuwa and on the West by Mudun ela and Pelengahakumbura of Mudaliyar Madanayake containing in extent one acre one rood and fourteen perches (A1. R1. P14) according to Plan No. 506 dated 26th March 1956 made by S. H. Fernando, Licensed Surveyor which said land is comprised of the land registered in folios C324/125, 326/109 and 240/102.

Signed.....
Additional District Judge
2-9-65

This 25th day of August, 1965.

Drawn by me:- Signed J. B. Puvimanasinghe
Proctor for Plaintiff-Company.

No. 18

PETITION OF APPEAL TO THE SUPREME COURT

No. 18
Petition of Appeal to the Supreme Court—
6-9-65

IN THE SUPREME COURT OF THE ISLAND OF CEYLON

THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., of "Kalyani Studios", Dalugama, Kelaniya.

Plaintiff.

Supreme Court No:— 454/1965 (F).
District Court No:— 1265/ZL.

Vs.

1. HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE in her personal capacity as well as the Administratrix of the intestate estate of MUDALIYAR JAYASENA MADANAYAKE, also called and known as MADANAYAKEGE JAYASENA of "Kalyani", Peliyagoda, and others.

Defendants.

No. 18
Petition of Appeal to the Supreme Court— 6-9-65
—*Continued*

1. HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE also called and known as HERATHMUDIYANSELAGE CHANDARWATHIE in her personal capacity as well as the Administratrix of the intestate estate of MUDALIYAR JAYASENA MADANAYAKE, also called and known as MADANAYAKAGE JAYASENA of "Kalyani", Peliyagoda.

2. SIRINATHA KUMARADASA MADANAYAKE of "Kalyani", Peliyagoda.

3. DHARMAWANSA SIRIPALA MADANAYAKE of 93, Rosemead Place, Colombo.

4. IRANGANI HEMAMALI WIJEWARDENA (NEE MADANAYAKE) of 100, Horton Place, Colombo.

5. UPALI GOTABHAYA MADANAYAKE, and

6. MALINI SOMAKUMARI KOTAGAMA (NEE MADANAYAKE) both of "Kalyani", Peliyagoda.

Defendants—Appellants.

Vs.

THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., of "Kalyani Studio", Dalugama, Kelaniya.

Plaintiff—Respondent.

TO —

THE HONOURABLE THE CHIEF JUSTICE AND OTHER JUSTICES OF THE HONOURABLE THE SUPREME COURT OF THE ISLAND OF CEYLON

On this 6th day of September 1965.

The Petition of Appeal of the Defendants-Appellants abovenamed appearing by Ben Samarasinghe, their Proctor states as follows:—

1. The Plaintiff-Respondent instituted this action stating that the late Mudaliyar Madanayake the husband of the 1st Defendant-Appellant and father of the other Defendants-Appallants had agreed by Deed No. 342 of 1959 marked "A" to sell the lands described in the Schedule to the Plaint for Rs. 40,000/-.

2. That they had paid an advance of Rs. 15,000/- and were ready to pay the balance but that the said Mudaliyar Madanayake had failed to effect the transfer and that the Defendants-Appellants were now liable to execute the same.

3. The Plaintiff prayed *inter alia* that the Defendants-Appellants be ordered to execute the said transfer and that the Defendants-Appellants be restrained by an injunction from interfering with the possession of the Plaintiff-Respondent of its possession of the said property.

4. The Defendants-Appellants took up the position that the Plaintiff-Respondent-Company had become bankrupt and had been unable to fulfil its obligations in terms of the said agreement and that consequently the Plaintiff-Respondent-Company had waived and/or abandoned the project to purchase the land described in the Schedule to the plaint and that in 1964 after the death of the said Mudaliyar Madanayake, and several years after the said waiver and/or abandonment third parties had got hold of the said defunct Company and were attempting to make a quick profit at the cost and to the prejudice of these Defendants-Appellants.

5. As a matter of law these Defendants-Appellants further contended that the Plaintiff-Respondent-Company had failed to complete the said purchase within eighteen (18) months the period specified for completion in the said agreement, that this action had improperly constituted in that it complained of a failure on the part of a dead man and should have been preferred against his legal representative and not against these Defendants-Appellants; and that in any event the said transaction was tainted with *laesio enormis* in that the properties described in the Schedule to the plaint were worth about Rs. 200,000/-.

6. The Defendants-Appellants also stated that since the end of 1960 after the said transaction fell through the late Mudaliyar Madanayake and after his death in March, 1963 these Defendants - Appellants were in possession of the said lands and that the Plaintiff-Respondent-Company had under the colour of an interim injunction obtained in this case taken possession of a part of the said lands and were conducting building operations and attempting to change the nature of the lands. These Defendants - Appellants claimed in reconvention that the Defendants' Agents who entered under the colour of the said interim injunction be ejected for damages and for a sum of Rs. 30,000/- due to the late Mudaliyar Madanayake from the Plaintiff-Respondent-Company on personal loans made by him to it from time to time to cover the day to day expenses of the Plaintiff-Respondent-Company as it had no funds even to meet those requirements.

7. At the trial several issues were raised by the parties covering the said points in dispute.

8. The learned trial Judge by his judgment and order dated 25th August, 1965 gave judgment for the Plaintiff-Respondent.

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Petition of Appeal to the Supreme Court—
6-9-65
—*Continued*

9. Being aggrieved by the said judgment and order the Defendants-appellants beg to appeal therefrom to Your Lordships' Court on the following among other grounds that may be urged by Counsel on their behalf:—

(*a*) that the said judgment is contrary to law and against the weight of evidence;

(*b*) that the learned trial Judge was satisfied that the Plaintiff-Respondent-Company was bankrupt by the end of 1960 but it is submitted that he had misdirected himself that the evidence both documentary and oral led in the case was not sufficient to establish a waiver and or abandonment;

(*c*) It is submitted that the learned Judge erred in law in holding that the time was not of the essence of the said agreement. The said agreement, it is submitted had in any event lapsed on the expiry of the said eighteen months and cannot be now enforced.

(*d*) It is submitted that the wrong complained of by the Plaintiff-Respondent was an act of the deceased Mudaliyar Madanayake and that the learned trial Judge was wrong in holding that the action could be maintained as presently constituted.

(*e*) In any event it is submitted that the transaction was vitiated by *laesio enormis* and that there was ample evidence on record to support that finding.

(*f*) The learned Judge had misdirected himself in taking the view that "once the lease had not been proceeded with the right to purchase this property in terms of the agreement yet remains". It is submitted that on a correct interpretaion of the relevant minute it was mutually agreed by the Company and the Vendor that the agreement to purchase was waived and/or abandoned and that in lieu thereof it was proposed that the Company should take a lease of the said premises. It has been proved that thereafter the proposed lease did not materialise whereupon the lease itself was abandoned. Such abandonment did not in law amount to a revival of the agreement and there was no fresh agreement for the sale of the premises in question.

(*g*) It is submitted that the main witness called by the Plaintiff-Company Gilbert Hewavitarane gave false evidence on the material points and contradicted himself from time to time. He was admittedly at one time insolvent and unable to pay his debts, and his statement that he was unaware of the withdrawal of the Partition actions by the Proctor for the Vendor who was also the then Chairman of the Board of Directors of the Company was completely false. The Company itself was the 2nd Defendant in the Partition Cases and the actions were withdrawn with the consent of the Company.

The learned Judge has found that the Company was Bankrupt and an examination of the events in chronological sequence, which the learned Judge has not done, necessarily leads one to the conclusion that the Partition actions were withdrawn for the reason that the proposed purchase was abandoned.

It is also submitted that the Plaintiff-Company had admittedly not paid the amount due to Debre & Company who had obtained a decree against the Company and it has been proved that according to the agreement of the Company with the firm of Messrs. Debre & Company that the machinery in the premises at the date of action was the absolute property of Debre & Company. The learned Judge has omitted in judgment to make any reference to this important fact.

(*h*) It is submitted that the above misdirections of the learned District Judge has led him to another misdirection in that the learned Judge took the view that time was not the essence of the contract and that the claim for specific performance was not time barred at the date of action. It is submitted that on a correct interpretation of the documents and the evidence in the case, the present action was time barred and not maintainable.

(*i*) It is submitted that the above misdirections of the learned Judge vitiate the entirety of this judgment and that his view that the possession of the said premises remained with the Company is inconsistent with the fact that thereafter the watcher of the premises was paid by the Vendor and not by the Company. In regard to possession, the Company led no evidence to support the plea of possession whereas the fifth Defendant and the watcher gave evidence that possession was by the Vendor and his heirs.

(*j*) The learned Judge makes no reference in his judgment to an argument on the basis of which the case for the Palintiff that the agreement to retransfer was put namely that the decision of the Board of Directors was of no legal effect as the decision had not been ratified by the shareholders at a general meeting. The proceedings in the case, the minute book produced and the addresses of Counsel refer to this contention. The said contention was untenable in law both with regard to the general law relating to Companies and on the Articles of Association of the Plaintiff's Company. It followed therefore that the main argument alleged for the Plaintiff's contention that the agreement to transfer was still alive failed. The contention also therefore failed but the learned Judge has accepted the argument and has made no reference to the Company Law on this point on which the Counsel for the Defendants-Appellants addressed the Court fully.

(*k*) It is submitted that it was only under colour of an injunction obtained by the Plaintiff-Respondent exparte that the Plaintiff got into possession in May 1964. The Defendants-Appellants were therefore entitled to (a) a decree for ejectment and damages in respect of the wrongful ouster and (b) a direction that order of learned District Judge made to the effect that status quo should stand.

(*l*) It is submitted that the learned District Judge should have rejected the evidence led for the Plaintiff-Company in support of their case and should have accepted the evidence led by the Defendants in support of their case.

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6-9-65
—*Continued*

(*m*) The amount due on Defendants' claim in reconvention was admitted and the learned District Judge should have given judgment for the Defendants on their claim in reconvention.

WHEREFORE these Defendants-Appellants prays that Your Lordships' Court in appeal be pleased to:—

(*a*) set aside the judgment of the learned District Judge;

(*b*) dismiss the Plaintiff-Respondent's action;

(*c*) enter judgment for the Defendants-Appellants as pleaded in their answer;

(*d*) for costs, and

(*e*) for such other and further relief as to Your Lordships' Court shall seem meet.

Signed:-Ben Samarasinghe,
Proctor for Defendants-Appellants.

No. 19

No. 19
Judgment of the Supreme Court—
10-5-69

JUDGMENT OF THE SUPREME COURT

HERATH MUDIYANSELAGE CHANDRAWATHIE MADANAYAKE & 5 others.

Vs.

THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

Present:— H. N. G. FERNANDO, C. J.
DE KRETSER, J.

Counsel:— H. W. JAYEWARDENA, Q.C. with BEN ELIYATAMBY for the Defendants-Appellants.

C. RANGANATHAN, Q.C. with B. J. FERNANDO for the Plaintiff-Respondent.

Argued on:— 7th, 8th and 21st December 1968, and 8th and 9th March, 1969

Decided on:— 10th May, 1969.

H. N. G. FERNANDO, C. J.

The Plaintiff-Company known as 'The Sinhalese Film Industrial Corporation, Limited' was formed in 1957, its principal object being to carry on the business of manufacturers, producers, dealers, exhibitors and distributors of cinematographic, talkie and television films and pictures.

One Mudaliyar Madanayake, a prominent business-man, now deceased, was one of the original shareholders and Directors of the Company, and the Minutes of the meetings of the Board of Directors indicated that the Company had been launched not only with the confidence that the venture would flourish, but also in a philanthropic spirit because of the expectation that its activities would promote the advancement of Sinhala art and the Sinhala language. Minutes of various meetings show that Madanayake was anxious to encourage a broad-based shareholding, so that a large section of the public could profit from the Company's undertakings, and that he had opposed the desire of some Directors to restrict shareholding to a comparatively small circle. Indeed subsequent events establish that Madanayake was willing to go to somewhat unusual lengths to foster the Company's early growth.

At a Directors' meeting of 27th February 1959, the following resolution was passed:—

"Resolved to enter into an agreement with Mudaliyar J. Madanayake to purchase the proposed Studio Site at Dalugama Kelaniya comprised of all those allotments of land as depicted in the Plan No. 496 of January 1956 and in the Plan No. 506 of 26. 3. 56 by S. H. Fernando Esquire, Licensed Surveyor for the sum of Rupees Forty Thousand (Rs. 40,000/-) according to the terms and conditions of the agreement and Mudaliyar J. Madanayake further agreed to invest 4,000 Ordinary Shares of the Corporation after signing of the Transfer. And further it was resolved to effect the signing of the agreement on 2.3.59 and hand over possession of the said entire site on the same day to the Chairman Mr. D. L. Gunasekera."

The Chairman referred to in these minutes was an experienced and respected Proctor, a fact which is of some importance in the consideration of subsequent events. The same minutes show that Mr. Gunasekera resigned his functions as Legal Adviser of the Company with effect from 27th February 1959. He however was a partner of the Firm of Messrs. Gunasekera and Perera, the second-named partner being one Mr. Hector Claude Perera.

In accordance with the resolution just mentioned, the Agreement P1 was signed on 2nd March 1959 by Madanayake as vendor, and by Gunasekera and Sherman de Silva on behalf of the Purchaser-Company, and was attested by Hector Claude Perera. It is necessary to reproduce 9 important provisions of this Agreement:—

(1) The Vendor shall sell and the Purchaser-Company shall purchase the said property and premises within a period of eighteen (18) months from the date hereof.

(2) The consideration for the said sale shall be the sum of Rupees Forty Thousand (Rs. 40,000/-) of lawful money of Ceylon.

(3) The Vendor undertakes to perfect the title of the said property and premises before the expiration of the said period at the cost and expense of the Vendor and the Purchaser-Company accepts the title of the Vendor when perfected as agreed upon between the Vendor and the Purchaser-Company.

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Judgment of the Supreme Court— 10-5-69
—*Continued*

(4) The Purchase shall be completed by the Purchaser-Company on or before the expiration of the said period of 18 months by tendering to the Vendor for completion a deed of conveyance of the said premises in favour of the Purchaser-Company in accordance with the provisions of this Vendor the said purchase price of Rupees Forty Thousand (Rs. 40,000/-).

(5) The Purchaser-Company shall be in possession of the said property and premises from the date hereof.

(6) The Purchaser-Company can put up any buildings of any kind permanent or temporary for the purpose of the Purchaser-Company.

(7) The Purchaser-Company shall pay to the Vendor at the execution of these presents a sum of Rupees Fifteen Thousand (Rs. 15,000/-) as part payment of the consideration mentioned herein.

(8) In the event of the Purchaser-Company failing, refusing or neglecting to Purchase the said property and premises when the title has been duly perfected by the Vendor as agreed upon the Vendor shall be entitled to forfeit the said sum of Rupees Fifteen Thousand (Rs. 15, 000/-) as and by way of liquidated damages and not by way of penalty.

(9) The Purchaser-Company shall bear and pay all expenses, stamp duties and other costs of and incidental to the preparation, execution and registration of the transfer in its favour and the expenses, stamp duty and other costs of and incidental to the preparation execution and registration of these presents shall be borne by the parties hereto in equal shares.

Possession of the land was given on 2nd March 1959 to the Directors on behalf of the Company, and it appears that the Company commenced certain building operations on the land almost immediately.

The Company's Balance Sheet for the year ended 31st March 1960 (P36) shows that by that date the Company had expended over Rs. 36,000/- in the erection of buildings on the land, and had purchased machinery and equipment at a cost of over Rs. 220,000/-. The Company has duly paid Rs. 15,000/- to Madanayake in part payment of the purchase-price for the land. The total of the Company's capital expenditure and of preliminary expenses was in excess of the amount realised at that stage by the issue of shares.

The minutes of the Board Meeting of 10th August 1960 show that it was resolved to accept, for the purpose of the Company's business, a loan from Madanayake of about Rs. 10,000/- and smaller loans from other Directors. The minutes of the meeting of 9th September 1960 and of 7th October 1960, show that further loans were obtained from the same three Directors. It is clear that some of these loans were required in order to enable the Company to pay instalments due to a French Export Firm for the cost of machinery purchased from that firm.

The minutes of the Board Meeting held on 9th November 1960 contained a paragraph, the meaning and construction of which is of the utmost importance for the purpose of this case:

"The question of settling the studio site at Dalugama was taken up and after a lengthy discussion the Board decided to switch on to a long lease of 50 years (fifty years) instead of purchasing outright, because the Board finds it not possible to pay the purchase price the balance being Rs. 25,000/- at this juncture owing to the non-availability of Company's funds. The Board further decided that a long lease of 50 years as good as proprietary holding and placed the entire matter of drawing up the necessary legal documents in the hands of the Chairman Mr. D. L. Gunasekera. Mudaliyar J. Madanayake also agreed that he will co-operate to the utmost by providing ample scope and facilities embodied in the Notarial Document or documents for the lease of the property of ten acres at Dalugama on which the Kalyani Studio is being built now."

It is necessary to note at this stage that the meeting on 9th November 1960 was unscheduled. The previous meeting had been held on 21st October 1960 and had been adjourned for 28th November 1960; but, in between, the meeting of 9th November was held at which the important 'decision' or 'discussions' reproduced above took place.

It is necessary now to revert to paragraph (3) of the agreement P1 of 2nd March 1959, by which Madanayake undertook to perfect the title of the property before a period of 18months from the date of the Agreement, i.e. before 3rd September 1960. The explanation revealed in the evidence for this undertaking was that the title held by Madanayake was what we commonly describe as 'village title', which depended upon conveyances of undivided interests in several small lands by many small-holders, and that it was accordingly necessary to institute several partition actions with a veiw to obtaining partition decrees which would confer a clear title on Madanayake. The Agreement contemplated that this result could be achieved by September 1960. It is not surprising that this expectation was not fulfilled.

In any event, a series of partition actions were instituted, the foundation for them having been laid by the device that on 23rd March 1959 Madanayake transferred a 1/8 share of his interests to one Herath. By the employment of this device Madanayake was able to institute partition actions with Herath as 1st Defendant, and against the Company as 2nd Defendant in virtue of its interests under the Sale Agreement P1. These Partition actions were not instituted until 27th April 1960, obviously because of the necessity to examine and sort out the numerous deeds upon which Madanayake's claim of title depended. The plaints themselves show that the land which Madanayake agreed to sell to the Company had formerly consisted of seven separate lands.

The plaints in all these partition actions were filed by the Firm of Gunasekera and Perera (i. e. D. L. Gunasekera and Hector Claude Perera) as Proctors for the Plaintiff Madanayake. By November 9, 1960, (on which date it will be remembered the Board recorded what I have described as a very important decision), summons in some but not all of these

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partition actions had been served on the Company as 2nd Defendant; but the Company had not filed its answers, nor perhaps was there need for such answers. In the cases in which summons had been served on the Company, the returnable date notified in the summons was 14th December 1960. The 1st Defendant Herath had been served with summons, and a proxy had been filed on his behalf in all these cases.

In each of the partition actions, the Proctors for the Plaintiff with the consent of the Proctor for the 1st Defendant filed motions on 18th November 1960 to withdraw the partition actions, and ultimately the actions were all dismissed on 14th December 1960. To state then the simple facts of the matter without at present referring to any of their implications, the decision of the Board of Directors as recorded in the minutes of 9th November 1960, to "switch on to a long lease of 50 years (instead of purchasing the land outright), because the Board finds it not possible to pay the purchase-price, the balance for Rs. 25,000/-" was followed 9 days later by the motion of Messrs. Gunasekera and Perera on behalf of the Plaintiff Madanayake in each of the partition actions, in consequence of which motions the actions were all dismissed in December 1960.

It is now necessary to refer to the minutes of the adjourned meeting of the Board held on 28th November 1960. These minutes indicated that the Board on this day sanctioned a payment of Rs. 105/- as legal fees to Messrs. Gunasekera and Perera for filing an action to recover a sum of Rs. 7,500/- due to the Company from one of its debtors. Paragraph 7 of the same minutes record a resolution to raise a loan to pay off advances received from the following Directors:

Mr. D. L. Gunasekera ..	..	Rs. 11,750/-
Mr. T. Liyanage ..	..	Rs. 19,000/-
Mudaliyar Madanayake ..	..	Rs. 30,949/-

It is common ground however, and subsequent balance sheets makes this clear, that these advances were not repaid and were still outstanding in 1964 when the present action commenced.

The minutes of the Board meeting held on 27th February 1961 are as follows:—

"1. At this meeting the Board considered the present position of the Corporation and decided to recommend to the shareholders to wind up the Corporation, then Mr. Gilbert Hewavitarane the Manager of the Corporation requested the Board to grant him time to bring more share holders with sufficient capital to carry out the balance work of the Corporation and this request was considered by the Board and the Manager was granted time till end of 31st July 1961 to make a report of his attempt and call a meeting after that.

2. After this discussion, the meeting was adjourned till 4th July 1961 at 5.00 p.m."

At the adjourned meeting on 4th July 1961, 1478 new shares were allotted, indicating that the Manager had had some little success in bringing in new capital. But a resolution passed at that meeting shows that the Board had little confidence in the Manager's promised efforts. It was decided at this meeting that in view of the Company's present financial position he should cease to be Manager, and that from 1st August 1961 Mudaliyar Madanayake would be Managing Director in an Honorary capacity; the former Manager was requested to hand over all books and assets to the new Managing Director. This meeting was adjourned for 12th July 1961 on which date it was resolved to request the Colombo Agencies Ltd., from whom a water cooling plant has been purchased, to store the plant in the Stores of the Agencies upon Mr. Madanayake's personal guarantee to pay for and take over the plant within a year. It was further resolved at this meeting to close the share list as from 31st July, 1961, another mark of the Manager's inability to bring in fresh capital. The minutes of the meeting of 18th August 1961 established that the studio site and the keys were handed over to Madanayake on that day.

No Meeting of the Board appears to have been held for several months after August 1961, but at a Meeting held on 20th June 1962, the Directors resolved to write to the Mercantile Credit Ltd. and Colombo Agencies Ltd. to call for tenders for the Water Cooling Plant. The Company's principal witness at the trial of the present action has admitted that the Water Cooling Plant, which had been purchased for a sum of Rs. 56,000/- had in fact been sold, although the date of this sale is not established by the evidence.

I have tried to recount above the history of the affairs of the Company and of its relations with Madanayake as established principally by the minutes of Board Meetings. All that is known of these affairs thereafter is that when Madanayake died in March 1963, the Company had not commenced to carry on the Film business for the purpose of which it had been formed.

On 11th July 1963 a meeting of the Board of Directors was held at an address in Hultsdorf, which was then not the registered office of the Company. Three Directors were present at this meeting and the former Manager acted as Secretary pro-tem. The Directors on this occasion resolved to transfer 1850 shares to certain new shareholders and to appoint two new Directors, one of whom was the former Manager. It was further resolved to change the address of the Company from 70, Old Kandy Road, Peliyagoda, to Kalyani Studio, Dalugama, which is the site of the land which had been the subject of the Sale Agreement of March 1959.

Further transfers of a large number of shares was authorised at a Board Meeting held in December 1963. On 28th January 1964 another new Director was appointed and he also became Managing Director. He was authorised "to proceed with the land matter pertaining to the Kalyani Studios land property".

On 27th January 1964 a Firm of Proctors purporting to act for the Company wrote the letter P18 to Mrs. Madanayake in her capacity as the administratrix of the Estate of the late Mudaliyar Madanayake. They referred in this letter to the sale Agreement of 2nd March 1959, and offered to pay the balance consideration of Rs. 25,000/- referred to in the said Agreement and demanded a conveyance of the land in terms thereof.

No. 19
Judgment of the Supreme Court—
10-5-69
—*Continued*

After subsequent correspondence between the parties, the Company filed the present action against the widow and the other heirs of Mudaliyar Madanayake, claiming specific performance of the sale Agreement on the payment of the balance sum of Rs. 25,000/-, and claiming in the alternative a sum of Rs. 400000/- as compensation for improvements. Several issues were framed on both sides, but apart from those which raised matters of fact for the decision of the Court, the principal defence set up was that the Plaintiff-Company had on or about 9th November 1960 resolved to rescind the sale Agreement and/or waive or abandon its rights under the Agreement.

The learned District Judge has entered decree for specific performance, and the Defendants have appealed against that decree.

The Defendants relied principally on the decision recorded in the minutes of the Board Meeting of November 9th 1960, at which Madanayake had been present. The learned Judge in considering this point took into account some evidence of the former Manager that Mr. D. L. Gunasekera had at some time forwarded a draft lease to Madanayake. Since no lease was in fact executed, the Judge observed that "for some reason or other it (the lease) had been dropped", and he held that "once the lease had not been proceeded with, the right to purchase this property in terms of the agreement yet remains". This finding appears to be one of law, whereas what the Defendants sought from the Court was first a finding of fact as to the intention of the parties, to be inferred from such facts as were proved at the trial.

Even if the finding of the trial Judge, that the right of the Company to purchase the property "remained" when the proposal for a lease was dropped, can be regarded as an inference of fact, it is by no means the only reasonable inference. If on November, 9th 1960, the Directors expressed inability to implement the sale Agreement, and decided as an alternative upon a long lease, the fact that the lease was not ultimately executed is also reasonably referable to a subsequent decision that the property be not taken on lease, or that the matter of the lease be deferred.

The Judge's finding in the judgment, against the Defendants' plea of rescission or abandonment of the Sale Agreement, preceded his consideration of the fact that the several partition actions were withdrawn very soon after November 9th, 1960. Those actions were quite obviously filed in pursuance of Madanayake's undertaking in the Sale Agreement to clear the title. Their withdrawal indicates at the lowest an understanding on the part of Madanayake that he need no longer carry out that undertaking and there is not in the evidence the slightest suggestion that he acted otherwise than in good faith in having the partition actions withdrawn.

The Board's decision gave a Mandate to the Chairman, Mr. D. L. Gunasekera, to arrange with Madanayake for a lease of the property "instead of purchasing outright". Almost immediately thereafter the Firm of Proctors, of which Gunasekera was the senior partner, moved to withdraw the partition actions. This again, at the lowest, indicates Gunasekera's understanding of the Board's decision; his own good faith has not been questioned in any way.

The opinion of the learned Judge, concerning the matter of the withdrawal of the partition actions, is "it may well be that the parties thought of having the transaction of sale or lease without the title being perfected". With respect, it was unreasonable to attribute to the Company's Directors an intention to retain the right to purchase the property while at the same time waiving its right to a clear title. But if the intention of the Directors was only to take a lease, the pendency of the partition actions could have created a doubt as to the validity of such a lease; thus the motions to withdraw those actions are fairly referable to the object of avoiding an anticipated objection to the validity of a lease of the property.

I agree with the argument of Counsel for the Company that Mr. Gunasekera's action in withdrawing the partition actions does not in law bind the Company by reason of the fact that he was the Chairman of the Board. But as a matter of fact, the conduct of Gunasekera and Madanayake, both of whom were obviously acting in the best interests of the Company, renders it highly probable that the Directors no longer intended to implement the sale Agreement. While there is no evidence to show positively that the Directors were aware of the withdrawal of the partition actions, there is on the other hand no reason to suppose that the withdrawal was done behind the backs of the Directors or with any intention to prejudice the Company's rights. I must point out in this connection that the Sale Agreement was attested by the junior partner of the firm of Gunasekera and Perera — a fact which might justify the inference that the firm then acted on behalf of the Purchaser-Company. Again the minutes of the meeting of 28th November 1960 show that the same firm acted at that stage as proctors for the Company. These two matters might well have justified a finding that the Company's lawyers were aware of the withdrawal of the partition actions. At the least, it is clear that the actions were withdrawn by the firm of proctors, the senior partner of which was Mr. Gunasekera, to whom the Directors had given a mandate by the decision of November 9th 1960 to negotiate a lease.

Consideration of the financial position of the Company in November 1960 lends much support for the opinion that the decision of November 9th 1960 meant just what its terms state, namely that the Directors resolved not to complete the Sale Agreement, and instead to take a lease of the property. The vendor Madanayake was present at this meeting and acquiesced in the decision. In effect, the Company at this meeting repudiated the sale Agreement, and Madanayake accepted the repudiation. Although the issues do not specifically raise the defence of repudiation, the grounds of waiver, rescission and abandonment are in my opinion wide enough to include the ground of a repudiation in fact. Madanayake was informed in sufficiently clear terms that the Company did not intend to carry out its obligation under the Agreement to pay the balance purchase price of Rs. 25,000/- or to claim its right to a conveyance of the property. The fact that all this took place amicably and with Madanayake's consent does not alter the legal effect of what took place. Madanayake's acquiescence only had the consequence that he lost his right to enforce the forfeiture clause in the Agreement in respect of the advance of Rs. 15,000/- which had been paid to him in March 1959.

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—*Continued*

The Company's Balance Sheet for the year ending 31st March 1959 shows a fixed asset of a sum of Rs. 15,000/- as "Advance on the Studio site", and an explanatory note refers to the Sale Agreement for the purchase of the site for Rs. 40,000/-, of which Rs. 15,000/- had been paid in advance. The position was presented differently in the Balance Sheet for the year ending 31st March 1960; here the Studio site at cost Rs. 40,000/- is shown as a fixed asset, and the balance of the purchase-price is shown as a liability to Mudaliyar Madanayake - Rs. 25,000/-. Whether this be correct accounting practice or not, this Balance Sheet indicates that the Studio site was then regarded as a Company asset, subject to the liability to pay the balance purchase price. Yet the next Balance sheet, for the year ending 31st March 1961, does not show the Studio site as an asset, but instead shows the Rs. 15,000/- advance as a current asset held by Madanayake. There is thus confirmation of the Defendants case that after November 1960, the Directors did not regard the Sale Agreement as being effective to entitle the Company to conveyance of the property.

The deterioration of the Company's financial position after 1960 is shown by the Directors' consideration of a winding-up, but the discontinuance of the paid Manager, by the inability to pay for the Water Cooling Plant and the subsequent decision to sell it, and by the decision to close the share-list. It is further shown by the fact that the Company, even while evidence in this action was being recorded, had not yet commenced any operations connected with the Film industry, and was forced to allow equipment and buildings which had cost over Rs. 250,000 to remain idle for many years. Debts of about Rs. 60,000 to former Directors, and of Rs. 91,000 to the French firm, remain yet unpaid. It is easy to understand why in these circumstances no step was taken by Mr. Gunasekera to proceed with the execution of the proposed lease, which itself would have involved the Company in further financial liabilities. The repeated assertions in evidence by the former Manager that the Directors never abandoned the idea of purchasing the property appear quite absurd in the face of the fact that during the entire period preceding Madanayake's death the Company never had the funds necessary to complete the purchase. The trial Judge himself did not in his judgment rely on the truth of the former Manager's assertions, so that the occasion does not here arise for us to disagree with any opinion of the trial Judge as to the credibility of oral evidence.

Counsel for the Company argued that the Directors would not have surrendered the Company's right to a conveyance in consideration of Madanayake's mere oral and unenforceable promise to execute a lease of the property. The simple answer to this argument is that the Directors did have complete confidence in Madanayake's promise; in addition to purchasing shares, he had by this time given loans to the Company of about Rs. 30,000/- and he appears to have been the Director most interested in the progress of the Company. The Directors could have had no reason whatsoever to fear that the promise might not be fulfilled.

Counsel also relied on the finding that since March 1959 and up to the time of Madanayake's death the Company had been in possession of the property which it had agreed to buy. This possession, it was argued, is referable to the continued intention of the parties even after November 1960 that the Company retained the right to purchase the property. But the possession

is referable equally to an intention to take a lease. Moreover, there is evidence not rejected by the trial judge, that the produce of the property was taken by Madanayake; and the Company's accounts do not show that the Company ever received any income from the sale of this produce. While there can be no doubt that Madanayake's custody of the keys of the buildings on the land was referable to his position as Managing Director of the Company, his possession of the land itself (10 acres in extent) and his taking of the produce is easily referable to his own ownership of the property.

In all the circumstances of this case, it is scarcely necessary to remind oneself of the principle that a claim against the estate of a deceased person must be considered with "great care" and "jealousy" (*Murugappa Chettiar* v. *Muththal Achy*, 58 N. L. R. 25). It suffices to observe in the present context that Madanayake could in perfect good faith have considered himself competent to convey a valid title to this property, despite the fact that the sale Agreement P1 had not been formally cancelled.

I hold for these reasons that the action for specific performance of the contract must fail on the ground that the Plaintiff-Company repudiated the Sale Agreement.

There remain the Defendants' counter-claim for a sum of Rs. 35,922/61 due from the Company to Mudaliyar Madanayake at the time of the latter's death, and the Plaintiffs alternative claim for compensation for improvements. As regards the counter-claim, the learned Judge held that the sum should be recovered in the Testamentary Action in which the estate of Madanayake is administered; alternatively this sum may be recovered in a separate action by the Administrator of the estate, and in any event the advance of Rs. 15,000/- held by Madanayake under the Agreement P1 will have to be set off against this sum.

The learned Judge reached no finding as to the amount properly due to the Plaintiff as compensation. An assessment of this amount will have to be made when the record is returned to the District Court. I should however observe that the Plaintiff did not lead evidence to establish that the machinery installed on the land were fixtures. That being so, the Plaintiff will be entitled to remove all the machinery and any other movables belonging to the Company, and no compensation can be claimed on this account. Compensation should therefore be assessed only in respect of the Laboratory Building and the Sound Theatre Building.

The further question whether the Plaintiff is entitled to a *jus retentionis* until payment is made of the sum assessed as compensation for improvements will also have to be decided by the District Court.

The appeal of the Defendants is allowed with costs in both Courts, and the decree of the District Court is set aside. The case is now remitted to the District Court for trial and determination by another Judge of the issues relating to compensation and the *jus retentionis*.

Sgd. H. N. G. FERNANDO
Chief Justice.

De Kretser, J.

I agree.

Sgd. O. L. DE KRETSER
Puisne Justice.

No. 20
Decree of the Supreme Court—
10-5-69

No. 20

DECREE OF THE SUPREME COURT

ELIZABETH THE SECOND, QUEEN OF CEYLON AND OF HER OTHER REALMS AND TERRITORIES, HEAD OF THE COMMONWEALTH

IN THE SUPREME COURT OF THE ISLAND OF CEYLON

THE SINHALESE FILM IIDUSTRIAL CORPORATION LTD., of "Kalyani Studios", Dalugama, Kelaniya.

Plaintiff.

Vs.

HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE the Administratrix of the intestate estate of MUDALIYAR JAYASENA MADANAYAKE, also called and known as MADANAYAKEGE JAYASENA of "Kalyani", Peliyagoda, and others.

Defendants.

S.C. 454/65 (F)

HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE of "Kalyani", Peliyagoda, and others.

Defendants-Appellants.

Against

THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., of "Kalyani Studios", Dalugama, Kelaniya.

Plaintiff-Respondent.

Action No. 1265/ZL. District Court of Colombo.

This case coming on for hearing and determination on the 7th, 8th, 21st December, 1968 and 8th, 9th March, 1969 and 10th May, 1969, upon an appeal preferred by the Defendants-Appellants before the Hon. Hugh Norman Gregory Fernando, Chief Justice and the Hon. Oswald Leslie de Kretser, Puisne Justice, of this Court, in the presence of Counsel for the Defendants-Appellants and the Plaintiff-Respondent.

No. 20
Decree of the Supreme Court—
10-5-69
—*Continued*

It is considered and ajdudged that the appeal of the Defendants be and the same is hereby allowed with costs in both Courts, and the decree of the District Court is set aside. The case is sent to the District Court for trial and determination by another Judge of the issues relating to compensation and the *jus retentionis*.

(*Vide* copy of Judgment attached.)

Witness the Hon. Hugh Norman Gregory Fernando, Chief Justice at Colombo, the 26th day of May, in the year One Thousand Nine Hundred and Sixty Nine and of Our Reign the Eighteenth.

Signed: C. E. W. de ALWIS
Deputy Registrar, Supreme Court.

No. 21

No. 21
Application for Conditional Leave to Appeal to the Privy Council
3-6-69

APPLICATION FOR CONDITIONAL LEAVE TO APPEAL TO THE PRIVY COUNCIL

IN THE SUPREME COURT OF THE ISLAND OF CEYLON

IN THE MATTER OF AN APPLICATION FOR CONDITIONAL LEAVE TO APPEAL TO HER MAJESTY THE QUEEN-IN-COUNCIL UNDER THE PRIVY COUNCIL APPEALS ORDINANCE CHAPTER 100, LEGISLATIVE ENACTMENTS.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED OF "Kalyani Studio", Dalugama, Kelaniya.

Plaintiff-Respondent-Petitioner.
(hereinafter referred to as the "Petitioner")

Vs.

S.C. Application No. 318/69

1. HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE in her personal capacity as well as the Administratrix of the intestate estate of MUDALIYAR JAYASENA MADANAYAKE also called and known as MADANAYAKE JAYASENA of "Kelani", Peliyagoda,

2. SIRINATHA KUMARADASA MADANAYAKE of "Kelani", Peliyagoda,

No. 21
Application for Conditional Leave to Appeal to the Privy Council
3-6-69
—*Continued*

3. DHARMAWANSA SIRIPALA MADANAYAKE of No. 93, Rosemead Place, Colombo 7,

4. IRANGANI HEMAMALI WIJEWARDENA (nee MADANAYAKE) of No. 100, Horton Place, Colombo,

5. UPALIGOTABHAYA MADANAYAKE, and

6. MALINI SOMAKUMARI KOTAGAMA (nee MADANAYAKE) both of "Kelani", Peliyagoda.

Defendants-Appellants-Respondents
(hereinafter referred to as "Respondents")

To:

HIS LORDSHIP THE HONOURABLE THE CHIEF JUSTICE AND THE HONOURABLE JUDGES OF THE SUPREME COURT OF THE ISLAND OF CEYLON

On this 3rd day of June, 1969.

The Petition of the Plaintiff-Respondent-Petitioner (hereinafter referred to as the "Petitioner") abovenamed appearing by PLACIDUS EDWIN SAMSON WIJEYESEKERA and with his Assistant MISS MANOMANI HIRANTHI AMARASEKERA its Proctors states as follows:—

1. The Petitioner instituted this action and prayed for Judgment and Decree against the Respondents:—

(*a*) that the Petitioner-Company be declared entitled to specific performance of the Agreement No. 342 dated 2nd March, 1959 attested by H. C. Perera Notary Public and the Respondents be ordered and decreed to execute a valid conveyance in favour of the Petitioner-Company of the said land and premises fully described in the Schedule hereto on payment of the balance sum of Rupees Twenty Five Thousand (Rs. 25,000/-);

(*b*) in the alternative (i) in the event of the Petitioner-Company being held not entitled to specific performance as hereinbefore prayed for that the Respondents be ordered and decreed to pay to the Petitioner-Company a sum of Rs. 400,000/- or such other sum as the Court shall determine as Compensation for improvements;

(ii) that the Petitioner-Company be declared entitled to *jus retentionis* of the said property and premises with the improvements thereon until the payment in full of the said Compensation awarded to the Petitioner-Company;

(iii) that the Respondents be ordered and decreed to pay to the Petitioner-Company a sum of Rs. 400,000/- as damages claimed as aforesaid;

(*c*) that the Respondents their agents servants and other persons acting through or under them be restrained by injunction from entering upon or into the said buildings and premises and/or disturbing or hindering the quiet possession user and enjoyment of the same by the Petitioner-Company and its agents servants, workmen and person claiming through or under it and/or committing any other act in violation of the Petitioner-Company's rights to the possession, enjoyment and user of the said property buildings and premises pending the final determination of this action;

(*d*) for costs, and

(*e*) for such other and further relief in the premises as to that Court shall seem meet.

2. The Respondents filed answer and prayed that the action be dismissed and further *inter alia* prayed in reconvention for judgment against the Petitioner:—

(*a*) for an injunction restraining the Petitioner-Company its agents servants from putting up extensions and new buildings on the said lands and installing, equipment, plant and machinery thereon;

(*b*) for damages on the 1st claim in reconvention in the sum of Rs. 5,000/- and Rs. 100/- a month from 30th May 1964 as aforesaid with legal interest thereon from date hereof until payment in full;

(*c*) that Judgment be entered in favour of the Respondents on the 2nd claim in reconvention for the sum of Rs. 35,922/61 with legal interest thereon until payment if full;

3. The learned Additional District Judge of Colombo entered Judgement for Petitioner as prayed for in paragraph (a), (c) and (d) above and held that in view of such decree other prayers does not arise for adjudication.

4. The Respondents appealed therefrom to your Lordships' Court.

5. Your Lordship's Court by its Judgement and Decree pronounced and delivered on 10th May 1969 allowed the appeal with costs in both Courts and the decree of the District Court was set aside. Your Lordships' Court has further ordered that case be remitted to the District Court for trial and determination of the issues relating to compensation and the *jus retentionis*.

6. The Petitioner is desirous of appealing thereform to Her Majesty in Council.

7. The said Judgment is a final Judgement in a Civil Suit or action and the matter in dispute amounts to and is upwards of Rs. 5,000/- and the appeal involves directly and indirectly claims or questions exceeding Rs. 5,000/- in value.

8. Both the Petitioner and its Proctor in terms of Rule 2 of the Schedule to the Privy Council Appeals Ordinance, has within fourteen days from the date of the above judgment duly given the Respondents notice by Registered Post of its intended application to this Court for Leave to Appeal to Her Majesty-in-Council.

WHEREFORE THE PLAINTIFF-RESPONDENT-PETITIONER PRAYS THAT YOUR LORDSHIPS' COURT BE PLEASED TO:

(*a*) Grant the Petitioner Conditional Leave to Appeal to Her Majesty the Queen-in-Council against the Judgment of this Court dated 10th May 1969;

(*b*) for costs; and

(*c*) for such other and further relief as to Your Lordships' Court shall seem meet.

Sgd. P. E. S. WIJEYESEKERA
Proctor for Plaintiff-Respondent-Petitioner

THE SCHEDULE ABOVE REFERRED TO

1. All those several allotments of land called OWITA of the Field WELIKETIYEKUMBURA, WANATA, MILLAGAHAKUMBURA, MILLAGAHAWATTA, PELENGAHAKUMBURA, MILLAGAHAPILLAWA, HIGH LAND of MULLEKUMBURA and MULLEKUMBURA described as Lots 1 to 15 in Plan No. 496 dated 8th and 9th January 1956 made S. H. Fernando Licensed Surveyor situated at Dalugama in the Adicari Pattu of Siyane Korale in the District of Colombo Western Province and bounded on the NORTH by High Road to Kandy, Land of K. W. A. Hemapala and K. W. A. Abeysena, Lands of Abilinu Saram, D.F.J. Perera, Peduru Perera, on the EAST by Paddy Land of Peduru Perera, Land of S. A. K. W. Perera, lands of Marshal Perera and others, Land of D. D. S. Abeysekera, Land of M. A. J. Dias and the Land of Jamis, on the SOUTH by Ela Kurundugaha-Kumbura and Paddy Land of the Gan Aratchi, Paddy Lands of Barlan and Charlishamy and on the WEST by Land of B. W. Dias and the Paddy Land of Aron and containing in extent EIGHT ACRES, ONE ROOD and THIRTY TWO decimal TWO PERCHES (A8 - R1 - P32.2) according to the said Plan No. 496 which said land is comprised of the lands registered in folios C 200/61, 205/141, 225/35, 237/115, 128/270, 203/294, 232/180, and 136/228.

2. All that allotment of land called KURUNDUGAHA KUMBURA situated at Dalugama aforesaid and bounded on the NORTH by an Ela, on the EAST by Mulle Kumbura of Mudaliyar Madanayake, on the SOUTH by Paddy Land known as Muttettuwa and on the WEST by Mudun Ela and Pelengaha Kumbura of Mudaliyar Madanayake and containing in extent ONE ACRE, ONE ROOD and FOURTEEN PERCHES (A1 - R1 - P14) according to Plan No. 506 dated 26th March, 1936 made by S. H. Fernando Licensed Surveyor which said land is comprised of the land registered in Folios C 324/125, 326/109, and 240/102.

Sgd. P. E. S. WIJEYESEKERA
Proctor for Plaintiff-Respondent-Petitioner

Settled by:

Sgd. B. J. Fernando,
Advocate

No. 22

No. 22
Judgment of the Supreme Court Granting Conditional Leave to Appeal to the Privy Council—4-10-69

JUDGMENT OF THE SUPREME COURT GRANTING CONDITIONAL LEAVE TO APPEAL TO THE PRIVY COUNCIL

IN THE MATTER OF AN APPLICATION FOR CONDITIONAL LEAVE TO APPEAL TO THE PRIVY COUNCIL

S. C. Application No. 318/69.

Before:— SIRIMANE, J. & DE KRETSER, J.

Counsel:— B. J. FERNANDO for the petitioner.

H. W. JAYAWARDENE, Q. C. with BEN ELIYATAMBY for the respondent.

Argued on:— September 21 & 22, 1969.

Decided on:— October 4, 1969.

SIRIMANE, J.

This is an application for Conditional Leave to Appeal to the Privy Council.

The Plaintiff claimed that he was entitled to specific performance of an agreement for the sale of immovable property. That was his principal claim. In the event of that claim being disallowed, he prayed for compensation for certain improvements that he had effected on the property of which he was in possession.

The District Court held that the Plaintiff was entitled to specific performance and, therefore, did not assess the quantum of compensation to which the Plaintiff might have been entitled had the Plaintiff's principal claim failed.

In appeal, this Court reversed the finding of the District Court and held that the Plaintiff was not entitled to claim specific performance. A decree has been entered on that basis. This Court also decided on the improvements for which the Plaintiff was entitled to compensation and sent the case back, to the District Court with directions to assess the amount to which the Plaintiff would be entitled.

The Plaintiff applies for Conditional Leave to Appeal to the Privy Council against the judgment refusing specific performance, and the Defendants object.

It is contended for the Defendants that the judgment of this Court is not a final judgment within the meaning of Rule 1(a) of the Schedule to the Appeals (Privy Council) Ordinance, Chapter 100. Whether a judgment is final or not in relation to the matter in dispute between the parties is a question of fact. But it is not always an easy question to decide.

No. 22
Judgment of the Supreme Court Granting Conditional Leave to Appeal to the Privy Council—4-10-69
—*Continued*

In Perera Vs. Mohamed Yoosoof (32 N. L. R. 285) relied on by the Defendant, the Plaintiffs claimed that the land sold to the Defendants' predecessors was subject to the *fidei commissum* in their favour; there were other questions involved, e.g. questions relating to improvements, compensation, and damages. The parties had agreed that certain issues should be tried first.

The District Court held that there was no *fidei commissum*, and that the Defendant had acquired title by prescription. In appeal it was held that there was a valid *fidei commissum*, and the case was sent back for a decision on the other matters. In an application for leave to appeal, Lyall grant, J. (with whom Drieberg, J. agreed) held that the judgment of the Supreme Court was not a final judgment. He said,

> "In the present case very much more remains to be done than mere accounting."

and made it clear that the view expressed on the question of the finality of the judgment referred to the facts of that case only.

Thereafter this question had been referred to a Bench of three Judges, in Mohamed Sheriff vs. Muttunatchia (33 N.L.R. 379).

> Garvin, J. said in the course of that judgment, "Now, there is ample authority for the proposition that a judgment of this Court may be a final judgment within the meaning of Rule 1(a) notwithstanding that before the action or proceeding is completely disposed of some further inquiry may be necessary, such, for instance, as taking of an account or the computation of the amount payable by one party to the other upon the basis of their respective right or rights as determined by the judgment of this Court."
>
> He also said,
>
> "Similarly, an order which finally determines the rights of the parties though it does not completely dispose of the action in that it necessitates further proceedings upon the basis of the rights as determined by the judgment in appeal, may be a final judgment."
>
> Drieberg, J. was one of the Judges in that case.

That decision was followed in the Ceylon Exports Ltd. Vs. Abeysundere and another (13 C.L.R. 80). The Appeal Court decided the question of title and sent the case back to the lower Court for further inquiry as to the precise identity of certain parcels of land, and whether the Defendant was entitled to compensation. The Court held that the principal point in issue was the question of title, and the decision on that point was a "final judgment."

Mr. Jayawardene, for the Defendants, also relied on a decision of the Privy Council in a case from Rangoon, Abdul Rahuman vs. Cassim and sons (1933, A. I. R. Privy Council, 58), but I think the facts in that case are quite easily distinguishable. A Company brought a suit for damages against two

named Defendants, but became insolvent during the pendency of the suit. According to the procedure of the Courts in that country, a Deputy Registrar had directed that the Official Assignee "be brought on the record as Plaintiff." The official assignee stated that the insolvent had not furnished him with security, and the case had been placed before the Judge for an order of dismissal, which was accordingly entered. There was, therefore, no adjudication at all of the rights of the parties. The Company appealed against the order of dismissal and contended that it was entitled to continue the suit as the claim for damages was not property which vested in the assignee under the Insolvency Act. The High Court thereupon set aside the order of dismissal and remitted the case for trial on the merits.

One of the Defendants applied for Leave to Appeal to the Privy Council against this order. It was in these circumstances that the Privy Council said (at page 60):

> "If, after the order, the suit is still alive suit in which the rights of the parties have still to be determined, no appeal lies against it under section 109(a) of the Code."

But that very judgment shows that when "the cardinal point" in a case is decided and only subsidiary points remain for decision, an appeal would lie.

In the present case, only the question of the quantum of compensation remains to be determined. If the petitioner is satisfied with the amount awarded, it would be futile for him to appeal against that order and an appeal against the present judgment at that time may very well be out of time as provided by Rule 2 of the Schedule to Chapter 100.

We might also mention that when Counsel for the Defendants expressed a fear that he may have to face another appeal to the Privy Council on the quantum of damages, Plaintiff's Counsel gave an undertaking that there would be no such appeal as his real claim was one for specific performance.

We are of the view that the finality contemplated in Rule 1(a) of the Schedule to Chapter 100 refers to the finality of the "matter in dispute" which must exceed Rs. 5,000/- in value. It does not mean that in every case, the party affected by the judgment must await the assessment of the amount of compensation, which is a subsidiary matter, and does not affect the judgment sought to be appealed against.

We think that the application should be allowed, and Conditional Leave to Appeal is granted subject to the usual conditions.

The Petitioner is entitled to costs of this application.

Signed. A. L. S. SIRIMANE,
Puisne Justice.

DE KRETSER, J.

I agree.

Signed. O. L. DE KRETSER.
Puisne Justice.

No. 23
Minute of Order Granting Conditional Leave to Appeal to the Privy Council—4-10-69

No. 23

MINUTE OF ORDER GRANTING CONDITIONAL LEAVE TO APPEAL TO THE PRIVY COUNCIL

IN THE SUPREME COURT OF THE ISLAND OF CEYLON

In the matter of an application for Conditional Leave to Appeal to the Privy Council under the Rules set out in the Schedule to the Appeals (Privy Council) Ordinance (Cap. 100).

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED of "Kalyani Studio", Dalugama, Kelaniya. 10

S. C. No. 454/(F)/1965.

D. C. Colombo Case No. 1265/ZL.

S. C. Application No. 318/69 (Conditional Leave)

(Plaintiff-Respondent) Petitioner.

Vs.

1. HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE in her personal Capacity as well as the Administratrix of the intestate estate of MUDALIYAR JAYASENA MADANAYAKE, also called and known as MADANAYAKE JAYASENA of "Kelani", Peliyagoda, 20
2. SIRINATHA KUMARADASA MADANAYAKE of "Kelani", Peliyagoda, 30
3. DHARMAWANSA SIRIPALA MADANAYAKE of No. 93, Rosemead Place, Colombo 7.
4. IRANGANI HEMAMALI WIJEWARDENA (*nee* Madanayake) of No. 100, Horton Place, Colombo.
5. UPALI GOTABHAYA MADANAYAKE, and
6. MALINI SOMAKUMARI KOTAGAMA (*nee* Madanayake) both of "Kelani", Peliyagoda. 40

(Defendants-Appellants) Respondents.

No. 23
Minute of Order Granting Conditional Leave to Appeal to the Privy Council—4-10-69
—*Continued*

The application of The Sinhalese Film Industrial Corporation Limited of "Kalyani Studios", Dalugama, Kelaniya for Conditional Leave to Appeal to Her Majesty the Queen-in-Council from the Judgment and Decree of the Supreme Court of the Island of Ceylon dated the 10th day of May, 1969 in S. C. 454 (Final) of 1965 D. C. Colombo Case No. 1265/ZL having been listed for hearing and determination before the Honourable Albert Lionel Stanley Sirimane, Puisne Justice and the Honourable Oswald Leslie de Kretser, Puisne Justice, in the presence of B. J. Fernando Esquire, Advocate for the (Plaintiff-Respondent) Petitioner and H. W. Jayewardene Esquire, Q. C., with Ben Eliyatamby Esquire, Advocate for the (Defendants-Appellants) Respondents, Order has been made by Their Lordships on the 4th day of October, 1969 allowing the aforementioned application for Conditional Leave to Appeal to Her Majesty the Queen-in-Council with costs payable to the Petitioner.

(Sgd.) N. NAVARATNAM.
Registrar of the Supreme Court.

No. 24

No. 24
Application for Final Leave to Appeal to the Privy Council—20-10-69

APPLICATION FOR FINAL LEAVE TO APPEAL TO THE PRIVY COUNCIL

IN THE SUPREME COURT OF THE ISLAND OF CEYLON

In the matter of an application for Final Leave to Appeal to Her Majesty-in-Council in S.C. No. 454/1965, D.C. Colombo Case No. 1265/ZL.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED of "Kalyani Studios", Dalugama, Kelaniya.

Plaintiff-Respondent-Petitioner
(hereinafter referred to as the "Petitioner")

S.C. Application No. 708/69

Vs.

1. HERATHMUDIYANSELAGE CHANDRAWTHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE in her personal capacity as well as the Administratrix of the intestate estate of MUDALIYAR JAYASENA MADANAYAKE, also called and known as MADANAYAKE JAYASENA of "Kelani", Peliyagoda,

2. SIRINATHA KUMARADASA MADANAYAKE of "Kelani", Peliyagoda,

No. 24
Application for Final Leave to Appeal to the Privy Council—20-10-69
—*Continued*

3. DHARMADASA SIRIPALA MADANAYAKE of No. 93, Rosemead Place, Colombo 7,

4. IRANGANI HEMAMALI WIJEWARDENA *nee* MADANAYAKE) of No. 100, Horton Place, Colombo 7,

5. UPALI GOTABHAYA MADANAYAKE, and

6. MALINI SOMAKUMARI KOTAGAMA (nee MADANAYAKE) both of "Kelani", Peliyagoda.

Defendant-Appellants-Respondents.
(hereinafter referred to as "Respondents").

To:

HIS LORDSHIP THE HONOURABLE THE CHIEF JUSTICE AND THE OTHER HONOURABLE JUDGES OF THE SUPREME COURT OF THE ISLAND OF CEYLON.

On this 20th day of October, 1969.

The Petition of the Plaintiff-Respondent-Petitioner abovenamed appearing by PLACIDUS EDWIN SAMSON WIJEYESEKERA and his Assistant MISS MANOMANI HIRANTHI DE ALWIS AMARASEKERA, its Proctors states as follows:—

1. The Petitioner on the 4th day of October 1969 obtained Conditional Leave from this Honourable Court to appeal to Her Majesty-in-Council against the Judgment of this Court pronounced on the 10th day of May, 1969 in the aforementioned case.

2. The Petitioner in compliance with the conditions on which such leave was granted:—

(*a*) has deposited with the Registrar of this Honourable Court a sum of Rupees Three Thousand (Rs. 3,000/-) as security for the due prosecution of the said appeal and the payment of all such costs as may become payable to the Respondents in the event of the Petitioner not obtaining an order granting Final Leave to Appeal or of the Appeal being dismissed for non-prosecution or of Her Majesty the Queen-in-Council ordering this Petitioner to pay the Respondents' costs (as the case may be);

(*b*) has duly hypothecated the said sum of Rupees Three Thousand (Rs. 3,000/-) by Bond dated the 16th day of October, 1969, to and in favour of the said Registrar;

(*c*) has deposited with the said Registrar a sum of Rupees Three Hundred (Rs. 300/-) in respect of the amount and fees mentioned in Section 4(2) (b) and (C) in the Appeals (Privy Council) Ordinance;

(*d*) has lodged with the said Registrar the stamps for the duty payable in respect of the Registrar's Certificate in appeal to the Queen-in-Council at the same time at which Security was given for the prosecution of the said appeal;

No. 24 Application for Final Leave to Appeal to the Privy Council— 20-10-69 —*Continued*

(*e*) has duly complied with all conditions:

3. The Petitioner has given notice of this application for Final Leave to Appeal to Her Majesty-in-Council by sending on this day by registered post to each one of the Respondents and their Proctor, copies of this Petition and the Affidavit filed herewith.

WHEREFORE THE PLAINTIFF-RESPONDENT-PETITIONER PRAYS:—

that Your Lordships' Court be pleased to grant Final Leave to Appeal to Her Majesty-in-Council against the said Judgment of this Court pronounced on the 10th day of May, 1969 for costs and for such other and further relief as to Your Lordships' Court shall seem meet.

Sgd. P. E. S. WIJEYESEKERA
Proctors for Plaintiff-Respondent-Petitioner

Settled by

Sgd. B. J. Fernando
ADVOCATE.

No. 25

No. 25 Minute of Order Granting Final Leave to Appeal to the Privy Council— 30-10-69

MINUTE OF ORDER GRANTING FINAL LEAVE TO APPEAL TO THE PRIVY COUNCIL

IN THE SUPREME COURT OF THE ISLAND OF CEYLON

In the matter of an application for Final Leave to Appeal to the Privy Council under the Rules set out in the Schedule to the Appeals (Privy Council) Ordinance (Cap. 100).

S.C.No. 454(F)/1965

D.C.Colombo Case
No. 1265/ZL.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED of "Kalyani Studios", Dalugama, Kelaniya.

(*Plaintiff-Respondent*)
PETITIONER

No. 25
Minute of Order Granting Final Leave to Appeal to the Privy Council—
30-10-69
—Continued

S.C.Application
No. 318/69
(Conditional Leave)

Vs.

S.C. Application
No. 708/69
(Final Leave)

1. HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE in her personal capacity as well as the Administratrix of the intestate estate of MUDALIYAR JAYASENA MADANAYAKE, also called and known as MADANAYAKE JAYASENA of "Kelani", Peliyagoda,
2. SIRINATHA KUMARADASA MADANAYAKE of "Kelani", Peliyagoda,
3. DHARMAWANSA SIRIPALA MADANAYAKE of No. 93, Rosemead Place, Colombo 7,
4. IRANGANI HEMAMALI WIJEWARDENA (*nee* MADANAYAKE) of No. 100, Horton Place, Colombo,
5. UPALI GOTABHAYA MADANAYAKE, and
6. MALINI SOMAKUMARI KOTAGAMA (*nee* MADANAYAKE) both of "Kelani", Peliyagoda.

(*Defendants-Appellants*)
Respondents

The application of The Sinhalese Film Industrial Corporation Limited of "Kalyani Studios," Dalugama, Kelaniya for Final Leave to Appeal to Her Majesty the Queen-in-Council from the judgment and decree of the Supreme Court of the Island of Ceylon dated the 10th day of May, 1969 in S.C. 454 (Final) of 1965 D.C. Colombo Case No. 1265/ZL, having been listed for hearing and determination before the Honourable Albert Lionel Stanley Sirimane, Puisne Justice and the Honourable Oswald Leslie de Kretser, Puisne Justice, in the presence of B. J. Fernando Esquire, with Gamini Dissanayake Esquire, Advocates for the (Plaintiff-Respondent) Petitioner and Ben Eliyatamby Esquire, Advocate for the (Defendants-Appellants) Respondents, Order has been made by Their Lordships on the 30th day of October, 1969 allowing the aforementioned application for Final Leave to Appeal to Her Majesty the Queen-in-Council.

Sgd. N. NAVARATNAM
Registrar of the Supreme Court

PART — II

EXHIBITS

D12

D 12
Certificate of Incorporation of the Sinhalese Film Industrial Corporation Ltd.— 24-7-57

CERTIFICATE OF INCORPORATION OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

THE COMPANIES ORDINANCE NO. 51 OF 1938

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

(INCORPORATED ON THE 24TH DAY OF JULY 1957)

COMPANIES FORM 65.

CEYLON.

NO. OF COMPANY : PBS. 348.

THE COMPANIES ORDINANCE NO. 51 OF 1938.

LIMITED COMPANY

CERTIFICATE OF INCORPORATION

(Pursuant to Section 14(1).)

I hereby certify that The Sinhalese Film Industrial Corporation Limited, is this day incorporated under the Companies Ordinance, No. 51 of 1938, and that the Company is Limited.

Given under my hand at Colombo this Twentyfourth day of July One Thousand Nine Hundred and Fifty-Seven.

Sgd. W. M. SELLAYAH.
Registrar of Companies.

(Seal)

D 13
Memorandum of Association of the Sinhalese Film Industrial Corporation Ltd.
24-7-57

D13

MEMORANDUM OF ASSOCIATION OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

MEMORANDUM OF ASSOCIATION

OF

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

1. The name of the Company is "THE SINHALESE FILM INDUSTRIAL CORPORATION, LIMITED."

2. The registered office of the Company will be situate in the district of Colombo.

3. The objects for which the Company is established are :—

   (1) To establish and carry on the business of manufacturers, producers, dealers, exhibitors and distributors of cinematographic, talkie and television films and pictures.

   (2) To carry on at any place in Ceylon or elsewhere, all or any business of proprietors or agents of films producing studios, cinematograph theatres, palaces and halls, for cinematographic, shows and exhibitions, box-office keepers, showmen, exhibitors, song, music, play, programme and general publishers and printers, proscenium and general painters and decorators, theatrical and musical agents, caterers for public and private amusements and entertainments of every description and in particular to provide for the production, representation and exhibition of cinematograph or stereoscopic or coloured or bioscope or talkie pictures, films, operattas, stage plays, burlesques, vaudevilles, ballets, pantomimes, spectacular pieces, and other musical dramatic and variety acts, displays, shows, performances and entertainments including promenade and other concerts, lectures, public meetings, athletic, sporting, juggling, conjuring displays and other public or private balls and roller skating and to permit the Company's premises to be used for such other purposes as may seem expedient.

   (3) To carry on the business of film producing in all its branches and as makers and manufacturers and dealers in film stock or base, bioscopes, cinematograph, talkie and television machines, cameras, and films and to acquire all or any rights in connection with the films or gramaphone records and to rent or hire any such cinematographic films, records, cameras, machines or bioscopes or any part of the goods and effects of the Company.

   (4) To carry on the business, as manufacturers, producers, exhibitors, purchasers or sellers, and distributors of and dealers in cinematographic films, moving or talkie or three dimensional pictures and

shows, photographs, gramaphones, phonographs, acoustic or sound producing films, wireless apparatus, photographic appliances, and apparatuses, mounts, frames, materials, chemicals, stained and other glasses, lenses, opticals, scientific, musical and other instruments, photographic and other stationary, accessories and articles used or required in connection with the aforesaid business.

(5) To erect, purchase by contract or otherwise acquire and maintain or take on lease the necessary studio or studios laboratory or laboratories, theatres or picture houses for the purposes of the Company and to buy, take on hire, and otherwise acquire all necessary machinery, cameras, instruments, apparatuses, chemical, and other necessary materials for setting, dressing, decorations, ornaments, furniture, and other articles and things as may be necessary in connection with the business of the Company.

(6) To make arrangements with individuals, firms or companies in Ceylon or elsewhere with the object of providing for the production, representation and performance of operas, stage plays, operettas, burlesques, vaudeville, ballards, pantomimes, spectacular pieces, musical compositions, dramas or concerts and other musical and dramatical performances or entertainments in Ceylon.

(7) To carry on the business of restaurant keepers, wine and spirits merchants, licensed victuallers, confectioners, refreshment and tearoom proprietors, caterers and contractors, tobacconists, billiards, concert, dancing and assembly room proprietors and lessees.

(8) To acquire by purchase, contract or, otherwise sole proprietary rights in cinematographic films and pictures together with the negative and positive prints thereof and with their copyright and sole distributing and renting rights for specific area or areas and permanently or for specified period or periods, and all other rights in cinematographic film or films complete or incomplete manufactured produced by, belonging to, or in the possession of others.

(9) To sell or give by special contracts or otherwise to other person or persons, film or films, company or companies, together with the negative copyright, negative and positive prints, sole distributing and renting rights for specific period or periods and exhibiting rights for certain theatre or theatres, area or areas or any other right in films manufactured or produced by or belonging to and in the possession of the Company.

(10) To enter into agreements with authors, scenario writers, and other persons for the dramatic or other rights including the right of cinematograph representation and exhibition of their stage plays, compositions, performances and entertainments in any part of the world.

D 13
Memorandum of Association of the Sinhalese Film Industrial Corporation Ltd.
24-7-57
—*Continued*

(11) To enter into agreements with and employ such cinematograph, operators, engineers, electricians, technicians, musicians, dancers, athletes, jugglers, painters, carpenters, actors, actresses, cameramen and other public entertainers and other persons having special knowledge of trading in matters relating to the business of the Company, as may be necessary or expedient for conducting the business of the Company.

(12) To obtain from any Government or Municipal authorities licences for the conduct of public entertainments, manufacture and sale of cinematograph films, alcoholic or non-alcoholic liquors, victuals, cigars, tobacco and cigarettes or other commodities and for the use of any premises of or in the possession of the Company for the manufacture and sale thereof, and to enter into arrangements with any authorities, Government, Municipal, local or otherwise which may seem conducive to the Company's objects or any of them and to obtain from such Government or authority any rights, licences, privileges and concessions which the Company may think it desirable to obtain and carry out, exercise and comply with any such arrangements, rights, licences, privileges and concessions.

(13) To purchase, take on lease or in exchange, hire or otherwise acquire any land, buildings, theatres and any estate or interest therein and any rights over or connected with any lands, buildings or theatres that may be deemed necessary.

(14) To purchase, or lease and to cultivate, manage and superintend estates and properties in any part of the world, and to act as agents for the investments, loan, payment, transmission and collection of money, and for the purchase, sale, improvement, development, and management of such property, concerns and undertakings and to transact any other agency business.

(15) To sell, exchange, lease, sub-lease, or otherwise dispose of absolutely, conditionally or for any limited interest and to grant any lease or license in respect of all or any part of the land, theatres, buildings, property, rights or privileges of the Company.

(16) To purchase, sell, hold, or acquire options upon and otherwise deal in shares, stocks, debentures and other securities and obligations of any other Company for the purpose of furthering any objects of the Company.

(17) To acquire and carry on all or any part of the business or property and to undertake any liabilities of and to assist and subsidise any person or company possessed of property suitable for any purposes

of the Company or carrying on any business which the Company is authorised to carry on, or which can be conveniently carried on, in connection with the same or which may seem to the Company calculated directly or indirectly to benefit the Company, and to acquire by purchase or otherwise all or any part of the business, property assets and liabilities of any person or company whatsoever and as the whole or any part of the consideration for the same to pay cash, or to issue, transfer or assign any shares, stocks, debentures or obligations (whether fully or partly paid or satisfied), of the Company or of any other Company.

(18) To distribute any property of the Company including the shares, stocks, debentures or obligations of any other company amongst the shareholders of the Company in specie, but so that no distribution amounting to a reduction of capital be made, except with the sanction for the time being required by law.

(19) To enter into partnership or into any arrangement for sharing profits, union of interest, joint adventure, co-operation, amalgamation, reciprocal concession or for an other purpose with any person, persons, or company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit the Company, and to lend money, to guarantee the contracts of and otherwise assist any such person, persons or Company.

(20) To contract for, negotiate and issue loans of every description, to invest money by way of advance or loan with or without interest to any person, persons or company and particularly to any employee of the Company on any terms and in any manner and on any security or without security.

(21) To make, draw, accept, endorse, negotiate, discount, buy, sell and deal in bills, notes, warrants, coupons and other negotiable or transferable instruments, securities, or documents required for the purpose of furthering any of the objects of the Company.

(22) To promote and establish any other company whatsoever and to subscribe for and hold the shares, or debentures or debenture stock or securities of any other company or any part thereof, and to take or underwrite or guarantee the issue or subscription of any share or stock or obligations of such company and to guarantee the payment of any dividend or interest on such shares, or stock or obligations and to assist any such company by advances of money or otherwise.

D 13
Memorandum of Association of the Sinhalese Film Industrial Corporation Ltd.
4-7-57
—*Continued*

(23) To pay out of the Company's funds all expenses of or incidental to the formation, registration, establishment, issue of capital of the Company or any other company in the formation or promotion of which it may take part by virtue of this clause.

(24) To establish and support or to aid in the establishment and support of associations, institutions, funds and trusts calculated to benefit any of the employees and ex-employees of the Company or the dependents or connections of such persons and to grant pensions and allowances and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful objects.

(25) To grant pensions, allowances, gratuities and bonuses to employees or ex-employees of the Company or the dependents of such persons and to establish and support or to aid in the establishment and support of any schools and any educational, scientific, literary, religious or charitable institutions or trades societies whether such societies be solely connected with the trade carried on by the Company or not, and any club or other establishment calculated to advance the interests of the Company or of the persons employed by the Company.

(26) To engage in all kinds of trade or business which may be lawfully carried on in connection with the above objects in or outside Ceylon.

4. The liability of the members is limited.

5. The share capital of the Company is Rupees Five Million and Twentyfive Thousand (Rs.5,025,000.00) divided into Five Hundred Thousand (500,000) Ordinary Shares of Rupees Ten (Rs. 10/-) each and Two Thousand Five Hundred (2,500) Promoters Shares of Rupees Ten (Rs. 10/-) each with powers to increase or reduce the capital. The shares forming the capital (original, increased or reduced) may be sub-divided on consolidated or divided into such classes with any preferential differed qualified special or other rights privileges or conditions attached thereto and be held upon such terms as may be prescribed by the Articles of Association and regulation of the Company for the time being, or otherwise.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

D 13
Memorandum of Association of the Sinhalese Film Industrial Corporation Ltd.
24-7-57
—*Continued*

Names, Addresses and Description of Subscribers.	*Number of Shares taken by each Subscriber.*
1. MUDALIYAR JAYASENA MADANAYAKE, Managing Director: Emjay Estates Ltd., Emjay Insurance Co., Ltd. "Kalyani", Peliyagoda.	ONE
2. VINCENT TRUTAND DE ZOYSA, Managing Director: South Western Bus Co. Ltd., Director: Avon Sales (Ceylon) Ltd., 10, McLeod Road, Colombo 4.	ONE
3. BASTIAN MARCUS MARCELLENE Director: Ceylon Extraction Co. Ltd., Deans Trading Co. Ltd., 16, De Fonseka Road, Colombo 5.	ONE
4. BASIL BENRY WILLIAM, Managing Director: Tillyrie Estate Co. Ltd., Chairman Board of Directors: United Ceylon Insurance Co. Ltd., 10, Gregory's Road, Colombo 7. ..	ONE
5. SIRISENA MADANAYAKE, Merchant, Station Road, Kelaniya.	ONE
6. SHERMAN DE SILVA, Managing Director: Sherman De Silva & Co. Ltd., 24, Cambridge Place, Colombo 7.	ONE
7. BIYAGAMAGE SIRISENA FERNANDO, Director: B. J. Fernando & Co. Ltd., Colombo Omnibus Co. Ltd., 127, Cotta Road, Colombo 8.	ONE
8. GILBERT HEWAVITARNE, Hony. Treasurer & Propaganda Organiser Sinhala Jathika Sangamaya, 58, Stafford Place, Colombo 10.	ONE
TOTAL SHARES TAKEN	EIGHT.

Witness to the above signatures at Colombo this 24th day of July, 1957.

Sgd. D. L. GUNASEKERA.
Proctor & Notary.

D 14
Articles of Association of the Sinhalese Film Industrial Corporation Ltd.—
24-7-57

D14

ARTICLES OF ASSOCIATION OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

ARTICLES OF ASSOCIATION

OF

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

PRELIMINARY

1. The regulations contained in "Table A" in the first schedule annexed to "The Companies Ordinance No. 51 of 1938" shall not apply to this Company.

2. In the interpretation of these presents the following words and expressions shall have the following meanings unless such meanings be inconsistent with or repugnant to the subject or context :—

"The Company" means "The Sinhalese Film Industrial Corporation Limited" incorporated or established by or under the Memorandum of Association to which these articles are attached.

"The Ordinance" or "The Companies Ordinance" means and includes "The Companies Ordinance No. 51 of 1938" and every other Ordinance from time to time in force concerning Joint Stock Companies and every amendment which may apply to the Company.

" Person " include partnership, associations, corporations, companies unincorporated by ordinance and registration, as well, as individuals, or a body or bodies of persons or individuals.

"These Presents" means and includes the Memorandum of Association and the Articles of Association of the Company from time to time in force.

"Shares" means the shares from time to time into which the capital of the Company may be divided.

"Presents or Present" at a meeting means presents or present personally or by proxy or by attorney duly authorized.

"Directors" means the directors for the time being of the Company or (as the case may be) the directors assembled at a board.

"Register" means the register of members to be kept pursuant to the Ordinance.

"Board" means a meeting of the directors or (as the context may require) the directors assembled at a board meeting acting through at least a quorum of their body in the exercise of authority duly given to them.

"Dividend" includes bonus.

Office means the Registered Office for the time being of the Company.

"Seal" means the common seal for the time being of the Company.

"Month" means a calendar month.

"In Writing" and "Written " include printing lithography and other modes of representing or reproducing words in a visible form.

Words importing the singular number only include the plural and vice versa.

Words importing persons shall include corporations.

3. Subject to the preceding articles any words defined in the Ordinance shall if not inconsistent with the subject or context bear the same meaning in these presents.

BUSINESS

4. The business of the Company shall be carried on by or under the direction of the Board of Directors and subject only to the control of general meetings in accordance with these presents.

5. Any branch or kind of business which by the Memorandum of Association of the Company or, by these presents, is expressly or by implication authorised to be undertaken by the Company may be undertaken by the Board at such time or times as they shall think fit, and further suffered by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

SHARES

6. The shares will be allotted only to Citizens of Ceylon by descent. The Board of Directors reserves the right to allot shares to those who are registered as Ceylonese under the Indian and Pakistani residents (Citizenship) Act No. 3 of 1949.

7. The Directors may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and the time of payment of such calls.

8. If by the conditions of allotment of any shares, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall when due, be paid to the Company by the person who for the time being shall be the registered holder of the share.

D 14
Articles of Association of the Sinhalese Film Industrial Corporation Ltd.—
24-7-57
—Continued

9. The Company may at any time pay a reasonable sum for the brokerage and underwriting commission, or a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company but so that, if the commission shall be paid or payable out of capital, the statutory conditions and requirements shall be observed and complied with, and the commission shall not exceed the amount provided for in section 44 of the Ordinance.

10. Any share of the Company may be issued with such preferred, deferred or other special rights or such restrictions whether in regard to dividend, voting, payment or return of share capital, or othersise, or any such other special privilege or advantage over any shares previously issued or then about to be issued (other than shares issued with a preference) or, with such deferred rights as compared with any shares previously issued or, then about to be issued or subject to any such conditions or provisions and with any such rights or without any right of voting and generally on such terms as the Company may from time to time determine.

11. Any preference share may, with the sanction of the Company in General Meeting, be issued on the terms that it is, or at the option of the Company is liable to be redeemed and the Directors may, subject to the provisions (if any) of the Ordinance and to the terms of issue redeem such share in such manner as they may think fit.

12. The Holders of the Promoters' share shall in all respects have the same status in the Company as any other member - and the holders of such share shall be entitled to the - same rights as the ordinary shareholder.

13. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of the extraordinary resolution passed at a separate General Meeting of the holders of the shares of the class. To every such separate General Meeting the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

14. None of the funds of the Company shall directly or indirectly be employed in the purchase of or in loans on the security of shares of the Company but nothing in this article shall prohibit transactions mentioned in the proviso to Section 46(1) of the Companies Ordinance No. 51 of 1938.

15. The Company shall be entitled to treat the registered holder of any shares as the absolute owner thereof (save as herein otherwise provided) and accordingly, shall not, except as ordered by a Court of competent jurisdiction, as by statute required, be bound to recognise any equitable or other claim to or interest in such share on the part of any other person.

JOINT SHAREHOLDERS

16. (*a*) Shares may be registered in the names of two or more persons jointly.

(*b*) The joint shareholders of a share shall be severally as well as jointly liable for all instalments and calls due in respect of such share.

(*c*) In the case of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate therefor, and delivery of a certificate for a share to that one of several joint-shareholders first named on the register shall be sufficient delivery to all.

(*d*) In the case of the death of any one or more of the joint shareholders of any registered shares the survivors shall be the only persons recognised by the Company as having any title to or interest in such shares; (but the Directors may require such evidence of death as they may deem fit) but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

(*e*) The provisions of these Articles as to the liability of joint-holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

(*f*) In the case of a share registered in the names of two or more holders the legal representatives of the deceased survivors or survivor shall be the only persons recognised by the Company as having title to the share.

(*g*) Several executors or administrators of a deceased member in whose name any share stands shall for the purpose of this Article be deemed joint-holders thereof.

(*h*) In the case of joint-holders the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint-holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

(*i*) If several persons are registered as joint-holders of any share, any one of them may give effectual receipts for any dividend or other monies payable on or in respect of the share. Any dividend may be paid by cheque or warrant sent through the post to the registered address of any one of the joint-holders, or to such persons and such address as such joint-holders may direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to the order of such other person as such joint-holders may direct.

(*j*) A notice may be given by the Company to the joint-holders of a share by giving the notice to the joint-holder named first in the register of members in respect of the share.

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(*k*) Only the person whose name stands first in the register as one of the joint-holders of any share shall be entitled to delivery of the certificates relating to such share, or to receive notices from the Company, or to speak or vote at General Meetings of the Company, and any notice given to such person shall be deemed notice to all the joint-holders; but all or any one of such joint-holders may attend a General Meeting, and any one of them may be appointed the proxy of the person entitled to vote on behalf of such joint-holders, and, as such proxy, to speak and vote at General Meetings of the Company.

SHARE CERTIFICATES

17. Every person whose name is entered as a member in the register of members shall, without payment be entitled to a certificate under the common seal of the Company specifying the share or shares registered in his name, or, in the case of shares of more than one class being registered in his name, to a separate certificate for each class of shares so registered. Every share certificate shall specify the number, and denoting numbers of the shares in respect of which it was issued, and the amount paid whereon.

18. If any member shall require additional certificates or the replacement of a certificate under any of these Articles he shall pay for each such additional certificate such sum not exceeding Rupees two and cents fifty (Rs. 2/50) as the Directors shall determine.

19. If any certificate be worn out or defaced, then upon production thereof to the Directors, they may order the same to be cancelled, and may issue a new certificate in lieu thereof.

20. If any certificate be lost or destroyed then, upon proof thereof to the satisfaction of the Directors, and on such indemnity as the Directors deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.

21. Where under the powers in that behalf herein contained any shares are sold by the Directors and the certificates thereof have not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.

LIEN

22. The Company shall have a first and paramount lien upon all the shares registered in the name of each member whether solely or jointly with others whether fully paid or not and upon the proceeds of sale thereof his debts, liabilities and engagements solely or jointly with any other person to or with the Company whether the period for the payment, fulfilment or discharge thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 13 hereof is to have full effect and such lien shall extend to all dividends from time to time declared in respect of such shares and to all moneys paid in advance of calls thereof unless otherwise agreed the registration or transfer

of shares shall operate as a waiver of the Company's lien (if any) on such shares. But the Directors may at any time declare any share to be exempt, wholly or partially, from the provisions of this Article.

23. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they think fit and in accordance with any restrictions contained in these presents, but no sale shall be made until such time as the moneys are presently payable and notice in writing stating the amount due and giving notice of intention to sell in default shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made for fourteen clear days after such notice.

24. The net proceeds of any such sale shall be applied in or towards satisfaction of the amount due to the Company or of the debts liabilities and engagements aforesaid and the residue (if any) shall be paid to the member or the person (if any) entitled by the transmission to the shares or who would be so entitled but for such sale.

25. A certificate in writing under the hand of two of the Directors that the power of sale given by Article 21 has arisen and is exercisable by the Company under these presents shall be conclusive evidence of the facts herein stated.

CALLS ON SHARES

26. The Directors may from time to time make such calls as they think fit upon the registered holders of the shares in respect of moneys unpaid thereon and not by the conditions of allotment made payable at fixed time; and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors.

27. The Directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.

28. Not less than thrity days' notice of any calls shall have been given specifying time and place of payment and to whom such calls shall be paid.

29. The Directors shall have power in their absolute discretion to give time to any one or more member or members, exclusive to the others, for payment of any call or part thereof on such terms as the Directors may determine. But no member shall be entitled to any such extension except as a matter of grace or favour.

30. If by the terms of the issue of any share or otherwise, any amount is made payable at fixed time or by instalments at any fixed times, whether on account of the amount of shares or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Directors, of such due notice had been given and all the provisions thereof with respect

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to the payment of calls and interest and expenses thereon lien, forfeiture, and the like and all other relevent provisions of these presents shall apply to every such sum premium instalment and shares in respect of which it is payable.

31. A call shall be made to have been made at the time when the resolution of the Directors authorising such call was passed.

32. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for the payment thereof the holder for the time being of the share in respect of which the call shall have been made, or the instalment shall have been due, shall pay interest for the same at the rate of five per centum per annum from the date appointed for the payment thereof to the time of the actual payment, but the Directors may, when they think fit, waive altogether or in parts any sum becoming payable for interest under this Article.

33. On the trial or hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder or one of the holders of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such calls, nor any other matters whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

34. The Board may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called upon thereon and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made the Company may pay interest at such rate not exceeding five per centum as the member paying such sum in advance and the Board shall agree upon, but any amount so for the time being paid in advance of calls shall not be included or taken into account in ascertaining the amount of the dividend payable upon the share in respect of which such advance has been made. The Directors may at any time repay the amount so advanced upon giving to such member three months' notice in writing.

35. No member shall be entitled to exercise any privilege until he shall have paid all calls together with interest and expenses (if any) for the time being and payable in every share held by him whether alone or jointly with any other person.

TRANSFER OF SHARES

36. Shares issued to the Citizens of Ceylon shall not all any time thereafter be transferred to any person other than a Citizen of Ceylon who *bona fide* intends to hold such share or shares in his own right and for his own benefit as per provisions detailed in Article 6 in relating to "Shares".

37. Any member may transfer all or any of his shares by an instrument in writing.

38. The instrument of transfer of any share shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register in respect thereof.

39. The shares shall be transferred in the following form, or in any usual or common form which the Directors shall approve:—

I.....of.....in consideration of the sum of Rupees.....(Rs.....) paid to me by .....of.. ..... (hereinafter called "the said transferee") the receipt whereof I do hereby acknowledge, I do hereby transfer to the said transferee the shares numbered.....in the undertaking called The Sinhalese Film Industrial Corporation Limited standing in my name in the books of the Company. To hold unto the said transferee, his heirs, executors, administrators and assigns subject to the several conditions on which I hold the same; and I the said transferee do hereby agree to take the said shares subject to the conditions aforesaid.

As witness our hands the .....day of .....19.....

Witness:—

40. The Directors may in their own absolute and uncontrolled discretion refuse to register any transfer of shares to any person not approved by them, by a member who is indebted to the Company or upon shares the Company has a lien or otherwise, or shares not fully paid up.

41. Notice of refusal to register shall within one month after the date on which the transfer was lodged with the Company, be sent to the transferee.

42. Every instrument of transfer to be registered:—

(*a*) must be left at the office of the Company accompanied by such evidence as the Directors may reasonably require to prove the title of the transferor: and

(*b*) a fee of Rs. 2/50 or such other sum as the Directors shall from time to time determine must be paid; and

(*c*) thereupon the Directors, subject to the powers vested in them, shall register the transferee as a member, and retain the instrument of transfer.

43. The Directors may by such means as they shall deem expedient authorise the registration of transferees as members without the necessity of any meeting of the Directors for that purpose.

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44. In no case shall the Directors be bound to inquire into the validity, legal effects or genuineness of any instrument of transfer produced by any person claiming a transfer of any share in accordance with these Articles; and whether they abstain from so inquiring or do so inquire and are misled, the transferor shall have no claim whatsoever upon the Company in respect of the share except for the dividends previously declared in respect thereof but if at all upon the transferee only.

45. A transfer of a share shall not pass the right to any dividend declared thereon before the registration of the transfer.

46. The register of transfers and of members and debenture holders may be closed during such time as the Directors may decide not exceeding in the whole thirty days in any-one year.

TRANSMISSION OF SHARES

47. In the case of the death of a member, the legal representatives of such deceased shareholder of the share shall be the only persons recognised by the Company as having any title to the shares.

48. Any person becoming entitled to shares in consequence of the death or bankruptcy of any member or in any-other way than by transfer, shall upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as may from time to time be required by the Directors and with the consent of the Directors (which they shall not be under any obligation to you) be registered as a member in respect of such shares on payment of a fee of Rs. 2/50.

49. The Directors shall have the same right to suspend registration or refuse to register a person entitled by transmission to any shares or his nominee, as if he were the transferee named in an ordinary transfer, presented for registration.

50. A person becoming entitled to a share by reason of the death, insolvency, or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he could be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

FORFEITURE OF SHARES

51. If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or instalment remain unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

52. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

53. If the requirements of such notice as aforesaid be not complied with every or any share or shares in respect of which such notice has been given may at any time thereafter before payment of calls or instalments with interest and expenses due in respect thereof be declared forfeited by a resolution of the Board to that effect. Such forfeiture shall include all unpaid dividends and interest due and to become due thereon and any moneys paid by the advance of calls.

54. When any share has been forfeited in accordance with these presents, notice of the forfeiture shall forthwith be given to the holder of the share, or the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given and of the forfeiture with the date thereof, shall forthwith be made in the register.

55. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of share and proceeds thereof and all other rights incident to share except only such of those rights (if any) as by these presents are expressly saved.

56. Every share so declared forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of upon such terms and in such manner as the Board shall think fit.

57. Any member whose shares have been so declared forfeited shall notwithstanding be liable to pay and shall forthwith pay to the Company all calls, instalments interest and expenses owing upon or in respect of such shares at the time of forfeiture together with interest thereon at 5 per centum per annum from the time of forfeiture until payment and the Directors may enforce the payment thereof if they think fit.

58. The Directors may in their discretion remit or annul the forfeiture of any share within six months from the date thereof upon the payment of all moneys due to the Company from the late holder or holders of such share or shares and all expenses incurred in relation to such forfeiture together with such further sum of money by way of redemption money for the deficit as they shall think fit not being less than 5 per centum per annum on the amount of the sums wherein default in payment had been made but no share *bona fide* sold or reallotted or otherwise disposed of under these Articles hereof shall be redeemable after sale reallotment or disposal.

59. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the power herein before given, the Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and

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the purchaser shall not be bound to see the regularity of the proceedings, or the application of the purchase money, and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

CONVERSION OF SHARES INTO STOCK

60. The Company may by ordinary resolution convert any paid-up shares into stock into paid-up shares, and reconvert any stock of any denomination.

61. When any shares have been converted into stock, the holders of such stock may transfer the same, or any part thereof in the same manner and subject to the same regulations as and subject to which fully paid-up shares in the Company's capital may be transferred or as near thereto as circumstances will admit but the Directors may from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum but the minimum shall not exceed the nominal amount of the shares from which the stock arose.

62. The holders of the stock shall, according to the amount of the stock held by them have the same rights, privileges, and advantages as regards dividends, voting at meetings of the Company, and other matters as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company) shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred that privilege or advantage.

63. Such of the regulations of the Company as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholders" therein shall include "stock" and "stockholders."

SHARE WARRANTS

64. The Company with respect to fully paid up shares, may issue warrants (hereinafter called "share warrants") stating that the bearer is entitled to the shares therein specified, and may provide by coupons or otherwise for the payment of future dividends on the shares included in such warrants.

65. The Directors may determine, and from time to time vary, the conditions upon which share warrants shall be issued, and in particular the conditions upon which a new share warrant or coupon will be issued in the place of one worn out, defaced, or destroyed, or upon which the bearer of a share warrant shall be entitled to attend and vote at General Meetings, or upon which a share warrant may be surrendered, and the name of the bearer entered in the register in respect of the shares therein specified.

66. The bearer of a share warrant shall be subject to the conditions for the time being in force, whether made before or after the issue of such warrant.

67. Share warrants shall not be taken into account as constructing or contributing to the qualification of a director.

CAPITAL & ALTERATION OF CAPITAL

68. The Capital of the Company is Rupees Five Million and Twenty-five Thousand (Rs. 5,025,000/-) divided into Five Hundred Thousand (Rs. 500,000/- Ordinary Shares of Rupees Ten (Rs. 10/-) each and Two Thousand FiveHundred (Rs. 2,500) Promoters Shares of Rupees Ten (Rs. 10/-) each.

69. Out of the first issue of shares which shall comprise 252,500 shares of Rs. 10/- each. Shares shall be issued to two groups of Shareholders as follows:—

		Rs. C.
(*a*)	To the Government of Ceylon 1,000 Ordinary Shares of Rs. 10/- each	10,000.00
(*b*)	To the Citizens of Ceylon 249,000 Ordinary Shares of Rs. 10/- each	2,490,000.00
	2,500 Promoters Shares of Rs. 10/- each ..	25,000.00
		2,525,000.00

"The Government contribution will be made when the minimum amount fixed by the Directors of the Company for the purpose of going into business has been collected."

70. The Company in general meeting may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

71. The new shares may be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution creating the same shall direct, and if no direction be given, as the Directors shall determine and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a special or without any right of voting.

72. All new shares subject to any directions to the contrary that may be given by the meeting sanctioning the increase of capital shall be offered to the members in proportion to the existing shares held by them and such offer shall be made by notice specifying the number of shares to which the member is entitled, and limiting a time within which the offer, if not accepted, will be deemed to be declined; and after the expiration of such time, or on receipt of an intimation from the member to whom such notice is given, that he declines accept the shares offered, the Directors may dispose of the same in such other manner as they think most beneficial to the Company.

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73. Any capital raised by the creation of new shares shall be considered part of the original capital and shall (except so far as otherwise provided for by the conditions of issue or by these presents) be subject to the provisions, herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien and otherwise.

74. The Company may in general meeting from time to time by special resolution reduce its capital in any way authorised by law and in particular (without prejudice to the generality of the power) by paying off capital or cancelling capital which has been lost or is unrepresented by available assets or reducing the liability on the shares or otherwise as may seem expedient and capital may be paid off upon the footing that it may be called up again or otherwise; and paid-up capital may be cancelled as aforesaid without reducing the nominal amount of the shares by the like amount to the extent that the unpaid and callable capital shall be increased by the like amount.

75. The Company in general meeting may by special resolution consolidate and divide or subdivide its shares or any of them.

76. The resolution whereby any shares are sub-divided may determine that as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantages as regards dividend, capital, voting or otherwise over or as compared with the other or others.

77. Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares all or any of the rights and privileges attached to each class may (subject to the provisions of section 62 of the Ordinance) be annulled, modified, commuted, affected, abrogated or dealt with either with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of such holders (but not otherwise) and all the provisions hereinafter contained as to general meetings shall mutatis mutandis, apply to every general meeting, but so that the quorum thereof shall be members holding or representing by proxy or attorney one-fourth of the nominal amount of the issued shares of the class. This article is not to derogate from any power the Company would have had if this Article were omitted.

GENERAL MEETINGS

78. A general meeting, shall be held once in every calendar year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by the Company in general meeting, or in default as such time in the third month following that in which the anniversary of the Company's incorporation occurs, and at such place, as the Directors shall appoint.

79. In default of a general meeting being so held, a general meeting shall be held in the month next following, and may be convened by any two members in the same manner as nearly as possible as that in which meetings are to be convened by the Directors.

80. The general meetings referred to in the last preceding Article shall be called Ordinary General Meetings; all other meetings of the Company shall be called Extraordinary General Meetings.

81. The Directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by section 112 of the Ordinance. If at any time there are not within the Island sufficient Directors capable of acting to form a quorum, any Director or any two members of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meeting may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

82. Seven days notice at the least (exclusive of the date on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day, and the hour of meeting and, in case of special business, the general nature of that business shall be given in manner herein after mentioned, or in such other manner, if any, as may be prescribed by the Company; but with the consent of all the members entitled to receive notice of some particular meeting, that meeting may be convened by such shorter notice and in such manner as those members may think fit; subject however to the provisions of section 115(2) of the ordinance relating to special resolutions.

83. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting, by, any member shall not invalidate the proceedings at any meeting.

PROCEEDINGS OF GENERAL MEETINGS

84. The business of an ordinary general meeting shall be to receive and consider the balance sheet and profit and loss account and the report of the Directors and of the auditors, to elect directors, auditors, and other officers in the place of those retiring by rotation, or otherwise to declare dividends and to transact any other business which under these Articles ought to be transacted at an ordinary meeting. All other business transacted at an ordinary meeting and all business transacted at an extraordinary meeting shall be deemed special.

85. Two or more members entitled to vote and be present in person shall be a quorum for all purposes at any general meeting.

86. No business shall be transacted at any general meeting unless the quorum requisite shall be present at the commencement of the business.

87. If within half an hour from the appointed time for the meeting a quorum is not present, the meeting if convened upon such requisition as aforesaid shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week at the same time and place.

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88. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

89. If a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING AT MEETINGS

90. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the chairman shall, both on a show of hands and at the poll, have a casting vote in addition to the vote or votes to which he may be entitled as member.

91. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or by at least one member present in person or by proxy or representative, and unless a poll is so demanded, a declaration by the chairman that a resolution has, on show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

92. If a poll is demanded as aforesaid it shall be taken in such a manner and such time and place as the chairman of the meeting directs and either at once or after an interval or adjournment or otherwise; and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of the poll may be withdrawn.

93. Any poll duly demanded on the election of a chairman of a meeting or any question of adjournment shall be taken at the meeting and without adjournment.

94. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

95. No objection shall be made to the validity of any vote (whether given personally or by proxy or by attorney) except at the meeting or poll at which such vote shall be tendered, and every vote (whether given personally or by proxy or by attorney) to which no objection shall be made at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

96. No member shall be prevented from voting by reason of his being personally interested in the result of the voting.

VOTES OF MEMBERS

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97. On a show of hands every member present in person shall have one vote. On a poll every member or by attorney shall have one vote for each share of which he is the holder.

98. On a poll, votes may be given either personally, or by proxy, or by attorney.

99. The Government of Ceylon may exercise its powers of voting at meetings of the Company in respect of shares held by it by a representative or representatives duly authorised by or on behalf of the Minister of Industries and Fisheries to do so.

100. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his manager, curator, or other person in the nature of a manager, or curator appointed by that Court and any such manager, curator, or other person may, on a poll, vote by proxy.

101. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death of the principal or revocation of the instrument or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation or transfer shall have been received at the office before the meeting; Provided nevertheless that the chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

102. No member shall be entitled to vote or speak at any meeting unless all calls due from him on his shares have been paid.

103. No member other than the trustee or assignee of a bankrupt or a representative of a deceased member, or person acquiring by marriage, shall be entitled to vote at any meeting held after the expiration of one month from the registration of the Company, in respect of any share which he has acquired by transfer, unless he has been possessed of the share in respect of which he claims to vote at least one month previously to the time of holding the meeting at which he proposes to vote.

PROXY

104. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing; or if such appointor is a corporation, under its common seal or under the hand of an officer or attorney so authorised.

105. No person shall be appointed a proxy who is not a member of the Company and qualified to vote, but this rule shall not apply to an attorney, provided always that another company (whether a company within the

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meaning of the Ordinance or not) being a member of this Company may by resolution of its directors appoint anyone of its officers or any other person to act as its representative.

106. Another Company (whether a company within the meaning of the Act or not) being a member of this Company may by resolution of its directors appoint anyone of its officers or any other person to act as its representative at any meeting of the Company, and the person so appointed may attend and vote at any meeting and exercise the same functions on behalf of the Company which he represents as if he were an individual shareholder and at any meeting of this Company the production of a copy of such resolution certified by one director or the secretary of such corporation as being a true copy of the resolution shall be accepted by this Company as sufficient evidence of the validity of the said representative's appointment and his right to vote. A representative so appointed shall not be deemed to be a proxy.

107. No company which is a member of this Company shall vote by proxy at any meeting of this Company at which there is present a representative of such member company duly appointed as aforesaid.

108. Any person entitled under the Transmission Article to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give Indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

109. An instrument appointing a proxy may be in the following form, or any other form which the Directors shall approve:—

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

"I,.....of.....being a member of The Sinhalese Film Industrial Corporation Limited, hereby appoint..... .....of.....or failing him..... of.....as my proxy, to vote for me and on my behalf at the (ordinary or extraordinary as the case may be) general meeting of the Company to be held on the.....day of.....and at any adjournment thereof and at every poll which may be taken in consequence thereof (or at every general meeting of the Company to be held before the..... .....day of.....and at every adjournment of any such meeting.)

Signed this.....day of.....

110. An instrument of proxy may appoint either for the purposes of a particular meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purposes of every meeting of the Company, to be held before a date specified in the instrument and every adjournment of any such meeting.

111. The instrument appointing a proxy and the power of attorney or other authority (if any, under which it is signed or notarially certified copy of that power or authority) shall be deposited at the office not less than 24 hours before the time for holding the meeting at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of three months from the date of its execution.

112. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demand a poll.

CORPORATION ACTING BY REPRESENTATIVES AT MEETINGS

113. Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represent as that corporation could exercise if it were an individual member of the Company.

DIRECTORS

114. The number of directors shall not be less than three or more than eleven.

115. So long as the Government holds shares in the capital of the Commany, Government shall nominate to the Board of Directors of the Company one Director at the commencement of the business of the Company and two more thereafter, provided that the total number nominated by the Government shall not exceed three.

116. The remuneration of the directors for their services shall be such sum as the Company by general meeting may from time to time determine; such remuneration shall be divided among the directors in such proportions and manner as the directors may determine and in default of such determination within the year equally.

117. If any directors, being willing, shall be called upon to perform extra services for the purposes of the Company, the Company shall remunerate such directors by a fixed sum or percentage of profits or otherwise, as may be determined by the Directors and such remuneration may be either in addition to, or in substitution for, his remuneration above provided.

118. The Board of Directors may award special remuneration out of the funds of the Company to any Director undertaking any work additional to that usually required of directors of a Company similar to this; or going abroad in the interests of the Company; the directors shall also be paid such travelling, hotel, and other expenses as may reasonably be incurred by them in the execution of their duties or whilst employed in the business of the Company.

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119. A director may enter into or be interested in contracts or arrangements with the Company, and have or be interested in dealing with the Company, and shall not be disqualified from office thereby nor shall any such contract or arrangement entered with by or on behalf of the Company, in which any director shall be in any way interested be avoided; nor shall such director be liable to account to the Company for any profit arising out of any such contract, arrangement, or dealing to which he is a party or in which he is interested by reason of his being at the same time a director of the Company provided that such director discloses to the meeting of directors at which such contract, arrangement, or dealing is first taken into consideration the nature of his interest therein or, if such interest is subsequently acquired, provided that he discloses the fact that he has acquired such interest at the next meeting of the directors held after such interest was acquired.

120. No director shall vote as a director in regard to any contract, arrangement or dealing in which he is interested or upon any matter arising therefrom, except in respect of any agreement or arrangement to give any indemnity or security to any Director who has undertaken or is about to undertake any liability on behalf of the Company, or to any other person or company for any liability or obligation of the Company for which any director shall be personally responsible whether by way of guarantee or otherwise or in respect of a resolution to allot any shares or debentures to a director, and if he shall so vote, his vote shall not be counted nor shall be reckoned in estimating a quorum when any such contract, arrangement, or dealing is under consideration.

121. A general notice given to the directors by a director to the effect that he is a member of a specified company or firm, and is to be regarded as interested in any contract arrangement or dealing which may, after the date of the notice, be entered into or made with the company or firm, shall for the purpose of this Article, be deemed to be a sufficient disclosure of interest in relation to any contract, arrangement or dealing so entered into or made.

QUALIFICATION OF DIRECTORS

122. The qualification of a director shall be the holding in his own right and as soleholder thereof fully paid-up shares of the Company to the nominal value of not less than Rupees Ten Thousand (Rs. 10,000/-).

123. The Director or Directors appointed by the Government of Ceylon shall be qualified to be appointed and to act without holding any shares in the Company.

DISQUALIFICATION

124. The office of a director shall, *ipso facto* be vacated :—

(1) If by notice in writing to the Company he resigns his office.

(2) If he ceases to hold the required number of shares to qualify him for office.

(3) If he absents himself from consecutive meetings of the Directors for a period of three months without special leave of absence from the Directors, and the Board resolve that his office be vacated.

(4) If he shall become bankrupt or compound with his creditors.

(5) If he be found lunatic or become of unsound mind.

125. The Company may by an extraordinary resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead. The person so appointed shall hold office during such time only as the director in whose place he is appointed would have held the same if he had not been removed.

ROTATION OF DIRECTORS

126. At the first ordinary general meeting of the Company and at the ordinary general meeting in every subsequent year, one-third of the directors for the time being, or if their number is not three or a multiple of three then the number nearest to one-third, shall retire from office, the directors to retire in each year being those who have been longest in office since their last election; but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

127. A retiring director shall be eligible for re-election, and shall be deemed to continue in office until the conclusion of the meeting at which he retires.

128. The Company at the ordinary general meeting at which any director retires in manner aforesaid shall fill up the vacated office, and may fill up any other offices which may then be vacant by electing the necessary number of persons, unless the Company shall determine to reduce the number of directors in office. The Company may also at any extraordinary general meeting, on notice duly given, fill up any vacancies in the office of director, or appoint additional directors, provided that the maximum number fixed as hereinbefore mentioned be not exceeded.

129. If at any general meeting at which an election of directors ought to take place in the places of the retiring directors, or such of them as have not had their places filled up, shall continue in office until the ordinary general meeting in the next year and so on from time to time until their place have been filled up unless at such meeting it shall be determined to reduce the number of directors in office.

130. The Company may from time to time in general meeting increase or reduce the number of directors, and may also determine in what rotation such increased or reduced number is to go out of office.

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131. Seven days previous notice in writing shall be given to the Company of the intention of any member to propose any person other than a retiring director for election to the office of director. Provided always that, if the members present at a general meeting unanimously consent, the chairman of such meeting may waive the said notice and may submit to the meeting the name of any person for election.

MANAGING DIRECTORS

132. The directors may from time to time appoint one or more of their body to be Managing Director of the Company either for a fixed term or without any limitation as to the period for which he is to hold such office and may from time to time remove or dismiss from office and appoint another or others in his place.

133. A Managing Director shall not, while he continues to hold that office, be liable to retire by rotation and he shall not be taken into account in determining the rotation in which the other Directors shall retire or the number to retire, but he shall be subject to the same provision as regards resignation, removal, and disqualification as the directors, and if he ceases to hold the office of director from any cause he shall *ipso facto* cease to be Managing Director.

134. The Directors may elect a chairman of their meetings, and determine the period for which he is to hold office; but if no such chairman is elected or if at any meeting the chairman is not present at the time appointed for holding the same, the Directors present shall choose some one of their number to be chairman of such meeting.

135. The chairman of the Board of Directors shall be entitled to take the chair at every general meeting, or if there be no such chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, the members shall choose another director as chairman; and if no director be present or if all the directors present decline to take the Chair then the members present shall choose one of their number to be chairman.

POWER OF DIRECTORS

136. The business of the Company shall be managed by the Directors who may pay all expenses incurred in getting up and registering the Company, and may exercise all such powers of the Company, as are not, by the ordinance or by these Articles required to be exercised by the Company in general meeting subject nevertheless to any regulations of these Articles, to the provisions of the Ordinance and to such regulations being not inconsistent with the aforesaid regulations or provisions as may prescribed by the Company in general meeting; but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

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137. The Directors shall have the power at any time from time to time to appoint any other person as a director either to fill a casual vacancy or as an addition to the Board but so that the total number of directors shall not at any time exceed the maximum number fixed, but any director so appointed shall hold office only until the next following ordinary general meeting of the Company when he shall retire but shall then be eligible for re-election.

138. The continuing directors may act notwithstanding any vacancy in their body; but so that if the number falls below the minimum above fixed the remaining directors shall not except in emergencies act so long as the number is below the minimum.

139. A director may act before acquiring his qualification, but he and every other director shall acquire his qualification within two months after his appointment and unless he does so he shall be deemed to have agreed to take his qualification shares from the Company and the same shall forthwith be allotted to him accordingly.

140. A director may hold any other office or position under the Company in conjunction with his directorship (other than that of auditors) and on such terms with respect to remuneration and otherwise as the directors shall determine and a director may by himself or his firm act in any professional capacity (other than that of auditor) for the Company and shall be entitled to remuneration accordingly as if he were not a director.

141. The Board from time to time and at any time may delegate to any director, manager or agent of the Company and of the powers authorities and discretions for the time being vested in the Board with regard to the conduct of the business of the Company (other than the power to make calls to borrow and raise money and to mortgage the Company uncalled capital) with power to sub-delegate.

142. Any such appointment or delegation as aforesaid may be made on such terms and subject to such conditions as the Board may think fit and subject to the terms of any contract between the Company and the person concerned the Board may at any time remove any person so appointed and may by letter, telegram or cablegram annul or vary any such delegation but no person dealing in good faith and without notice of such annulment or variation shall be affected thereby.

143. The Board may from time to time, and at any time, by power of attorney under the seal appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions and for such period and subject to such conditions as the Board may from time to time think fit and such appointment may (if the Board think fit) be made in favour of any of the Directors or of the members of any one or more of the members of any local board established as aforesaid or in favour of any company or of the members, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of such atorney may contain such provision for the protection

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or convenience of persons dealing with such attorneys as the Board think fit. Any such attorneys as aforesaid may be authorised by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

144. The Directors may from time to time appoint and at their discretion or remove a person, firm or company (hereinafter called "the Secretary") to keep the register, to perform any other functions which by the Articles of Association for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to the Secretary by the Directors. He shall be paid a remuneration of such a sum as the Directors shall fix.

145. The Directors may at any time appoint a temporary substitute for the Secretary who shall for the purpose of these presents be deemed to be the Secretary.

146. The Directors may from time to time entrust and confer upon a managing director, secretary, servant, agent or officer of the Company for the time being such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such powers for such time and for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient; and they may confer such powers either collaterally with or to the exclusion of, and in substitution for all or any of the powers of the directors in that behalf; and they may, from time to time revoke, withdraw, alter or vary all or any of such powers.

147. The Directors shall have power from time to time, at their discretion to raise or borrow for the purpose of the Company's business such sum or sums of money as they think fit, but so that the whole amount so raised or borrowed and outstanding at any time shall not, without the consent of the Company in general meeting exceed the amount of the share capital of the Company for the time being issued. The Directors may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company, present and future including its uncalled capital, or by the issue, at such price as they may think fit, of bonds, debenture stock, either charged upon the whole or any part of the property and assets of the Company or not so charged or in such other way as the Directors may think expedient.

148. Any bonds, debentures, debenture stock, or other securities issued or to be issued by the Company shall be under the control of the Directors, who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

149. Debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

150. Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privilege to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company.

151. If the Directors or any one of them, or any other persons, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or effecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid of any loss in respect of such liability.

152. Without prejudice to the general powers conferred by or implied in the last preceding articles and to the other powers and authorities conferred as aforesaid it is hereby expressly declared that it shall be lawful for the Board to carry out all or any of the objects set forth in the Memorandum of Association and by way of addition and not of imitation to do the following things:—

(1) to cause the Company to be registered in Ceylon or elsewhere and to apply for and obtain any decree, concessions, letters patent, licenses and other authorities and documents for and with reference to any of the objects of the Company and exercise the rights and powers thereby conferred and otherwise carry the same into effect;

(2) to fix, determine and to vary the amount to be reserved as a working capital of the Company and to allow discounts, comissions and rebates;

(3) from time to time make, vary and repeal by-laws for the regulation of the business of the Company, its officers and servants provided that no by-laws or regulations shall be made under this power which would amount to such an addition to or alteration of these Articles as could only legally be made by special resolution passed in accordance with sections 11 and 115 of the Ordinance;

(4) to make and carry into effect such contracts as they may think fit for the purchase or other acquisition of the business, property and effects of any person or Company carrying on any business similar or identical to that of this Company or which this Company is authorised to carry on or in any other manner conducive to the objects contemplated by the Company or any interest therein;

(5) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company;

(6) to refer any claims or demands by or against the Company to arbitration and observe and perform the awards;

(7) to purchase, take on lease or otherwise acquire any businesses, estates, lands, plant, machinery, patents, concessions or other property rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they may think fit;

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(8) to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds, acts and things as may be requisite in relation to any such trust and to provide for the remuneration for such trustee or trustees;

(9) to invest and deal with any of the moneys of the Company not immediately required for the purposes thereof upon such investments and in such manner (subject to provisions of Article 2 hereof) as they may think fit and from time to time to vary or realise such investments;

(10) to buy, sell, or otherwise deal in stock, shares, or securities of any company or corporation, whether incorporated or registered in the Island of Ceylon or elsewhere, and to promote from or be interested in any company or corporation and to transfer to any company or corporation any property of this Company and to subsidise or assist any person, firm, company or corporation; provided that the Company shall not carry on the business of dealers, speculators or traders in stocks, shares or securities of any company or corporation or acquire the same except for the purpose of their being held as investments;

(11) to determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents;

(12) to remunerate any person rendering services to the Company whether in its regular employment or not, in such manner as may seem fit whether by cash, salary, bonus or shares or debentures, or by a commission or share of profits, either in any particular transaction of generally or howsoever otherwise;

(13) to set aside out of the profits of the Company (before recommending any dividend) such sums as they think proper as reserve fund to meet contingencies or for equalising dividends or for special dividends or for repairing, improving and maintaining any of the properties of the Company and for such other purposes as the Directors shall in their absolute discretion think conducive to the interest of the Company and to invest the several sums so set aside upon such investments (other than shares of the Company) as they may think fit;

(14) to deal with and vary such investments and from time to time dispose of all or any part thereof for the benefit of the Company and to divide the reserve fund into such special funds as they think fit with full power to employ the assets constituting the reserve fund in the business of the Company and that without being bound to keep the same separate from the other assets and also to carry forward to the accounts of the succeeding year or years any profit or balance of profit which they shall not think fit to divide or place to reserve;

(15) to enter into any arrangement with any company, firm or person carrying on any business similar to that of this Company, for mutual concessions, or for any joint working or combination, or for any restriction upon competition, or for any pooling of business or profits that may seem desirable, and to carry the same into effect;

153. The Directors shall cause minutes to be made in books provided for the purpose :—

(*a*) of all appointments of officers made by the Directors,

(*b*) of the names of the directors present at each meeting of the directors and of the committee of the directors,

(*c*) of all resolutions and proceedings at all meetings of the Company and of the Directors, and of the committees of directors; and every director present at any meeting of Directors shall sign his name in a book to be kept for that purpose.

THE SEAL

154. The seal of the Company shall not be affixed to any instrument except in the presence of two or more directors or of one director and the secretary or secretaries or such other person as the directors may appoint for the purpose and that director and the secretary, or other person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence. Such attestation on the part of the secretaries being a firm or company being signified by a partner or duly authorised manager, director, secretary, attorney or agent of the said firm or company as such secretaries the seal shall not be attested by one person in the dual capacity of director and representative of the secretaries. Any instrument sealed with the seal of the Company and attested as aforesaid shall be presumed to be duly executed.

PROCEEDINGS OF DIRECTORS

155. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the transaction of business.

156. Two Directors personally present shall be a quorum, until otherwise determined.

157. A Director may at any time, and the Secretary of the Company upon the request of a Director shall convene a meeting of the Directors.

158. Questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes by the decision of an arbitrator agreed upon by the Directors.

159. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of the Company for the time being vested in or exercisable by the Directors generally.

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160. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulation that may from time to time be imposed upon it by the Directors.

161. The meetings and proceedings of any such committee consisting of two or more members, shall be governed by the povisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto, and are not superseded by any regulations made by the Directors under the last preceding Article.

162. All acts done by any meeting of the directors or by a Committee of directors or by any person acting as a director shall notwithstanding that it shall afterwards be discovered that there was some defeat in the appointment of such directors or persons acting as aforesaid, or that they or any of them were disqualified be as valid as if every such person had been duly appointed and was qualified to be a director.

163. A resolution in writing signed by all the directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

DIVIDENDS

164. The Company in a general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

165. No dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits.

166. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

167. The Directors may from time to time pay to the members such interim dividends as in their judgment the position of the Company justifies.

168. All dividends shall be declared and paid according to the amounts paid on the shares, (subject to the right of person, if any, entitled to shares with special right as to dividends) but if and so long as nothing is paid up on any of the shares in the Company dividends may be declared and paid according to the amounts of the shares. No amounts paid on a share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the share.

169. Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may if so arrange between the Company and the member be set off against the call. The making of a call under this Article shall be deemed ordinary business of an ordinary meeting which declares a dividend.

170. The Directors may retain the dividends payable upon shares in respect of which any person is under the Transmission Article entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same.

171. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and all dividends unclaimed for three years after having been declared may be forfeited by the Directors for the benefit of the Company.

172. No member shall be entitled to receive payment of any dividend or bonus in respect of his share or shares whilst any moneys may be due or owing from him (whether alone or jointly with any other person) to the Company in respect of such share or shares, or otherwise howsoever.

173. The Directors may deduct from the dividend or bonus payable to any member all such sums of money as may be due from him (whether alone or jointly with any other person) to the Company, and notwithstanding the fact that such sums or any of them are not payable until after the date when such dividend or bonus is payable.

174. Any general meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any capital redemption Reserve Fund, or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the share premiums account be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital that all or any part of such capitalised fund be applied on behalf of such members in paying up in full either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum.

175. Any general meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets, and in particular of paid up shares, debentures, or debenture-stock of the Company, or paid-up shares, debentures, or debenture-stock of any other company, or in any one or more of such ways.

176. For the purpose of giving effect to any resolution under the preceding Article the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any members upon the footing of the value so fixed or that fractions of less value than Re.1/- may

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be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Directors. Where requisite a proper contract shall be delivered to the Registrar for registration, in accordance with Section 43 of the Companies Ordinance and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund and such appointment shall be effective.

177. No dividend shall bear interest against the Company.

178. Any dividend (unless otherwise directed) may be paid by cheque or warrant sent through the post to the registered address of the member entitled and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

ACCOUNTS

179. The Directors shall cause true accounts to be kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of sales and purchases of goods by the Company and of the assets, credits and liabilities of the Company.

180. The Books of Accounts shall be kept at the office or at such other place as the Directors think fit.

181. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books and documents of the company or any of them shall be opened to the inspection of the members, and no member (not being Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Directors or by a resolution of the Company in general meeting.

182. At the ordinary meeting in every year the Directors shall lay before the Company a profit and loss account, and balance sheets, containing a summary of the property and liabilities of the Company, made up to a date not more than six months before the meeting, from the date up to which the last preceding account and balance sheet and account shall comply with the provisions of the Ordinance, but the Directors shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than they may deem expedient, and if the Company has issued redeemable preference shares the Company shall comply with the provisions of the Ordinance.

183. Every such account and balance sheets shall be accompanied by a report of the Directors as to the state and condition of the Company, and as to the amount (if any) which they recommend to be paid out of the profits by way of dividend (or bonus) to the members, and the amount (if any) which they propose to carry to the Reserve Fund, according to the provisions in that behalf hereinbefore contained; and the account, report and balance sheets shall be signed by two Directors and countersigned by the Secretary.

AUDIT

184. The accounts of the Company shall once at least in every year be examined and the correctness of the balance sheet ascertained by one or more auditor or auditors.

185. Auditors shall be appointed and their duties regulated in accordance with sections 130, 131 and 132 of the Ordinance.

NOTICES

186. Every member shall furnish the Company with an address in Ceylon which will be deemed to be his place of abode and shall be registered as such in the books of the Company.

187. A notice may be given by the Company to any member either personally or by sending by post to him to his registered address, supplied by him to the Company for giving of notices to him.

188. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

189. If a member has no registered address within the Island and has not supplied to the Company an address within the Island for giving notices to him, a notice addressed to him and advertised in a newspaper circulating in the neighbourhood of the registered office of the Company, shall be deemed to be duly given to him at noon on the day on which the advertisement appears.

190. A notice may be given by the Company to the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a pre-paid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the addresses (if any) in Ceylon supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving notice in any manner in which the same might have been given if the death or insolvency had not occurred.

191. Notice of every general meeting shall be given in such manner hereinbefore authorised to (*a*) every member of the Company except those members who (having no registered address within Ceylon) have not supplied to the Company an address within Ceylon for the giving of notices to them, and also to (*b*) every person entitled to a share in consequence of the death or insolvency of a member, who, but for his death or insolvency, would be entitled to receive notice of the meeting. No other persons other than the Auditors shall be entitled to receive notices of general meetings.

192. The signature to any notice to be given by the Company may be written or printed.

D 14
Articles of Association of the Sinhalese Film Industrial Corporation Ltd.
24-7-57
—*Continued*

193. When a given number of days notice or notices extending over any other period is required to be given the day of service shall, unless it is otherwise provided, be counted in such number of days or other period.

SECRECY CLAUSE

194. Every director, manager, auditor, trustee, member of committee, officer, servant, agent, accountant, or other person employed in the Company shall, if so required by the Directors, before entering upon his duties, sign a a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with customers and the state of the accounts with individuals and in matters relating thereto and shall such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a court of law or by a person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

195. No member shall be entitled except to the extent expressly permitted by the ordinance or these regulations to enter upon the property of the Company or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, it will be inexpedient in the interest of the members of the Company to communicate to the public.

ARBITRATION AND WINDING-UP

196. Whenever any question or other matters whatsoever arises in dispute between the Company and any other company or person, the same may be referred by the Directors, to arbitration, pursuant to, and so as with regard to the mode and consequence of the reference and in all other respects to conform to the provision, in that behalf contained in the Civil Procedure Code and or the Arbitration Ordinance Chapter 83 of the Legislative Enactments or any then subsisting statutory modification thereof.

197. Any member whether a director or not, or whether along or jointly with any other member or director, and any person not a member may become purchaser of the property of the Company or any part thereof, in the event of a winding up or dissolution, or at any other time when a sale of the Company's property or effects or any part thereof shall be made by the Directors under powers hereby or under the ordinance conferred upon them.

198. If the Company shall be wound up, and there shall be any surplus assets after payment of all debts and satisfaction on all liabilities of the Company, such surplus assets shall be applied, first in repayment to the holders of the preference shares (if any), the amounts that may be due to them whether by way of capital and dividend, or arrears of dividend whether earned or declared or not or otherwise in accordance with the rights, privileges, and conditions, attached thereto, and the balance in repaying to the holders of the ordinary shares. If after such payments, there shall remain any surplus assets, such

surplus assets shall be divided among holders of the ordinary shares, in proportion to the capital paid upon the shares which are held by them respectively at the commencement of the winding-up unless the conditions attached to the preference shares, expressly entitle such shares to participate in such surplus assets.

199. If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with the sanction of an extraordinary resolution divide among the countributory "in specie" or kind any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, or any of them as the liquidators with like sanction, shall think fit.

200. If thought, expedient, any such division may be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the memorandum of association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part, but in case of any division otherswise than in accordance with the legal rights of the contributories shall be determined, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary right as if such determination were a special resolution passed pursuant to section 225 of the Ordinance.

201. In case any shares to be divided as aforesaid involve a liability to calls or otherwise, any person entitled under such division to any of the said shares may within 10 days after the passing of the extraordinary resolution, by notice in writing, direct the liquidators to sell his portion and pay him the net proceeds, and the liquidators shall, if practicable act accordingly.

202. The Directors shall be indemnified by the Company against and it shall be the duty of the directors, out of the funds of the Company, to pay and satisfy, all costs, losses, expenses and liabilities incurred by any such directors in the course of the Company's business, or in any way in the discharge of their duties, including travelling expenses, and the amount for which such indemnity is provided shall immediately act as a lien on the property of the Company and have priority as between the members over all other claims.

203. No director or officer of the Company (subject to the provisions of the Ordinance) shall be liable for the acts, receipts, neglects, or defaults, of any other director or officer or for joining in any receipts or other act of conformity or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person with whom any moneys, securities or effects, shall be deposited or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office, or in relation thereto unless the same happen through his own dishonesty.

We, the subscribers to the Memorandum of Association, hereby agree to the foregoing articles.

D 14
Articles of Association of the Sinhalese Film Industrial Corporation Ltd.—
24-7-57
—*Continued*

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	SIGNATURES
Managing Director: Emjay Estates Ltd., Emjay Insurance Co., Ltd., "Kalyani", Peliyagoda.	MUDALIYAR JAYASENA MADANAYAKE
Managing Director: South Western Bus Co., Ltd., Director: Avon Sales (Ceylon) Ltd., 10, McLeod Road, Colombo 4.	VINCENT TRUTAND DE ZOYSA.
Director: Ceylon Extraction Co., Ltd., Deans Trading Co., Ltd., 16, De Fonseka Road, Colombo 5.	BASTIAN MARCUS MARCELLENE.
Managing Director: Tillyrie Estate Co., Ltd., Chairman Board of Directors: United Ceylon Insurance Co., Ltd., 10, Gregory's Road, Colombo 7.	BASIL HENRY WILLIAM.
Merchant, Station Road, Kelaniya.	SIRISENA MADANAYAKE.
Managing Director: Sherman De Silva & Co. Ltd., 24, Cambridge Place, Colombo 7.	SHERMAN DE SILVA
Director: B. J. Fernando & Co., Ltd., Colombo Omnibus Co., Ltd., 127, Cotta Road, Colombo 8.	BIYAGAMAGE SIRISENA FERNANDO.
Hony. Treasurer & Propaganda Organiser, Sinhala Jathika Sangamaya, 58, Stafford Place, Colombo 10.	GILBERT HEWAVITARNE.

Witness to the above signatures at Colombo this 24th day of July 1957.

(Sgd). D. L. GUNASEKERE,
Proctor & Notary.

D 15

PARTICULARS OF DIRECTORS OR MANAGERS AND OF ANY CHANGES THEREIN, FURNISHED UNDER THE COMPANIES ORDINANCE IN RESPECT OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

D15
Particulars of Directors or Managers and of any changes, therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd. — 21-8-57

Registration Fee, Rs. 5. Payable only in Cash, Cheque, Postal Order or Money Order.

THE COMPANIES ORDINANCE, NO. 51 OF 1938 (CAP. 145)

Particulars of Directors or Managers and of any Changes therein

(*Pursuant to Section* 142 (2))

Name of Company : THE SINHALESE FILM INDUSTRIAL CORPORATION Limited.

Note:—This Return must be sent to the Registrar of Companies, P. O. Box 1502, Colombo, within 14 days of the appointment of the first directors of the Company, and if there is a change in these particulars after registration within 14 days of the change.

Presented by

MUDALIYAR JAYASENA MADANAYAKE

"KALYANI", PELIYAGODA.

D15
Particulars of Directors or Managers and of any changes, therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd. — 21-8-57
— *Continued*

Particulars of the Directors or Managers (*a*) **of** THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED
and of any changes therein

The present Christian name or names and Surname (*b*)	Any former Christian name or names or Surnames	Nationality	Nationality of origin (if other than the present Nationality)	Usual Residential Address	Other business Occupation or Directorships if any. If none, state so (*c*)	Changes giving dates of Changes (*d*)
VINCENT TRUTAND DE ZOYSA	Nil	Citizen of Ceylon	British	No. 10, Macleod Road, Colombo. 4	Managing Director: Avon Sales (Ceylon) Ltd. Automobile and General Finance Co. Ltd. South Western Bus Co. Ltd. Director: Associated Motorways Ltd.	Appointed on August 12, 1957
JAYASENA MADANAYAKE	Nil	do	do	"Kalyani" Peliyagoda	Managing Director, Emjay Estates Ltd., Emjay Mills Ltd., Emjay Insurance Co. Ltd. Director Sri Lanka Omnibus Co. Ltd., Colombo, Ratnapura Bus Co. Ltd., Matale Bus Co. Ltd., Managing Director Emjay Garages Ltd.	do
BASIL HENRY WILLIAM	Nil	do	do	No. 10, Gregory's Rd., Colombo 7.	Managing Director Tillyrie Estate Co. Ltd., Chairman Board of Directors; United Ceylon Insurance Co. Ltd., Landed Proprietor	do
SHERMAN DE SILVA	Nil	do	do	No. 24 Cambridge Place. Colombo 7.	Managing Director: Sherman de Silva & Co. Ltd.,	do
Bastian Marcus Marcellene	Nil	do	do	No. 16, de Fonseka Road, Colombo 5.	Director: Ceylon Extraction Co. Ltd. Deans Trading Co. Ltd. and Partner B. M. Marcellene & Co.,	do
BIYAGAMAGE SIRISENA FERNANDO	Nil	do	do	127, Cotta Road, Colombo 8.	Managing Director: B. J. Fernando & Co. Ltd., Pemranmal Estates Ltd., Director: Colombo-Omnibus Co, Ltd., Sri Lanka Omnibus Co. Ltd.,	do

(*a*) "Director" includes any person who occupies the position of a Director by whatever name called and any person in accordance with whose directions or instructions the Directors of a Company are accustomed to act.

(*b*) In the case of a Corporation its corporate name and registered or principal office should be shown.

(*c*) In the case of an individual who has no business occupation but holds any other directorship or directorships, particulars of that directorship or of some one of those directorships must be entered.

Signature: Signed Illegibly.

(*State whether Director or Manager or Secretary*) Director.

Dated the Twenty first *day of* August 1957.

(*d*) A complete list of the Directors or Managers shown as existing in the last Particulars delivered should always be given. A note of the changes since the last List should be made in this column, *e.g.*, by placing against a new director's name the words "in place of—" and by writing against any former director's name the words "dead" "resigned", or as the case may be, and giving date of change.

D 16

PARTICULARS OF DIRECTORS OR MANAGERS AND OF ANY CHANGES THEREIN, FURNISHED UNDER THE COMPANIES ORDINANCE IN RESPECT OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

D16
Particulars of Directors or Managers and of any changes therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd. — 10-9-57

Registration Fee, Rs. 5. Payable only in Cash, Cheque, Postal Order or Money Order.

THE COMPANIES ORDINANCE, NO. 51 OF 1938 (CAP. 145)

Particulars of Directors or Managers and of any Changes therein

(*Pursuant to Section* 142 (2))

Name of Company: THE SINHALESE FILM INDUSTRIAL CORPORATION Limited

Note: –This Return must be sent to the Registrar of Companies, P. O. Box 1502, Colombo, within 14 days of the appointment of the first directors of the Company, and if there is a change in these particulars after registration within 14 days of the change.

Presented by

R. SAHABANDU

SECRETARY.

D16
Particulars of Directors or Managers and of any changes therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd. — 10-9-57
— *Continued*

D 16

Particulars of the Directors or Managers (*a*) of THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED and of any changes therein

The present Christian name or names and Surname (*b*)	Any former Christian name or names or Surnames	Nationality	Nationality of origin (if other than the present Nationality)	Usual Residential Address	Other business Occupation or Directorships if any. If none, state so (*c*)	Changes giving dates of Changes (*d*)
VINCENT TRUTAND DE ZOYSA	Nil	Citizen of Ceylon	British	No. 10, Macleod Road, Colombo. 4	Managing Director,Avon Sales (Ceylon) Ltd. Automobile and General Finance Co. Ltd. South Western Bus Co. Ltd. Director, Associated Motorways Ltd.	
JAYASENA MADANAYAKE	Nil	do	do	"Kalyani", Peliyagoda	Managing Director, Emjay Estates Ltd., Emjay Mills Ltd., Emjay Insurance Co. Ltd. Director Sri Lanka Omnibus Co. Ltd., Colombo, Ratnapura Bus Co. Ltd., Matale Bus Co. Ltd., Managing Director, Emjay garages Ltd.	
BASIL HENRY WILLIAM	Nil	do	do	No. 10, Gregory's Rd., Colombo 7.	Managing Director Tillyre Estates Co. Ltd., Chairman Board of Directors United Ceylon Insurance Co. Ltd., Landed Proprietor.	
SHERMAN DE SILVA	Nil	do	do	No. 24, Cambridge Place, Colombo 7.	Managing Director, Sherman de Silva Co Ltd.,	
BASTIAN MARCUS Marcellene	Nil	do	do	No. 16, de Fonseka Road, Colombo 5.	Director Ceylon Extraction Co. Ltd. Deans Trading Co., Ltd. and Partner B. M. Marcellene & Co.,	Resigned 6-9-57
BIYAGAMAGE SIRISENA FERNANDO	Nil	do	do	127, Cotta Road, Colombo 8.	Managing Director B. J. Fernando & Co. Ltd., Penranmal Estates Ltd., Director Colombo Omnibus Co, Ltd., Sri Lanka Omnibus Co. Ltd.,	
SIRISENA MADANAYAKE	Nil	do	do	Station Road, Kelaniya	Director Emjay Insurance Co. Ltd., Ratnapura Ominbus Co. Ltd.	Appointed 29-8-57
SIRIWICKREMA TIKIRI BANDA HARASGAMA	Nil	do	do	97, Fifth Lane, Colpetty	Proctor S.C.	Appointed 29-8-57

Signature: Signed Illegibly.
(*State whether Director or Manager or Secretary*) Secretary.
Dated the 10th *day of* September 1957.

(*a*) "Director" includes any person who occupies the position of a Director by whatever name called and any person in accordance with whose directions or instructions the Directors of a Company are accustomed to act.

(*b*) In the case of a Corporation its corporate name and registered or principal office should be shown.

(*c*) In the case of an individual who has no business occupation but holds any other directorship or directorships, particulars of that directorship or of some one of those directorships must be entered.

(*d*) A complete list of the Directors or Managers shown as existing in the last Particulars delivered should always be given. A note of the changes since the last List should be made in this column, *e.g.*, by placing against a new director's name the words in place of—" and by writing against any former director's name the words "dead" "resigned", or as the case may be, and giving date of change.

D 17

PARTICULARS OF DIRECTORS OR MANAGERS AND OF ANY CHANGES THEREIN, FURNISHED UNDER THE COMPANIES ORDINANCE IN RESPECT OF THE SINHALESE FILM INDUSTRIAL CORPORATION, LTD.

D17
Particulars of Directors or Managers and of any changes therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd. — 15-5-58

Registration Fee, Rs. 5. Payable only in Cash, Cheque, Postal Order or Money Order

THE COMPANIES ORDINANCE, NO. 51 OF 1938 (CAP. 145)

Particulars of Directors or Managers and of Any Changes Therein

(*Pursuant to Section* 142 (2))

Name of Company: THE SINHALESE FILM INDUSTRIAL CORPORATION Limited.

Note:—This Return must be sent to the Registrar of Companies, P. O. Box 1502, Colombo, within 14 days of the appointment of the first directors of the Company, and if there is a change in these particulars after registration within 14 days of the change.

Presented by—

V. T. De ZOYSA,

Director.

D 18
Particulars of Directors or Managers and of any changes therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd. — 27-10-58 — *Continued*

Particulars of the Directors or Managers (*a*) **of** THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED, 185, Union Place, Colombo.

and of any changes therein

The present Christian name or names and Surname (*b*)	Any former Christian name or names or Surnames	Nationality	Nationality of origin (if other than the present Nationality)	Usual Residential Address	Other business Occupation or Directorships if any. If none, state so (*c*)	Changes giving dates of Changes (*d*)
VINCENT TRUTAND DE ZOYSA	Nil	Citizen of Ceylon	British	-1st Lane, Ratmalana	M. D. South Western Bus Co. Ltd.,	Resigned 21-10-58
MUDALIYAR JAYASENA MADANAYAKE	Nil	do	do	"Kalyani", Peliyagoda	Mg. Director Emjay Estates Ltd. Emjay Mills Ltd. Emjay Insurance Co. Ltd. Director, S. Lanka Omnibus Co. Ltd., Ratnapura Bus Co. Ltd. Emjay Garages Ltd.	
BASIL HENRY WILLIAM	Nil	do	do	No. 10, Gregory's Road, Colombo7	Mg. Director Tyllerie Estates Co. Ltd., Chairman United Insurance Co. Ltd., Landed Proprietor	DEAD- 15-10-58
SHERMAN DE SILVA	Nil	do	do	24, Cambridge Place, Colombo 7.	Mg. Director Sherman de Silva & Co. Ltd.	
BIYAGAMAGE SIRISENA FERNANDO	Nil	do	do	127, Cotta Road, Colombo 8.	Mg. Director B. J. Fernando&Co. Ltd. Pemranmal Estates Co. Ltd., Director Col. Omnibus Co. Ltd.,	
SIRISENA MADANAYAKE	Nil	do	do	Station Road, Kelaniya.	Director Ratnapura Omnibus Co. Ltd., Emjay Insurance Co. Ltd.,	
SRIWICKREMA TIKIRIBANDA HARASGAMA	Nil	do	do	135, New Bullers Road, Colombo 4.	Proctor S.C.	Resigned 21-10-58
THOMAS LIYANAGE	Nil	do	do	"Emalsevana" Melder Place, Nugegoda.	Merchant	Appointed in place of S. T. B. Harasgama on 21-10-58
D. L. GUNASEKERA	Nil	do	do	Hunupitiya, Wattala	Proctor S. C.	Appointed in place of B. H. William (deceased) on 21.10.58
HENRY NAYANANANDA LIYANAGE	Nil	do	do	"Emalsevana" Melder Place, Nugegoda	Merchant	Appointed in place of V. T. de Zoysa on 21-10-58

(*a*) "Director" includes any person who occupies the position of a Director by whatever name called and any person in accordance with whose directions or instructions the Directors of a Company are accustomed to act.

(*b*) In the case of a Corporation its corporate name and registered or principal office should be shown.

(*c*) In the case of an individual who has no business occupation but holds any other directorship or directorships, particulars of that directorship or of some one of those directorships must be entered.

Signature:- Sgd. Illegibly.

(*State whether Director or Manager or Secretary*) Manager.

Dated the Twenty seventh *day of* October 1958.

(*d*) A complete list of the Directors or Managers shown as existing in the last Particulars delivered should always be given. A note of the changes since the last List should be made in this column, *e.g.*, by placing against a new director's name the words "in place of—" and by writing against any former director's name the words "dead" "resigned" or as the case may be, and giving date of change.

D 18

PARTICULARS OF DIRECTORS OR MANAGERS AND OF ANY CHANGES THEREIN, FURNISHED UNDER THE COMPANIES ORDINANCE IN RESPECT OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

Registration Fee, Rs. 5. Payable only in Cash, Cheque, Postal Order or Money Order.

THE COMPANIES ORDINANCE, NO. 51 OF 1938 (CAP. 145)

Particulars of Directors or Managers and of any Changes therein

(*Pursuant to Section* 142 (2))

Name of Company: THE SINHALESE FILM INDUSTRIAL CORPORATION Limited.

Note:—This Return must be sent to the Registrar of Companies, P. O. Box 1502, Colombo, within 14 days of the appointment of the first directors of the Company, and if there is a change in these particulars after registration within 14 days of the change.

Presented by—

GILBERT HEWAVITARANE

DALUGAMA, KELANIYA.

D 19
Particulars of Directors or Managers and of any changes therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd. — 5-11-58
— *Continued*

Particulars of the Directors or Managers (*a*) **of** THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED 74, Old Kandy Road, Peliyagoda.

and of any changes therein

The present Christian name or names and Surname (*b*)	Any former Christian name or names or Surnames	Nationality	Nationality of origin (if other than the present Nationality)	Usual Residential Address	Other business Occupation or Directorships if any. If none, state so (*c*)	Changes giving dates of Changes (*d*)
MUDALIYAR JAYASENA MADANAYAKE	Nil	Citizen of Ceylon	British	"Kalyani", Peliyagoda	Managing Director, Emjay Estates Ltd., Emjay Mills Ltd., Emjay Insurance Co. Ltd., Director Sri Lanka Omnibus Co. Ltd., Ratnapura Bus Co. Ltd., Emjay Garages Ltd.	
SHERMAN DE SILVA	Nil	do	do	24, Cambridge Place, Colombo 7.	Managing Director, Sherman de Silva & Co. Ltd.,	
BIYAGAMAGE SIRISENA FERNANDO	Nil	do	do	27, Cotta Road, Colombo 8	Managing Director, B. J. Fernando & Co. Ltd., Panranmal Estate Co. Ltd., Director C.O. C. Ltd.	
SIRISENA MADANAYAKE	Nil	do	do	Station Road, Kelaniya.	Director, Emjay Insurance Co. Ltd.,	
THOMAS LIYANAGE	Nil	do	do	"Emalsevana" Melder Place, Nugegoda.	Merchant.	
D. L. GUNASEKERE	Nil	do	do	Hunupitiya, Wattala	Proctor S. C.	
HENRY NAYANANANDA LIYANAGE	Nil	do	do	"Emalsevena" Melder Place, Nugegoda.	Merchant.	
C. ABEYSEKERE C.C.S.	Nil	do	do	Ministry of Industries & Fisheries, New Secretariat, Senate Square, Colombo. 1	Asst. Secretary, Ministry of Ind. & Fisheries	Government Director.

(*a*) "Director" includes any person who occupies the position of a Director by whatever name called and any person in accordance with whose directions or instructions the Directors of a Company are accustomed to act.

(*b*) In the case of a Corporation its corporate name and registered or principal office should be shown.

(*c*) In the case of an individual who has no business occupation but holds any other directorship or directorships, particulars of that directorship or of some one of those directorships must be entered.

Signature: Sgd. Illegibly

(*State whether Director or Manager or Secretary*) Manager.

Dated the 5th day of November, 1958.

(*d*) A complete list of the Directors or Managers shown as existing in the last Particulars delivered should always be given. A note of the changes since the last List should be made in this Column, e.g., by placing against a new director's name the words "in place of—" and by writing against any former director's name the words "dead" "resigned", or as the case may be, and giving date of change.

D 19

PARTICULARS OF DIRECTORS OR MANAGERS AND OF ANY CHANGES THEREIN, FURNISHED UNDER THE COMPANIES ORDINANCE IN RESPECT OF THE SINHALESE FILM INDUSTRIAL CORPORATION, LTD.

Registration Fee, Rs. 5. Payable only in Cash, Cheque, Postal Order or Money Order.

THE COMPANIES ORDINANCE, NO. 51 OF 1938 (CAP. 145)

Particulars of Directors or Managers and of Any Changes Therein

(*Pursuant to Section* 142 (2))

Name of Company: THE SINHALESE FILM INDUSTRIAL CORPORATION Limited.

Note:—This Return must be sent to the Registrar of Companies, P. O. Box 1502, Colombo, within 14 days of the appointment of the first directors of the Company, and if there is a change in these particulars after registration within 14 days of the change.

Presented by

GILBERT HEWAVITARANE

DALUGAMA, KELANIYA.

D4

D 4
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd.
27-2-59

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

Minutes of the Meeting of the Board of Directors of The Sinhalese Film Industrial Corporation Limited, held on 27th of February 1959 at the Registered Office No. 74, Old Kandy Road, Peliyagoda.

PRESENT:—Mr. D. L. Gunasekera (Chairman)
Mudaliyar J. Madanayake, Mr. Sherman de Silva, Mr. Thomas
10 Liyanage, Mr. Sirisena Madanayake and Mr. H. N. Liyanage.

In attendance Mr. Gilbert Hewavitarana, the Manager.

1. Minutes of the meeting of the Board of Directors of The Sinhalese Film Industrial Corporation Ltd., held on 17th December 1958 were read by the Secretary and signed by the Chairman.

2. It was resolved to allot shares entered in the columns headed "No. of shares allotted" opposite the name and address of each applicant respectively in the Application Sheet No. 20 of the Application Register.

3. Resolved to hold meeting of the Directors monthly and to circulate minutes of such meetings within a week from the date of holding a meeting.

20 4. Under matters arising from the minutes:— Item 5. The manager brought to the notice of the meeting that the Annual General meeting which was fixed for the 31st of January 1959 was not summoned because the eighteen month period as per Section 121(1) of the Companies Ordinance had lapsed and the Directors - Resolved to instruct the Manager to write to the Director of Commerce and obtain the necessary extension of time to hold the meeting on 30th March 1959 and to proceed with the preparation of the Directors Report and such other documents as may be necessary and finally to notify the Shareholders forwarding to them the Annual Report of the Directors and the Balance Sheet as at 31. 3. 58.

30 5. Resolved to write to the Administrator of the Estate of late Mr. B. H. William (deceased) informing him to take steps to pay the balance due on the shares allotted to the said late Mr. B. H. William (deceased), as early as possible as the same is very much overdue and the amount of Rs. 2,500/- already paid against the said shares is liable to be forfeited.

6. Resolved to enter into an agreement with Mudaliyar J. Madanayake to purchase the proposed Studio Site at Dalugama, Kelaniya comprised of all those allotments of land as depicted in the Plan No. 496 of January 1956

D 4
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd.
27-2-59
— *Continued*

and in the Plan No. 506 of 26. 3. 56 by S. H. Fernando Esqr., Licensed Surveyor for the sum of Rupees Fortythousand (Rs. 40,000/-) according to the terms and conditions of the Agreement and Mudaliyar J. Madanayake further agreed to invest in 4,000 Ordinary Shares of the Corporation after signing of the Transfer. And further it was resolved to effect the signing of the agreement on 2. 3. 59 and hand over possession of the said entire site on the same day to the Chairman Mr. D. L. Gunasekera.

7. Resolved to pay Mudaliyar J. Madanayake a sum of Rupees Fifteen Thousand (Rs. 15,000/-) on signing the Agreement and resolved to appoint Mr. D. L. Gunasekera and Mr. Sherman de Silva, Directors, to sign the Agreement on behalf of the Company and to affix the Company's Seal in their presence.

8. Resolved to write to the Bankers the Bank of Ceylon to transfer Rs. 15,000/- from the Application Account to the Current Account in order to effect payment of Rs. 15,000/- to Mudaliyar J. Madanayake on signing the Agreement.

9. The Meeting authorised the Chairman to alter the Share Certificate No. 599 to O. P. Charles Silva as it was incorrectly written as U. P. Charles Silva.

10. Mr. D. L. Gunasekera resigned from the Legal Advisorship and the Meeting accepted the resignation with regret.

The Meeting then terminated.

Sgd. D. L. GUNASEKERA.
Chairman
25-3-59.

Sgd. T. LIYANAGE
Secretary,
74, Old Kandy Road, Peliyagoda.

I certify that the above is a true copy of the Minutes of the meeting of the Board of Directors held on 27-2-59.

Sgd. Illegibly.

Secretary

THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

P 1

P 1
Agreement
No. 342
attested by
H. C. Perera,
Notary Public—
2-3-59

AGREEMENT NO. 342 ATTESTED BY H. C. PERERA, NOTARY PUBLIC

Application No. D6536
12-10-64

GUNASEKERA & PERERA
Proctors & Notaries,
Colombo.

PRIOR REGISTRATION:—(Vide Schedule).

No. 342

THIS AGREEMENT made and entered into between Mudaliyar Jayasena Madanayake of "Kalyani", Peliyagoda (hereinafter called and referred to as the Vendor which term shall where the context so requires or admits mean and include the said Mudaliyar Jayasena Madanayake his Heirs, Executors and Administrators) of the One Part and The Sinhalese Film Industrial Corporation Limited, a Company duly incorporated under Companies Ordinance No. 51 of 1938 and having its Registered Office at No. 74, Old Kandy Road, Peliyagoda (hereinafter called and referred to as the Purchaser-Company which term shall where the context so requires or admits mean and include the said The Sinhalese Film Industrial Corporation Limited, its successors and assigns) of the other Part.

WHEREAS:—

(1) The Vendor is seized and possessed of or otherwise well and sufficiently entitled to the property and premises in the schedule hereto fully described.

(2) The Purchaser-Company at a meeting of its Board of Directors held on 27th February 1959 resolved to purchase the said property and premises at the price and upon the terms and conditions hereinafter set out.

(3) The Vendor has agreed to sell and the Purchaser-Company has agreed to purchase the said land and premises upon the terms and conditions hereinafter set forth.

NOW THIS AGREEMENT WITNESSETH and it is hereby agreed by and between the parties hereto as follows:—

(1) The Vendor shall sell and the Purchaser-Company shall purchase the said property and premises within a period of eighteen (18) months from the date hereof.

(2) The consideration for the said sale shall be the sum of Rupees Forty Thousand (Rs. 40,000/-) of lawful money of Ceylon.

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Agreement
No. 342
attested by
H. C. Perera,
Notary Public—
2-3-59
— *Continued*

(3) The Vendor undertakes to perfect the title of the said property and premises before the expiration of the said period at the cost and expense of the Vendor and the Purchaser-Company accepts the title of the Vendor when perfected as agreed upon between the Vendor and the Purchaser-Company.

(4) The Purchase shall be completed by the Purchaser-Company on or before the expiration of the said period of 18 months by tendering to the Vendor for completion a deed of conveyance of the said premises in favour of the Purchaser-Company in accordance with the provisions of this agreement on the Purchaser-Company paying to the Vendor the said purchase price of Rupees Forty Thousand (Rs. 40,000/-).

(5) The Purchaser-Company shall be in possession of the said property and premises from the date hereof.

(6) The Purchaser-Company can put up any buildings of any kind permanent or temporary for the purpose of the purchaser-Company.

(7) The Purchaser-Company shall pay to the Vendor at the execution of these presents a sum of Rupees Fifteen thousand (Rs. 15,000/-) as part payment of the consideration mentioned herein.

(8) In the event of the Purchaser-Company failing refusing or neglecting to purchase the said property and premises when the title has been duly perfected by the Vendor as agreed upon the Vendor shall be entitled to forfeit the said sum of Rupees Fifteen Thousand (Rs. 15,000/-) as and by way of liquidated damages and not by way of penalty.

(9) The Purchaser-Company shall bear and pay all expenses stamp duties and other costs of and incidental to the preparation execution and registration of the Transfer in its favour and the expenses, stamp duty and other costs of and incidental to the preparation execution and registration of these presents shall be borne by the parties hereto in equal shares.

(10) All notices to be given hereunder shall be deemed sufficient and duly given if sent by post under registered cover addressed to the parties at the respective addresses above referred to or at their last known place of abode.

IN WITNESS WHEREOF the said Mudaliyar Jayasena Madanayake hath set his hand and the said The Sinhalese Film Industrial Corporation Limited hath caused its Common Seal to be affixed hereunto and to two others of the same tenor and date as these Presents at Colombo on this Second day of March One Thousand Nine Hundred and Fifty Nine.

THE SCHEDULE ABOVE REFERRED TO:—

(1) All those several allotments of land called Owita of the field, Welikdeiyekumbura, Wanata, Millagahakumbura, Millagahawatta, Pelengahakumbura, Millagahapillewa, Highland of Mullekumbura and Mullekumbura described as lots 1 to 15 in Plan No. 496 dated 8th and 9th January 1956 made by S. H. Fernando, Licensed Surveyor situated at Dalugama in the Adicari

P 1
Agreement
No. 342
attested by
H. C. Perera,
Notary Public—
2.3.59
— *Continued*

Pattu of Siyane Korale in the District of Colombo Western Province and bounded on the North by High Road to Kandy, lands of K. W. A. Hemapala and K. W. A. Abeysena, lands of Abilinu Saram, D. F. J. Perera, Peduru Perera on the East by Paddy land of Peduru Perera, land of S. A. K. W. Perera, lands of Marshal Perera and others, land of D. D. S. Abeyasekera land of M. A. J. Dias and the land of Jamis on the South by Ela, Kurundugahakumbura and paddy land of the Gan Aratchi, paddy lands of Barlan and Charlishamy, and on the West by land of B. W. Dias and the paddy land of Aron and containing in extent eight acres, one rood and thirty two and decimal two perches (A8-R1-P32.2) according to the said Plan No. 496 which said land is comprised of the lands registered in folios C200/61, 205/141, 225/35, 237/115, 128/270, 203/294, 232/180 and 136/228.

(2) All that allotment of land called kurundugahakumbura situated at Dalugama in the Adicari Pattu aforesaid and bounded on the North by an ela, on the East by Mullekumbura of Mudaliyar Madanayake, on the South by paddy land known as Muttettuwe, and on the West by Mudun Ela and Pelengahakumbura of Mudaliyar Madanayake containing in extent one acre one rood and fourteen perches (A1. R1. P14) acccording to Plan No. 506 dated 26th March, 1956 made by S. H. Fernando, Licensed Surveyor - which said land is comprised of the lands registered in folios C324/125, 326/109 and 240/102.

WITNESSES:—

Sgd. M. JAYASENA.

Sgd. Gilbert Hewawitarana.

(SEAL)

Sgd. Douglas F. Kaluarachchi.

Signed. D. L. GUNASEKERA.
Director.

Signed. SHERMAN DE SILVA.
Director.

Sgd. H. C. PERERA.
Notary Public.

I, HECTOR CLAUDE PERERA of Colombo in the Island of Ceylon, Notary Public, do hereby certify and attest that the foregoing instrument having been duly read over by Mudaliyar Jayasena Madanayake and Don Leonor Gunasekera and Sherman de Dilva, Directors of the said The Sinhalese Film Industrial Corporation Limited in the presence of Gilbert Hewawitarana of Dalugama, Kelaniya and Douglas Francis Kaluarachchi of 31, Inner Fairline Road, Dehiwala (who signed as "Gilbert Hewawitarana" and "Douglas F. Kaluarachchi" respectively) the subscribing witnesses thereto all of whom are known to me, the same was signed by the said Mudaliyar Jayasena Madanayake (who signed as "M. Jayasena" and the said Don Leonor Gunasekera and Sherman de Silva, the Directors of the said The Sinhalese Film Industrial Corporation Limited (who have signed as "D. L. Gunasekera" and

P 1
Agreement
No. 342
attested by
H. C. Perera,
Notary Public—
2-3-59
— *Continued*

"Sherman de Silva" respectively) and the Common Seal of the said The Sinhalese Film Industrial Corporation Limited was affixed thereto in the presence of the said Directors and the said witnesses and in my presence and in the presence of one another all being present at the same time at Colombo on this second day of March One Thousand Nine Hundred and Fifty Nine.

AND I further certify and attest that before the said Instrument was so read over and signed in the Original on Page 2 in line 31 word "Ten" was deleted and "Fifteen" substituted in line 32 figure "5" was typed on erasure on page 3 in line 5 word "Ten" was deleted and "fifteen" substituted and figure "5" was typed on erasure on page 4 in line 5 "Marshal" in line 8 "West" and lines 11 and 12 were all typed on erasures and in the duplicate on page 2 in line 32 word "Ten" was deleted and "Fifteen" substituted in line 33 figure "5" was typed on erasure on page 3 in line 2 "Ten" was deleted and "Fifteen" substituted and figure "5" was typed on erasure in line 29 "situated at Dalugama in the Adicari Pattu of Siyane Korale in the District of Colombo Western Province" were interpolated on page 3 in line 2 "and paddy land of known as Muttettuwa" and lines 7 and 8 were typed on erasures and that the part consideration of Rs. 15,000/- was paid in my presence by Cheque No. C 704840 dated 2-3-59 drawn on the Bank of Ceylon City Office in favour of Mudaliyar Jayasena Madanayake the Vendor and that the Duplicate of this Instrument bears two stamps of the value of Rs. 11/- and the Original one stamp of Re 1/-.

WHICH I ATTEST.

Sgd. H. C. PERERA.
Notary Public.
(Seal)

Date of Attestation:—
2nd March, 1959.

P2

P 2
Receipt for
Rs. 15,000/-
given by
Mudaliyar
J. Madanayake
2-3-59

RECEIPT FOR RS. 15,000/- GIVEN BY MUDALIYAR J. MADANAYAKE

MUDALIYAR J. MADANAYAKE

"Kalyani", Peliyagoda,
CEYLON.
March 2, 1959.

Received from The Sinhalese Film Industrial Corporation Limited, 74, Old Kandy Road, Peliyagoda, the sum of Rupees Fifteen Thousand only by Bank of Ceylon Cheque No. C. 704840 of even date, being an advance on a/c of my Dalugama block as per Plan No. 496 and 506 by S. H. Fernando Esq., Licensed Surveyor.

Rs. 15,000/-.

Sgd. Illegibly
on a ten cents stamp.
2-3-59.

P33

REPORT OF THE DIRECTORS AND STATEMENT OF ACCOUNTS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD. FOR THE YEAR ENDED 31. 3. 58

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

(Liability of members is limited)

Report of Directors and statement of accounts for the year ended 31st March, 1958

The Sinhalese Film Industrial Corporation Limited was incorporated on the 24th of July 1957 for the purpose of establishing a complete and an up-to-date Film producing Centre on home soil, comprised of Scoring and Re-recording Studios, Processing & Printing Laboratories, Indoor & Outdoor Shooting floors, Pre-view-Projection Hall etc., and to have all other essentials to set on foot the working of the aforesaid project.

We have on the 23rd of August 1957, having delivered to the Registrar of Companies, a copy of the prospectus, published in all the leading local papers the said Prospectus offering to the public for subscription, 249,000 Ordinary shares of Rs. 10/- each. In this instance, we are happy to place before the shareholders of this Corporation that not less than 606 members of the public had applied for shares varying from Rs. 10,000/- to Rs. 10/- worth shares.

We yet continue to receive subscription towards its share capital and that the share list is opened, we expect a large number of members of the public as shareholders ere long.

Our Regrets:— We record with deep regret the sad and untimely death Mr. B. H. William, O. B. E. a prime mover and a Director of the Corporation, who rendered valuable service in floating this enterprise.

Progress:— The progress we have made so far in achieving the objects for which this Corporation was established, was by acquiring the proposed 10 acre block of land situated at Dalugama, Kelaniya, for the price of Rs. 40,000/-. This piece of land which is so ideally suited for the purposes of a film producing studio, has on it, running right through the land an electric transmission line, Capable of supplying 440 three-phase current to the capacity of 750 KVA or more, which is our estimated capacity of consumption of electric power. The power main together with an abandoned control room being on the land, will save this Corporation a capital expenditure to the tune of about Rs. 70,000/- to 80,000/-, and eliminates necessity of bringing afresh a power main of that volume, for electricity forms a fundamental requirement in the working of a film studio. The Corporation is indebted to Mudliyar J. Madanayake, one of the prime movers and a leading Director of this Corporation, for the sacrifice he has made solely for its benefit, in consenting to sell to the Corporation, this piece of land so thorough in its natural formation,

P 33
Report of the Directors and Statement of Accounts of the Sinhalese Film Industrial Corporation Ltd. for the year ended 31-3-58 — 15-3-59
— *Continued*

and situated in such close proximity to the Capital city of Colombo with a frontage to the Colombo/Kandy Main Road, at the above figure. We also record our grateful thanks to Mudaliyar Madanayake for giving the Corporation for free use a fully equipped office and Board Room fitted with electric fans and lights etc. with no rental whatsoever.

Appreciation:— We record our appreciation of the good services rendered to this Corporation since its inception by its first Chairman and Managing Director Mr. V. T. De Zoysa and the Secretary Mr. R. Sahabandu and Director Mr. S. T. B. Harasgama who retired from the Board.

Preparations for constructing necessary buildings that are immediately required for commencing shooting of films and processing same, is now proceeding and we hope to bring you better news about the progress of work, when we meet next before the close of the year.

Auditors Report:— The Auditors Report has been received from the Corporation's Auditor John Rodger Esq., F. C. I. S., York Building, York Street, Colombo 1, who has given in detail the position of finances of the Corporation as at 31st of March 1958.

Retiring Directors:— In terms of our Articles of Association, the following Directors retire:—

1. Mudaliyar J. Madanayake.
2. Sherman de Silva Esq.
3. B. Sirisena Fernando Esq.

They are, however, eligible for re-election and have offered themselves for re-election.

Auditors:— The Directors express their thanks to the Auditor John Rodger Esq. F. C. I. S. who has been of much assistance to the Corporation. The retiring Auditor being eligible offers himself for re-election.

Thanks:— In conclusion, we thank the Manager Gilbert Hewavitarana Esq. and the members of the staff for the very enthusiastic manner with which the work of the Corporation was carried out.

By order of the Board.

Sgd. D. L. GUNASEKERA
Sgd. SHERMAN DE SILVA
Directors

H. N. LIYANAGE.
Secretary.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED
BALANCE SHEET AS AT 31ST MARCH, 1958.

	Rs. cts.	Rs. cts.		Rs. cts.	Rs. cts.	Rs. cts.
SHARE CAPITAL			**FIXED ASSETS**			
Authorised :			Typewriter at cost			1,211.25
500,000 Ordinary Shares of Rs. 10/- each ..		5,000,000.00				
2,500 Promoters' Shares of Rs. 10/- each ..		25,000.00	**Current Assets :**			
		5,025,000.00	Debtor — Estate of late Mr. B. H. William		7,500.00	
Issued :			**Cash at Bank of Ceylon :**			
9,168 Ordinary Shares of Rs. 10/- each fully paid ..		91,680.00	Current A/c.	12,665.85		
2,500 Promoters' Shares of Rs. 10/- each fully paid ..		25,000.00	Share application Account ..	101,124.30	113,790.19	121.290.19
		116,680.00				
Share Application account		41,945.00	**Preliminary Expenses :**			
Creditors :— John Rodger & Co. ..	240.00		2,500 Promoters' Shares		25,000.00	
Guneratne & Co.	1,356.00	1,596.00	Printing & Stationery		3,339.00	
			Stamp Duty & Registration fees ..		341.90	
			Advertising		3,820.00	32,500.90
			PROFIT & LOSS ACCOUNT ..		..	5,218.66
		160,221.00				160,221.00

PROFIT & LOSS A/C FOR THE PERIOD 4-7-57 TO 31-3-58

	Rs. cts.		Rs. cts.
To Rent	625.00	By net loss carried to B/Sheet..	5,218.66
,, Salaries	2,900.00		
,, Stationery	640.70		
,, Telephone	387.95		
,, Postage & Stamps	123.75		
,, Bank Charges	54.51		
,, Sundry Expenses	36.75		
,, Audit & Accountancy Charges	450.00		
	5,218.66		5,218.66

AUDITORS' REPORT : I have examined the above Balance Sheet with the books and accounts of the Company and have obtained all the information and explanations I have required. In my opinion the said Balance Sheet is properly drawn up so as to exhibit a true and fair view of the state of the affairs of the Company as at 31st March 1958, according to the best of my information and explanation given to me and as shown by the books of the Company.

Colombo, 23rd October 1958.

Sgd. JOHN RODGER (*Registered Auditor*).
Signed on behalf of the Board,
Sgd. D. L. GUNASEKERA,
Sgd. M. JAYASENA.
Directors.

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Report of the Directors and Statement of Accounts of the Sinhalee Film Industrial Corporation Ltd. for the year ended 31-3-58 — 15-3-59
— *Continued*

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED
(LIABILITY OF MEMBERS IS LIMITED)

BOARD OF DIRECTORS:

Chairman:
D. L. GUNASEKERA Esq.

MUDALIYAR J. MADANAYAKE Esq. — B. SIRISENA FERNANDO Esq.
THOMAS LIYANAGE Esq. — SIRISENA MADANAYAKE Esq.
SHERMAN DE SILVA Esq. — H. N. LIYANAGE Esq.
C. ABEYESEKERA Esq. C.C.S. (Govt. Director)

Secretary:
H. N. LIYANAGE Esq.

Auditors:
MESSRS. JOHN RODGER & CO.

Bankers:
BANK OF CEYLON, CITY OFFICE

Registered Office:
74, OLD KANDY ROAD, PELIYAGODA.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

NOTICE OF MEETING

Notice is hereby given that the FIRST ANNUAL GENERAL MEETING of the Shareholders of The Sinhalese Film Industrial Corporation Limited will be held at 5 p.m. on Monday 30th March, 1959 at the Registered Office of the Corporation, No. 74, Old Kandy Road, Peliyagoda for the following purpose:—

1. To receive and consider the Directors' Report and the Balance Sheet as at 31st March 1958, and the Report of the Auditor.
2. To elect Directors in place of those retiring.
3. To fix the remuneration payable to the Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other business that may be duly brought before the meeting.

By Order of the Board of Directors.

D. L. Gunasekera,
Director.

15th March, 1959.

I certify that this is a true copy of the report of Directors with Balance Sheet as at 31-3-58.

Sgd. Illegibly
Secretary

The Sinhalese Film Industrial Corporation Limited.

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Report of the Directors and Statement of Accounts of the Sinhalese Film Industrial Corporation Ltd. for the year ended 31-3-58 — 15-3-59
— *Continued*

P 32

MINUTES OF THE FIRST ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE SINHALESE FILM INDUSTRIAL CORPORATION, LTD.

P 32
Minutes of the first Annual General Meeting of the Shareholders of the Sinhalese Film Industrial Corporation Ltd.
30-3-59

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

The Minutes of the first Annual Geneal Meeting of the Shareholders of the Sinhalese Film Industrial Corporation Limited held at 5 p.m. on Monday 30-3-59 at the Registered Office of the Corporation 74, Old Kandy Road, Peliyagoda.

The following Shareholders of the Corporation were present:—

Messrs. D. L. Gunasekera, Mud. J. Madanayake, Sirisena Madanayake, Thomas Liyanage, H. N. Liyanage, Gilbert Hewavitarana, S. K. Gunasena, N. W. Andrayas, Sarath Abeyawardene, R. A. Diyonis Appuhamy, P. D. Cooray, S. A. G. V. Peiris, Sinhala Jathika Sangamaya, Rep. by S. A. Munidasa, W. G. Heras, W. A. Siripala, Rev. Ettiligoda Medankara Thero, and Messrs. K. S. J. Fernando, W. M. Soysa, D. D. Leo Appuhamy, R. P. K. Peter Perera, R. A. Abilinu Perera, Mrs. A. V. Samaranayake, Messrs. D. A. V. Amerasinghe, S. M. P. Banda, K. L. Fernando, U. G. Senaratne, O. B. Perera, and Mr. R. A. Shelton Daymond.

1. The Chairman, Mr. D. L. Gunasekera presided.

2. The Notice convening the Meeting was taken as read.

3. Tabled the Annual Report of the Directors, the Balance Sheet as at 31-3-58 and the Auditors Report for the same period. Mrs. A. V. Samaranayake proposed the adoption of the said Reports and the Balance Sheet as presented, which was seconded by Mr. K. S. J. Fernando. The resolution was carried unanimously.

P 32
Minutes of the first Annual General Meeting of the Shareholders of the Sinhalese Film Industrial Corporation Ltd.
30-3-59
— *Continued*

4. Election of Directors:— Proposed by Mrs. A. V. Samaranayake and seconded by Mr. D. A. V. Amerasinghe, resolved unanimously to re-elect the three retiring Directors namely Mudaliyar J. Madanayake, Mr. Sherman de Silva and Mr. B. Sirisena Fernando for the ensuing year.

5. To fix remuneration to the Directors:— Proposed by Mr. D. L. Gunasekera and seconded by Mr. Thomas Liyanage, it was resolved to render the Corporation free services as had been done hitherto; which the Meeting accepted with grateful applause.

6. Appointment of Auditors for the ensuing year:— Proposed by Mr. Gilbert Hewavitarana and seconded by Mr. D. A. V. Amerasinghe, it was resolved to re-appoint Messrs. John Rodger & Co., as Auditors of the Corporation and authorised the Directors to fix their remuneration, (carried unanimously).

7. Mrs. A. V. Samaranayake questioned the Meeting as to what steps are being taken to put into working form the objects for which this Corporation was established. The Chairman Mr. D. L. Gunasekera, called upon Mr. Gilbert Hewavitarana, the Manager to place before the Meeting, steps taken to work up the scheme in stages. Mr. Gilbert Hewavitarana explained in detail the nature of works which are being prepared to put in hand immediately.

8. Mrs. A. V. Samaranayake proposed that this project being a very profitious and interesting one, the publicity given is inadequate, to carry out a thorough publicity campaign through papers and Commercial Radio. K. S. J. Fernando seconded, and the Resolution was carried unanimously.

9. Messrs. K. S. J. Fernando, W. G. Herath, Mr. Abeyawardena & Mr. S. M. P. Banda questioned the Directors as to why there was such a long silence, changes of situation of Office of the Corporation, letters not replied and so on. Mudaliyar J. Madanayake in answering the number of questions, very patiently and very uprightly explained to the Shareholders, the difficulty the Board of Directors had to encounter, owing to a few members of the Directorate, opposing the issue of small shares to the general public, and requesting the entire Board of Directors to confine only to large blocks of Shares. However, it is with much pleasure, I bring before you, continued Mudaliyar Madanayake that it was not possible for them who formed a minority in the Board, to push their decision any further, becasue, we in majority turned down their proposal, which even resulted in their quitting the Board of Directors. The dispute was a protracted one, and that delay was inevitable, and I solicit your kind cooperation and to bear with us and overlook the many inconveniences and worry you gentlemen had to face, for it was only in the interest of the Shareholders of the Corporation, that such step was necessary.

10. In corroborating what Mudaliyar Madanayake said about the delay and other matters, Mr. Thomas Liyanage told the shareholders, that he had to stand up on behalf of the small shareholders and oppose vehemently the proposal and steps taken to negate the right of access to the shares in whichever small way, in this great National Project The Sinhalese

Film Industrial Corporation, and proposed that every applicant whether they were small or big be allotted. Which resolution was accepted and passed unanimously in that momentous Extra Ordinary General Meeting, convened to pass the resolution to wind up this National Project.

P 32
Minutes of the first Annual General Meeting of the Shareholders of the Sinhalese Film Industrial Corporation Ltd.
30-3-59
— *Continued*

11. Mr. W. G. Herath thanked the Mudaliyar and Mr. Thomas Liyanage and the Directors of the Board of Directors and advocating the cause of small shareholder, requested smaller amounts on instalments, and promised to enlist the support of their many friends and relations to subscribe towards this great project, which will no doubt form an integral part of the country's economy in time to come and also will help to resurrect the lost culture and civilisation of our nation.

12. Messrs. K. S. J. Fernando and S. M. P. Banda also thanked immensely the Mudaliyar, Mr. Thomas Liyanage and the rest of the Directors who supported the cause of small shares and promised their utmost cooperation and service to enlist the small subscribers towards its capital and insisted that the Corporation should advertise and keep the matter alive in the minds of the public.

13. The Chairman Mr. D. L. Gunasekera in winding-up the Meeting thanked all those Shareholders who had come long distances for giving their cooperation and promised that the Board of Directors will endeavour to bring before them very good and highly satisfying news about the project when they meet next. He also promised to give effect to the proposal brought before the Meeting in regard to advertising and starting up immediately the construction of the first stage of the proposed scheme of Film Producing Centre.

14. With a vote of thanks proposed by Mrs. A. V. Samaranayake and seconded by Mr. K. S. J. Fernando the meeting terminated.

. . . . . .
Secretary

March 30, 1959.
74, Old Kandy Road, Peliyagoda.

. . . . . .
Chairman

D 51

D 51
Agreement between the Sinhalese Film Industrial Corporation Ltd. and Andre Debrie of France — 15-9-59

AGREEMENT BETWEEN THE SINHALESE FILM INDUSTRIAL CORPORATION LTD. AND ANDRE DEBRIE OF FRANCE.

TRUE COPY.
Sgd. BEN SAMARASINGHE
Proctor S.C.

Colombo, 15th September, 1959.

A contract signed this 17th day of September, 1959, between "THE SINHALESE FILM INDUSTRIAL CORPORATION LTD"., of 74 Old

D 51 Agreement between the Sinhalese Film Industrial Corporation Ltd. and Andre Debrie of France — 15-9-59 — *Continued*

Kandy Road Peliyagoda, Ceylon, on the one hand and Mr. HANS M. KEHL, COLOGNEMUELHEIM (GERMANY), Asia Representative of ETS. ANDRE DEBRIE, PARIS - 11, 113, 111 Rue St. Maur., and acting through his local agent Mr. GRANVILLE PERERA, 81 - 83 Main Street, Colombo, 11, on the other hand.

Clause A:—Those present.
Mr. D. L. GUNASEKERA (*Chairman*)
MUDALIAR J. MADANAYAKE (*Director*)
Mr. THOMAS LIYANAGE (*Director*)
Mr. N. H. LIYANAGE (*Secretary*)
) Sinhalese Film Industrial Corporation Limited.

IN ATTENDANCE:—
Mr. GILBERT HEWAVITHARANA (*Manager*)

The Board of Directors of the SINHALESE FILM INDUSTRIAL CORPORATION LTD., represented by the above named gentlemen, were introduced to Mr. Hans M. Kehl by Mr. Gilbert Hewavitharana, at a meeting of the Board of Directors of the said Company, held at the Registered Office of the Company, No. 74, Old Kandy Road, Peliyagoda, on the 14th day of September, 1959, and having discussed the technical features as well as the terms and conditions of purchase of ANDRE DEBRIE Laboratory equipment for the Sinhalese Film Industrial Corporation Ltd., as detailed in schedule marked A and annexed hereto.

That we the undersigned representing the interest of the Sinhalese Film Industrial Corporation Ltd., and with the consent of the Board of Directors do hereby agree to purchase the equipment as detailed in schedule marked on the terms and conditions mentioned hereunder, and to authorise Mr. D. L. Gunasekera and Mudaliyar J. Madanayake to sign this contract and other documents for and on behalf of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd.

CLAUSE B:— Mr. Hans M. Kehl agrees to present to ETS. ANDRE DEBRIE, PARIS, the following terms and conditions of payment as asked for by the Sinhalese Film Industrial Corporation Ltd., for the purchase of the Laboratory equipment, for acceptance by Ets. Andre Debrie.

The terms and conditions of payment of the contract will only be valid with the confirmation from Ets. Andre Debrie.

The Sinhalese Film Industrial Corporation Ltd., agrees to open an irrevocable Letter of Credit for the value of 30% (Thirty per cent) of the total value of the equipments as shown in schedule marked A, in favour of Ets. Andre Debrie through their Bank "Societe General Agence C-B. 71 Boulevard Raspail, Paris — 11".

The Letter of Credit to be effect in two instalments in the following manner:—

(*a*) 15% (Fifteen per cent) of the value to be paid at least 15 days after obtaining the approval from ETS. ANDRE DEBRIE.

(*b*) 15% (Fifteen per cent) to be paid on presentation of Shipping documents at departure (i.e. once the goods have been duly shipped ex French Port.)

The balance of 70% (Seventy per cent) of the total value of the order to be paid in 24 (Twenty four) equal monthly instalments plus interest at 5% (Five per cent) per annum to be added to the drafts on a sliding scale on the following conditions.

(1) All 24 (twenty four) drafts to be presented at inception of the Contract and to be accepted by the Industrial Corporation Ltd., and endorsed as guarantors in their personal capacities by Mr. D. L. Gunasekera, 157, Mihindumawate, Colombo, 13, Mudaliyar J. Madanayake of "Kalyane", Peliyagoda, and deposited with the corresponding Bank of "Societe — General — Agence C-B., Paris, in Colombo, for presentation on date of maturity.

(2) The first draft becomes due for payment 4 (four) weeks after shipment of the goods ex-French, Port and the balance 23 (Twenty three) drafts are to be paid at four weeks interval from the date of the first draft.

CLAUSE C :— The equipment to remain the property of Society ANDRE DEBRIE until final payment of the total value, and to be covered by a first class Insurance 'LLOYDS' against all risks at the cost of the SINHALESE FILM INDUSTRIAL CORPORATION LTD.

In case a difference should occur between the parties on the object of execution of this contract, both parties accept as competent Court the Tribunal de Commerce De La Seine, Paris, with exclusion of any other Court.

This contract is given eight copies. Signed this . . . day of September, 1959.

Sgd. D. L. Gunasekera (*Chairman*)

Sgd. M. Jayasena.

Mudaliyar J. Madanayake (*Director*)

Sgd. Hans M. Khel Representative Societe Andre Debrie.

Sgd: Granville Perera (Local Agent for Societe Andre Debrie).

ANNEXE TO CONTRACT BETWEEN "THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., 74, OLD KANDY ROAD, PELIYAGODA, COLOMBO, and MR. HANS M. KEHL ASIA REPRESENTATI-

D 51
Agreement between the Sinhalese Film Industrial Corporation Ltd. and Andre Debrie of France — 15-9-59
— *Continued*

VE FOR DEBRIE, Professional Motion Picture Equipment, 25 Duessel-dorfersrasse, Cologne — Muihelm (W. Germany) as mentioned in Clause A of the contract, dated 15th September, 1959.

(1) One developing Machine "DUC 20-N" for the developing of Black & White and Colour Films 35 x 16 mm, machine running in full daylight.

The machine is composed of :—

1 Driving motor with independent changeable speed unit.

1 Feeding set with stock.

1 Base for mechanism with

20 driving shafts.

20 Tanks with individual turbulency device for the developer.

1 Drying Cabinet with fan and electrical heaters.

1 Take-up with reserves.

AUXILIARY & COMPLEMENTARY EQUIPMENT

1 Backing removal device.

1 Electrical board.

6 Manipulating pumps.

1 Unit of 7 replenishing pumps.

1 Moto Fan Unit for dripping with filter.

1 Moto suction Unit for squeegee.

1 Unit for air filtering.

1 Themestic Unit. engl-£ 7,776/-

(2) **ONE MATIPO COLOR CS Z 35 MM PRINTING MACHINE,** with variable speed motor for printing picture and sound simultaneously for Black & White and Color FILM-PRINTING, with the **AUXILIARY MATERIAL**.

1 Notching machine.

1 Punching machine for Mask Band.

1 Punching machine for correction strip by camera microstyle with triple system POLAROID.

1 Punching and Notching machine — table for the "U" device.

1 Punching machine for the pilot strip.

1 "U" Device with automatic FADE-INS and FADE-OUTS engl. £ 4611/-

D 51 Agreement between the Sinhalese Film Industrial Corporation Ltd. and Andre Debrie of France — 15-9-59 — *Continued*

(3) **NON CORROSION PLASTIC MATERIAL,** in plates of normal sizes, to build the storage solution tanks for the developing machine with necessary flexible pipes for connecting tanks, pumps, squeegee and fan for dripping, for Black & White and Color processing approximately engl. £ 1274/-.

(4) Packing, Transport, Insurance CIF Colomboapproximately ruling at date of dispatching £ 850/-. TOTAL AMOUNT . . . engl. £ 14,411/-.

P 34

P 34 Report of the Directors and Statement of Accounts of the Sinhalese Film Industrial Corporation Ltd. for the year ended 31-3-59— 10-12-59

(Exhibit marked D 44 is the same as this exhibit)

REPORT OF THE DIRECTORS AND STATEMENT OF ACCOUNTS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., FOR THE YEAR ENDED 31-3-59

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED.

Report of Directors and Statement of Accounts for the year ended 31.3.1959.

REPORT OF THE DIRECTORS for the presentation at the Second Annual General Meeting of Shareholders to be held within the premises of the proposed "Kalyani Studios" at Dalugama, Kelaniya on Tuesday 22nd day of December 1959 at 4-30 p.m.

The Directors submit their Report for the year ending December 1959 and certified accounts for the year ended 31st March, 1959.

CONSTRUCTIONS : Construction of buildings immediately required to commence work in picture production, was taken up and have completed two buildings such as the Processing and Printing and Editing Laboratory and Scoring and Re-recording Theatre Shooting Floor of outstanding size, the construction of which will be put in hand soon and we hope to complete this building before long.

MACHINERY AND EQUIPMENT :— We have already entered into a contract on September 17, 1959 for the purchase of most modern and world famous Developing and Printing machines at a landed cost of over TWO LAKHS of Rupees from Messrs. Establishments Andre Debrie of Paris through their Representative Mr. Hans M. Kehl who was sent for the purpose by the said manufacturers. Negotiations are proceeding with Messrs. Westrex Corporation and another German Firm also world famous manufactuers of Natural Sound Systems and also with other firms for the purchase of other equipment such as Studio-Lighting, Editing machines and Cameras etc.

P 34
Report of the Directors and Statement of Accounts of the Sinhalese Film Industrial Corporation Ltd. for the year ended 31-3-59 — 10-12-59 — *Continued*

(*Exhibit marked D 44 is the same as this exhibit*)

ELECTRICITY SUPPLY :— We have already entered into an agreement with the Department of Government Electrical Undertakings for the supply of 300 KVA, 4 wire 400/230 Volts 3 Phase 50 Cycles A.C., out of the estimated total quantity of 750 KVA, as it was the quantity required for the first stage of the development programme of the "KALYANI STUDIOS".

PROGRAMME OF WORK FOR 1960 :— We feel confident that it will be possible to commence work in the processing Printing and Editing Laboratories from the beginning of April 1960. According to information received from Messrs. Establishments Andre Debrie of Paris, Developing and Printing machinery and equipment will arive in Colombo in the end of January or beginning of February 1960 and the installing of the said machinery may be completed by the end of March 1960. It must be noted with interest that when completed, THE "KALYANI STUDIOS" WILL BE THE PROUD OWNERS OF THE ONLY COLOUR PROCESSING & PRINTING LABORATORY IN THE ISLAND.

OUR APPEAL :— We have to specially mention that all necessary arrangements and further necessary constructions are being made available to the Studios for commencing shooting of films and we hope to place before you highly satisfactory news about the project before the end of 1960 and we solicit your kind patronage and request your goodselves to increase your present holdings in the Share Capital by applying for more and more shares.

OUR REGRETS :— We record our deep regrets over the sudden demise under tragic circumstances, of the Late Prime Minister Mr. S. W. R. D. Bandaranaike, who, during the formation of the Sinhalese Film Industrial Corporation Ltd., rendered such valuable services by bringing into it Government Participation and thus permitting the Corporation to derive all benefits due by virtue of such participation.

AUDITOR'S REPORT :— The Auditor's Report has been received from the Corporation's Auditor John Rodger Esqr., F. C. I. S., York Building, York Street, Colombo 1, who has given in detail the position of finances of the Corporation as at 31st March 1959.

RETIRING DIRECTORS :— On this occasion the following Directors are retiring and they are eligible for re-election.

1. Sirisena Madanayake Esqr.
2. B. Sirisena Fernando Esqr.
3. Sherman de Silva Esqr.

AUDITORS :— The Directors express their thanks to the Auditors John Rodger Esqr., F. C. I. S. who has been of much assistance to the Corporation. The retiring Auditor being eligible offers himself for re-election.

THANKS :— In conclusion, we record our grateful thanks to Mudaliyar Jayasena Madanayake for givng the Corporation the use of a fully equipped office and Board Room fitted with electric fans and lights etc., with no rental whatsoever, and also to the Manager Gilbert Hewavitarana Esqr., and the members of the staff for the very upright and diligent manner with which the affairs of the Corporation were carried out.

P 34
Report of the Directors and Statement of Accounts of the Sinhalese Film Industrial Corporation Ltd. for the year ended 31-3-59 — 10-12-59
— *Continued*
—
(*Exhibit marked D* 44 *is the same as this exhibit*)

By Order of the Board.

D. L. Gunasekera

Mudaliyar Jayasena Madanayake

10 Thomas Liyanage — *Directors*

H. N. Liyanage — *Secretary.*

December, 10, 1959.
Peliyagoda.

(Exhibit marked D 44 is the same as this exhibit)

(Exhibit marked D44A is the Same as this Document)

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED.
BALANCE SHEET AS AT 31ST MARCH, 1959.

SHARE CAPITAL	Rs. cts.	Rs. cts.	Rs. cts.	FIXED ASSETS	Rs. cts.	Rs. cts.	Rs. cts.
Authorised :—				Advance on studio site ..	15,000.00		
500,000 Ordinary Shares of Rs. 10/- each	5,000,000.00			Typewriter as per last B/S. ..	1,211.00		16,211.25
2,500 Promoters' Shares of Rs. 10/- each	25,000.00		5,025,000.00	**Current Assets :**			
Issued :				Debtor-Estate of late Mr. B. H. William		7,500.00	
13,901 Ordinary Shares of Rs. 10/- each fully paid ..	139,010.00			Cash at Bank of Ceylon Current A/c. ..	2,036.48		
2,500 Promoters' Shares of Rs. 10/-each fully paid ..	25,000.00		164,010.00	Share Application A/c. ..	98,061.05	100,097.53	
				Cash in hand		1.75	107,599.28
Share Application A/c. ..			6,551.75				
Creditors : John Rodger & Co.		345.00		Preliminary Expenses ..	..	.. ..	32,500.00
Gunaratne & Co.		190.00		Profit & Loss A/c.			
Empire Press		180.00	715.00	Balance at 1-4-58 ..	1,528.66		
				Add Net loss for the year ..	9,746.66		14,265.32
			171,276.75				171,276.75

AUDITOR'S REPORT :

I have examined the above Balance Sheet with the books and accounts of the Company and have obtained all the information and explanations I have required. In my opinion the said Balance sheet is properly drawn up so as to exhibit a true and fair view of the state of the affairs of the Company as at 31st March 1959, according to the best of my information and explanations given to me and shown by the books of the Company.

Colombo, 23rd April, 1959.

Sgd. JOHN RODGER. (*Registered Auditor*)

Note : Company has entered into an agreement with Mudaliyar Madanayake to purchase a studio site at Kelaniya as per plan 496 and 506 by Mr. S. H. Fernando, Licensed Surveyor, for Rs. 40,000/- of which Rs. 15,000/- is paid in advance.

SIGNED ON BEHALF OF THE BOARD.
D. L. GUNASEKERA,
MUDALIYAR JAYASENA MADANAYAKE.
Directors.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 1959.

	Rs. cts.		Rs. cts.
To salaries	3,550.00	By net loss carried to B/S.	9,746.66
,, printing & stationery	420.80		
,, postage & stamps	312.60		
,, bank charges	11.71		
,, sundry expenses	92.55		
,, Registrar of Companies	76.00		
,, stamp duty..	2,000.00		
,, commission on share	433.00		
,, advertising	1,520.00		
,, travelling	235.00		
,, car repairs	750.00		
,, accountancy charges on change of Management	105.00		
,, audit fees	240.00		
	9,746.66		9,746.66

P 34
Report of the Directors and Statement of Accounts of the Sinhalese Film Industrial Corporation Ltd. for the year ended 31-3-59 — 10-12-59 —*Continued*

(Exhibit marked D 44 is the same as this exhibit)

P 34
Report of the Directors and Statement of Accounts of the Sinhalese Film Industrial Corporation Ltd. for the year ended 31-3-59— 10-12-59
— *Continued*
—
(*Exhibit marked D 44 is the same as this exhibit*)

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED.

NOTICE OF MEETING

NOTICE is hereby given that the SECOND ANNUAL GENERAL MEETING of the Shareholders of the Sinhalese Film Industrial Corporation Limited will be held at 4.30 p.m. on Tuesday 22nd December, 1959 at the premises of "KALYANI STUDIOS" at Dalugama, Kelaniya for the following purpose :—

1. To receive and consider the Director's Report and the Balance Sheet as at 31st of March 1959 and the Report of the Auditor.

2. To elect Directors in place of those retiring.

3. To fix the remuneration payable to the Directors.

4. To appoint Auditors and fix their remuneration.

5. To transact any other business that may be duly brought before the meeting.

By Order of the Board of Directors

H. N. LIYANAGE
Secretary.

December 10, 1959.
Peliyagoda.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

(LIABILITY OF MEMBERS IS LIMITED)

BOARD OF DIRECTORS

Chairman :
D. L. Gunasekera Esq.

Mudaliyar J. Madanayake	B. Sirisena Fernando Esq.
Thomas Liyanage Esq.	Sirisena Madanayake Esq.
Sherman De Silva Esq.	H. N. Liyanage Esq.

C. Abeyesekera Esq., C. C. S. (Government Director)

Secretary :
H. N. Liyanage Esq.

Auditors :
Messrs. John Rodger & Co.

Bankers :
Bank of Ceylon City Office.

Registered Office :
74, Old Kandy Road, Peliyagoda.

P 34
Report of the Directors and Statement of Accounts of the Sinhalese Film Industrial Corporation Ltd. for the year ended 31-3-59 — 10-12-59
— *Continued*
—
(*Exhibit marked D 44 is the same as this exhibit*)

I certify that this is a true copy of the report of the Directors present at 2nd Annual General Meeting of the Shareholders, and Balance Sheet for the year ended 31-3-59.

Sgd. Illegibly.
Secretary.

The Sinhalese Film Industrial Corporation Limited.

P 35

P 35
Minutes of the second Annual General Meeting of the Shareholders of the Sinhalese Film Industrial Corporation Ltd.
22-12-59

MINUTES OF THE SECOND ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

TRANSLATION

THE SINHALESE FILMS INDUSTRY ESTABLISHMENT LIMITED.

Report of the Shareholders held at 4.30 p.m. on the 22nd of December 1959 at the Kalyani Film grounds.

The Chairman Mr. D. L. Gunasekera presided and commenced the work.

1. The report of the Directors Board of 1959 and the budget confirmed by John Rodger Co., the auditors of the Company were approved according to the agenda on the suggestion of Mr. B. A. Atapattu of Mulleriawa and the seconding of Mr. P. A. Gunaratne of Pelmadulla.

2. Mr. D. L. Gunasekara the chairman moved to re-elect outgoing Directors for the new year of 1959 and it was passed having seconded by Mr. Thomas Liyanage.

3. The meeting expressed its gratitude as the Chairman Mr. D. L. Gunasekera informed the Society with regard to the monies due to the Directors that every Director has decided to render free service in future also until the financial position of the establishment becomes satisfactory.

P 35
Minutes of the second Annual General Meeting of the Shareholders of the Sinhalese Film Industrial Corporation Ltd.
22-12-59
— *Continued*

4. The Director Mr. Thomas Liyanage thanked the Auditor Mr. John Rodger for the effort he has taken to keep the accounts of the establishment so far and his kindness shown even in charging his fees and moved to elect him for the same post for the year 1960 and it was approved.

5. The Chairman Mr. D. L. Gunasekera speaking said that the establishment has come to an agreement with the Department of Electrical Undertakings after paying a sum of Rs. 8,000/- with regard to the buildings it has already completed; it has purchased machines capable of producing films in technicolour worth two lakhs and twenty thousand from Andre Debrie Limited in Paris the Capital of France which is world famous in film photography and producing filming machines that those will reach the Kalyani Film grounds before the end of January 1960 that the establishment has paid about Rs. 60,000/- from the said amount. He further added that the said valuable machineries will devolve to the Kalyani Film grounds belonging to you on the security agreement entered between me the Mudaliyar J. Madanayake and Mr. Thomas Liyanage for the balance sum of about one lakh and twenty thousand rupees and also said that there are much more machines and that those must be purchased and start the production of films immediately and that all the shareholders must increase their share in three times and contribute for same.

Mr. Gilbert Hewavitharana speaking said that all arrangements are being made to start the work photo industry and photo printing section in April 1960 and added that on the original principle of distributing the shares of the establishment between the public a method of easier payment with a long time is being enforced.

Mudaliyar J. Madanayake pointing out the reason of the Chairman's appeal for increasing the shares, said that this establishment by means of a circular issued to the public on the 23rd day of August 1957 has offered 242,992 shares worth Rupees twenty four lakhs twenty nine thousand and nine hundred and twenty, even after the elapse of two years and four months and people have not taken any interest to buy the shares of this popular trade industrial firm and give a helping hand. He further added that the Managing Board of this establishment is very much capable of spending money for this motive but the main idea is to observe the original principles, to enroll thousands of shareholders accordingly and make this a public establishment giving the right of vote to the people than to the Board of Directors enabling the public to eject any irregular management. Further Mudaliyar J. Madanayake in describing the method of long term payment mentioned by Mr. Gilbert Hewavitharana, said that a person who purchases shares according to this method may reserve a big number of shares without paying money at once, that if a person intends to obtain 100 shares of Rs. 10/- or 50 shares, the sum of Rs. 1,000/- or Rs. 500/- or Rs. 100/- the value of shares may pay off the same without any difficulty in one year into 12 months and accordingly pay Rs. 84/- a month for 100 shares or Rs. 42/- for 50 shares and Rs. 8/50 for ten shares and said that they expect the co-operation of us all to continue the future programme.

Thereupon the following motion was unanimously passed having moved by Mr. D. L. Gunasekera of Payagala and signed by D. D. N. Ratnayake of Kolonnawa.

MOTION

P 35
Minutes of the second Annual General Meeting of the Shareholders of the Sinhalese Film Industrial Corporation Ltd.
22-12-59
— *Continued*

This meeting suggests that the present shareholders who have obtained shares of the Sinhalese Film Industrial Establishment must increase the number of shares about three times their present amount in order to enable the Establishment to distribute the Rs. 10/- shares among the public as much as possible according to the original principles. Those who are unable to increase their amount must co-operate in encouraging their friends and relations. Apart from that they should obtain shares immediately under the method of long term monthly payment enforced by the establishment, and give aid to increase the funds of shares to start the production of films without delay.

It was decided to hold a special general meeting of the shareholders within four months henceforth. In that meeting it will be suggested to close the present list of shares. It was also decided to send the above motion and the minutes of the meeting to every shareholder.

The meeting dispersed happily after the vote of thanks made by Mr. D. L. Gunasekera.

Kindly draw your attention to the above motion decided in this meeting.

To this effect.

The Sinhalese Film
Industrial Establishment,
Manager.

THE SINHALESE FILM
INDUSTRIAL ESTABLISHMENT
74, Old Kandy Road,
Peliyagoda.

Gunaratne & Co. Maradana.
Translated by:— Sgd:—Illegibly,
Sworn Translator, District Court, Colombo.
25-6-65.

P 3

P 3
Plaint of the Plaintiff in District Court Colombo, Case No. 9134/P
27-4-60

PLAINT OF THE PLAINTIFF IN DISTRICT COURT, COLOMBO CASE NO. 9134/P.

IN THE DISTRICT COURT OF COLOMBO

JAYASENA MADANAYAKE of, "Kalyani" Peliyagoda, Kelaniya.

Plaintiff.

No. 9134/P.
Nature : Partition.
Value : Rs. 10,000/-.

Vs.

P 3
Plaint of the Plaintiff in District Court Colombo, Case No. 9134/P 27-4-60
— *Continued*

1. PUNCHI BANDA HERAT, of No. 408, Peradeniya Road, Kandy.

2. THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., of No. 24, Old Kandy Road, Peliyagoda.

Defendants.

On this 27th day of April 1960.

The Plaint of the Plaintiff abovenamed appearing by D. L. Gunasekera and H. C. Perera practising in partnership under the name style and firm of "Gunasekera & Perera" his Proctors states as follows:—

1. The parties to this action reside at the respective places abovementioned and the land Weliketiya Kumbura and the adjacent high land sought to be partitioned is situated at Dalugama within the jurisdiction of this Court more fully described in the schedule hereto and hereinafter referred to as the said land.

2. A person called Baduraluwa Acharige Hendrick Perera was the owner and possessor by Fiscal's Conveyance No. 4727 of 1890 and by long and prescriptive possession.

3. The said Hendrick Perera referred to in paragraph 2 hereof by Deed No. 7225 dated 7th January, 1891 transferred the said land to Atukoralage Don Cornelis and Dewapurage Cornelis Fernando each of whom thus became entitled to an undivided half share and entered into possession thereof.

4. The said Dewapurage Cornelis Fernando referred to in paragraph 3 hereof by Deed No. 8423 dated 10th April 1893 transferred the said undivided 1/2 share of the said land to the said Atukoralage Don Cornelis referred to in paragraph 3 hereof who thus became entitled to the entirety of the said land and who by Deed No. 914 dated 30th April 1908 transferred the said land to Jayasundera Mahawage Aratchige Don John Peraginu Jayawardene.

5. The said Don John Peraginu Jayawardene referred to in paragraph 4 hereof gifted the said land by Deed No. 6059 dated 19th June 1910 to Don John Aloysius Wickramasinghe, Emily Margaret Wickramasinghe, John Wilfred Wickramasinghe, Agnes Stella Wickramasinghe and Mary Margaret Wickramasinghe each of whom thus became entitled to an undivided one-fifth share of the said land.

6. The said Agnes Stella Wickramasinghe referred to in paragraph 5 hereof died leaving an estate below administrable value and as her heirs the said Don John Aloysius Wickramasinghe, Emily Margaret, John Wilfred and Mary Margaret each of whom thus became entitled to an undivided 1/5 plus 1/20 – 1/4 share of the said land.

7. The said Don John Aloysius referred to in paragraph 5 hereof by Deed of Gift No. 18 of 5th May 1927 gifted an undivided 1/4 share of the said

land to Emily Margaret Wickramasinghe who thus became entitled to an undivided half share of the said land and entered into possession thereof.

P 3
Plaint of the Plaintiff in District Court Colombo, Case No. 9134/P 27-4-60
—*Continued*

8. The said Emily Margaret referred to in paragraph 5 hereof who was entitled to an undivided half share of the said land, John Wilfred and Mary Margaret both of whom were entitled to the remaining half share of the said land entered into a deed of partition No. 419 dated 10th March 1928 whereby a divided and a distinct half share of the said land described as Lots, A, B and C in Plan No. 1332 dated 2nd and 3rd October 1927 being the said land was allotted to the said Emily Maragret in lieu of her undivided half share and which Lot A, B and C are the subject matter of this action.

9. The said Emily Margaret by Deed No. 503 dated 24th November, 1952 transferred the said land to the Plaintiff abovenamed who thus entered into possession thereof.

10. The 2nd Defendant-Corporation is madea party to this action as the said Corporation has agreed to purchase the said land.

11. The Plaintiff abovenamed by Deed No. 343 dated 23rd March 1959 transferred an undivided 1/8th share of the said land to the 1st Defendant abovenamed.

12. The plantation on the said land are held and possessed in common.

13. The Plaintiff and his predecessors in title have been in undisturbed and uninterrupted possession of the said land by a title adverse to and independent of that of the defendants for a period of over forty years and in respect of such possesion claims the right of Section 3 of the Ordinance No. 22 of 1871.

14. The parties to this action are thus entitled to the said land in the following shares:—

Plaintiff to an undivided 7/8th share, and

the 1st defendant to an undivided 1/8th share.

15. The common and undivided possession of the said land by the parties is inconvenient and impracticable and it is desirable that the said land should be partitioned in terms of Partition Act No. 16 of 1951.

16. The said land is of the value of Rs. 10,000/-.

WHEREFORE the plaintiff prays:—

(*a*) that he be declared entitled to an undivided 7/8th share of the said land;

(*b*) that the said land be partitioned in terms of Partition Act No. 16 of 1951.

P 3
Plaint of the Plaintiff in District Court Colombo, Case No. 9134/P 27-4-60
— *Continued*

(*c*) that he be allotted a divided and specific 7/8th shares and that he be placed in quiet possession thereof;

(*d*) for costs of contest and costs *pro rata* and

(*e*) for such other and further relief as to this Court shall seem meet.

Sgd. GUNASEKERA & PERERA.
Proctors for Plaintiff.

THE SCHEDULE ABOVE REFERRED TO:—

All those allotments of land marked A, B and C called Owita weliketiya Kumbura and Wanata or high ground adjoining each other and now form one property situated at Dalugama in Adicari Pattu of Siyane Korale in the District of Colombo, Western Province and bounded on the North by the High road towards Kandy and Lot marked "A1" of the same land on the East by one-fifth divided and defined share of Millagahawatta now of Samaratunga Gunawardene Koralage Don Barlan, Wanata Kumbura of the late Theodoris P. C., land of the late Attidiya Panagodaliyanage Domingu Appu and others, on the South-east by the land of the late Welivita Vithanalage Salamon Appu and others on the South by Pulungaha Kumbura now of W. K. John Perera and on the West by property of B. W. Dias containing in extent two acres twenty four perches (A2. R0. P24) as per figure of Survey bearing No. 1332 dated 2nd and 3rd October, 1927 made by D. A. Jayawardena, Licensed Surveyor, Registered in C 200/61, which said land has been recently surveyed and as such is described as follows:-

All those allotments of land marked Lots 1, 2, 3, 4 and 5 in Plan No. 496 dated 20th January 1956 made by S. H. Fernando, Licensed Surveyor called Owita of the field Weliketiya Kumbura and Wanatha situated at Dalugama aforesaid and which said lots marked 1, 2, 3, 4 and 5 adjoin each other and form one property and bounded on the North by High Road to Kandy and lands of K. W. A. Hamapala and K. W. A. Abeysena, on the East by Lots 6, 6A and 7 and 9, on the South by land of Marshal Perera and others and Ela and on the West by land of B. W. Dias and containing in extent two acres and twelve perches (A2. R0. P12) together with the buildings, trees and plantations and everything else standing thereon according to the said Plan No. 496.

(Sgd.) GUNASEKERA & PERERA.
Proctors for Plaintiff.

DOCUMENTS FILED WITH THE PLAINT.

1. Appointment.
2. Pedigree marked "A".
3. Abstract of title marked "B".
4. Lispendens.

(Sgd.) GUNASEKERA & PERERA.
Proctors for Plaintiff.

D 5

D 5
Journal
Entries in
District Court,
Colombo, Case
No. 9134/P

JOURNAL ENTRIES IN DISTRICT COURT, COLOMBO CASE NO. 9134/P.

IN THE DISTRICT COURT OF COLOMBO

J. MADANAYAKE.

Plaintiff.

No. 9134/P.
Class : V.
Amount : Rs. 10,000/-.
Nature : Partition.
Procedure : Regular.

Vs.

P. B. HERAT & another.

Defendants.

JOURNAL

(1) The 27th day of April 1960.

M/s. Gunasekera & Perera files appointment (1a) and Plaint (1b) together with Pedigree (1c) Abstract of Title (1d) and Lis pendens in duplicate.

Plaint accepted.

(1) Forward Lis pendens to R. L. for registration and return on or before 28-6-60.

(2) Deposit Survey Fees estimated at Rs. 140/- on or before 28-6-60.

(3) Call case on 29-6-60.

Sgd. M. M. I. KARIAPPER.
Additional District Judge
4-5-60.

P. I. V. issued.

(2) 6-5-60.

Lis pendens forwarded to R. L. for registration and return on or before 29-6-60.

Intld. .....
Asst. Secretary.

D 5
Journal Entries in District Court, Colombo, Case No. 9134/P
— *Continued*

(3) 3-6-60

R. L. returns lis pendens duly registered in C1 2/526 of 9-5-60.

File.

Intld. .....
Asst. Secretary.

(4) 29-6-60

M/s. Gunasekera & Perera for Plaintiff. K/R for Rs. 140/- due — filed.

Intld. .....

Comply with Sec. 12 on 28-9-60.

Intld. A. L. S. S. 10
28-6-60.

(K. R. 1537/Y/15 — 183479 for Rs. 140/- affixed).

(5) 25-7-60

Proctor for Plaintiff files papers under Sec. 12 of the Partition Act and moves for summons notices and commission.

Issue summons notices and commission for 28-9-60.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge
25-7-60.

(6) 6-8-60 20

Summons tendered. Requires alteration. Not issued.

(7) 2-9-60

Commission with a copy of plaint issued to Mr. K. M. Samarasinghe, Surveyor.

Intld.....

(8) 28-9-60

Summons and notices not yet taken out. J. E. (6) Issue now for 14-12-60.

(*b*) Return to commission due — vide motion filed. Commissioner moves for an extension of time.

D 5
Journal Entries in District Court, Colombo, Case No. 9134/P
—*Continued*

Allowed. Reissue for 14-12-60.

Sgd. A. L. S. SIRIMANNE.
28-9-60.

(9) 4-11-60

Surveyor, K. M. Samarasinghe informs that he could not survey the land as the deniya lands which almost comprise this survey are under water. vide motion.

1. Mention on 14-12-60.

2. Inform him the next date.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge
4-11-60.

(10) 18-11-60

Proctor for Plaintiff moves to withdraw the above case and recall and the commission issued to Mr. K. M. Samarasinghe, Licensed Surveyor.

Proctor for Defendant consents. As far as I can see, no proxy has been filed by Mr. Samarasinghe who has consented to the motion as Proctor for 1st Defendant.

Recall commission. Mention on 14/12.

Sgd. A. L. S. SIRIMANNE.
22-11-60.

Recalled.

(11) 1-12-60

Surveyor returns the commission unexecuted as requested by Court.

He also annexes his Bill of charges for the day he went to survey.

1. Pay commissioner.

2. Mention on 14-12-60.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge
1-12-60.

D 5
Journal Entries in District Court, Colombo, Case No. 9134/P
— *Continued*

(12) 14-12-1960

M/s. Gunasekera & Perera for Plaintiff. J. E. (10) Case called.

M/s. Gunasekera & Perera move to withdraw action.

Defendants are absent.

The action is dismissed without costs.

Sgd. A. L. S. SIRIMANNE.
14-12-60

(13) 16/17-6-61

Proctors for Plaintiff with the consent of the Plaintiff moves for a Requisition in his favour for Rs. 87/- being B/S.P and Rs. 53/- to the credit of Mr. K. M. Samarasinghe, Surveyor.

Signature identified.

1. Issue Reqn. for Rs. 87/- in favour of M/s. Gunasekera & Perera.
2. Issue Reqn. for Rs. 53/- in favour of Mr. K. M. Samarasinghe.

Intld. O. L. De K.
Additional District Judge
20-6-61.

(14) 21-6-61

Req. No. 2633 for Rs. 87/- and Req. No. 2634 for Rs. 53/- issued to M/s. Gunasekera & Perera and Mr. K. M. Samarasinghe respectively.

Intld.....
Asst. Secretary.

Intld.....
Adm. Secretary.

P 4

P 4
Plaint of the Plaintiff in District Court, Colombo, Case No. 9135/P 27-4-60

PLAINT OF THE PLAINTIFF IN DISTRICT COURT, COLOMBO CASE NO. 9135/P.

IN THE DISTRICT COURT OF COLOMBO

MUDALIYAR JAYASENA MADANAYAKE, of "Kalyani", Peliyagoda.

Plaintiff.

No. 9135/P.
Nature : Partition.
Value : Rs. 4,000/-.

Vs.

1. PUNCHI BANDA HERAT, of 408, Peradeniya Road, Kandy.

2. THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., of No. 24, Old Kandy Road, Peliyagoda.

Defendants.

P 4
Plaint of the Plaintiff in District Court, Colombo, Case No. 9135/P 27-4-60
--*Continued*

On this 27th day of April, 1960.

The Plaint of the Plaintiff abovenamed appearing by D. L. Gunasekera and H. C. Perera practising in partnership under the name style and firm of "Gunasekera & Perera" his Proctors states as follows:--

1. The parties to this action reside at the respective places abovementioned and the land sought to be partitioned is situate at Dalugama within the jurisdiction of this Court more fully described in the schedule hereto and hereinafter referred to as "the said land."

2. Weliwita Kankanamalage John Perera and Galhenage Dona Elizabeth were the original owners and possessors of the said land and who by deed of gift No. 1133 dated 14th September, 1922 gifted the said land to Josephine Daisy Flora Perera and Ernest Algernan Gunatillake who by Mortgage Bond No. 1539 dated 27th September, 1929 mortgaged to and hypothecated with S. R. M. M. A. Arunasalam Chetty the said land.

3. The said S. R. M. M. A. Arunasalam Chetty assigned the said mortgage Bond No. 1539 by Assignment No. 880 dated 1st August, 1931 to the Bank of Chettinad Ltd., Colombo who instituted Mortgage Bond Action No. 54119 in the District Court of Colombo against the said Daisy Flora Gunatillake in her personal capacity and as the personal representative of Ernest Algernan Gunatillake deceased.

4. On 2nd day of March, 1934 decree was entered in the said Action No. 54119 against the said Josephine Daisy Flora Gunatillake in her personal capacity and as the personal representative of the estate of the said Ernest Algernan Gunatillake.

5. In terms of the said decree the said land was sold by Public Auction on 11th April, 1934 and at such sale Mutukuda Aratchige Simon Dias did for and purchase the said land and the said District Court of Colombo by its order dated 15th May, 1934 confirmed the said sale and directed the Secretary of the said District Court to execute a Conveyance of the said land to the said Simon Dias.

6. Kathiravelu Ratnasingham, Secretary of the District Court of Colombo by Deed No. 1895 dated 17th May, 1934 conveyed the said land to the said Purchaser Simon Dias who by Deed No. 3172 dated 20th June 1941 transferred the said land to the Plaintiff abovenamed who entered into possession thereof.

7. The 2nd Defendant-Corporation is made a party to this action as there is an agreement by the said Corporation to purchase the said land.

P 4
Plaint of the Plaintiff in District Court, Colombo, Case No. 9135/P 27-4-60
— *Continued*

8. The Plaintiff abovenamed by deed No. 347 dated 23rd March, 1959 transferred an undivided 1/8th share of the said land to the 1st Defendant abovenamed.

9. The plantations standing on the said land are held and possessed in common.

10. The Plaintiff and his predecessors in title have been in the undisturbed and uninterrupted possession of the said land bya title adverse to and independent of that of the defendant for a period of over forty years and in respect of such possession pleads and claims the benefit of section 3 of the Ordinance No. 22 of 1871.

11. The parties to this action are thus entitled to the said land in the following shares :—

Plaintiff to an undivided 7/8th shares.

1st Defendant to an undivided 1/8th share.

12. The said land is of the value of Rs. 4,000/-.

13. The common and undivided possession of the said land by the parties is inconvenient and impracticable and it is desirable that the said land should be partitioned in terms of Partition Act No. 16 of 1951.

WHEREFORE the Plaintiff prays :—

(*a*) that he be declared entitled to an undivided 7/8th shares of the said land;

(*b*) that the said land be partitioned in terms of Partition Act No. 16 of 1951;

(*c*) that he be allotted a divided and specific 7/8th shares in lieu of his undivided interest and that he be placed in quiet possession thereof;

(*d*) for costs of contest and costs pro-rata;

(*e*) for such other and further relief as to this Court shall seem meet.

Sgd. GUNASEKERA & PERERA
Proctors for Plaintiff.

SCHEDULE ABOVE REFERRED TO:—

All that allotment of land called Pelengahakumbura situated at Dalugama in the Adicari Pattu of Siyane Korale in the District of Colombo, Western Province and bounded on the North by Ela, on the East by Kurundugahakumbura, on the South by Mudunela and on the West by the limitary

ridge of the field of Walpitage Joronois Perera and contained in extent about six beras and one peck of paddy sowing which said land has been recently surveyed and as such is described as follows:—

P 4
Plaint of the Plaintiff in District Court, Colombo, Case No. 9135/P 27-4-60
—*Continued*

All that allotment of land marked Lot 11 in Plan No. 496 dated 20th January 1956 made by S. H. Fernando, Licensed Surveyor called Pelengahakumbura situated at Dalugama aforesaid and which said Lot 11 is bounded on the North by Ela, on the East by Kurundugahakumbura of Gan Arachchi (now of the Plaintiff), on the South by Mudun Ela, and on the West by Lot 10 containing in extent one acre two roods and eight perches (A1. R2. P08) together with everything thereon according to the said Plan No. 496 registered at C.....at the Colombo District Land Registry.

Sgd. GUNASEKERA & PERERA.
Proctors for Plaintiff.

Documents Filed with Plaint :

1. Appointment.
2. Pedigree marked "A".
3. Abstract of title marked "B".
4. Lispendens.

Sgd. GUNASEKERA & PERERA.
Proctors for Plaintiff.

D 6

D 6
Journal Entries in District Court, Colombo, Case No. 9135/P

JOURNAL ENTRIES IN DISTRICT COURT, COLOMBO CASE NO. 9135/P

IN THE DISTRICT COURT OF COLOMBO

MUDALIYAR J. MADANAYAKE.

Plaintiff.

No. 9135/P.
Class:— III
Amount:— Rs. 4,000/-
Nature:— Partition.
Procedure:— Regular.

Vs.

P. B. HERAT & another.

Defendants.

D 6
Journal Entries in District Court, Colombo, Case No. 9135/P — *Continued*

JOURNAL

(1)

The 27th day of April, 1960.

M/s. Gunasekera & Perera files appointment (1a) and plaint (1b) together with Pedigree (1c) Abstract of Title (1d) and Lispendens in duplicate.

Plaint accepted.

1. Forward Lispendens to R. L. for registration and return on or before 28-6-60.

2. Deposit Survey fees estimated at Rs. 125/- on or before 28-6-60.

3. Call case on 29-6-60.

Sgd. M. M. I. KARIAPPER.
Additional District Judge.
4-5-60.

P. I. V. ISSUED

(2)
5-5-60

Lispendens forward to R. L. for registration and return on or before 29-6-60.

Sgd.....
Assistant Secretary.

(3)
15-6-60

R. L. Returns Lispendens duly registered in C1 2/530 of 12-5-60.

File.

Intld.....
Assistant Secretary.

(4)
29-6-60

M/s. Gunasekera & Perera for Plaintiff. K. R. for Rs. 125/- due-filed.

Intld.....

Comply with Sec. 12 on 28-9-60.

Sgd. A. L. S. SIRIMANNE.
29-6-60.

(K. R. 1552 - Y/15 - 183474 for Rs. 125/- affixed).

(5)
25-7-60

Proctors for Plaintiff files papers under Sec. 12 of the Partition Act and moves for issue of summons notices and commission.

Issue summons, notices and commission for 28-9-60.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.
25-7-60.

(6)
6-8-60

Summons issued on 1st Defendant - Kandy. Summons issued on 2nd Defendant W.P. Notice to Fiscal and V.H. issued W.P.

(7)
2-9-60

Commission issued to Mr. K. M. Samarasinghe with a copy of Plaint.

Intld.....

(8)
28-9-60

(*a*) Notice to V.H. served.

(*b*) Notice to Fiscal - published.

(*c*) Summons served on 1 & 2 Defts. Proxy of 1st Deft. filed. S/C after Plan. 2nd Deft. is absent. Await and reissue for 14/12.

(*d*) Return to commission due. Vide motion filed. Commissioner moves for an extension of time.

Allowed.

Reissue for 14-12-60.

Sgd. A. L. S. SIRIMANNE.
28-9-60.

(9)
4-11-60

Surveyor K. M. Samarasinghe informs that he could not survey the land as the paddy fields are under water. Vide motion.

1. Mention on 14-12-60.

2. Inform him the next date.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.
14-11-60.

(10)
18-11-60

Proctors for Plaintiff moves to withdraw this case and recall the commission issued to Mr. K. M. Samarasinghe, Licensed Surveyor.

D 6
Journal
Entries in
District Court,
Colombo,
Case
No. 9135/P
— *Continued*

Proctor for 1st Defendant consents.

Recall commission. Mention on 14/12. Commission recalled.

Sgd. A. L. S. SIRIMANNE.
23-11-60.

(11)
1-12-60
Surveyor returns commission unexecuted as requested by Court. File.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.
1-12-60.

(12)
14-12-60
M/s. Gunasekera & Perera for Plaintiff, J. E. 10. Case called.

M/s. Gunasekera & Perera move to withdraw action. Defendants absent.

The action is dimissed without costs.

Sgd. A. L. S. SIRIMANNE.
14-12-60.

(13)
16/17-6-61

Proctor's for Plaintiff with the consent of the Plaintiff moves for a Req. for Rs. 150/- being S/P deposited.

Signature identified.

Refused. Only Rs. 125/- in deposit.

Intd. O. L. de K.
Additional District Judge.
20-6-61.

(13)
14/15-7-61
Proctors for plaintiff with the consent of the plaintiff moves for a req. for Rs. 125/- being S/F deposited. Signature identified.

File minute of consent in terms of F.R. 698 (ii).

(Intd.) O. L. De. K.
Additional District Judge.
17-7-61

D 6
Journal Entries in District Court, Colombo, Case No. 9135/P — *Continued*

(14)
27/28-7-61
Proctors for Plaintiff with the consent of the Plaintiff moves for a req. for Rs. 125/- being S/F deposited.

Issue Reqn. for Rs. 125/- in favour of M/s. Gunasekera & Perera.

Intd. O. L. De. K.
31-7-61.

(15)
1-8-61
Req. No. 270 8 for Rs. 125/- issued to M/s. Gunasekera & Perera, Proctors.

Intld.
Asst. Secy.

Intld.....
Assistant Secretary.

P 5

P 5
Plaint of the Plaintiff in District Court, Colombo, Case No. 9136/P 27-4-60

PLAINT OF THE PLAINTIFF IN DISTRICT COURT, COLOMBO, CASE NO. 9136/P.

IN THE DISTRICT COURT OF COLOMBO

JAYASENA MADANAYAKE, of "Kalyani", Peliyagoda.

Plaintiff.

No: 9136/P.
Nature: Partition.
Value: Rs. 2,500/-.

Vs.

1. PUNCHI BANDA HERAT, of 408, Peradeniya Road, Kandy.

2. THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., 24, Old Kandy Road, Peliyagoda.

Defendants

P 5
Plaint of the Plaintiff in District Court, Colombo, Case No. 9136/P 27-4-60
— *Continued*

On this 27th day of April, 1960.

The Plaint of the Plaintiff abovenamed appearing by D. L. Gunasekera and H. C. Perera practising in partnership under the name style and firm of "Gunasekera & Perera" his Proctors states as follows:—

1. The parties to this action reside at the respective places abovementioned and the land called and known as Millagahapillewa is situated at Dalugamgoda in Dalugama within the jurisdiction of this court more fully described in the schedule hereto and hereinafter referred to as "the said land and premises".

2. Under and by virtue of Deed of Transfer No. 3272 dated 28th November 1916 attested by L. J. E. Cabral of Colombo, Notary Public and by long and prescriptive possession Amarasinghe Aratchige Agostinu and Amarasinghe Aratchige Marshall were the owners and possessors in equal undivided half shares of all that allotment of land called and known as Millagaha Pillewa situated at Dalugamgoda in Adicari Pattu of Siyane Korale West and morefully described in the schedule hereto.

3. The said Amarasinghe Aratchige Agostinu by Deed No. 10759 dated 30th November, 1924 attested by the said L. J. E. Cabral of Colombo Notary Public transferred his undivided half share of the said land and premises to Dona Isabella Nanayakkara wife of Don Marathinu Nanayakkara.

4. The said Amarasinghe Aratchige Marshall by Deed No. 9997 dated 28th November, 1923 attested by L. J. E. Cabral of Colombo Notary Public transferred his said undivided half share of the said land and premises to the said Dona Isabella Nanayakkara wife of Don Marthinu Nanayakkara referred to in paragraph 3 hereof who thus became entitled to the entirety of the said land and premises and entered into possession thereof.

5. The said Dona Isabella Nanayakkara and her husband the said Don Marathinu Nanayakkara by Deed 7676 dated 4th April, 1928 attested by G. D. W. S. Seneviratne of Colombo, Notary Public transferred the said land and premises to Merinnage George Costa who by Deed No. 3098 dated 23rd March 1941 attested by D. F. J. Perera of Colombo, Notary Public transferred the said land and premises to the Plaintiff abovenamed who thus entered into possession of the same.

6. The Plaintiff by Deed No. 348 dated 23rd March, 1959 attested by H. C. Perera of Colombo, Notary Public transferred an undivided one-eighth share of the said land and premises to the 1st Defendant abovenamed.

7. The 2nd Defendant-Corporation is made a party to this action as there is an agreement by the said Corporation to purchase the said land and premises.

8. The parties to this action are thus entitled to the said land and premises in the following shares to wit:—

P 5
Plaint of the Plaintiff in District Court, Colombo, Case No. 9136/P 27-4-60
— *Continued*

Plaintiff to an undivided 7/8th share and 1st Defendant to an undivided 1/8th share.

9. It is inexpedient and impracticable to possess the said land and premises in common and a partition thereof is desirable and necessary.

10. The parties to this action and their predecessors in title have been in the undisturbed and uninterrupted possession of the said land and premises for a period of over 40 years by a title adverse to and independent of all others and have acquired a prescriptive title thereto in terms of the provisions of Ordinance No. 22 of 1871 and claims the benefit thereof.

10 11. The said land and premises is of the value of Rs. 2,500/-.

WHEREFORE the Plaintiff prays:—

(*a*) that the said land and premises be partitioned in terms of Partition Act No. 16 of 1951;

(*b*) that he be declared entitled to an undivided 7/8th shares of the said land;

(*c*) that he be allotted a defined and divided portion in lieu of his undivided share;

(*d*) for costs pro rata and

(*e*) for such other and further relief as o this Court shall seem meet.

20 Sgd. GUNASEKERA & PERERA
Proctors for Plaintiff.

THE SCHEDULE ABOVE REFERRED TO:—

All that divided forty seven upon eighty four (47/84) shares of all that land called the portion of Millagaphapillewa situated at Dalugangoda in Dalugama in the Adicari Pattu of Siyane Korale in the District of Colombo. Western Province and which said divided portion is bounded on the North by Lot No. 936 in Dalugangoda village Plan and land of W.K. John Perera and others on the East by the remaining portion of this land belonging to D. M. Amarasinghe Police Headman and others on the South and West by water course and 30 containing in extent one rood and thirteen decimal one six perches (A0. R1. P13.16) together with the buildings trees and plantations standing thereon according to Plan No. 1939 dated 2nd July 1921 made by D. A. Jayawardena, Licensed Surveyor and registered under title C 232/180 at the Colombo District Land Registry Which said land has been recently surveyed and as such is described as follows:—

All that allotment of land marked Lot 12 in Plan No. 496 dated 20th January 1956 made by S. H. Fernando, Licensed Surveyor called Millagahapillewa

P 5
Plaint of the Plaintiff in District Court, Colombo, Case No. 9136/P 27-4-60
— *Continued*

situated at Dalugangoda in Dalugama aforesaid and which said Lot 12 is bounded on the North by land of D.D.S. Abeysekera, on the East by Lots 15 and 13, on the South by Ela and on the West by Ela and containing in extent one rood and eighteen perches (A0. R1. P18) together with everything thereon according to the said Plan No. 496.

Sgd. GUNASEKERA & PERERA.
Proctors for Plaintiff.

DOCUMENTS FILED WITH PLAINT:

1. Appointment.
2. Pedigree marked A.
3. Abstract of title marked B.
4. Lispendens.

Sgd. GUNASEKERA & PERERA
Proctors for Plaintiff.

D 7
Journal Entries in District Court, Colombo, Case No. 9136/P

D 7

JOURNAL ENTRIES IN DISTRICT COURT, COLOMBO CASE NO. 9136/P.

IN THE DISTRICT COURT OF COLOMBO

J. MADANAYAKE.
Plaintiff.

No. 9136/P.
Class : II
Amount : Rs. 2,500/-
Nature : Partition.
Procedure : Regular.

Vs.

P. B. HERAT & another.
Defendants.

JOURNAL

(1) The 27th day of April 1960.

M/s. Gunasekera & Perera files appointment (1a) and plaint (1b) together with documents marked Pedigree (1c) Abstract of Title (1d) and Lis Pendens in duplicate.

Plaint not accepted.

Let it be signed.

Sgd. M. M. I. KARIAPPER.
Additional District Judge.
6-5-60.

D 7
Journal Entries in District Court, Colombo Case No. 9136/P
—*Continued*

(2) 10-6-60

Plaint having been signed Proctors for Plaintiff moves that same be accepted.

1. Plaint accepted.

2. Forward Lis pendens to R. L. for registration and return before 2-8-60.

3. Deposit survey fees estimated at Rs. 130/- on or before 2-8-60.

4. Call case on 3-8-60.

Intld. A. L. S. S.
Additional District Judge.
12-6-60.

P. I. V. Issued.

(3) 4-8-60

M/s. Gunasekera & Perera Proctors for Plaintiff file K.R.Y/15 183480 for Rs. 130/-with papers under Section 12 and moves that the Court be pleased to fix 28-9-60 as the returnable date of summons commission and notice.

The summons etc should be issued only after lis pendens is registered. Vide Order later J. E. 4. Call 28/9.

Sgd. A. L. S. SIRIMANNE.
4-8-60.

(4) 4-8-60

As Lis pendens has not been forwarded for registration, Proctors for Plaintiff move that the Court be pleased to fix another date for registration of lis pendens.

Forward lis pendens for registration to be returned before 28-9-60.

Sgd. A. L. S. SIRIMANNE.
4-8-60.

(5) 4-8-60

Lis pendens forwarded to R. L. for registration and return on or before 27-9-60.

Sgd.....
Asst. Secretary.

D 7
Journal
Entries in
District Court,
Colombo,
Case
No. 9136/P
— *Continued*

(6) 5-9-60

R. L. returns lis pendens registered with No. C l 3/531 of 11-8-60.

File.

Intld.....
Asst. Secretary.

(7) 28-9-60

JE(3) case called.

Comply with Sec. 12 on 14-12-60.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.
28-9-60.

(8) 18-11-60

Proctors for Plaintiff move to withdraw the case.

Action is dismissed without costs.

Sgd. A. L. S. SIRIMANNE.
22-11-60.

(9) 16/17-6-61

Proctors for Plaintiff with the consent of the Plaintiff moves for a req. in their favour for Rs. 100/- being S/F deposited.

Signature identified.

Allowed.

Intld. O. L. De K.
Additional District Judge.
20-6-61.

(10) 21-6-61

Req. No. 2635 for Rs. 100/-. Issued to M/s. Gunasekera & Perera Proctors.

Intld. .....
Asst. Secretary.

Intld. .....
Adm. Secretary.

P 6

P 6
Plaint of the Plaintiff in District Court, Colombo, Case No. 9137/P 27-4-60

PLAINT OF THE PLAINTIFF IN DISTRICT COURT, COLOMBO CASE NO. 9137/P.

IN THE DISTRICT COURT OF COLOMBO.

JAYASENA MADANAYAKE of "Kalyani" Peliyagoda

Plaintiff.

No. 9137/P.
Nature : Partition.
Value : Rs. 3,500/-.

Vs.

1. PUNCHI BANDA HERAT, of 408, Peradeniya Road, Kandy.

2. THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., of 24, Old Kandy Road, Peliyagoda.

Defendants.

On this 27th day of April 1960.

The plaint of the Plaintiff abovenamed appearing by D. L. Gunasekera and H. C. Perera practising in partnership under the name style and firm of "Gunasekera & Perera" his Proctors states as follows :—

1. The land which is the subject matter of this action is situate and the parties to this action reside within the jurisdiction of this Court.

2. One Attidiya Panagoda Liyanage Kusal Hamy Vedarala was the original owner of the land called Millagahawatta Alias Kahatagahawatta situated at Dalugangoda in Dalugama in Adicari Pattu of Siyane Korale in the District of Colombo morefully described in the schedule hereto.

3. The said Attidiya Panagoda Liyanage Kusal Hamy died leaving as heirs 6 children Allis, Joseph alias Amaris, Pelis, Makkina Hamy, Selo Hamy Alias Selestina and Pabilina who became entitled to an undivided 1/6th share each.

4. After the death of the said Attidiya Panagoda Liyanage Don Joseph referred to in paragraph 2 hereof his widow Weeratunga Aratchige Duliana Saram by Deed No. 2404 dated 25th June 1886 gifted an undivided half of one sixth share to Weeratunga Aratchige Lavarina Saram who with her husband Weliwita Vithanage Don Salman transferred the said one twelfth share to Hinguruge Jusey Perera.

P 6
Plaint of the Plaintiff in District Court, Colombo, Case No. 9137/P 27-4-60
— *Continued*

5. The said Attidiya Panagodage Selo Hamy Alias Selestina Hamy referred to in paragraph 2 hereof was married in community of property to one Hingurage Gabriel.

6. The said Hingurage Gabriel Perera died leaving as heirs his widow Panagoda Liyanage Selestina Alias Selohamy and five children Jamis, Jusey, Anthony,Girigoris and Marthinu who became entitled to the said 1/6th share.

7. The said Girigoris Perera referred to above died leaving as heirs his widow Tudugala Mudalige Veronica, his mother and the said brothers referred to in paragraph 5 hereof.

8. The said Attidiya Panagoda Liyanage Selestina Alias Selo Hamy, Joronis, Jusey, Anthony and Tudugala Mudalige Veronica transferred their 1/12 plus 5/60 shares to the said Hingurage Marthinu Perera who thus became entitled to 1/12 plus 5/60 plus 1/72 shares or to the entire 1/6th share.

9. The said Panagoda Liyanage Don Joseph and his wife Weeratunga Aratchige Duliana Saram who were married in community of property and who had already gifted an undivided 1/12th share of their undivided 1/6th share were left with an undivided 1/12th share.

10. After the death of the said Panagoda Liyanage Don Joseph, his widow the said Weeratunga Aratchige Dona Duliana Saram by Deed No. 7735 dated 24th January 1916 sold the balance 1/12th share to Walpita Kankanamalage John Perera who became entitled to the same.

11. The said Hingurage Jusey Perera who thus became entitled to (1/6 plus 1/12) or 3/12th share and Walpita Kankanamalage John Perera who became entitled to an undivided 1/12th share of the land described in schedule 1 hereto, together with the other co-owners who became entitled to the remaining share of the land described in schedule 1 hereto entered into an amicable partition in 1935 and they were allotted lots A and B respectively according to Plan No. 259 and 258 dated 20th November, 1935 made by N. P. Ranasinghe, Licensed Surveyor and the said lots A and B are described in schedule 2 hereto and they form the subject matter of this action.

12. The said Hingurage Jusey Perera who was thus entitled to lot B of the said land called Millagahawatta Alias Kahatagahawatta by Deed No. 2278 dated 7th March 1938 transferred the same to the Plaintiff who became entitled to the same.

13. The said Walpita Kankanamalage John Perera who thus became entitled to Lot A described in schedule No. 2 hereto by deed No. 2910 dated 30th August, 1940 transferred the same to the Plaintiff.

14. The Plaintiff who thus became entitled to lot A and B by Deed No. 345 dated 23rd March 1959 sold and transferred 1/8th share of the said lots A and B to the 1st Defendant abovenamed.

P 6
Plaint of the Plaintiff in District Court, Colombo Case No. 9137/P 27-4-60
-*Continued*

15. The parties to this action thus became entitled to the said lots A and B of the land called Millagahawatta Alias Kahatagahawatta, the land to be partitioned in this case in the following shares to wit :—

The Plaintiff to an undivided 7/8th share, and

The 1st Defendant to an undivided 1/8th share.

16. The 2nd Defendant-Corporation is made a party to this action as there is an agreement by the said Corporation to purchase the said land.

17. The land sought to be partitioned in this action is of the value of Rs. 3,500/-.

18. The parties to this action and their predecessors in title have been in the undisturbed and uninterrupted possession of the said land and premises for a period of over 20 years by a title adverse to and independent of all others and have acquired a prescriptive title thereto in terms of the provisions of Ordinance No. 22 of 1871, and claims the benefit thereof.

WHEREFORE the Plaintiff prays :—

(*a*) that he be declared entitled to an undivided 7/8th shares of the said land;

(*b*) that the said land be partitioned in terms of the partition Act No. 16 of 1951;

(*c*) that he be allotted a divided and specific 7/8th share of in lieu of his undivided interest and he be placed in quiet possession thereof:

(*d*) for costs of contest and costs pro-rata and

(*e*) for such other and further relief as to this Court shall seem meet.

Sgd. GUNASEKERA & PERERA.
Proctors for Plaintiff.

THE SCHEDULE NO. 1 ABOVE REFERRED TO :—

All that land called Millagahawatta situated at Dalugama in the Adicari Pattu of Siyane Korale in the District of Colombo, Western Province, and bounded on the North by the field, East by the land of Gabriel Dias Liyana Arachchirala, South by the property of Rajapaksa Pathirage Don Paulu Appu, and on the West by the Owita land of Pilotchi Naide and containing in extent about five acres registered in G 115/390.

THE SCHEDULE NO. 2 ABOVE REFERRED TO :—

1. All that allotment of land marked Lot A appearing in Plan No. 258 dated the 20th day of November 1935 made by N. P. Ranasinghe, Licensed Surveyor from and out of the land called Millagahawatta situated at Dalu-

P 6
Plaint of the Plaintiff in District Court, Colombo, Case No. 9137/P 27-4-60
— *Continued*

gangoda in Dalugama in the Adicari Pattu of Siyane Korale in the District of Colombo, Western Province and which said Lot A is bounded on the North by reservation for a road, East by Lot B allotted to R. Jusey Perera, South by Dewata Road, and on the West by the land of Mr. M. Jayasena and containing in extent one rood nine decimal six perches (A0. R1. P09.6) together with everything standing thereon. Registered in C 237/115.

2. All that allotment of land marked Lot B appearing in Plan No. 259 dated the 20th day of November, 1935 made by N. P. Ranasinghe, Licensed Surveyor being a defined three twelfth share from and out of all that land called Millagahawatta situated at Dalugangoda in the Adicari Pattu of Siyane Korale in the District of Colombo and which said lot B is bounded on the North by reservation for a road, on the East by Lot C allotted to H. Dona Josephine, on the South by Dewata Road, and on the West by Lot A allotted to W. John Perera and containing in extent Two roods and thrity seven decimal six perches (A0. R2. P37.6) together with everything standing thereon and registered under title C 225/35.

Sgd. GUNASEKERA & PERERA.
Proctors for Plaintiff.

DOCUMENTS FILED WITH THE PLAINT.

1. Appointment.
2. Pedigree marked "A".
3. Abstract of title marked "B".
4. Lispendens.

Sgd. GUNASEKERA & PERERA.
Proctors for Plaintiff.

D 8
Journal Entries in District Court, Colombo Case No. 9137/P

D 8

JOURNAL ENTRIES IN DISTRICT COURT, COLOMBO CASE NO. 9137/P.

IN THE DISTRICT COURT OF COLOMBO

J. MADANAYAKE.

Plaintiff.

No. 9137/P.
Class : III.
Amount : Rs. 3,500/-.
Nature : Partition.
Procedure : Regular.

Vs.

P. B. HERAT & another.

Defendants.

JOURNAL

D 8
Journal Entries
in District
Court, Colombo
Case
No. 9137/P
— *Continued*

(1) The 27th day of April, 1960.

M/s. Gunasekera & Perera files appointment (1a) and plaint (1b) together with documents Pedigree (1c) Abstract of Title (1d) and Lis pendens in duplicate.

Plaint accepted.

1. Forward Lis pendens to R. L. for registration and return on or before 28-6-60.

2. Deposit survey fees estimated at Rs. 160/- on or before 28-6-60.

10 3. Call case on 29-6-60.

Sgd. M. M. I. KARIAPPER.
Additional District Judge.
6-5-60.

P. I. V. issued.

(2) 6-5-60

Lispendens forwarded to R. L. for registration and return on or before 29-6-60.

Intld. .....
Asst. Secretary.

20 (3) 3-6-60

R. L. returns Lis pendens duly registered in C1 3/2044 & 2045 of 9-5-60

File.

Intld. .....
Asst. Secretary.

(4) 29-6-60

M/s. Gunasekera & Perera for Plaintiff. K/R for Rs. 160/- due — filed.

Comply with Sec. 12 on 28-9-60.

Sgd. A. L. S. SIRIMANNE.
29-6-60.

30 (K. R. No. Y/15 183475 dated 16-6-60 for Rs. 160/- filed.)

D 8
Journal Entries in District Court, Colombo Case No. 9137/P — *Continued*

(5) 25-7-60

Proctors for Plaintiff file papers under Sec. 12 of the Partition Act and move for issue of summons, notice and commission.

Issue summons, notices and commission for 28-9-60.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.
25-7-60.

(6) 6-8-60

Summons tendered requires alteration re summons on 1st Defendant — not issued.

(7) 11-8-60

Summons issued on 1st Deft. Kandy.

Summons issued on 2nd Deft. WP.

Notice to Fiscal & V. H. issued. WP.

(8) 2-9-60

Commission with a copy of plaint issued to Mr. K. M. Samarasinghe, Surveyor.

Intld. .....

(9) 28-9-60

Notice to V. H.—served.

Notice to Fiscal — published.

Summons served on 1 & 2 Defts.

Proxy of 1st Deft. filed — S/C after plan. 2D is absent. Await & Reissue for 14/12.

Return to commission due — vide motion filed.

Allowed.

Reissue for 14-12-60.

Sgd. A. L. S. SIRIMANNE.
28-9-60.

(10) 4-11-60

Surveyor K. M. Samarasinghe informs that he could not survey the land as the surrounding deniya lands are under water. Vide motion.

1. Mention on 14-12-60.
2. Inform him the next date.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.
4-11-60.

(11) 18-11-60

Proctors for Plaintiff move to withdraw this case and recall the commission issued to Mr. K. M. Samarasinghe Surveyor. Proctors for Defendants consent.

Recall commission. Mention on 14-12-60.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.
22-11-60.

Commission recalled.

Intld. .....

(12) 1-12-60.

Commissioner returns commission unexecuted as requested by Court.

File.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.
1-12-60.

(11) 14-12-60

M/s. Gunasekera & Perera for Plaintiff — Present. J. E. (10). Case called. Defendant absent.

The action is dismissed without costs.

Sgd. A. L. S. SIRIMANNE.
14-12-60.

(12) 16/17-6-61

Proctors for Plaintiff with the consent of the Plaintiff moves for a req. for Rs. 150/- in their favour being S/F deposited.

Signature identified.

Allowed.

Intld. O. L. De.K.
Additional District Judge.
20-6-61.

D 8
Journal Entries in District Court, Colombo Case No. 9137/P
— *Continued*

(13) 21-6-61

Req. No. 2636 for Rs. 150/- issued to M/s. Gunasekera & Perera, Proctors.

Intld. .....
Asst. Secretary.

Intld. .....
Adm. Secretary.

P 7
Plaint of the Plaintiff in District Court, Colombo, Case No. 9138/P 27-4-60

P7

PLAINT OF THE PLAINTIFF IN DISTRICT COURT, COLOMBO, CASE NO. 9138/P.

IN THE DISTRICT COURT OF COLOMBO

JAYASENA MADANAYAKE, of "Kalyani", Peliyagoda, Kelaniya.

Plaintiff.

No. 9138/P.
Nature : Partition.
Value : Rs. 3,600/-.

Vs,

1. PUNCHI BANDA HERAT, of No. 408 Peradeniya Road, Kandy.

2. THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., of No. 24, Old Kandy Road, Peliyagoda.

Defendants.

On this 27th day of April, 1960.

The plaint of the Plaintiff abovenamed appearing by D. L. Gunasekera and H. C. Perera practising in partnership under the name style and firm of "Gunasekera & Perera" his proctors state as follows :—

1. The parties to this action reside at the respective places abovementioned and the land sought to be partitioned is situated at Dalugama in the Adicari Pattu of Siyane Korale within the jurisdiction of this Court and more-fully described in the schedule hereto and hereinafter called "the said land".

2. One Walpita Kankanamalage Christopher Perera was the original owner of the said land who by Deed No. 4696 dated 3rd July, 1861 attested by D. A. Paulus, Notary Public gifted the said land to Walpita Kankanamalage Johanis Perera and Walpita Kankanamalage John Perera each of whom became entitled to a half share of the said land.

P 7
Plaint of the Plaintiff in District Court, Colombo, Case No. 9138/P 27-4-60
— *Continued*

3. The said Johanis Perera referred to in the preceding paragraph transferred his undivided half share of the said land by Deed No. 1429 of 22nd April, 1885 attested by A. P. S. Amarasinghe of Colombo Notary Public to the said John Perera referred to in the previous paragraph who thus became entitled to the entirety of the said land.

4. The said John Perera died intestate leaving as only heirs Mapatunga Abraham Perera and Mapatunga Mary Margaret Perera each of whom became entitled to an undivided half share of the said land.

5. The said Abraham Perera referred to in paragraph 4 hereof died intestate on 3rd March 1933 within the jurisdiction of this Court leaving as his only heir his sister the said Mary Margaret Perera referred to in paragraph 4 hereof.

6. The said estate of the said Abraham Perera was administered in Testamentary Case No. 6497/T of the District Court of Colombo and Letters of Administration were granted to the said Mary Margaret Perera who by Deed No. 417 dated 6th January 1934 attested by L. L. B. Cabral of Colombo, Notary Public transferred unto herself being the sole heiress the said undivided half share of the said land who thus became entitled to the entirety of the said land.

7. The said Mary Margaret Perera by Deed No. 691 dated 31st June 1934 attested by U. L. Perera of Colombo, Notary Public transferred the said land to the Plaintiff abovenamed.

8. The 2nd Defendant-Corporation is made a party to this action as there is an agreement by the said Corporation to purchase the said land.

9. The Plaintiff by Deed of Transfer No. 344 dated 23rd March 1959 attested by H. C. Perera of Colombo Notary Public transferred an undivided 1/8th share of the said land to the 1st Defendant abovenamed.

10. The plantations thereon are held and possessed in common.

11. The Plaintiff and his predecessors in title have been in the undisturbed and uninterrupted possession of the said land by a title adverse to and independent of that of the Defendants and all others for a period of over ten years and in respect of such possession pleads and claims the benefit of section 3 of Ordinance No. 22 of 1871.

12. The parties to this action are thus entitled to the said land in the following shares to wit :—

Plaintiff to an undivided 7/8th shares, and

The 1st Defendant to an undivided 1/8th share.

P 7
Plaint of the Plaintiff in District Court, Colombo, Case No. 9138/P 27-4-60
— *Continued*

13. The common and undivided possession of the said land by the parties is inconvenient and impracticable and it is desirable that the said land should be partitioned in terms of Partition Act. No. 10 of 1951.

14. The said land is reasonably of the value of Rs. 3500/-

WHEREFORE the Plaintiff prays:—

(*a*) that he be declared entitled to an undivided 7/8th shares of the said land;

(*b*) that the said land be partitioned in terms of Partition Act No. 16 of 1951;

(*c*) that he be allotted a divided and specific 7/8th share of the said land and that he be placed in quiet possession thereof:

(*d*) for costs of contest and costs pro-rata, and

(*e*) for such other and further relief as to this Court shall seem meet.

Sgd. GUNASEKERA & PERERA.
Proctors for Plaintiff.

THE SCHEDULE ABOVE REFERRED TO:—

All that allotment of field called Millagahakumbura situated at Dalugama in the Adicari Pattu of Siyane Korale in the District of Colombo, Western Province and bounded on the North East by field of N. Peduru Perera and others, on the South East by land of Hingurage Jusey Perera and others, on the South by land of M. Jayasena, on the South West by field of M. Jayasena, and on the North West by lands of S. Don Barlin, H. Francina Perera, W. Andre Appu, W. Selestina Perera and N. Peduru Perera and others and containing in extent one acre and twelve perches (A1. R0. P12) according to Plan No. 3613 dated 23rd January 1934 made by H. G. E. Perera, Licensed Surveyor Registered in C 205/141 at the land Registry, Colombo, which allotment of field has been recently surveyed and as such is described as follows :—

All those two allotments of land marked Lots 6 and 6A in Plan No. 496 dated 20th January, 1956 made by S. H. Fernando, Licensed Surveyor called Millagahakumbura situated at Dalugama aforesaid and bounded on the North by lands of Abilinu Saram, D. F. J. Perera and Peduru Perera, on the East by paddy field of Peduru Perera and Ela, on the South by land of S. A. K. W. Perera formerly by a reservation for a road and lots 7 and 5 and, on the West by Lot 4 and Lands of K. W. A. Hemapala and K. W. A. Abeysena, and containing in extent one acre and four perches (A1. R0. P04) together with everything thereon according to the said Plan No. 496.

Sgd. GUNASEKERA & PERERA.
Proctors for Plaintiff.

DOCUMENTS FILED WITH THE PLAINT

P 7
Plaint of the Plaintiff in District Court, Colombo, Case No. 9138/P 27-4-60
— *Continued*

1. Appointment.
2. Pedigree marked "A".
3. Abstract of Title marked "B".
4. Lispendens.

Sgd. GUNASEKERA & PERERA.
Proctors for Plaintiff.

D 9

D 9
Journal Entries in District Court, Colombo, Case No. 9138/P

JOURNAL ENTRIES IN DISTRICT COURT, COLOMBO CASE NO. 9138/P.

IN THE DISTRICT COURT OF COLOMBO

J. MADANAYAKE.

Plaintiff.

No. 9138/P.
Class : III.
Amount : Rs. 3,600/-.
Nature : Partition.
Procedure : Regular.

Vs.

P. B. HERAT & another.

Defendants,

JOURNAL

(1) The 27th day of April, 1960.

M/s. Gunasekera & Perera file appointment (1a) and plaint (1b) together with Documents pedigree (1c) Abstract of Title (1d) and Lis pendens in duplicate.

Plaint accepted.

1. Forward Lis pendens to R. L. for registration and return on or before 28-6-60.
2. Deposit Survey fees estimated at Rs. 135/- on or before 28-6-60.
3. Call case on 29-6-60.

Sgd. M. M. I. KARIAPPER.
6-5-60.

P. I. V. issued.

D 9
Journal Entries in District Court, Colombo, Case No. 9138/P — *Continued*

(2) 6-5-60

Lis pendens forwarded to R. L. for registration and return on or before 29-6-60.

Intld. .....
Asst. Secretary.

(3) 3-6-60

R. L. returns Lis pendens duly registered in C1 2/527 of 9 5-60.

File.

Intld. .....
Asst. Secretary. 10

(4) 29-6-60

M/s. Gunasekera & Perera for Plaintiff. K/R for Rs. 135/- due — filed. Comply with Sec. 12 on 28/9.

Sgd. A. L. S. SIRIMANNE.
29-6-60.

(4) (K. R. Y/15 183476 dated 16-6-60 for Rs. 135/- affixed.)

(5) 25-7-60

Proctors for Plaintiff file papers under Sec. 12, and move to issue summons notice and commission.

Issue summons notice and commission for 28-9-60. 20

Sgd. A. L. S. SIRIMANNE
Additional District Judge.

(6) 6 8-60

Summons issued on 1st Deft. — Kandy. Summons issued on 2nd Deft. — W. P. Notice to Fiscal & V. H. issed-W. P.

(7) 1-9-60

Commission with a copy of plaint issued to Mr. K. M. Samarasinghe, Surveyor.

Intld. .....

(8) 28-9-60

(*a*) Notice to V. H. served.

(*b*) Notice to Fiscal published.

(*c*) Summons served on 1 & 2 Defts.—proxy of 1st Deft. filed. S/C after plan. 2nd Deft. is absent. Await and reissue for 14/12.

(*d*) Return to commission due — vide motion filed.

Allowed. Reissue for 14-12-60.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.
28-9-60.

(9) 4-11-60

Surveyor Mr. K. M. Samarasinghe informs that he could not survey the land as the paddy fields are under water.

Vide motion.

1. Mention on 14-12-60.

2. Inform him the next date.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.
4-11-60.

(10) 18-11-60

Proctors for Plaintiff move to withdraw this case and to recall the commission to Mr. K. M. Samarasinghe, Licensed Surveyor.

Proctor for Defts. consents. Recall Commission. Mention on 14-12-60.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.
22-11-60.

Commission recalled.

(11) 1-12-60

Commissioner returns commission unexecuted as requested by Court.

File.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.
1-12-60.

D 9
Journal Entries in District Court, Colombo Case No. 9138/P
— *Continued*

(12) 14-12-60

J. E. 10 — case called.

The action is dismissed without costs.

Sgd. A. L. S. SIRIMANNE.
14-12-60

(13) 16/17-6-61

Proctors for Plaintiff with the consent of the Plaintiff move for a req. for Rs. 135/- being S/F deposited. Signature identified. Allowed.

Intld. O. L. De K.
Additional District Judge.
20-6-61.

(14) 21-6-61

Req. No. 2637 for Rs. 135/- issued to M/S. Gunasekera & Perera, Proctors.

Intld. ..... Intld. .....
Asst. Secretary. *Adm. Secretary.*

P 8
Plaint of the Plaintiff in District Court, Colombo, Case No. 9139/P 27-4-60
— *Continued*

P 8

PLAINT OF THE PLAINTIFF IN DISTRICT COURT, COLOMBO CASE NO. 9139/P.

IN THE DISTRICT COURT OF COLOMBO

JAYASENA MADANAYAKE, of "Kalyani", Peliyagoda.

Plaintiff

No: 9139/P.
Nature: Partition.
Value: Rs. 2,400/.

Vs.

1. PUNCHI BANDA HERAT, of 408, Peradeniya Road, Kandy.

2. THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., 24, Old Kandy Road, Peliyagoda.

Defendants.

On this 27th day of April, 1960.

P 8
Plaint of the Plaintiff in District Court, Colombo, Case No. 9139/P 27-4-60
— *Continued*

The Plaint of the Plaintiff abovenamed appearing by D. L. Gunasekera and H. C. Perera practising in partnership under the name style and firm of "Gunasekera & Perera" his Proctors state as follows:—

1. The parties to this action reside at the respective places abovementioned and the land called and known as Weliketiya Kumbura situated at Nungamugoda within the jurisdiction of this Court morefully described in the schedule hereto and hereinafter referred to as "the said land."

2. One Walpita Kankanamalage Marthinu Perera was the original owner and possessor of the said land by long and prescriptive possession and by Certificate of quiet possession bearing No. 6773 dated the 1st October, 1884, issued by the Crown under Ordinance No. 12 of 1840.

3. The said Walpita Kankanamalage Marthinu Perera referred to in paragraph 2 hereof by Deed No. 6377 dated the 16th March 1920 attested by L. J. E. Cabral of Colombo Notary Public transferred the said land to Ponnamperuma Aratchige Don John Appuhamy who entered into possession thereof and who by Deed No. 92 dated 21st April, 1928 attested by P. S. P. Kalpage of Colombo, Notary Public transferred the said land to Dona Rosalin Leelawathie Ponnamperuma and Don Franciscuge James Perera.

4. The said Dona Rosalin Leelawathie Ponnamperuma and the said Don Franciscuge James Perera referred to in paragraph 3 hereof by Deed No. 743 dated the 11th November, 1941, attested by the said Notary P. S. P. Kalpage of Colombo, Notary Public transferred the said land to the Plaintiff abovenamed who entered into possession thereof.

5. The 2nd Defendant-Corporation is made a party to this action as there is an agreement by the said Corporation to purchase the said land.

6. The Plaintiff abovenamed by Deed No. 346 dated 23rd March 1959 transferred an undivided 1/8th share of the said land to the 1st Defendant abovenamed.

7. The plantations standing on the said land are held and possessed in common.

8. The Plaintiff and his predecessors in title have been in the undisturbed and uninterrupted possession of the said land by a title adverse to and independent of that of the Defendant for a period of over forty years and in respect of such possession pleads and claim the benefit of section 3 of the Ordinance No. 22 of 1871.

9. The parties to this action are thus entitled to the said land in the following shares to wit:—

Plaintiff to an undivided 7/8th share.

1st Defendant to an undivided 1/8th share.

10. The said land is of the value of Rs. 2,400/-.

P 8
Plaint of the Plaintiff in District Court Colombo, Case No. 9139/P 27-4-60
— *Continued*

11. The common and undivided possession of the said land by the parties is inconvenient and impracticable and it is desirable that the said land should be partitioned in terms of the Partition Act. No. 16 of 1951.

WHEREFORE the Plaintiff prays:—

(*a*) that he be declared entitled to an undivided 7/8th shares of the said land;

(*b*) that the said land be partitioned in terms of the Partition Act No. 16 of 1951;

(*c*) that he be allotted a divided and specific 7/8th shares in lieu of his undivided interest and that he be placed in quiet possession thereof; 10

(*d*) for costs of contest and costs pro-rata, and

(*e*) for such other and further relief as to this Court shall seem meet.

Sgd. GUNASEKERA & PERERA.
Proctors for Plaintiff.

THE SCHEDULE ABOVE REFERRED TO:—

All that allotment of land called Weliketiya Kumbura situated at Nungamugoda in the Adicari Pattu of Siyane Korale in the District of Colombo, Western Province of the Island of Ceylon bounded on the North and North-East by a water course, on the East by land described in Plan No. 66263, on the South by the properties of A. Don Juwan Naike and K. Samel Naide and on 20 the West by the property of K. Samel Naide and water course and containing in extent three roods and eighteen perches (A0. R3. P18) according to Plan No. 131523 dated 7th July, 1884 authenticated by J. Stoddart Surveyor General registered in Cl 13/529 at the Colombo District Land Registry, which said land has been recently surveyed and as such is described as follows:—

All that allotment of land marked Lot 10 in Plan No. 496 dated 20th January 1956 made by S. H. Fernando Licensed Surveyor called Weliketiya Kumbura situated at Nungamugoda aforesaid and which said Lot is bounded on the North by Ela,on the East by Lot 11,on the South by Mudun Ela, and on the West by Paddy field of Aron and containing in extent three roods and four- 30 teen perches (A0. R3. P14) together with everything thereon according to the said Plan No. 496 and registered in Cl 13/529 at the Colobmo, District Land Registry.

Sgd. GUNASEKERA & PERERA.
Proctors for Plaintiff.

DOCUMENTS FILED WITH PLAINT.

1. Appointment.

2. Pedigree marked "A".

3. Abstract of Title marked "B".

4. Lispendens.

Sgd. GUNASEKERA & PERERA.
Proctors for Plaintiff.

P 8
Plaint of the Plaintiff in District Court, Colombo, Case No. 9139/P 27-4-60
- - *Continued*

True copy of the Plaint in D. C. Colombo, Case No. 9139/P.

Sgd. Illegibly.
Asst. Secretary.

D 10

D 10
Journal Entries in District Court, Colombo Case No. 9139/P

JOURNAL ENTRIES IN DISTRICT COURT, COLOMBO CASE NO. 9139/P.

IN THE DISTRICT COURT OF COLOMBO

J. MADANAYAKE.
Plaintiff.

No: 9139/P.
Class: II.
Amount: Rs. 2,400/-.
Nature: Partition.
Procedure: Regular.

Vs.

P. B. HERAT & another.
Defendants.

J O U R N A L

(1)
The 27th day of April, 1960.

M/s. Gunasekera & Perera file appointment (1a) and plaint (1b) together with documents pedigree (1c) Abstract of Title (1d) and Lis pendens in duplicate.

Plaint accepted.

1. Forward Lis pendens to R. L. for registration and return on or before 28-6-60.

2. Deposit Survey fees estimated at Rs. 130/- on or before 28-6-60

3. Call case on 29-6-60.

Sgd. M. M. I. KARIAPPER.
Additional District Judge.
6-5-60.

D 10
Journal Entries in District Court, Colombo Case No. 9139/P
— *Continued*

P. I. V. issued.

(2)
6-5-60
Lis pendens forwarded to R. L. for registration and return on or before 29-6-60.

Intld.....
Assistant Secretary.

(3)
3-6-60
R. L. returns Lis pendens duly registered in C1 13/529 of 9-5-60.

File.

Intd.....
Assistant Secretary.

(4)
29-6-60
M/s. Gunasekera & Perera for Plaintiff. K. R. for Rs. 130/- due-filed.

Comply with Sec. 12 of 28-9-60.

Sgd. A. L. S. SIRIMANNE.
29-6-60.

(K. R. Y/15 183477 dated 16-6-60 for Rs. 130/- affixed.)

(5)
25-7-60
Proctors for Plff. file papers under Sec. 12 of the Partition Act and move to issue summons, notice and commission.

Issue summons, notice and commission for 28-9-60.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.
25-7-60.

(6)
1-9-60
Commission with a copy of plaint issued to Mr. K. M. Samarasinghe, Surveyor.

Sgd.....

(7)
28-9-60
(*a*) Notice to V. H.—served.
(*b*) notice to Fiscal - published.
(*c*) Summons served on 1 & 2 Defts.
Proxy of 1st Deft. field. S/C after plan. 2D is absent. Await and R. I. for 14/12.

(*d*) Return to commission due.
Vide motion filed.

Allowed. Reissue for 14-12-60.

Sgd. A. L. S. SIRIMANNE.
28-9-60.

(8)
4-11-60
Surveyor Mr. K. M. Samarasinghe informs that he could not survey the land as the paddy fields are under water.
Vide motion.

1. Mention on 14-12-60.

2. Inform him the next date.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.
4-11-60.

(9)
18-11-60
Proctors for Plaintiff move to withdraw the case and to recall the commission issued to Mr. K. M. Samarasinghe Surveyor. Proctors for Defts. consent.

Recall commission. Mention on 14-12-60.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.
22-11-60.

Commission recalled.

(10)
1-12-60
Surveyor returns commission unexecuted as requested by Court.

File.

Sgd A. L. S. SIRIMANNE.
Additional District Judge.
1-12-60.

(11)
14-12-60
J.E.(9) Case called.
The action is dismissed without costs.

Sgd. A. L. S. SIRIMANNE.
14-12-60.

D 10
Journal Entries in District Court, Colombo Case No. 9139/P
— *Continued*

(12) 16/17-6-61
Proctors for Pltff. with the consent of the Pltff. move for a req. for Rs. 130/- being S/F deposited.

Signature identified. Allowed.

Intld. O. L. de K.

Additional District Judge
20-6-61.

(13)
21-6-61
Req. No. 2638 for Rs. 130/- issued to M/s. Gunasekera & Perera, Proctors.

Intld.....
Asst. Secretary.

Intld.....
Adm. Secretary.

P 9

P 9
Plaint of the Plaintiff in District Court Colombo, Case No. 9140/P 27-4-60

PLAINT OF THE PLAINTIFF IN DISTRICT COURT, COLOMBO CASE NO. 9140-P.

IN THE DISTRICT COURT OF COLOMBO

JAYASENA MADANAYAKE of "Kalyani", Peliyagoda.

Plaintiff.

No. 9140/P.
Nature: Partition.
Value: Rs. 4,800/-.

Vs.

1. PUNCHI BANDA HERAT of No. 408, Peradeniya Road, Kandy.

2. THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., 24, Old Kandy Road, Peliyagoda.

Defendants.

On this 27th day of April. 1960.

The Plaint of the Plaintiff abovenamed appearing by D. L. Gunasekera and H. C. Perera practising in partnership under the name style and firm of "Gunasekera & Perera" his Proctors state as follows:—

1. The parties to this action reside at the respective places abovementioned and the land sought to be partitioned is situated at Dalugama in the Adikari Pattu of Siyane Korale within the jurisdiction of this Court and morefully described in the schedule hereto and hereinafter called "the said land".

P 9
Plaint of the Plaintiff in District Court, Colombo, Case No. 9140/P 27-4-60
— *Continued*

2. One Dingirige Christian Appu was the original owner of the said land who by Mortgage Bond No. 7678 dated 11th June 1921 attested by L. J. E. Cabral of Colombo, Notary Public mortgaged the said land to Kanatta Kankanamalage Don Lewellyn Abeysekera Wijesinghe Tillekaratne who in Mortgage Bond Action No. 4031 of the District Court of Colombo put the said Mortgage Bond No. 7678 in suit and obtained a decree whereby it was ordered and decreed that the said Dingirige Christian Appu the Defendant in the said action do pay to the said Kanatte Kankanamalage Don Lewellyn Abeysekera Wijesinghe Tillekeratne the Plaintiff in the said Action the sum of Rs. 560/- together with the interest on the sum of Rs. 500/- and that in default of payment of the said sum of Rs. 560/- and interest the property and premises be sold.

3. And whereas an Order for the sale of the said property and premises was issued by the District Court of Colombo to the Fiscal, Western Province on the 13th day of August 1922, under Section 12 (2) of the Mortgage Ordinance No. 21 of 1927.

4. And whereas the said property and premises were sold by Public sale on the 24th day of February 1923 by V. G. Jayawardene Fiscal's Officer and the said Kanatte Kankanamalage Don Lewellyn Abeysekera Wijesinghe Tillekeratne purchased the said land being the highest bidder at the said sale for Rs. 300/- and entered into possession thereof.

5. And whereas the said District Court of Colombo by its Order dated 1st December 1938 confirmed the said sale.

6. And whereas the Deputy Fiscal of Colombo by Fiscal's Transfer No. 18672/1939 dated 16th March 1939 transferred the said land to the said Kanatte Kankanamalage Don Lewellyn Abeysekera Wijesinghe Tillekeratne who thus became entitled thereto.

7. The said Kanatte Kankanamalage Don Lewellyn Abeysekera Wijesinghe Tillekeratne by Deed No. 3111 dated 9th April, 1941 attested by D.F.J. Perera of Colombo, Notary Public transferred the said land to the Plaintiff abovenamed.

8. The 2nd Defendant-Corporation is made a party to this action as there is an agreement by the Corporation to purchase the said land.

9. The Plaintiff abovenamed by Deed No. 349 dated 23rd March 1959 attested by H. C. Perera of Colombo Notary Public transferred an undivided one eighth share of the said land to the 1st Defendant abovenamed.

10. The plantations on the said land are held and possessed in common.

11. The Plaintiff and his predecessors in title have been in the undisturbed and uninterrupted possession of the said land by a title adverse to and independent of that of the Defendant and all others for a period of over ten years and in respect of such possession pleads and claims the benefit of the section 3 of Ordinance No. 22 of 1871.

P 9
Plaint of the Plaintiff in District Court, Colombo, Case No. 9140/P 27-4-60
— *Continued*

12. The parties are thus entitled to the said land in the following shares to wit:—

Plaintiff to an undivided 7/8th share, and 1st Defendant to an undivided 1/8th share.

13. The common and undivided possession of the said land by the parties is inconvenient and impracticable and it is desirable that the said land should be partitioned in terms of Partition Act No. 16 of 1951.

14. The said land is reasonably of the value of Rs. 4,800/.

WHEREFORE the Plaintiff prays:—

(*a*) that he be declared entitled to an undivided 7/8th share of the said land; 10

(*b*) that the said land be partitioned in terms of partition Act No. 16 of 1951;

(*c*) that he be allotted a divided and specific 7/8th share of the said land and that he be placed in quiet possession thereof;

(*d*) for costs of action and costs *pro-rata*;

(*e*) for such other and further relief as to this Court shall seem meet.

Sgd. GUNASEKERA & PERERA
Proctors for Plaintiff.

THE SCHEDULE ABOVE REFERRED TO: 20

All that field called Mulle Kumbura and the adjoining high land situated at Dalugama in the Adicari Pattu of Siyane Korale in the District of Colombo, Western Province and bounded on the North-East by the land belonging to Wijesinghe Aratchige Don Marthis Appuhamy and others, on the East by Ibban Kotuwa and Ela, on the South by Muttettuwe Kumbura and Ela, and on the West by high road and Kurundugaha Kumbura and containing in extent one acre two roods and ten perches (A1. R2. P10) and Registered in C 136/228 at the Land Registry, Colombo, which said field and high land has been recently surveyed and as such is described as follows:—

All those two allotments of land marked Lots 13 and 14 in Plan No. 496 30 dated 20th January 1956 made by S. H. Fernando, Licensed Surveyor called High land of Mullekumbura and Mullekumbura situated at Dalugama aforesaid and which said two lots adjoin each other and are together bounded on the North by Lot 15 and Ela on the East by land of Jamis and Ela, on the South by Ela and paddy field known as Muttettuwa and on the West by Lot

12 and paddy field of Gan Arachchi (now of the Plaintiff) and containing extent one acre one rood and twenty one perches (A1. R1. P21) together with everything thereon according to the said Plan No. 496.

P 9
Plaint of the Plaintiff in District Court, Colombo, Case No. 9140/P
27-4-60
— *Continued*

Sgd. GUNASEKERA & PERERA
Proctors for Plaintiff.

DOCUMENTS FILED WITH PLAINT

1. Appointment.
2. Pedigree marked "A".
3. Abstract of Title marked "B".
4. Lispendens.

Sgd. GUNASEKERA & PERERA.
Proctors for Plaintiff.

D 11

D 11
Journal Entries in District Court, Colombo Case No. 9140/P

JOURNAL ENTRIES IN DISTRICT COURT COLOMBO, CASE NO. 9140/P

IN THE DISTRICT COURT OF COLOMBO

J. MADANAYAKE.

Plaintiff.

No: 9140/P.
Class: III
Amount: Rs. 4,800/-
Nature: Partition.
Procedure: Regular.

Vs.

P. B. HERAT & another.

Defendants.

J O U R N A L

The 27th day of April 1960.

(1)
M/s. Perera & Gunasekera file appointment (1a) and plaint (1b) together with Documents Pedigree (1c) Abstract of Title (1d) and Lis pendens in duplicate.

Plaint accepted.

1. Forward Lis pendens to R. L. for registration and return on or before 29. 6. 60.

D 11
Journal Entries in District Court, Colombo Case No. 9140/P
— *Continued*

2. Deposit survey fees estimated at Rs. 130/- on or before 28. 6. 60.

3. Call case on 29. 6. 60.

Sgd. M. M. I. KARIAPPER.
Additional District Judge.
6-5-60

P. I. V. issued.

(2)
6-5-60
Lis pendens forwarded for registration and return on or before 29.6.60.

Intd. ....
Asst. Secretary.

(3)
3-6-60
R. L. returns Lis pendens duly registered in C1 2/532 of 9-5-60.

File.

Intd. .....
Asst. Secretary.

(4)
29-6-60
M/s. Perera & Gunasekera for Plaintiff. K. R. for Rs. 130/- due—filed.
Comply with Sec. 12 on 28-9-60.

Sgd. A. L. S. SIRIMANNE.
29-6-60

(K. R. Y/15 83478 dated 16.6.60 for Rs. 130/- affixed.)

(5)
25-7-60
Proctors for Plaintiff file papers under Sec. 12 of the Partition Act and move to issue summons notice and commission.

Issue summons, notice and commission for 28-9-60.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.

(6)
6-8-60.
Summons issued on 1st Defendant Kandy. Summons issued on 2nd Defendant W.P. Notice to Fiscal and V. H. issued - W.P.

(7))
6-9-60
Commission with a copy of Plaint issued to Mr. K. M. Samarasinghe Surveyor.

Sgd. .....

(8)
28-9-60
(*a*) Notices to V.H. served.
(*b*) Notice to Fiscal published.
(*c*) Summons served on 1 & 2 Defendants.

Proxy of 1st Defendant filed - S/C after plan. 2nd Defendant is absent. Await and R. I. for 14/12.

(*d*) Return to commission - vide motion filed. Allowed. Reissue for 14-12-60.

Sgd. A. L. S. SIRIMANNE.
28-9-60

(9)
4-11-60
Surveyor K. M. Samarasinghe informs that he could not survey the land as the paddy fields are under water Vide motion.

1. Mention on 14-12-60.
2. Inform him of next date.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.
4-11-60

(10)
18-11-60
Proctors for Plaintiff move to withdraw this case and to recall the Commission issued to Mr. K. M. Samarasinghe Surveyor.

Proctor for Defendants consents. Recall commission. Mention on 14-12-60.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.
22-11-60

Commission recalled.

(11)
1-12-60
Commissioner returns commission unexecuted as per order of Court.

File.

Sgd. A. L. S. SIRIMANNE.
Additional District Judge.
1-12-60

D 11
Journal Entries in District Court, Colombo Case No. 9140/P
— *Continued*

(12)
14-12-60
J. E. 10 - Case called. The action is dismissed without costs.

Sgd. A. L. S. SIRIMANNE.
14-12-60

(13) 16/17-6-61
Proctors for Plaintiff with the consent of Plaintiff move for a req. in their favour for Rs. 150/- being S/F deposited.

Signature identified.

Refused. Only Rs. 130/- is in deposit.

Intd. O. L. De K.
Additional District Judge.
20-6-61

(14)
14/15-7-61
Proctors for Plaintiff with the consent of the Plaintiff move for a req. for Rs. 130/- being S/F deposited.

Signature identified.

File minute of consent in terms of F.R. 698 (ii).

Sgd. O. L. De KRETSER.
Additional District Judge.
17-7-61

(15)
27/28-7-61
Proctors for Plaintiff with the consent of the Plaintiff move for a req. for Rs. 130/- being S/F deposited.

Issue reqn. for Rs. 130/- in favour of M/s. Gunasekera & Perera.

Intd. O. L. De K.
Additional District Judge.
31-7-61

(16)
1-8-61
Req. No. 2707 for Rs. 130/- issued in favour of M/s. Gunasekera & Perera, Proctors.

Sgd: .....
Asst. Secretary

Sgd: .....
Adm. Secretary.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED.
BALANCE SHEET AS AT 31.3.60.

SHARE CAPITAL

	Rs. cts.	Rs. cts.
Authorised :		
500,000 Ordinary Shares of Rs. 10/- each ..	5,000,000.00	
2,500 Promoter's Shares of Rs. 10/- each ..	25,000.00	5,025,000.00
Issued :		
16,543 Ordinary Shares of Rs.10/- each fully paid	165,430.00	
2,500 Promoter's Shares of Rs. 10/- each fully paid	25,000.00	190,430.00
Share Application A/c.		26,239.75
Creditors :		
John Rodger & Co.	300.00	
Mudaliyar Madanayake	25,000.00	
Andre Debrie, Paris.	134,967.47	160,267.47
		376,937.22

FIXED ASSETS

	Rs. cts.	Rs. cts.	Rs. cts.
Studio site cost —			40,000.00
Laboratory building at cost	17,225,00		
Sound theatre building at cost	19,150.00	36,375.00	
Machinery at cost		219,440.45	
Typewriter as per last B/S.		1,211.25	297,026.70
Current Assets :			
Debtor — Estate of late Mr. B. H. William		7,500.00	
Electricity deposit		8,000.00	15,500.00
Cash at Bank of Ceylon :			
Current A/c.	438.67		
Share application A/c. ..	3,207.52		
Bank of Ceylon No. 2"	3,522.08		7,168.27
Preliminary expenses as per last B/S.			32,500.90
Profit & Loss A/c.			
Balance at 1.4.59	14,965.32		
Add net loss for the year	9,776.03		24,741.35
			376,937.22

AUDITOR'S REPORT :

I have examined the above Balance Sheet with the books and accounts of the Company and have obtained all the information and explanations I have required. In my opinion, the said Balance Sheet is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Company as at 31st March, 1960, according to the best of my information and explanations given to me and as shown by the Company's books.

Colombo, 17th May 1960.

Sgd. JOHN RODGER (*Registered Auditor*).

P 36 The Sinhalese Film Industrial Corporation Ltd. Balance Sheet as at 31-3-60 — 17-5-60

P 36A

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-3-60.

	Rs. cts.		Rs. cts.
To salaries	7,355.00	By net loss carried to B/S.	9,776.03
„ printing and stationery	36.19		
„ postage and stamps	189.42		
„ Bank charges	507.72		
„ sundry expenses	98.26		
„ Registrar of Companies	89.79		
„ commission on shares	145.00		
„ advertising	861.06		
„ travelling	146.09		
„ hire of furniture	47.50		
„ audit and accountancy charges	300.00		
	9,776.03		9,776.03

D 36

D 36
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 10-8-60

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED.
MEETING NO. 15.

Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited held on 10th of August, 1960 at 3.30 P.M. at the Registered Office, No. 74, Old Kandy Road, Peliyagoda.

PRESENT:— Mr. D. L. Gunasekera, Mudaliyar J. Madanayake, Mr. B. Sirisena Fernando, Mr. Thomas Liyanage, Mr. Sirisena Madanayake and Mr. H. N. Liyanage.

IN ATTENDANCE:— Mr. Gilbert Hewavitarana the Manager.

The Chairman Mr. D. L. Gunasekera presided:

1. Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited held on the 26th day of July 1960 were read by the Secretary and signed by the Chairman.

2. Resolved to allot shares entered in the column headed "No. of shares allotted" opposite the name and address of each applicant in the Application Sheet No. 29 part one of the Application Register numbering from 783 to 790 both numbers inclusive totalling 145 shares Ordinary at Rs. 10/- each and ordered the sealing of the share certificates in the presence of the Secretary and the Chairman.

3. Balance equipment - deferred for want of quotations.

4. Resolved to sanction the construction of water service Tower and the Chemical stores, weighing and preparation rooms and appointed Mudaliyar J. Madanayake to put in hand the work on the approved Estimates amounting to Rs. 8,780/40 and have the same completed by end of September 1960. It was also resolved to request Mudaliyar J. Madanayake to supply the necessary funds on a loan basis.

5. Resolved to book return travel ticket Dusseldorf/Colombo at a cost of Rs. 3,698/- on behalf of Mr. Klaus Walter Pille the German Technician as per Debries Invoice.

D 36
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 10-8-60
— *Continued*

6. Resolved to raise a loan to defray the value of ticket from the following Directors Mr. D. L. Gunasekera Rs. 1,000/-, Mudaliyar J. Madanayake Rs. 1,200/- and Mr. Thomas Liyanage Rs. 1,500/-.

The Meeting then terminated.

Sgd....LIYANAGE,
Secretary

Sgd. Illegibly.
Chairman.

No. 74, Old Kandy Road,
Peliyagoda.

I certify that the above is a true copy of the Minutes of the meeting of the Board of Directors held on 10-8-1960.

Sgd. Illegibly.
Secretary

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED.

D 37

D 37
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 9-9-60

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

MEETING NO. 17

Minutes of the meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited held on the 9th of September 1960 at 3.30 p.m. at the Registered Office No. 74, Old Kandy Road, Peliyagoda.

PRESENT:- Mr. D. L. Gunasekera, Mudaliyar J. Madanayake, Mr. Thomas Liyanage and Mr. H. N. Liyanage.

IN ATTENDANCE:- Mr. Gilbert Hewavitarane, the Manager.

THE CHAIRMAN:- Mr. D. L. Gunasekera presided.

1. Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited held on the 16th day of August 1960 were read by the Secretary and signed by the Chairman.

2. Resolved to allot shares entered in the column headed "No. of Shares allotted" opposite the name and address of each applicant in the Application Sheet No. 29 part two of the Application Register numbering from 791 to 800 both numbers inclusive totalling 70 shares Ordinary at Rs. 10/- each and ordered the sealing of Share Certificates in the presence of the Secretary and the Chairman.

D 37
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 9-9-60
--- *Continued*

3. Resolved to pay the bill submitted by Mudaliyar J. Madanayake amounting to Rs. 1,078/97 on account of the materials supplied to Kalyani Studios at Dalugama.

4. Shifting Office deferred.

5. Resolved to appoint an accounts clerk for writing up accounts and maintain a set of books in Sinhala system of accounts.

6. Resolved to pay Rs. 200/- on account of the travelling of the technician from the rest-house to Kalyani Studios for the 45 days of his stay in Ceylon on the work of installing machinery of the Laboratory.

7. Resolved to clear the bill amounting to Rs. 6,151/88 a/c. August instalment on the D.U.C. and the Printer, and the following Directors undertook to pay up the money — Mr. D. L. Gunasekera Rs. 750/- Mr. Thomas Liyanage Rs. 2,500/- and Mudaliyar J. Madanayake Rs. 2,900/-.

The Meeting then terminated.

Sgd. Illegibly
Chairman.

Sgd....LIYANAGE
Secretary.

74, Old Kandy Road,
Peliyagoda.

I Certify that the above is a true copy of the Minutes of the Meeting of the Board of Directors held on 9-9-60.

Sgd. Illegibly
Secretary.

The Sinhalese Film Industrial
Corporation Limited

D 38

D 38
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 7-10-60

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

MEETING NO. 20

Minutes of the meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited held on the 7th of October 1960 at 3.30 p.m. at the Registered Office, No. 74, Old Kandy Road, Peliyagoda.

D 38
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 7-10-60
— *Continued*

PRESENT:— Mr. D. L. Gunasekera, Mudaliyar J. Madanayake, Mr. Thomas Liyanage, Mr. Sirisena Madanayake and Mr. H. N. Liyanage.

IN ATTENDANCE:— Mr. Gilbert Hewavitarana, the Manager.

THE CHAIRMAN:— Mr. D. L. Gunasekera presided.

1. Minutes of the Meeting of the Board of Directors of the Sinhalese Flim Industrial Corporation Limited held on the 27th of September 1960 were read by the Secretary and signed by the Chairman.

2. Resolved to allot shares entered in the column headed "No. of shares allotted" opposite the name and address of each applicant in the Application Sheet No. 30 part one of the Application Register numbering from 803 to 813 both numbers inclusive totalling ninety Ordinary Shares of Rs. 10/- each and ordered the sealing of the Share Certificates in the presence of the Chairman and the Secretary.

3. Resolved to pay back all loans received from Directors up till now and requested the Manager to submit to the next Meeting of Directors all such moneys hitherto received as loans.

4. Regarding Debries September Instalment, it was resolved to pay it off by obtaining loans from Mr. Thomas Liyanage Rs. 2,000 and Mudaliyar J. Madanayake Rs. 4,150/- (Bill amounting to Rs. 6,151/89 was due to be paid on 30-9-1960).

5. Mudaliyar J. Madanayake proposed that since there are no substantial funds to meet the pressing payments, that he was willing to refund the Rs. 15,000/- paid to him as advance on account of the Studio site. This proposal the Board decided to Consider.

6. The question of the Technician's contract for installing machinery was next taken over. The Manager reported to the Board that his period of 45 days was over and that the technician has not been able to complete installation owing to many delays in supplying him with the essential services such as Water Cooling Plant, Electricity and many other necessities to go on with the work. The technician has already reported to the management and the Board of Directors that there is difficulty to handle the Printing Plant in the absence of Airconditioning facilities in the room earmarked for Printing Films. Mr. Hans M. Kehl who was with the technician present during the Board Meeting, was consulted to extend the technician's services by a period of further three months on a reduced scale, but Mr. Kehl explained the Board of Directors that it was not possible to consider a reduction of rate of pay and that he was able to agree to to the furtherance of technician's services to the Corporation by a period of three months, on the same contracted rate and for which the Board agreed to extend the services monthly if necessary. An invoice for the payment of 392 Sterling Pounds was submitted by Mr. Kehl being amount due on the technician's services upto November 1960. Mr. Kehl further expressed his regrets over

the delay of completing the Laboratory as he was arranging to introduce German Production Companies to avail themselves of the services of the Kalyani Studios.

D 38
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 7-10-60
— *Continued*

7. Resolved to transfer Rs. 750/- to No. 1 Account and the following resolution was passed "IT WAS RESOLVED TO WRITE TO THE CORPORATION'S BANKERS THE BANK OF CEYLON CITY OFFICE TO TRANSFER FROM THE APPLICATION ACCOUNT NO. 32712, RUPEES SEVEN HUNDRED AND FIFTY RS. 750/- TO THE CURRENT ACCOUNT NO. 32895."

10 The Meeting then terminated.

Sgd. D. L. GUNASEKERA
Chairman.

Sgd....Liyanage
Secretary.

No. 74, Old Kandy Road,
Peliyagoda.

I certify that the above is a true copy of the Minutes of the meeting of the Board of Directors held on 7-10-60.

Sgd. Illegibly.
20 *Secretary.*

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

D 39

D 39
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd.
21/28-10-60

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

MEETING NO. 21

Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited held on 21st & 28th October 1960 at 5 p.m. &
30 3.30 p.m. at the Registered Office No. 74, Old Kandy Road, Peliyagoda.

PRESENT :- Mr. D. L. Gunasekera, Mudaliyar J. Madanayake, Mr. Thomas Liyanage, Mr. Sirisena Madanayake and Mr. H. N. Liyanage.

IN ATTENDANCE :- Mr. Gilbert Hewavitarana, the Manager.

The Chairman Mr. D. L. Gunasekera presided.

D 39
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd.
21/28-10-60
— *Continued*

1. Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited held on the 7th October 1960 were read by the Secretary and signed by the Chairman.

2. Resolved to allot shares entered in the column headed "No. of shares allotted" opposite the name and address of each applicant in the Application Sheet No. 30 part 2 of the Application Register numbering from 814 to 816 both numbers inclusive totalling sixty Ordinary shares of Rs. 10/- each and ordered the sealing of the Share Certificates in presence of the Secretary and the Chairman.

3. Resolved to transfer Rs. 600/- to No. 1 Account and the following resolution was passed "IT WAS RESOLVED TO WRITE TO THE CORPORATION'S BANKERS THE BANK OF CEYLON CITY OFFICE TO TRANSFER FROM THE APPLICATION ACCOUNT NO. 32712 RUPEES SIX HUNDRED RS. 600/- TO THE CURRENT ACCOUNT NO. 32895".

4. Appointment of Accounts Clerk deferred.

The Meeting was adjourned for 28-11-1960 at 3-30 p.m. as most of the Directors had other important engagements to attend.

I certify that the above is a true copy of the Minutes of the meeting of the Board of Directors held on 21-10-1960.

Sgd. Illegibly.
Secretay.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

P 10
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 9-11-60

P 10

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED.

MEETING NO. 22

Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited held on 9. 11. 60 at 3.30 p.m. at the Registered Office 74, Old Kandy Road, Peliyagoda.

PRESENT :— D. L. Gunasekera, Mudaliyar J. Madanayake, Mr. Thomas Liyanage and Mr. H. N. Liyanage.

IN ATTENDANCE :— Mr. Gilbert Hewavitarana, the Manager.

P 10
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 9-11-60
— *Continued*

The Chairman Mr. D. L. Gunasekera presided.

1. Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited held on the 21st day and 28th day of October 1960 were read and confirmed by the Secretary and Chairman.

2. Resolved to allot shares entered in the column, headed "No. of Shares Allotted" opposite the name and address of each applicant in the Application Sheet No. 30 part three of the Application Register numbering from 817 to 826 both numbers inclusive totalling 100 Ordinary shares of Rs. 10/- each, and ordered the sealing of the Share Certificates in the presence of the Chairman and Secretary.

3. The question of settling the studio site at Dalugama was taken up and after a lengthy discussion the Board decided to switch on to a long lease of 50 years (fifty years) instead of purchasing outright, because the Board finds it not possible to pay the purchase price the balance being Rs. 25,000/- at this juncture owing to the nonavailability of Company's funds. The Board further decided that a long lease of 50 years as good as proprietary holding and placed the entire matter of drawing up the necessary legal documents in the hands of the Chairman Mr. D. L. Gunasekera. Mudaliyar J. Madanayake also agreed that he will co-operate to the utmost by providing ample scope and facilities embodied in the Notarial Document or Documents for the lease of the property of ten acres at Dalugama on which the Kalyani Studios is being built now.

4. Andre Debrie's Draft & Technicians Pay October/November deferred for the next Meeting.

5. Air Conditioning Plant deferred.

6. Resolved to transfer Rs. 400/- to the No. 1 Account and the following resolution was passed :—

"RESOLVED TO WRITE TO THE BANK OF CEYLON CITY OFFICE TO TRANSFER RS. 400/- FROM APPLICATION ACCOUNT TO THE CURRENT ACCOUNT NO. 32895".

The meeting then terminated.

Sgd. T. LIYANAGE
Secretary.

Sgd. D. L. GUNASEKERA
Chairman.
18-11-60.

No. 74, Old Kandy Road,
Peliyagoda.

D 45
Report of the Directors of the Sinhalese Film Industrial Corporation Ltd. 15-11-60

D 45

REPORT OF THE DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

REPORT OF THE DIRECTORS FOR PRESENTATION AT THE THIRD ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD WITHIN THE PREMISES AT THE PROPOSED "KALYANI STUDIO" AT DALUGAMA, KELANIYA ON WEDNESDAY 30TH DAY OF NOVEMBER 1960 AT 4.00 P.M.

The directors submit their Report for the year ending November 1960 and certified accounts for the year ended 31st March 1960.

FILM PROCESSING LABORATORY :— As per our contract dated September, 17, 1959, for the purchase of most modern and world famous Developing and Printing Machines have been received at a landed cost of nearly TWO AND QUARTER LAKHS of Rupees from Messrs. Establishment Andre Debrie of Paris and the same are now being installed by German Technicians. Apart from their machinery and equipment, a Water Cooling Plant has been ordered from Carrier Corporation of America. The purpose of their machine will be to supply the developing plant with water cooled down to 57 F, and the plant will cost a sum of about Fifty Thousand Rupees and is expected to reach the Studios before end of 1960.

We take this opportunity to call upon you to bear in mind that this is a Laboratory which is being fitted up, to produce not only Black & White but also colour films which are becoming so very popular daily. To achieve this state of affairs in the Laboratory, the items, we have yet to obtain are the following equipment i.e. Sensitometer, Densitometer for both Colour & Black and White a Ph meter, editing equipment and Rewinders etc., which would cost a further sum of Rupees FIFTY THOUSAND.

In the last Annual General Meeting, held on 22nd December 1959 we stated that it would be possible to commence work in processing and printing films, in the Laboratory by April 1960 but unfortunately owing to many drawbacks such as the delay in the supply of electricity and also the delay in obtaining the technicians and many other short comings, we were not able to give it a start in April 1960 and we regret very deeply the disappointment caused thereby. The following advances have been paid to date by three Directors as shown here :— Mr. D. L. Gunasekera Rs. 11,750/-, Mr. Thomas Liyanage Rs. 19,000/- and Mudaliyar J. Madanayake Rs. 30,949/- (The total being Rs. 61,699/-).

THE BALANCE EQUIPMENT FOR LABORATORY :— Regarding the work and the balance equipment and Building for completing the Laboratory of KALYANI STUDIOS, Mr. Gilbert Hewavitarana the Manager of this Corporation has already given notice of a motion to be brought before the meeting, which will be discussed fully.

AUDITOR'S REPORT :— The Auditor's Report has been received from the Corporation's Auditor John Rodger Esquire, F. C. I. S., York Street, Colombo 1, who has given in full details the position of Finances of the Corporation as at 31st March 1960.

RETIRING DIRECTORS :— On this occasion, the following Directors are retiring and they are eligible for re-election.

1. Sirisena Madanayake Esqr.,
2. B. Sirisena Fernando Esqr.,
3. Sherman de Silva Esqr.

AUDITORS :— The Directors express their Thanks to the Auditors John Rodger Esqr., F. C. I. S., who has been of much assistance to the Corporation. The retiring Auditor being eligible offers himself for re-election.

THANKS :— In conclusion, we record our grateful thanks to Mudaliyar J. Madanayake for giving the Corporation further use of a fully equipped office and Board Room fitted with electric fans and lights etc., with no rental whatsoever, and to the Manager Gilbert Hewavitharana Esq., for efficient management and to the members of the staff for the upright and diligent manner with which the affairs of the Corporation were carried out.

By Order of the Board :

D. L. GUNASEKERA
MUDALIYAR J. MADANAYAKE
THOMAS LIYANAGE
Directors.

H. N. LIYANAGE
Secretary.

Sgd. D. L. GUNASEKERA

Sgd. Illegibly

Sgd. T. LIYANAGE

15-11-60.
Peliyagoda.

D 40
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 28-11-60

D 40

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

MEETING CONTINUED ON 28-11-1960, THE ABOVE DIRECTORS WERE PRESENT.

5. Following letters were tabled and resolved as follows:—

(*a*) Franco Ceylon Corp : The Manager was instructed to proceed with work as outlined by Mr. Kehl.

(*b*) Walker & Greig Ltd. : Mudaliyar J. Madanayake to go into the question of air-conditioning plant.

(*c*) John Rodger & Co. : To point out to them the usual payments made in previous years and to explain them about the non-earning position of the Corporation.

(*d*) Gunasekera & Perera: Sanctioned payment of Rs. 105/- as legal fees for filing to recover Rs. 7,500/- from the Estate of the late Mr. B. H. William.

(*e*) Andre Debrie's Draft: Deferred for the next meeting.

6. Resolved to pay the bill of Rs. 5,752/75 being amount due on materials and labour charges on the Chemical Preparation Rooms, Water Cooling Plant Room, and Chemical Stores etc. at Kalyani Studios, Dalugama.

7. Resolved to raise a loan on an interest not to exceed 5% and pay off the advance received from the following Directors, Mr. D. L. Gunasekera Rs. 11,750/-, Mr. Thomas Liyanage Rs. 19,000/-, Mudaliyar J. Madanayake Rs. 30,949/02 Cts.

8. A further sum of Rs. 1,500/- was sanctioned to carry out the necessary work to complete the installation of machinery etc., of the Laboratory.

9. It was resolved to hold the Annual General Meeting on 30-11-60 and approved the account and the report of Directors and instructed the Manager to proceed with the printing and submit a proof for final approval.

The Meeting then terminated.

Sgd. D. L. GUNASEKERA
Chairman.

Sgd. .... LIYANAGE
Secretary.

I certify that the above is a true copy of the Minutes of the Meeting of the Board of Directors held on 28-11-1960..

Sgd. Illegibly.
Secretary.
THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

D 49

D 49
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 12-12-60

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

MEETING NO. 1

Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited held on 12-12-60 at 3.30 p.m. at the Registered Office, 74, Old Kandy Road, Peliyagoda.

PRESENT :- Mr. D. L. Gunasekera, Mudaliyar J. Madanayake,
Mr. Thomas Liyanage, Mr. Sirisena Madanayake and
Mr. H. N. Liyanage.

IN ATTENDANCE :- Mr. Gilbert Hewavitarana, the Manager.

1. The meeting unanimously resolved that Mr. D. L. Gunasekera be the Chairman of the Board of Directors for the ensuing year and Mr. H. N. Liyanage was appointed as Secretary of the Board.

2. Minutes of the Meeting of the Board of Directors held on 18-11-60 were read by the Secretary and signed by the Chairman.

3. Letters from Messrs. Debrie and their Invoices for the extra equipment and for the Technicians pay and letter from Chartered Bank re Debrie's Drafts were tabled. After a discussion all items were deferred for the next Meeting.

4. Resolved to write to the Technician Mr. Pille terminating his engagement from 23-12-60.

5. Resolved to proceed with the water service, wiring, electric service, circuits, sealing of cutting and projection room.

6. Resolved to transfer Rs. 675/- to current account No. 32895 and following resolution was passed "Resolved to write to the Bank of Ceylon City Office to transfer Rs. 675/- to the Current account No. 32895".

The Meeting then adjourned for 19-12-60.

D 41

D 41
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 19-12-60

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

Meeting continued on 19-12-60 *and the above Directors were present.* 3-30 *p.m. Regd. Office.*

7. Technician's Rest House bill upto 23rd of November 1960 amounting to Rs. 461/40 was tabled and payment was sanctioned. The following amounts were loaned for this purpose. Mr. D. L. Gunasekera Rs. 200/-, Mr. Liyanage Rs. 100/- and Mudaliyar Madanayake Rs. 200/-.

D 41
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 19-12-60
— *Continued*

8. Resolved to issue signed Pronotes to Mudaliyar J. Madanayake and Thomas Liyanage for Rs. 32,359/21 and Rs. 19,000/- respectively, and further resolved that the notes should be signed by Mr. D. L. Gunasekera and Mr. T. Liyanage to Mudaliyar's Pronote and Mudaliyar and Mr. Gunasekera to Mr. Liyanage's Pronote and that the said notes be sealed with the Company's Seal in presence of the Secretary and Chairman.

9. The Manager was instructed to obtain quotation from various papers to conduct advertising and to circulate the minutes of the Annual Meeting of 30-11-1960 among all the Shareholders.

10. Resolved to Transfer Rs. 675/- to the Current Account and following resolution was passed. "Resolved to write to the Bank of Ceylon City Office to transfer from Application Account to the Current Account No. 32895".

11. Balance equipment deferred for the next meeting.

The following allotment was made on 12-12-60. "Resolved to allot share entered in the column headed "Number of Shares allotted" opposite the name and address of each applicant in the Application Sheet No. 31 Part 1 of the Application Register numbering from 827 to 835 both numbers inclusive totalling 80 Ordinary Shares of Rs. 10/- each and order the sealing of the certificate in the presence of Chairman and Secretary.

The meeting then terminated.

Sgd. L. D. GUNASEKERA
Chairman.

Sgd. Illegibly
Secretary.

D 27

D 27
Letter sent to Mudaliar J. Madanayake by D. L. Gunasekera Chairman of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 28-12-60

LETTER SENT TO MUDALIYAR J. MADANAYAKE BY D. L. GUNASEKERA, CHAIRMAN OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

74, Old Kandy Road, Peliyagoda.
December 28, 1960.

Mudaliyar J. Madanayake,
Peliyagoda.

Dear Mudaliyar,

I take this opportunity to invite you for a Conference of the Directors which will be held on January 9th 1961 at 5.30 p.m. at the Registered Office, No. 74, Old Kandy Road, Peliyagoda.

I shall kindly request your goodself to be present at this Conference as it is very important for the future of the above Corporation.

Thanking you,
Yours faithfully,

Sgd. D. L. GUNASEKERA
Chairman.
Board of Directors.

D 27
Letter sent to Mudaliar J. Madanayake by D. L. Gunasekera Chairman of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 28-12-60
— *Continued*

D 41A

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

D 41 A
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 9-1-61

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

MEETING NO. 2.

Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited held on 9-1-61 at 5.30 p.m. at the Registered Office, 74, Old Kandy Road, Peliyagoda.

PRESENT :— Mr. D. L. Gunasekera, Mudaliyar J. Madanayake, Mr. Sherman de Silva, Mr. Thomas Liyanage and Mr. Sirisena Madanayake.

In attendance Mr. Gilbert Hewavitarana, the Manager.

THE CHAIRMAN:— Mr. D. L. Gunasekera presided.

1. Minutes of the Meeting of the Directors held on 12-12-60 and as adjourned and continued on 19-12-60 were read by the Secretary and signed by the Chairman.

2. Resolved to allot shares entered in the column headed "No. of Shares allotted" opposite the name and address of each applicant in the Application Sheet No. 31 part 2 of the Application Register numbering from 836 to 842 both numbers inclusive totalling 143 fully paid Ordinary shares of Rs. 10/- each and ordered the sealing of Certificates in the presence of the Chairman and the Secretary.

3. Tabled letters from Debrie, Chartered Bank, and bills from Printers, Rest-house and travelling account of the technician, Electric Bill for making tanks and a statement of Commission a/c of Mr. K. J. Perera.

4. All matters were put off pending tabling of present financial position— Meeting adjourned for 19-1-1960.

P 41 A
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 9-1-61 — *Continued*

MEETING CONTINUED ON 19-1-1960 :— at 5.30 p.m. The above Directors except Mr. Sherman de Silva with the addition of Mr. H. N. Liyanage attended the meeting.

5. Tabled letters and bills — Mr. Chairman undertook to reply the French Embassy letter on behalf of Debrie's claim stating that the matter will be taken up very early. It was resolved to pay off Rest-house charges account Technician's stay and the following monies were loaned by Mud. J. Madanayake Rs. 216/69, Mr. D. L. Gunasekera Rs. 150/- and Mr. Thomas Liyanage Rs. 150/-.

Meeting adjourned for February 2, 1961.

I certify that the above is a true copy of the minutes of 19-1-61 of the Sinhalese Film Industrial Corporation Ltd.

Sgd. Illegibly.
Secretary.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

P 11
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 24-2-61

P 11

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

MEETING NO. 3

Minutes of the meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited held on the 24th February 1961 at 5.00 p.m. at the Registered Office, No. 74, Old Kandy Road, Peliyagoda.

The following Directors were present :— Mr. D. L. Gunasekera, Mudaliyar J. Madanayake and Mr. H. N. Liyanage. In attendance Mr. Gilbert Hewavitarana, the Manager.

The Chairman Mr. D. L. Gunasekera presided. There was discussion with regard to the Debrie's Drafts, and the meeting was adjourned till the 28th March 1961 at 5.00 p.m.

Meeting continued on 28th March 1961 at 5.00 p.m. at the Registered Office. Meeting adjourned till 18th April at 5.00 p.m. as there was no quorum.

Meeting continued on 18th April 1961 at 5.00 p.m. at the Registered Office. Meeting adjourned till 15th May 1961 at 5.00 p.m.

P 11
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 24-2-61
-- *Continued*

Meeting continued on 15th May 1961 at 5.00 p.m. at the Registered Office. The following Directors were present:— Mr. D. L. Gunasekera, Mudaliyar J. Madanayake, Mr. Sherman de Silva and Mr. H. N. Liyanage. In attendance Mr. Gilbert Hewavitarana, the Manager. The Chairman Mr. D. L. Gunasekera presided.

1. At this meeting, the Board considered the present position of the Corporation and decided to recommend to the shareholders to wind up the Corporation, then Mr. Gilbert Hewavitarana, the Manager of the Corporation requested the Board to grant him time to bring more shareholders with sufficient capital to carry out the balance work of the Corporation and this request was considered by the Board and the Manager was granted time till end of 31st July 1961 to make a report of his attempt and call a meeting after that.

2. After this discussion, the meeting was adjourned till 4th July 1961 at 5.00 p.m.

P 11A

P 11 A
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 4-7-61

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

MEETING CONTINUED ON 4TH JULY 1961 AT 5.00 P.M. AT THE REGISTERED OFFICE

The following Directors were present :— Mr. D. L. Gunasekera, Mudaliyar J. Madanayake, Mr. Sirisena Madanayake and Mr. H. M. Liyanage. In attendance Mr. Gilbert Hewavitarana, the Manager. The Chairman, Mr. D. L. Gunasekera presided.

1. Resolved to allot shares entered in the column headed "No. of Shares Allotted" opposite the name and address of each applicant in the Application Sheet No. 32 part 1 & 2 of the Application Register numbering from 849 to 873 both numbers inclusive totalling 1478 fully paid Ordinary Shares of Rs. 10/- each and ordered the sealing of the share certificates in the presence of the Chairman and the Secretary.

2. Mr. D. L. Gunasekera gave a cheque for Rs. 120/- (One hundred twenty) for stamp duty as a loan to the Corporation.

3. It was resolved to appoint Mudaliyar J. Madanayake as the Managing Director for the time being, in view of the present financial position of the Corporation the Directors requested the Manager Mr. Gilbert Hewavitarana to give any help as requested by the Managing Director, in honorary capacity as from 1st August 1961, and the Company undertook to pay his unpaid dues up to the end of July 1961, and he was requested to hand over all the assets books and etc. to the Managing Director, and for that purpose get all the accounts audited up to the end of July 1961, and this meeting was adjourned till 12th July 1961 at 5.00 p.m.

P 11 B
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 12-7-61

P 11B

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

MEETING CONTINUED ON 12TH JULY 1961 AT 5.00 P. M. AT THE REGISTERED OFFICE

The following Directors were present :— Mr. D. L. Gunasekera, Mudaliyar J. Madanayake, Mr. Sherman de Silva, Mr. Sirisena Madanayake and Mr. H. N. Liyanage. In attendance Mr. Gilbert Hewavitarana, the Manager. The Chairman Mr. D. L. Gunasekera presided.

1. Tabled letters and Bills :— Debrie's letters, Gunaratne & Co., bills, Cane Furnishers bill, and Mr. Gilbert Hewavitarana's bills (Technician Mr. Pille's transporting bill for Rs. 230/- & Electric Current bill for Rs. 50/-).

2. With regard to the Water Cooling Plant ordered through Messrs. The Colombo Agency Ltd., it was resolved that Mudaliyar J. Madanayake should give personal GUARANTEE to the Mercantile Credit Corporation Ltd., and get the same plant stored in their stores and amount to be paid by the Corporation within one year and take over the said Water Cooling Plant. A sum of Rs. 3,000/- (Three Thousand) to be paid immediately by Mudaliyar J. Madanayake for that purpose.

3. With regard to the Debrie's Drafts, it was resolved to meet the Manager of the Chartered Bank as early as possible.

4. It was resolved to close the Share List as from 31st July 1961.

The Meeting then terminated.

Sgd. T. LIYANAGE
Secretary.
18-8-61.

Sgd. D. L. GUNASEKERA
Chairman.
18-8-61.

D 28

D 28
Notice & Agenda of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 18-4-61

NOTICE & AGENDA OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

April 10, 1961.

Mudaliyar J. Madanayake,
Peliyagoda.

Notice is hereby given that a meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited will be held on TUESDAY the 18th April 1961 at 5.00 p.m. at the Registered Office, No. 74, Old Kandy Road, Peliyagoda.

AGENDA

D 28
Notice & Agenda of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 18-4-61
— *Continued*

1. To receive and sign the minutes of the Meeting of the Board of Directors held on 24-2-1961.
2. Allot Shares & Issue Share Certificates.
3. To Table letters & Bills.
4. Debrie's Drafts & Invoices.
5. Water Cooling Plants & Payments.
6. Consider Future of the Corporation.
7. Any other business.

By Order of the Board of Directors.

Sgd. Illegibly.
for *Secretary.*

D 29

LETTER SENT TO MUDALIYAR J. MADANAYAKE BY THE SECRETARY OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

D 29
Letter sent to Mudaliyar J. Madanayake by the Secretary of the Sinhalese Film Industrial Corporation Ltd. 19-4-61

April 19, 1961.

Mudaliyar J. Madanayake,
Peliyagoda.

Meeting of 18-4-1961 adjourned for Tuesday 25th April, 1961.

The above adjourned meeting will be held on Tuesday the 25th of April 1961 at 5.00 p.m. at the Registered Office, No. 74, Old Kandy Road, Peliyagoda.

By Order of the Board of Directors.

Sgd. Illegibly.
for *Secretary.*

D 30

LETTER SENT TO MUDALIYAR J. MADANAYAKE BY THE SECRETARY OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

D 30
Letter sent to Mudaliyar J. Madanayake by the Secretary of the Sinhalese Film Industrial Corporation Ltd. 5-5-61

May 5, 1961.

Mudaliyar J. Madanayake,
Peliyagoda.

Meeting of 18-4-1961 adjourned for Friday 12th May, 1961.

The above adjourned meeting will be held on Friday the 12th of May, 1961 at 5.00 p.m. at the Registered office, No. 74, Old Kandy Road, Peliyagoda.

By Order of the Board of Directors.

Sgd. Illegibly.
for *Secretary.*

D 31
Letter sent to Mudaliyar J. Madanayake by the Secretary of the Sinhalese Film Industrial Corporation Ltd. 28-6-61

D 31

LETTER SENT TO MUDALIYAR J. MADANAYAKE BY THE SECRETARY OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

June 28, 1961.

Mudaliyar J. Madanayake,
Peliyagoda.

Meeting of 18-4-1961 adjourned for Tuesday 4-7-61

The above adjourned meeting will be held on Tuesday the 4th July, 1961 at 5.00 p.m. at the Registered Office, No. 74, Old Kandy Road, Peliyagoda.

By Order of the Board of Directors.

Sgd. Illegibly.
for *Secretary.*

D 32
Notice of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. addressed to Mudaliyar J. Madanayake 7-7-61

D 32

NOTICE OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD. ADDRESSED TO MUDALIYAR J. MADANAYAKE

7-7-1961.

Mudaliyar J. Madanayake,
Peliyagoda.

Notice is hereby given that a meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited will be held on Wednesday the 12th July 1961 at 5.00 p.m. at the Registered Office, No. 74, Old Kandy Road, Peliyagoda.

AGENDA

1. To receive and sign the minutes of the Meeting of the Board of Directors held on 5-7-1961.
2. To table letters etc.
3. Debrie's Drafts & Invoices
4. Water Cooling Plant & Payment.
5. Consider Future of the Corporation.
6. Any other business.

By Order of the Board Directors.

Sgd. Illegibly.
for *Secretary*.

D 32
Notice of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. addressed to Mudaliyar J. Madanayake 7-7-61
— *Continued*

D 33

NOTICE OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD. ADDRESSED TO MUDALIYAR J. MADANAYAKE

16-8-1961.

Mudaliyar J. Madanayake,
Peliyagoda.

Notice is hereby given that a meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited will be held on Friday the 18th August 1961 at 5.00 p.m. at the Registered Office, No. 74, Old Kandy Road, Peliyagoda.

D 33
Notice of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. addressed to Mudaliyar J. Madanayake 16-8-61

AGENDA

1. To consider inviting Senator N. U. Jayawardane to join the Corporation and in what capacity.
2. Any other business.

As the above being a very important meeting, kindly be present.

By Order of the Board of Directors.

Sgd. Illegibly
for *Secretary*.

P 12

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

MEETING NO. 4

Minutes of the meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited, held on the 18th August 1961 at 5.00 p.m at the Registered Office, No. 74, Old Kandy Road, Peliyagoda.

P 12
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 18-8-61

P 12
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 18-8-61 — *Continued*

PRESENT :— Mr. D. L. Gunasekera, Mudaliyar J. Madanayake, Mr. Sherman de Silva, Mr. Sirisena Madanayake, and Mr. H. N. Liyanage.

In attendance Mr. Gilbert Hewavitarana, the Manager.

The Chairman Mr. D. L. Gunasekera presided.

1. Table all the letters received by the Corporation.

2. Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited held on the 24-2-61, 28-3-61, 18-4-61, 15-5-61, 4-6-61 and 12-7-61, were read by the Secretary and signed by the Chairman.

3. The Board of Directors comprised of Mr. D. L. Gunasekera, Mr. Sherman de Silva, Mudaliyar J. Madanayake, and Mr. Sirisena Madanayake along with the Manager visited the Kalyani Studio Site at Dalugama and after inspection all the keys of the Laboratory were handed over to Mudaliyar J. Madanayake in the presence of the other Directors.

Meeting then terminated.

Sgd. Illegibly
Secretary.
26-6-62.

Sgd. D. L. GUNASEKERA
Chairman.

D 34
Notice of Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation, Ltd. Addressed to Mudaliyar J. Madanayake 5-9-61

D 34

NOTICE OF MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD. ADDRESSED TO MUDALIYAR J. MADANAYAKE

5-9-1961.

Mudaliyar J. Madanayake,
Peliyagoda.

Meeting of 18-8-61 adjourned for Friday 8th September 1961.

The above adjourned meeting will be held on Friday the 8th September, 1961 at 4.30 P.M. at No. 23, Sri Sangharaja Mawata, Colombo 10, office of Messrs. Sherman de Silva & Co. Ltd.

A G E N D A

1. To consider the future of the Corporation.
2. Any other business.

As the above meeting is very important one, your presence is essential.

By Order of the Board of Directors.

Sgd. Illegibly.
Director.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED
BALANCE SHEET AS AT 31-3-61.

SHARE CAPITAL

	Rs. cts.	Rs. cts.
Authorised :		
500,000 Ordinary Shares of Rs. 10/- each	5,000,000.00	
2,500 Promoters Shares of Rs. 10/- each ..	25,000.00	5,025,000.00
Issued :		
18,253 Ordinary Shares of Rs. 10/- each fully paid.	182,530.00	
2,500 Promoters Shares of Rs. 10/- each fully paid	25,000.00	207,530.00
Share application account		16,882.75
Creditors :		
John Rodger & Co.	360.00	
Mudaliyar Madanayake Loan A/c. ..	34,209.21	
Thomas Liyanage Loan A/c.	19,250.00	
D. L. Gunasekera Loan A/c.	4,850.00	
Andre Dabrie	91,910.93	
Gunaratne & Co.	731.00	
Office appliances Ltd.	5.50	
Cane Furnitures	30.00	
Salaries accrued	1,175.00	152,521.64
		376,934.39

FIXED ASSETS

	Rs. cts.	Rs. cts.	Rs. cts.
Laboratory building as per last B/S.	17,225.00		
Addition during year ..	10,692.52	27,917.52	
Sound Theatre building as per last B/S. ..		19,150.00	
Machinery as per last B/S.		219,440.45	
Typewriter as per last B/S.		1,211.25	267,719.22
Current assets :			
Debtor-Estate of late Mr. B. H. William ..		7,500.00	
Electricity deposit		8,000.00	
Advance on water plant to Colombo Agencies		2,500.00	
Advance on Studio site to Mudaliyar Madanayake		15,000.00	
		33,000.00	
Cash :			
Bank of Ceylon No. 2 A/c.	31.65		
-do- application No. 2A/c.	23.11		
At hand as per book ..	49.68	104.44	33,104.44
Preliminary expenses as per last B/S. ..		..	32,500.90
Profit & Loss A/c.			
Balance at 1-4-60		24,741.35	
Add Net loss for the year		18,868.48	43,609.83
			376,934.39

AUDITORS' REPORT : We have examined the above Balance Sheet with the books and accounts of the Company and have obtained all the information and explanations we have required. In our opinion, the said Balance Sheet is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Company as at 31st March 1961, according to the best of our information and explanations given to us and as shown by the Company's books.

Colombo, 23rd September, 1961.

Sgd. JOHN RODGER & Co. (*Chartered Accountants*).

P 37 The Sinhalese Film Industrial Corporation Ltd. Balance Sheet as at 31-3-61 — 23-9-61

P 37A
The Sinhalese Film Industrial Corporation Ltd. — Profit & Loss Account for the year ended 31-3-61 — 23-9-61

P 37A

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED
PORFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.3.61

	Rs. cts.		Rs. cts.
To Salaries	8,100.00	By Sundry receipts	42.20
„ Printing and stationery	778.97	„ net loss for the year	18,868.48
„ Postage and stamps	296.60		
„ Bank charges	192.83		
„ Sundry expenses	263.25		
„ Commission on shares	292.50		
„ Advertising	20.00		
„ Legal fees	105.00		
„ Technician K. W. Pile's passage and other expenses	8,561.53		
„ Audit and accountancy charges	300.00		
	18,910.68		18,910.68

D 35

D 35
Notice of Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. Addressed to Mudaliyar J. Madanayake 22-1-62

NOTICE OF MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD. ADDRESSED TO MUDALIYAR J. MADANAYAKE

22-1-62.

Mudaliyar J. Madanayake,
Peliyagoda.

Notice is hereby given that a meeting of the Board of Directors of the Sinhalese Film Industrial Corporation limited will be held on Tuesday the 30th January 1962 at 4.30 p.m. at the Registered Office No. 74, Old Kandy Road, Peliyagoda.

A G E N D A

1. To consider the future of the Corporation.
2. Any other business.

As the above meeting is very important one, your presence is essential.

By Order of the Board of Directors.

Sgd. Illegibly.
Director.

D 42

D 42
Plaint of the Plaintiff in District Court, Colombo, Case No. 24947/S 22-3-62

PLAINT OF THE PLAINTIFF IN DISTRICT COURT, COLOMBO CASE NO. 24947/S

IN THE DISTRICT COURT OF COLOMBO

Andre Debrie carrying on business under the name style and firm of ANDRE DEBRIE at Nos. 111—113, Rue Saint - Maur, Paris 11, France.

Plaintiff.

No: 24947/S.
Class: V.
Amount: Rs. 83,372/90.
Nature: Money.
Procedure: Summary.

Vs.

D 42
Plaint of the Plaintiff in District Court, Colombo, Case No. 24947/S 22-3-62
—*Continued*

1. THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED, of 74, Old Road, Peliyagoda.

2. D. L. GUNASEKERA, of 157, Mihindu Mawatha, Colombo, 12.

3. MUDALIYAR JAYASENA MADANAYAKE, of No. 74, Old Kandy Road, Peliyagoda.

4. THOMAS LIYANAGE, of No. 74, Old Kandy Road, Peliyagoda. 10

Defendants.

On this 22nd day of March, 1962.

The Plaint of the Plaintiff abovenamed appearing by GERALD EBENEZER ABEYNAIKE, his Proctor states as follows:—

1. The Plaintiff resides and carries on business under the name and style and firm of "ANDRE DEBRIE" at Nos. 111 - 113, Rue Maur, Paris, 11, France.

2. The 1st Defendant is a Company Ltd., in liability duly incorporated and having its place of business at No. 74, Old Kandy Road, Peliyagoda.

3. The 2nd, 3rd and 4th Defendants reside at the above mentioned places. 20

4. The contracts sought to be enforced was made and the causes of action hereinafter set forth arose within the jurisdiction of this Court.

FOR A FIRST CAUSE OF ACTION

5. By a Bill of Exchange dated 3rd December, 1959 filed herewith marked "A" and pleaded as part and parcel of this plaint, the Plaintiff abovenamed requested the 1st Defendant-Company at the end of September, 1960 to pay to the order of the Plaintiff the sum of £ 459-12-6. Sterling for value received according to the tenor of the said bill.

6. On or about the 11th day of December, 1959 the 1st Defendant Company upon presentation duly accepted the said bill for payment at the Chartered 30 Bank, Colombo, and the 2nd, 3rd and 4th Defendants abovenamed duly signed the said bill for valuable consideration as endorsers thereof.

7. The said Bill of Exchange was therefore at maturity dishonoured and the said Bill was duly endorsed and returned to the Plaintiff.

8. There is now justly and truly due and owing from the plaintiff the said sum of £459-12-6 which in Ceylon currency is equivalent to Rs. 6,149/69,

and Rs. 440/56 being interest thereon at 5 per cent per annum from date of dishonour that is, 3rd October, 1960 to 10th March, 1962 all aggregating Rs. 6,590/25 which sum or any part thereof the Defendants have failed and neglected to pay though thereto demanded and a cause of action has accrued to the Plaintiff to sue the Defendants for the recovery of the said sum.

FOR A SECOND CAUSE OF ACTION

9. By a Bill of Exchange dated 3rd December, 1959 filed herewith marked "B" and pleaded as part and parcel of the plaint, the Plaintiff abovenamed requested the 1st Defendant-Company at the end of November, 1960 to pay to the order of the Plaintiff the sum of £ 459-12-6 Sterling for value received according to the said Bill.

10. On or about the 11th day of December, 1959 the 1st Defendant-Company upon presentation duly accepted the said bill for payment at the Chartered Bank, Colombo, and the 2nd, 3rd and 4th Defendents abovenamed duly signed the said Bill for valuable consideration as endorsers thereof.

11. The said Bill of Exchange was thereafter at maturity dishonoured and the said Bill was duly endorsed and returned to the Plaintiff and the Plaintiff incurred expenses in and about the presenting and noting of the said Bill and incidental to dishonour thereof.

12. There is now justly and truly and due and owing from the Defendants jointly and severally to the Plaintiff the said sum of £ 459-12-6 which in Ceylon currency is equivalent to Rs. 6,149/69 and R. 389/19 being interest thereon at 5 per cent per annum from date of dishonour, that is, 3rd December, 1960, to 10th March, 1962 all aggregating Rs. 6,538/88 which sum or any part thereof the Defendants have failed and neglected to pay though thereto demanded and a cause of action has accrued to the Plaintiff to sue the Defendants for the recovery of the said sum.

FOR A THIRD CAUSE OF ACTION

13. By a Bill of Exchange dated 3rd December, 1959, filed herewith marked "C" and pleaded part and parcel of this Plaint, the Plaintiff abovenamed requested the 1st Defendant-Company at the end of December, 1960 to pay to the order of the plaintiff the sum of £ 459-12-6 Sterling for value received according to the tenor of the said Bill.

14. On or about the 11th day of December, 1959 the 1st Defendant-Company upon presentation duly accepted the said Bill for payment at the Chartered Bank, Colombo, and the 2nd, 3rd and 4th Defendants abovenamed duly signed the said Bill for valuable consideration as endorsers thereof.

15. The said Bill of Exchange was thereafter at maturity dishonoured and the said bill was duly endorsed and returned to the Plaintiff and the Plaintiff incurred expenses in and about the presenting and noting of the said Bill and incidental to dishonour thereof.

D 42
Plaint of the Plaintiff in District Court, Colombo, Case No. 24947/S 22-3-62
—*Continued*

16. There is now justly and truly due and owing from the Defendants jointly and severally to the Plaintiff the said sum of £ 459-12-6 which in Ceylon currency is equivalent to Rs. 6,149/69, and Rs. 363/07 being interest thereon at 5 per cent per annum from date of dishonour, that is 3rd January, 1961 to 10th March, 1962 all aggregating Rs. 6,512/76 which sum or any part thereof the Defendants have failed and neglected to pay though thereto demanded and a cause of action has accrued to the Plaintiff to sue the Defendants for the recovery of the said sum.

FOR A FOURTH CAUSE OF ACTION

17. By a Bill of Exchange dated 3rd December, 1959 filed herewith marked "D" and pleaded as part and parcel of this plaint, the Plaintiff abovenamed requested the 1st Defendant Company at the end of January, 1961 to pay to the order of the Plaintiff the sum of £. 459-12-6d. Sterling for value received according to the tenor of the said Bill.

18. On or about the 11th day of December 1959 the 1st Defendant-Company upon presentation duly accepted the said Bill for payment at the Chartered Bank, Colombo, and the 2nd, 3rd and 4th Defendants abovenamed duly signed the said Bill for valuable consideration as endorsers thereof.

19. The said Bill of Exchange was thereafter at maturity dishonoured and the said Bill was duly endorsed and returned to the Plaintiff and the Plaintiff incurred expenses in and about presenting and noting of the said Bill and incidental to dishonour thereof.

20. There is now justly and truly due and owing from the Defendants jointly and severally to the Plaintiff the said sum of £ 459-12-6 which in Ceylon currency is equivalent to Rs. 6,149/69 and Rs. 339/49 being interest thereon at 5 per cent per annum from date of dishonour, that is, 31st January 1961, to 10th March, 1962 all aggregating Rs. 6,489/18 which sum or any part thereof the Defendants have failed and neglected to pay though thereto demanded and a cause of action has accrued to the Plaintiff to sue the Defendants for the recovery of the said sum.

FOR A FIFTH CAUSE OF ACTION

21. By a Bill of Exchange dated 3rd December, 1959 filed herewith marked "E" and pleaded as part and parcel of this plaint, the Plaintiff abovenamed requested the 1st Defendant-Company at the end of February, 1961 to pay to the order of the Plaintiff the sum of £ 459-12-6d Sterling for value received according to the tenor of the said Bill.

22. On or about the 11th day of December 1959 the 1st Defendant-Company upon presentation duly accepted the said Bill for payment at the Chartered Bank, Colombo, and the 2nd, 3rd & 4th Defendants abovenamed duly signed the said Bill for valuable consideration as endorsers thereof.

23. The said Bill of Exchange was thereafter at maturity dishonoured and the said Bill was duly endorsed and returned to the Plaintiff and the Plaintiff incurred expenses in and about the presenting and noting of the said Bill and incidental to dishonour thereof.

D 42
Plaint of the Plaintiff in District Court, Colombo, Case No. 24947/S 22-3-62
—*Continued*

24. There is now justly and truly due and owing from the Defendants jointly and severally to the Plaintiff the said sum of £ 459-12-6d Which in Ceylon currency is equivalent to Rs. 6,149/69 and Rs. 315/91 being interest thereon at 5 per cent per annum from date of dishonour, that is, 28th February 1961 to 10th March, 1962 all aggregating Rs. 6,465/60 which sum or any part thereof the Defendants have failed and neglected to pay though thereto demanded and a cause of action has accrued to the Plaintiff to sue the Defendants for the recovery of the said sum.

FOR A SIXTH CAUSE OF ACTION

25. By a Bill of Exchange dated 3rd December, 1959 filed herewith marked "F" and pleaded as part and parcel of this Plaint, the Plaintiff abovenamed requested the 1st Defendant-Company at the end of March 1961, to pay to the order of the Plaintiff the sum of £ 459-12-6d Sterling for value received according to the tenor of the said Bill.

26. On or about the 11th day of December, 1959 the 1st Defendant-Company upon representation duly accepted the said Bill for payment at the Chartered Bank, Colombo, and the 2nd, 3rd and 4th Defendants abovenamed duly signed the said Bill for valuable consideration as endorsers thereof.

27. The said Bill of Exchange was thereafter at maturity dishonoured and the said Bill was duly endorsed and returned to the Plaintiff and the Plaintiff incurred expenses in and about the presenting and noting of the said Bill and incidental to dishonour thereof.

28. There is now justly and truly due and owing from the Defendants jointly and severally to the Plaintiff the said sum of £ 459-12-6d which in Ceylon currency is equivalent to Rs. 6, 149/69, and Rs. 287/26, being interest thereon at 5 per cent per annum from date of dishonour, that is 3rd April, 1961 to 10th March, 1962 all aggregating Rs. 6,436/95 which sum or any part thereof the Defendants have failed and neglected to pay though thereto demanded and a cause of action has accrued to the Plaintiff to sue the Defendants for the recovery of the said sum.

FOR A SEVENTH CAUSE OF ACTION

29. By a Bill of Exchange dated 3rd December, 1959 filed herewith marked "G" and pleaded as part and parcel of this Plaint, the Plaintiff above named requested the 1st Defendant-Company at the end of April 1961, to pay to the order of the Plaintiff the Sum of £ 459-12-6d Sterling for the value received according to the tenor of the said Bill.

30. On or about the 11th day of December, 1959 the 1st Defendant, Company upon presentation duly accepted the said Bill for payment at the Chartered Bank, Colombo, and the 2nd 3rd and 4th Defendants abovenamed duly signed the said Bill for valuable consideration as endorsers thereof.

D 42
Plaint of the Plaintiff in District Court, Colombo, Case No. 24947/S 22-3-62
—*Continued*

31. The said Bill of Exchange was thereafter at maturity dishonoured and the said Bill was duly endorsed and returned to the Plaintiff and the Plaintiff incurred expenses in and about the presenting and noting of the said Bill and incidental to dishonour thereof.

32. There is now justly and truly due and owing from the Defendants jointly and severally to the Plaintiff the said sum of £. 459-12-6d which in Ceylon currency is equivalent to Rs. 6,149/69, and Rs. 261/99 being interest thereon at 5 per cent per annum from date of dishonour, that is 3rd May, 1961 to 10th March, 1962 all aggregating Rs. 6,411/68 which sum or part thereof the Defendants have failed and neglected to pay though thereto demanded and a cause of action has accrued to the Plaintiff to sue the Defendant for the recovery of the said sum.

FOR AN EIGHTH CAUSE OF ACTION

33. By a Bill of Exchange dated 3rd December, 1959 filed herewith marked "H" and pleaded as part and parcel of this plaint, the Plaintiff abovenamed requested the 1st Defendant-Company at the end of May, 1961 to pay to the order of the Plaintiff the sum of £ 459-12-6d Sterling for the value received according to the tenor of the said Bill.

34. On or about the 17th day of May 1961, the 1st Defendant-Company upon presentation duly accepted the said Bill for payment at the Chartered Bank, Colombo and the 2nd, 3rd and 4th Defendants abovenamed duly signed, the said Bill for valuable consideration as endorsers thereof.

35. The said Bill of Exchange was thereafter at maturity dishonoured and the said Bill was duly endorsed and returned to the Plaintiff.

36. There is now justly and truly due and owing from the Defendants jointly and severally to the Plaintiff the said sum of £ 459-12-6d which in Ceylon currency is equivalent to Rs. 6,149/69 and Rs. 235/88 being interest thereon at 5 per cent per annum from date of dishonour that is 3rd June, 1961 to 10th March, 1962 all aggregating to Rs. 6,385/57 which sum or part thereof the Defendants have failed and neglected to pay though thereto demanded and a cause of action has accrued to the Plaintiff to sue the Defendants for the recovery of the said sum.

FOR A NINTH CAUSE OF ACTION

37. By a Bill of Exchange dated 3rd December, 1959 filed herewith marked "I" and pleaded as part and parcel of the Plaint, the Plaintiff abovenamed requested the 1st Defendant-Company at the end of June, 1961 to pay to the order of the Plaintiff the sum of £ 459-12-6d Sterling for value received according to the tenor of the said Bill.

38. On or about the 17th day of May, 1961 the 1st Defendant-Company upon presentation duly accepted the said Bill for payment at the Chartered Bank, Colombo, and the 2nd, 3rd and 4th abovenamed Defendants duly signed the said Bill for valuable consideration as endorsers thereof.

39. The said Bill of Exchange was thereafter at maturity dishonoured and the said Bill was duly endorsed and returned to the Plaintiff and the Plaintiff incurred expenses in and about the presenting and noting of the said Bill and incidental to dishonour thereof.

40. There is now justly and truly due and owing from the Defendants jointly and severally to the Plaintiff the sum of £459-12-6d which in Ceylon currency is equivalent to Rs. 6,149/69 and Rs. 210/60 being interest thereon at 5 per cent per annum from date of dishonour, that is 3rd July 1961 to 10th March, 1962 all aggregating Rs 6,360/29 which sum or any part thereof the Defendants have failed and neglected to pay though thereto demanded and a cause of action has accrued to the Plaintiff to sue the Defendants for the recovery of the said sum.

FOR A TENTH CAUSE OF ACTION

41. By a Bill of Exchange dated 3rd December, 1959 filed herewith marked "J" and pleaded as part and parcel of this Plaint, the Plaintiff abovenamed requested the 1st Defendant Company at the end of July, 1961 to pay to the order of the Plaintiff the sum of £ 459-12-6d Sterling for value received according to the tenor of the said Bill.

42. On or about the 11th day of December, 1959 the 1st Defendant-Company upon presentation duly accepted the said Bill for payment at the Chartered Bank, Colombo, and the 2nd, 3rd and 4th Defendants abovenamed duly signed the said Bill for valuable consideration as endorsers thereof.

43. The said Bill of Exchange was thereafter at maturity dishonoured and the said Bill was duly endorsed and returned to the Plaintiff and the Plaintiff incurred expenses in and about the presenting and noting of the said Bill and incidental to dishonour thereof.

44. There is now justly and truly due and owing from the Defendants jointly and severally to the Plaintiff the said sum of £459-12-6d which in Ceylon currency is equivalent to Rs. 6,149/69 and Rs. 184/50 being interest thereon at 5 per cent per annum from date of dishonour, that is 3rd August 1961 to 10th March, 1962 all aggregating Rs. 6,334/19 which sum or any part thereof the Defendants have failed and neglected to pay though thereto demanded and a cause of action has accrued to the Plaintiff to sue the Defendants for the recovery of the said sum.

FOR A ELEVENTH CAUSE OF ACTION

45. By a Bill of Exchange dated 3rd December, 1959 filed herewith marked "K" and pleaded as part and parcel of this Plaint, the Plaintiff abovenamed requested the 1st Defendant-Company at the end of August, 1961 to pay to the order of the Plaintiff the sum of £ 459-12-6d Sterling for the value received according to the tenor of the said Bill.

D 42
Plaint of the Plaintiff in District Court, Colombo, Case No. 24947/S 22-3-62
—*Continued*

46. On or about the 11th day of December, 1959 the 1st Defendant-Company upon presentation duly accepted the said Bill for payment at the Chartered Bank, Colombo, and the 2nd, 3rd and 4th Defendants abovenamed duly signed the said Bill for valuable consideration as endorsers thereof.

47. The said Bill of Exchange was thereafter at maturity dishonoured and the said Bill was duly endorsed and returned to the Plaintiff and the Plaintiff incurred expenses in and about the presenting and noting of the said Bill and incidental to dishonour thereof.

48. There is now justly and truly due and owing from the Defendants jointly and severally to the Plaintiff the said sum of £ 459-12-6d. which in Ceylon currency is equivalent to Rs. 6,149/69 and Rs. 158/38 being interest thereon at 5 per cent per annum from date of dishonour that is, 3rd September, 1961 to 10th March, 1962 all aggregating Rs. 6,308/07 which sum or any part thereof the Defendants have failed and neglected to pay though thereto demanded and a cause of action has accrued to the Plaintiff to sue the Defendants for the recovery of the said sum.

FOR A TWELFTH CAUSE OF ACTION

49. By a Bill of Exchange dated 3rd December, 1959 filed herewith marked "L" and pleaded as part and parcel of this Plaint, the Plaintiff abovenamed requested the 1st Defendant-Company at the end of September, 1961 to pay to the order of the Plaintiff the sum of £ 459-12-6d Sterling for value received according to the tenor of the said Bill.

50. On or about the 11th day of December, 1959 the 1st Defendant-Company upon presentation duly accepted the said Bill for payment at the Chartered Bank, Colombo, and the 2nd, 3rd and 4th Defendants abovenamed duly signed the said Bill for valuable consideration as endorsers thereof.

51. The said Bill of Exchange was thereafter at maturity dishonoured and the said Bill was duly endorsed and returned to the Plaintiff, and the Plaintiff incurred expenses in and about the presenting and noting of the said Bill and incidental to dishonour thereof.

52. There is now justly and truly due and owing from the Defendants jointly and severally to the Plaintiff the said sum of £ 459-12-6d. which in Ceylon currency is equivalent to Rs. 6,149/69 and Rs. 133/10 being interest thereon at 5 per cent per annum from date of dishonour, that is, 3rd October, 1961 to 10th March, 1962 all aggregating Rs. 6,282/79 which sum or any part thereof the Defendants have failed and neglected to pay though thereto demanded and a cause of action has accrued to the Plaintiff to sue the Defendants for the recovery of the said sum.

FOR A THIRTEENTH CAUSE OF ACTION

53. By a Bill of Exchange dated 3rd December, 1959 filed herewith marked "M" and pleaded as part and parcel of this Plaint, the Plaintiff abovenamed requested the 1st Defendant-Company at the end of October, 1961 to pay to the order of the Plaintiff the sum of £ 459-12-6d Sterling for value received according to the tenor of the said Bill.

54. On or about the 11th day of December, 1959 the 1st Defendant-Company upon presentation duly accepted the said Bill for payment at the Chartered Bank, Colombo, and the 2nd, 3rd and 4th Defendants abovenamed duly signed the said Bill for valuable consideration as endorsers thereof.

55. The said Bill of Exchange was thereafter at maturity dishonoured and the said Bill was duly endorsed and returned to the Plaintiff and the Plaintiff incurred expenses in and about the presenting and noting of the said Bill and incidental to dishonour thereof.

56. There is now justly and truly due and owing from the Defendants jointly and severally to the Plaintiff the said sum of £ 459-12-6d. which in Ceylon currency is equivalent to Rs. 6,149/69 and Rs. 107/- being interest thereon at 5 percent per annum from date of dishonour, that is, 3rd November, 1961 to 10th March, 1962 all aggregating to Rs. 6,256/69 which sum or any part thereof the Defendants have failed and neglected to pay though thereto demanded and a cause of action has accrued to the Plaintiff to sue the Defendants for the recovery of the said sum.

57. There is now justly and truly due and owing from the Defendants jointly and severally to the Plaintiff on the said thirteen causes of action, the said sums of Rs. 6,590/25, Rs. 6,538/88, Rs. 6,512/76, Rs. 6,489/18, Rs. 6,465/60, Rs. 6,436/95, Rs. 6,411/68, Rs. 6,385/57, Rs. 6,360/29, Rs. 6,334/19, Rs. 6,308/07, Rs. 6,282/79 and Rs. 6,252/69 aggregating in all Rs. 83,372/90; and a cause of action has accrued to the Plaintiff to sue the Defendants for the recovery of the said sum or any part thereof the Defendants have failed and neglected to pay though thereto demanded.

58. At all times material to this action the Plaintiff has been resident beyond the seas.

WHEREAS the Plaintiff prays for Judgment against the Defendants jointly and severally in the said sum of Rs. 83,372/90 with interest on Rs. 79,945/97 at the rate of 5 per cent per annum from 11th March 1962 till date of Decree and thereafter on the aggregate amount of the Decree 5 per cent per annum till date of payment in full, for costs of suit and for such other and further relief in the premises as to this Court shall seem meet.

Sgd. G. E. ABEYANAYAKE.
Proctor for Plaintiff.

DOCUMENTS FILED WITH PLAINT

1. Bill of Exchange dated 3-12-59 marked "A"
2. — do — "B"
3. — do — "C"
4. — do — "D"

D 42
Plaint of the Plaintiff in District Court, Colombo, Case No. 24947/S 22-3-62
—*Continued*

5.	— do —	"E"
6.	— do —	"F"
7.	— do —	"G"
8.	— do —	"H"
9.	— do —	"I"
10.	— do —	"J"
11.	— do —	"K"
12.	— do —	"L"
13.	— do —	"M"
14.	Affidavit verifying claim.	
15.	Bill of Costs.	

Sgd. G. E. ABEYANAIKE
Proctor for Plaintiff.

DOCUMENTS RELIED ON.

Correspondence.

Sgd. G. E. ABEYNAIKE
Proctor for Plaintiff.

D 2

D 2
Journal Entries in District Court, Colombo, Case No. 24947/S

JOURNAL ENTRIES IN DISTRICT COURT, COLOMBO CASE NO. 24947/S.

IN THE DISTRICT COURT OF COLOMBO

ANDRE DEBRIE

Plaintiff.

No. 24947/S.
Class : VI.
Amount : Rs. 83,372/90.
Nature : Money.
Procedure : Summary.

Vs.

THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., and 3 others.

Defendants.

JOURNAL

D 2
Journal Entries in District Court, Colombo, Case No. 24947/S
—*Continued*

(1) The 10th April, 1962.

Mr. G. E. Abeyanaike, files appointment (1a), and plaint (1b) together with affidavit (1c) and Bill (1d) and power of attorney (1e).

Plaint accepted and summons ordered. I allow this plaint to be filed and order summons to issue under Chapter 53 of the C. P. C. Cost Rs. 465/99. Defendant to appear within 7 days from date of service.

Summons returnable 20-6-62.

Sgd. V. T. P. G.
Additional District Judge.

(2) 17-5-62

Summons issued with Precept returnable 18th June, 1962.

Intld. W. P.

(3) 20-6-62

No return to SS. on Defendant. Await and re-issue for 22-8-62, if necessary.

Intld. V. T. P. G.
Additional District Judge.
20-6-62.

(4) 23-6-62/25-6-62

Mr. H. C. Perera filed proxy and affidavit of the 2nd & 3rd Defendants and move to appear and defend unconditionally. SS. served on 2nd Defendant on 18-6-62. SS. not served on 3rd Defendant. 2nd Defendant within time.

Inquiry on 20-8-62 as against 2nd & 3rd Defendants to notice Proctor for Plaintiff.

Intld. V. T. P. G.
Additional District Judge.
25-6-62.

(5) 4-7-62

Mr. Ben Samarasinghe files proxy of 1st Defendant & moves to file answer. SS. not served on 1st Defendant. 1st Defendant-Company files papers to appear & defend.

Inquiry on 20-8-62. 1st Defendant to give notice to Proctor for plaintiff.

Intld. V. T. P. G.
Additional District Judge.
5-7-62.

D 2
Journal Entries
in District
Court,
Colombo,
Case No.
24947/S
—*Continued*

(6) 31-7-62

SS. re-issued on 4th Defendant.

Intld. W. P.

(7) 3-8-62

Notice issued on Plaintiff's Proctor.

Intld. .....

(8) 7-8-62

Proctor for Defendant files receipt of Notice of inquiry by the Proctors of the Plaintiff.

File.

Sgd. PERCY A. DE S. SENARATNE.
Additional District Judge.
9-8-62.

(9) 17-8-62

Mr. C. R. de Alwis files proxy and affidavit of.....and moves to appear and defend.

No return to SS. on 4th Defendant. Mention on 20-8-62.

Sgd. PERCY A. DE. S. SENARATNE.
Additional District Judge.
17-8-62.

(10) 20-8-62

Mr. Adv. Charavanamuthu.
Mr. G. E. Abeynaike for Plff.
Mr. J. Jayamanne instrd.
Mr. Ben Samarasinghe for 1st Deft.
Mr. H. C. Perera for 2 & 3 Defts.
Mr. C. R. de Alwis for 4th Deft.

Inquiry (1) Vide JEE—, (4 &5) to appear & defend.

Journal Entry (9) to be mentioned. Mr. C. R. de Alwis moving of Consent. Inquiry Re-Fixed for 10-10-62.

Intld. S. R. W.
Additional District Judge.

D 2
Journal Entries in District Court, Colombo, Case No. 24947/S
—*Continued*

(11) 10-10-62

Mr. G. E. Abeynaike for Pltff.
instrd. by Mr. Adv. A. M. Charavanamuttu.
Mr. Adv. Jayamanne instd. for Defts.
Mr. Ben Samarasinghe for 1st Deft.
Mr. H. C. Perera for 2 & 3 Defts.
Mr. C. R. de Alwis for 4th Deft.
Inquiry (1) Vide JE. (11) to appear & defend.

Connected Case No. 24987/S.

Mr. Jayamanne states he has not been able to get instructions from the 3rd Deft. who is ill.

Inquiry Re-fixed for 12-11-62. Deft. jointly & severally will pay the costs to the plff. today as taxed.

Intld. V. T. P. G.

(12) 12-11-62.

Mr. G. E. Abeynaike for Pltff.
Mr. Ben Samarasinghe for 1st Deft.
Mr. H. C. Perera for 2nd & 3rd Defts.
Mr. C. R. de Alwis for 4th Deft.

Inquiry vide (111) Vide JE., (11) to appear and defend.

Connected Case No. 24987/S to be called. Call on 26-11-62, for terms of settlement.

Sgd. V. T. P. G.
Additional District Judge.

(13) 26-11-62

Mr. G. E. Abeynaike for Plff.
Mr. Ben Samarasinghe for 1st Deft.
Mr. H. C. Perera for 2 & 3 Defts.
Mr. C. R. de Alwis for 4th Deft.

Case called for terms of settlement. By consent call on 10-12-62.

Intld. .....
Additional District Judge.

D 2
Journal Entries in District Court, Colombo, Case No. 24947/S
—*Continued*

(14) 10-12-62

Mr. G. E. Abeynaike for Plff. Mr. Ben Samarasinghe for 1st Deft. Mr. Hector Perera for 2 & 3 Defts. Mr. C. R. de Alwis for 4th deft.

Case called vide JE. (13) for terms of Settlement.

Vide Proceedings :—

ENTER DECREE ACCORDINGLY

Intld. V. T. P. G.
Additional District Judge.

(14a) Proceedings filed.

(15) 7-11-63

Proctor for Plff tenders Decree for signature.

Decree Signed.

Sgd. PERCY A. DE S. SENARATNE.
Additional District Judge.
8-11-63.

(16) 15/16-1-64

Proctor for Plff. files appln. for execution of Decree.

To be supported.

Sgd. PERCY A. DE S. SENARATNE.
Additional District Judge.
21-1-64.

D 43

D 43
Plaint of the Plaintiff in District Court, Colombo, Case No. 24987/S 26-4-62

PLAINT OF THE PLAINTIFF IN DISTRICT COURT, COLOMBO, CASE NO. 24987/S

IN THE DISTRICT COURT OF COLOMBO

ANDRE DEBRIE carrying on business under the name style and firm of "ANDRE DEBRIE" at Nos. 111 - 113, Rue Saint Maur, Paris 110 France.

Plaintiff.

No. 24987/S.
Class : IV.
Amount : Rs. 6,270/92.
Nature : Money.
Procedure : Summary.

Vs.

1. THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED, of No. 74, Old Road, Peliyagoda.
2. D. L. GUNASEKERA, of No. 157, Mihindu MAWatha, Colombo 13.

3. MUDALIYAR JAYASENA MADANAYAKE, AND

4. THOMAS LIYANAGE, both of No. 74, Old Kandy Road, Peliyagoda.

Defendants.

D 43
Plaint of the Plaintiff in District Court, Colombo, Case No. 24987/S 26-4-62
—*Continued*

On this 26th day of April, 1962.

The Plaint of the Plaintiff abovenamed appearing by Gerald Ebenezer Abeynaike, his proctor, states as follows :—

1. The Plaintiff resides and carries on business under the name style and firm "ANDRE DEBRIE" at Nos. 111 - 113, Rue Saint Maur, Paris, 10 110 France.

2. The 1st Defendant is a Company limited in liability duly incorporated and having its place of business at No. 74, Old Kandy Road, Peliyagoda.

3. The 2nd, 3rd and 4th Defendants reside at the abovementioned places.

4. The contract sought to be enforced was made and the cause of Action hereinafter set forth arose within the jurisdiction of this Court.

5. By a Bill of Exchange dated 3rd December, 1959 filed herewith marked "A" and pleaded as part and parcel of this plaint, the Plaintiff abovenamed requested the 1st Defendant-Company at the end of November, 1961 to pay 20 to the order of the Plaintiff the sum of £.459-12-6d Sterling for value received according to the tenor of the said Bill.

6. On or about the 11th day of December, 1959, the 1st Defendant-Company upon presentation duly accepted the said Bill for payment at the Chartered Bank, Colombo, and the 2nd, 3rd and 4th Defendants abovenamed duly signed the said Bill for valuable consideration as endorsers thereof.

7. The said Bill of Exchange was thereafter at maturity dishonoured and the said Bill was duly endorsed and returned to the Plaintiff and the Plaintiff incurred expenses in and about the presenting and noting of the 30 said Bill and incidental to dishonour thereof.

8. There is now justly and truly due and owing from the Defendants jointly and severally to the Plaintiff the said sum of £459-12-6d, which in Ceylon currency is equivalent to Rs. 6,149/69 and Rs. 102/48 being interest thereon at 5 per cent per annum from date of dishonour, that is 3rd December, 1961 to 3rd April, 1962 and Rs. 18/75 being Bank Charges and noting fees all agregating Rs. 6,270/92 which sum, or any part thereof the Defendants have failed and neglected to pay though thereto demanded and a cause of action has accrued to the Plaintiff to sue the Defendants for the recovery of the said sum.

D 43
Plaint of the Plaintiff in District Court, Colombo, Case No. 24987/S 26-4-62
—*Continued*

9. At all times material to this action, the Plaintiff has been resident beyond the Seas.

WHEREFORE the Plaintiff prays for Judgment against the Defendants jointly and severally in the said sum of Rs. 6,270/92 with interest on Rs. Rs. 6,149/69 at the rate of 5 per cent per annum from 4th April, 1962 till date of Decree and thereafter on the aggregate amount of the Decree at the rate of 5 per cent per annum till date of payment in full, for costs of suit and for such other relief in the premises as to this Court shall seem meet.

Sgd. E. G. ABEYNAIKE.
Proctor for Plaintiff.

DOCUMENTS FILED WITH THE PLAINT

1. Bill of Exchange dated 3rd December, 1959 marked "A".
2. Affidavit verifying claim.
3. Bill of Costs.
4. Certified copy of Power of Attorney.

Sgd. E. G. ABEYNAIKE.
Proctor for Plaintiff.

DOCUMENTS RELIED ON

Correspondence.

Sgd. E. G. ABEYNAIKE.
Proctor for Plaintiff.

D 3

D 3
Journal Entries in District Court, Colombo, Case No. 24987/S

JOURNAL ENTRIES IN DISTRICT COURT, COLOMBO, CASE NO. 24987/S

IN THE DISTRICT COURT OF COLOMBO

ANDRE DEBRIE.

Plaintiff.

No : 24987/S.
Class : IV.
Amount : Rs. 6,270/92.
Nature : Money.
Procedure : Summary.

Vs.

THE SINHALESE FILM INDUSTRIAL CORPORATION LTD., and 3 others.

Defendants.

(1) **JOURNAL**

D 3
Journal Entries in District Court, Colombo, Case No. 24987/S
—*Continued*

The 30th day of April, 1962.

Mr. G. E. Abeynaike files appointment (1a) and plaint (1b) together with affidavit (1) Bill (1d) and Power of Attorney (1e).

Plaint accepted and summons ordered. I allow this plaint to be filed and order summons to issue under Chapter 53 of the C. P. C., Cost Rs. 180/70. Defendant to appear within 7 days from date of service.

Summons returnable 4-7-62.

Sgd. A. E. BUULTJENS.
Additional District Judge.

(2)
6-6-62

Summons issued with Precept returnable the 1st day of July, 1962.

Intld. .....

(2)
23/25-6-62

Mr. H. C. Perera files proxy and affidavit of the 2nd & 3rd Defendants and moves to appear and defend unconditionally.

Move after Summons has been received in Court.

Sgd. V. T. PANDITHAGUNAWARDENE.
Additional District Judge.
25-6-62.

(3)
4-7-62

1. Summons served on Deft. on 28-6-62. Time not elapsed.
2. Summons not served on 4th Deft. (Left the given address).
3. Summons served on 2 Defts. on 18-6-62. Defendant within time. Summons served on 3rd Defendant on 28-6-62. Defendant within time.

1. Inquiry as against 2 & 3 Defendants on 25-7-62.
2. Mention 1 & 2 on Inquiry date. 2 & 3 Defendants to notice proctor for Plff.

Intld. V. T. P. G.
Additional District Judge
9-7-62.

D 3
Journal Entries in District Court, Colombo, Case No. 24987/S
—*Continued*

(4)
4/7-7-62

Mr. Ben Samarasinghe files proxy and affidavit of the 1st Defendant by & moves to appear & defend this action.

Summons served on 1st Defendant on 28-6-62. 1st Defendant Co. within time. Inquiry on 25-7-62. 1st defendant by notice Proctor for Plaintiff re date of inquiry.

Intld. V. T. P. G.
Additional District judge.
7-7-62.

(5)
16-7-62

Notice issued on Proctor for Plff.

Intld. W. P.

Notice issued on Proctor for Plff.

Intld. W. P.

(6)
25-7-62

Mr. G. E. Abeynaike for Plff.
Mr. Ben Samarasinghe for 1st Deft.
Mr. Hector C. Perera for 2 & 3 Defts.
(1) Summons on 4th Deft. not served.
(Deft. has left the given address).

Inquiry (1) vide J. E. E. (3) & (4) fr. 1-3 Defts. to appear & defend.

Mr. Adv. Charavanamutthu instd. for Plff. Mr. Adv. Jayamanne instd. for 1/3 Defts. Counsel for the defence not ready. By consent Inquiry ppd. for 20-8-62 with connected case. 1 & 3 Defts. will pay the Plff. taxed costs of today jointly and severally.

Additional District Judge.

(7)
20-8-62

Mr. G. E. Abeynaike for Plff.
Mr. Ben Samarasinghe for 1st Deft.
Mr. H. C. Perera for 2. & 3 Defts.

Inquiry (11) Vide J. E. (6) to appear and defend (Connected case 24947/S.)
Call on 10-10-62 with 24947/S.

Sgd. S. R. WIJETILLEKE.
20-8-62

D 3
Journal Entries in District Court, Colombo, Case No. 24987/S
—*Continued*

(8)
25-8-62

Proctor for Plff. moves for a date to reissue summons on 4th Deft. to the address given in his motion.

Issue summons on 4th Deft. to address now furnished for 10-10-62.

Intld. V. T. P. G.
Additional District Judge.
28-8-62.

(9)
17-9-62

Summons reissed to Defendant.

Intld. W. P.

(10)
28/29-9-62

Mr. C. R. de Alwis files proxy and affidavit of the 4th Deft. & moves to appear and defend this action.

Proctor for Plff. objects and states that the case may be called with notice to him.

Mention on 10-10-62.

Intld. V. T. P. G.
Additional District Judge.
2-10-62.

(11)
10-10-62

Mr. G. E. Abeynaike for Plff.
Mr. Ben Samarasinghe for 1st Deft.
Mr. H. C. Perera for 2 & 3 Defts.
Mr. C. R. de Alwis for 4th Deft.

1. Case called vide J. E. (7) with connected Case No. 24947/S.
2. Journal Entry (10) to be mentioned.
   Mr. Adv. Charavanamutthu instd. for Plff.
   Mr. Adv. Jayamanne instd. for Defts.

Mention with Case No. 24947/S on 12-11-62.

Intld. V. T. P. G.
Additional District Judge.

D 3
Journal Entries in District Court, Colombo, Case No. 24987/S
—*Continued*

(12)
12-11-62

Mr. G. E. Abeynaike for Plff.
Mr. Ben Samarasinghe for 1st Deft.
Mr. H. C. Perera for 2 & 3 Defts.
Mr. C. R. de Alwis for 4th Deft.

Case called vide J. E. (11) with connected Case No. 24947/S.

(12)
12-11-62

Call on 26-11-62 for terms of Settlement.

Intld. V. T. P. G.
Additional District Judge.

(13)
26-11-62

Mr. G. E. Abeynaike for Plff.
Mr. Ben Samarasinghe for 1st Deft.
Mr. H. C. Perera for 2 & 3 Defts.
Mr. C. R. de Alwis for 4th Deft.

Case called for terms of Settlement.

By consent call on 10-12-62.

Additional District Judge.

(14)
10-12-62

Mr. G. E. Abeynaike for Plff.
Mr. Ben Samarasinghe for 1st Deft.
Mr. Hector Perera for 2nd & 3rd Defts.
Mr. C. R. de Alwis for 4th Deft.

Case called vide J. E. (13) for terms of Settlement.

Vide Proceedings.

Enter Decree accordingly.

Sgd. V. T. PANDITHA GUNAWARDENA.
Additional District Judge.

Proceedings Filed.

D 3
Journal Entries in District Court, Colombo, Case No. 24987/S
—*Continued*

(15)
7/6-11-63

Proctor for Plff. tenders Decree for signature.

Decree signed.

Sgd. PERCY A. de S. SENARATNE.
Additional District Judge.
8-11-63.

(16)
16-1-64

Proctor for Plff. files application for execution of Decree.

To be supported.

Sgd. PERCY A. de S. SENARATNE.
Additional District Judge.
21-1-64.

P 13

P 13
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation, Ltd.
20-6-62

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

MEETING NO. 5.

Minutes of the meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited held on the 20th June, 1962 at 5.00 p.m. at the Registered Office, No. 74, Old Kandy Road, Peliyagoda.

Present: Mr. D. L. Gunasekera, Mudaliyar J. Madanayake and Mr. Sirisena Madanayake.

The Chairman Mr. D. L. Gunasekera presided:—

1. Mr. H. N. Liyanage the Secretary of the Sinhalese Film Industrial Corporation Limited, was not present the Board of Directors decided to appoint Mr. Sirisena Madanayake as the Secretary protem.

2. Table all the letters received by the Corporation.

3. Minutes of the Meeting of the Board of Directors held on the 18th August, 1961 were read by the Secretary protem and signed by the Chairman.

4. The Directors discussed about the WATER COOLING PLANT and authorized Messrs. D. L. Gunasekera and Mudaliyar J. Madanayake to send two letters to the Mercantile Credit Limited and the Colombo Agencies Limited, to call tenders for the said WATER COOLING PLANT and inform the Sinhalese Film Industrial Corporation Limited, through Mudaliyar J. Madanayake the highest offers they get for the same.

P 13
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation, Ltd. 20-6-62
—*Continued*

5. It was also decided by the Board of Directors of the Sinhalese Film Industrial Corporation Limited to convert the Loan given to the Corporation by the Directors into shares.

Meeting then terminated.

Sgd. Illegibly,
Secretary,
30-6-62.

Sgd. D. L. GUNASEKERA.
Chairman.

P 14

P 14
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation, Ltd. 30-6-62

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

MEETING NO. 6

Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited, held on the 30th June 1962 at 5.00 p.m. at the Registered Office, No. 74, Old Kandy Road, Peliyagoda.

Present: Mr. D. L. Gunasekera, Mudaliyar J. Madanayake and Mr. Sirisena Madanayake.

The Chairman Mr. D. L. Gunasekera presided.

1. Mr. H. N. Liyanage the Secretary of the Sinhalese Film Industrial Corporation Limited was not present the Board of Directors decided to appoint Mr. Sirisena Madanayake as the secretary protem.

2. Table all the letters received by the Corporation.

3. Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited held on the 20th June 1962 were read by the Secretary protem and signed by the Chairman.

4. As Messrs. Establishment Andre Debrie of Paris filed action 24947/S and 24987/S against the Sinhalese Film Industrial Corporation Limited and the guarantors (Mr. D. L. Gunasekera, Mudaliyar J. Madanayake and Mr. Thomas Liyanage) the Board of Directors decided to retain Mr. Ben Samarasinghe as Proctor and Mr. J. M. Jayamanne as Advorate to appear on behalf of the Sinhalese Film Industrial Corporation Ltd., and to take all necessary action.

The Board of Directors authorised to raise a loan for the expenses for the case if it becomes necessary.

5. Resolved that Mr. Sirisena Madanayake should appear on behalf of the Corporation and for that purpose the Seal of the Corporation to be affixed in the presence of Mudaliyar J. Madanayake and Mr. D. L. Gunasekera.

6. Resolved to write a letter to the Ex-Manager Mr. Gilbert Hewavitarana to return all the articles belonging to the Sinhalese Film Industrial Corporation Ltd., that are with him to Mudaliyar J. Madanayake.

Meeting then terminated.

Sgd. Illegibly.
Secretary.

Sgd. D. L. GUNASEKERA.
Chairman.

P 14
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation, Ltd. 30-6-62
—*Continued*

D 1

LETTER SENT TO PROCTOR BEN SAMARASINGHE BY THE PLAINTIFF COMPANY

D 1
Letter Sent to Proctor Ben Samarasinghe by the Plaintiff Company— 12-11-62

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

74, Old Kandy Road,
Peliyagoda.
November 12, 1962.

Ben Samarasinghe Esq.,
Hultsdorf,
Colombo 12.

Dear Sir,

D.C. Colombo, Nos. 24947/S and 24987/S.

We are forwarding herewith a copy of the resolution passed by the Board of Directors of the Sinhalese Film Industrial Corporation Ltd., held on the 1st November 1962, for your information, and shall thank you to consent to judgement in the above cases.

The resolution above referred to:—

"It was further resolved to consent to judgment in Cases Nos. 24947/S and 24987/S where the Coporation is sued for the balance due to Messrs. Andre Debrie of Paris for the machinery supplied and ask for time of six months to make arrangements to sell the said machinery by private treaty or make other arrangements to pay the claim and costs of the Plaintiff Messrs. Andre Debrie."

Yours faithfully.
THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

Sgd. D. L. GUNASEKERA.
Chairman.
Board of Directors.
Sgd. Illegibly.
Acting Secretary.

Sgd. Illegibly.
Director.

P 38

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED
BALANCE SHEET AS AT 31-3-62.

SHARE CAPITAL	Rs. cts.	Rs. cts.
Authorised :		
500,000 Ordinary Shares of Rs. 10/- each	5,000,000.00	
2,500 Promoters Shares of Rs. 10/- each ..	25,000.00	5,025,000.00
Issued :		
19,731 Ordinary Shares of Rs. 10/- each fully paid.	197,310.00	
2,500 Promoters Shares of Rs. 10/- each fully paid	25,000.00	222,310.00
Share application account		2,472.25
Creditors :		
John Rodger & Co.	660.00	
Mudaliyar J. Madanayake Loan A/c.	35,922.61	
Thomas Liyanage Loan A/c.	19,250.00	
D. L. Gunasekera Loan A/c.	4,970.00	
Andre Debrie	91,910.93	
Gunaratne & Co.	731.00	
Office appliances Ltd.	5.50	
Cane Furnitures	30.00	
Gilbert Hewavitarana	900.00	154,380.04
		379,162.29

FIXED ASSETS	Rs. cts.	Rs. cts.	Rs. cts.
Laboratory building as per last B/S.		27,917.52	
Sound Theatre building as per last B/S. ..		19,150.00	
Machinery as per last B/S.		219,440.45	
Typewriter as per last B/S.		1,211.25	267,719.22
Current assets :			
Debtor-Estate of late Mr. B. H. William ..		7,500.00	
Electricity deposit		8,000.00	
Advance on water plant to Colombo Agencies		2,500.00	
Advance on Studio site to Mudaliyar Madanayake		15,000.00	
		33.000.00	
Cash :			
Bank of Ceylon No. 2 A/c.	31.65		
-do- application No. 2 A/c.	32.93		
At hand as per book	76.04	140.62	33,140.62
Preliminary Expenses as per last B/S. ..		..	32,500.90
Profit & Loss A/C. Bal. at 1.4.61		43609.83	
Add net loss for the year		2191.72	45,801.55
			379,162,29

AUDITORS' REPORT:-

We have examined the above Balance Sheet with the books and accounts of the Company and have obtained all the information and explanations we have required. In our opinion. the said Balance Sheet is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Company as at 31st March, 1962, according to the best of our information and explanations given to us and as shown by the Company's Books.

Colombo, 1st June, 1963.

Sgd. JOHN RODGER & CO. (*Chartered Accountants*).

P 38A

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-3-62.

	Rs. cts.		Rs. cts.
To Salaries	1,225.00	By net loss for the year	2,191.72
,, Postage and stamps	21.89		
,, Stamp duty	130.00		
,, Travelling	11.55		
,, Sundry expenses	10.20		
,, Mr. Kehl's hotel expenses	468.40		
,, Bank charges	24.68		
,, Audit and accountancy charges	300.00		
	2,191.72		2,191.72

P 38 A The Sinhalese Film Industrial Corporation Ltd. Profit & Loss Account for the year ended 31-3-62 — 1-6-63

P 15
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation, Ltd. 11-7-63

P 15

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited, held on the 11th July, 1963 at 3.30 p.m. at the Office of the Chairman of the Board of Directors of the above Company No. 157, Minindu Mawata Road, Hultsdorp, Colombo.

Present: Mr. D. L. Gunasekera (Chairman)
Mr. Thomas Liyanage.
Mr. H. N. Liyanage, and by invitation Messrs. M. S. Perera and Gilbert Hewavitarana attended the Meeting.

It was unanimously resolved to call on Mr. Gilbert Hewavitarana to act as Secretary Protem.

1. Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd., held on .....were read by the Secretary and signed by the Chairman.

2. Unanimously resolved to approve the following transfers of Shares to Mapatunage Somipala Perera of Udumulla, Padukka - (1) Walikadage Granville Perera of Wimala Estate Gangodawila Nugegoda (500) Five hundred Ordinary Shares of Rs. 10/- each, numbered from 10160 to 10659 - (2) Sirisena Madanayake of Station Road, Kelaniya (1250) One thousand two hundred and fifty Ordinary Shares of Rs. 10/- each, numbered from 5001 to 6250 - and Mrs. Margaret Frances Karunaratne of 5/1, Sulaiman Terrace, Jawatte Road Colombo 8, (100) One Hundred Ordinary Shares of Rs. 10/- each numbered from 6551 to 6650 and further resolved to issue fresh Share Certificates to the said Transferee.

3. Resolved to accept the resignations of Mr. Sirisena Fernando and Mr. Sirisena Madanayake.

4. The Board of Directors unanimously resolved to appoint Mr. M. S. Perera and Mr. Gilbert Hewavitarana as Directors to fill the vacancies created by Mr. Sirisena Madanayake and Late Mudaliyar J. Madanayake.

5. Resolved to change the address of the Company from 74, Old Kandy Road, Peliyagoda, to "Kalyani Studios", Dalugama, Kelaniya with immediate effect and also directed the two newly appointed Directors to commence work there.

The Meeting terminated.

Sgd. D. L. GUNASEKERA.

Sgd. Illegibly.
Secretary.
157, Mihindumawata, Colombo.

D 20
Particulars of Directors or Managers and of any changes therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd. — 22-7-63 — *Continued*

Particulars of the Directors or Managers (*a*) **of** THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED.

and of any changes therein

The present Christian name or names and Surname (*b*)	**Any former Christian name or names or Surnames**	**Nationality**	**Nationality of origin (if other than the present Nationality)**	**Usual Residential Address**	**Other business Occupation or Directorships if any. If none, state so** (*c*)	**Changes giving dates of Changes** (*d*)
JANASENA MADANAYAKE	Nil	Citizen of Ceylon	British	"Kalyani" Peliyagoda	Managing Director Emjay Mills Ltd. Emjay Insurance Ltd. Other Coys. wound up	Died on 12-3-1963
SHERMAN DE SILVA	Nil	do	do	24, Cambridge Place, Colombo 7.	Managing Director Sherman de Silva & Co. Ltd.,	
BIYAGAMAGE SIRISENA FERNANDO	Nil	do	do	27, Cotta Rd. Colombo 8.	Managing Director B. J. Fernando Co. Ltd. Pemranmal Estates Ltd., Colombo Omnibus Ltd.	Resigned 11-7-63
SIRISENA MADANAYAKE	Nil	do	do	Station Road, Kelaniya	Director Emjay Insurance Co. Ltd.	Resigned 11-7-63
THOMAS LIYANAGE	Nil	do	do	"Emalasevena" Melder Place, Nugegoda.	Merchant.	
DON LEONOR GUNASEKERE	Nil	do	do	Hunupitiya, Wattala	Proctor S.C.	
HENRY NAYANANANDA LIYANAGE	Nil	do	do	"Emalasevena" Melder Place, Nugegoda.	Merchant.	
MAPATUNGE SOMIPALA PERERA	Nil	do	do	Udumulla, Padukka	Company Director	Appointed on 11.7.63
GILBERT HEWAVITARANA	Nil	do	do	Dalugama, Kelaniya	Company Director	Appointed on 11-7-63
CHARLES ABEYSEKERA	Nil	do	do	Ministry of Industries & Commerce, Secretariat Building, Colombo.	Asst. Secretary, Ministry of Indistries & Commerce	

(*a*) "Director" includes any person who occupies the position of a Director by whatever name called and any person in accordance with whose directions or instructions the Directors of a Company are accustomed to act.

(*b*) In the case of a Corporation its corporate name and registered or principal office should be shown.

(*c*) In the case of an individual who has no business occupation but holds any other directorship or directorships, particulars of that directorship of or some one of those directorships must be entered.

Signature:— Sgd. D. L. Gunasekere

(*State whether Director or Manager or Secretary*) Chairman, Board of Directors.

Dated the 22nd *day of* July, 1963.

(*d*) A complete list of the Directors or Managers shown as existing in the last Particulars delivered should always be given. A note of the changes since the last List should be made in this column, *e.g.*, by placing against a new director's name the words "in Place of" and by writing against any former director's name the words "dead" "resigned", or as the case may be, and giving date of change.

D 20

PARTICULARS OF DIRECTORS OR MANAGERS AND OF ANY CHANGES THEREIN, FURNISHED UNDER THE COMPANIES ORDINANCE IN RESPECT OF THE SINHALESE FILM INDUSTRIAL CORPORATION, LTD.

D 20
Particulars of Directors or Managers and of any changes, therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd. — 22-7-63

Registration Fee, Rs. 5. Payable only in Cash, Cheque, Postal Order or Money Order.

THE COMPANIES ORDINANCE, NO. 51 OF 1938 (CAP. 145)

Particulars of Directors or Managers and of Any Changes Therein

(*Pursuant to Section* 142 (2))

Name of Company: THE SINHALESE FILM INDUSTRIAL CORPORATION Limited.

Note:—This Return must be sent to the Registrar of Companies, P. O. Box 1502, Colombo, within 14 days of the appointment of the first directors of the Company, and if there is a change in these particulars afer registration within 14 days of the change.

Presented by:—

D. L. Gunasekere,
CHAIRMAN BOARD OF DIRECTORS,
157, Mihindu Mawatha, Hultsdorf, Colombo 12

P 29

P 29
Affidavit of H. C. Madanayake filed in District Court, Colombo, Case No. 21231/T 30-9-63

AFFIDAVIT OF H. C. MADANAYAKE, FILED IN DISTRICT COURT, COLOMBO, CASE NO. 21231/T

IN THE DISTRICT COURT OF COLOMBO

In the matter of the intestate estate and effects of MUDALIYAR JAYASENA MADANAYAKE, also called and known as MADANAYAKAGE JAYASENA of "Kalyani", Peliyagoda - deceased.

10 HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE of "Kalyani", PELIYAGODA.

Petitioner.

No: 21231/T.
Testamentary Jurisdiction.

Vs.

1. SIRINATHA KUMARADASA MADANAYAKE of "Kalyani", Peliyagoda.

20 2. DHARMAWANSA SIRIPALA MADANAYAKE of 93, Rosmead Place, Colombo.

3. IRANGANI HEMAMALI WIJEWARDENA (nee Madanayake) of 100, Horton Place, Colombo 7.

4. UPALI GOTABAYA MADANAYAKE.

5. MALINI SOMAKUMARI KOTAGAMA (nee Madanayake) both of "Kalyani", Peliyagoda.

Respondents.

30 I, Herathmudiyanselage Chandrawathie Madanayake of "Kalyani", Peliyagoda, do hereby solemnly, sincerely and truly declare and affirm as follows:—

1. I am the Petitioner abovenamed.

2. The abovenamed deceased Mudaliyar Jayasena Madanayake also called and known as Madanayakege Jayasena died intestate at Colombo on the 13th day of March 1963.

P 29
Affidavit of H. C. Madanayake filed in District Court, Colombo, Case No. 21231/T 30-9-63
— *Continued*

3. To the best of my knowledge and belief the heirs of the said deceased are myself his widow and his five children the 1st to 5th Respondents above-named.

4. As far as I am aware and have been able to ascertain the same full and true particulars of the nature value and situation of the properties left by the deceased are contained in the schedule hereto.

5. I apply for Letters of Administration as widow of the said deceased.

THE SCHEDULE ABOVE REFERRED TO:—

MOVABLE

1. All that allotment of land called Walawewatta with the residential house standing thereon bearing assessment No. 182 (Kandy Road) called "Kalyani" and other buildings standing thereon situated at Peliyagoda in the Adicari Pattu of Siyane Korale within the U.C. Limits of Wattala Mabole - Peliyagoda and containing in extent according to title deeds A4. R1. P17.95 and according to a recent Plan No. 428 dated 8-12-58 made by K. M. Samarasinghe Licensed Surveyor an extent of A4. R0. P15.00. .. .. 400,000.00

2. All that divided and defined allotment of land marked Lot B of the land called Gurunnanselagewatta and Ambagahawatta (Now forming one property) with the buildings thereon bearing assessment No. 1555 (Biyagama Road) situated at Peliyagoda Pattiya in the Adicari Pattu aforesaid within the U. C. Limits of Wattala-Mabole and containing in extent A0. R2. P18.75 according to Plan No. 322 dated 5-11-1957 made by K. M. Samarasinghe Licensed Surveyor 20,000.00

3. All that allotment of land called Bogahawatta alias Kongahawatta marked Lot A together with all trees and plantations and other buildings thereon called "Basnayake Walauwa" situated at Peliyagoda aforesaid and containing in extent A0. R2. P22.5 according to Plan No. 4222 dated 12-9-1948 made by H. Don David Licensed Surveyor .. 75,000.00

4. All that allotment of land called Asmestriawatte and plantations and buildings thereon bearing assessment Nos. 161, 172, 173 and 170 (Peliyagoda) situated at Peliyagoda aforesaid and containing in extent about 1/2 acre and also described as being of the extent of A0. R2. P37. .. .. 7,000.00

5. All those undivided 19/40 shares of the garden called Barandrawatta with the buildings thereon bearing assessment No. 6/11, Parakrama Lane situated at Peliyagoda aforesaid and containing in extent A1. R1. P16.50 .. 25,000.00

P 29
Affidavit of H. C. Madanayake filed in District Court, Colombo, Case No. 21231/T 30-9-63
— *Continued*

6. All that allotment of land called Nelligahawatta with the buildings thereon bearing assessment No. 402 situated at Peliyagoda aforesaid and containing in extent A0. R1. P15 1/2 as per Plan No. 1123 dated 12-2-1925 made by J. R. A. Rodrigo Licensed Surveyor	20,000.00
7. All that land called the Southern half portion of Udupilamukalana situated at Meegahawatta in the Adicari Pattu aforesaid and containing in extent about three quarters of an acre (A0. R3. P0.)	12,000.00
	559,000.00
8. Undivided 7/8 share of all those allotments of land marked A,B & C called Owita Welikityekumbura and Wanatha or High Ground adjoining each other and forming one property situated at Dalugama extent A0. R0. P2 as per Plan No. 1332 of 2nd & 3rd October 1927 made by D. A. Jayawardena Licensed Surveyor (now depicted as lots 1, 2, 3, 4 & 5 in Plan No. 496 dated 20-1-1956 made by S. H. Fernando Licensed Surveyor and of the extent of A2. R0. P12.	8,750.00
9. Undivided 7/8 share of the field called Mullekumbura and the adjoining Highland situated at Dalugama extent A1. R1. P10 (now depicted as Lots 13 & 14 in the said Plan No. 496 and of the extent of A1. R1. P21.	4,200.00
10. Undivided 7/8 share of Weliketiyekumbura situated at Mungamugoda extent A0. R3. P18 as per Plan No. 13523 of 7. 7. 1884 authenticated by J. Stoddart Surveyor General (now depicted as lot 10 in the said Plan No. 496 and of the extent of A0. R3. P14.	2,100.00
11. Undivided 7/8 share of Mullagahakumbura situated at Dalugama extent A1. R0. P12 as per Plan No. 3613 of 23-1-1934 made by H. G. K. Perera Licensed Surveyor (now depicted as lots 6 & 6A in the said Plan No. 496 and of the extent of A1. R0. P04)	3,250.00
12. Undivided 7/8 share of Millagahawatta situated at Dalugama extent A5. R0. P0. (now depicted as lots 8 & 9 in the said Plan No. 496 and of the extent of A1. R0. P7.2) ..	3,000.00
13. Undivided 7/8 of (a) 47/84 share of the land called the portion of Millagahawatta at Dalugangoda in Dalugama extent A0. R1. P13.16 as per Plan No. 1939 of 2-7-1921 made by D. A. Jayawardena Licensed Surveyor (now depicted as lot 12 in the said Plan No. 496 and of the extent of A0. R1. P18), (b) Lot A of the land called Millagahawatta at Dalugandoda in Dalugama extent A0. R1. P09.6 as per Plan No. 258 of 20-11-1935 made by W.P. Ranasinghe Licensed Surveyor and (c) Lot B of Millagahawatta at Dalugangoda aforesaid extent A0. R2. P37.6 as per said Plan No. 258	2,100.00

P 29
Affidavit of H. C. Madanayake filed in District Court, Colombo, Case No. 21231/T 30-9-63
— *Continued*

14. Undivided 7/8 share of Pelengahakumbura at Dalugama extent about six beras and one peck of paddy (now depicted as lot 11 in the said Plan No. 496 and of the extent of A1. R2. P08)	3,500.00
15. Undivided 1/3 share of all that land and premises called and known as Muwanoluwa alias Muwankotuwa alias Uluporanuwatta including gardens Nos. 1364 & 1360 and situated at Madampitiya Road and Ferguson's Road, Colombo bearing assessment Nos. 73, 75/3, 75/25-29, 75/36, 37, 75/25–46, 81, 83, 85, 87, 95, 82, 84, 95, 75/16, 32 & 35 Ferguson's Road, Colombo and premises Nos. 331/1, 333, 335, 337, 349 Madampitiya Road, Colombo containing in extent (A3. R1. P16)	76,000.00
	661,900.00
16. Undivided 1/3 share of premises (lot U) bearing assessment No. 74 Ferguson's Road Colombo in extent (A0. R0. P11.91)	1,866.00
17. Undivided 1/3 share of premises bearing assessment No. 235 & 239 situated at Nagalagam Street Colombo containing in extent (A0. R2. P0).	11,200.00
18. Undivided 1/3 share of premises No. 129, Nagalagam Street, Colombo extent (A0. R0. P04)	8,000.00
19. Undivided 1/3 share of all those premises bearing assessment Nos. 203/1, 203/9, 203/16 - 19 (Lots 1 & 2 Lakshimiwatte) situated at Mahawatta Madampitiya Cemetery Road, Colombo extent (A0. R2. P20).	15,000.00
20. Undivided 1/3 share of all those premises bearing assessment Nos. 52-106 & 150 Dematagoda Road, Colombo (lot 33 Abdulla Tottam) containing in extent (A0. R1. P23.05)..	22,666.00
21. Undivided 1/3 share of premises bearing assessment Nos. 417, 419, 419/1-7, 421 & 423 situated at Prince of Wales Avenue, Colombo extent A0.R0.P30.41	13,333.00
22. All that undivided 1/3 share of the remaining portion in extent about half acre from and out of all those lots Nos. 11, 18, 24, 38, 39, 42, 43, 44, 45, 50, 49 & 41 of Dalupitiya Estate situated at Mahara Dalupitiya in the Adicari Pattu of Siyane Korale containing in extent (A3. R1. P32)..	4,000.00
23. Undivided 1/3 share of all that land called Palawatta (Timber Mills Land) situated at Waragoda containing in extent (A3. R2. P35) excluding the portion acquired by the Crown.	45,000.00

P 29
Affidavit of H. C. Madanayake filed in District Court, Colombo, Case No. 21231/T 30-9-63
— *Continued*

24. Undivided 1/3 share of all that land called Nanakotuwewatta alias Delgahawatta situated at Waragoda, Sedawatta in Ambatalen Pahala bearing assessment Nos.. 2, 3, 5, 7 & 9 in extent (A0. R2. P0.)		10,000.00
25. Undivided 1/3 share of premises No. 560 situated at Alutmawata Road, Colombo containing in extent (A0. R0. P34.35)		13,333,00
26. Undivided 1/3 share of all that land called Gendawatta alias Ambagahawatta with the buildings thereon bearing assessment No. 11/1-4 situated at Waragoda, Sedawatta Road, Ambatalen Pahala containing in extent (A0. R0. P35.05)		5,458.00
27. Undivided 1/3 of all that land called Galewatta situated at Negombo Road Wattala bearing assessment No. 191 in extent (A0. R0. P3.55)		5,753.00
	Rs.	817,509.00
28. Undivided 1/3 of all that land called Kurundugahakumbure and Kahatagahakumbura bearing assessment Nos. 237/1-2 situated at Negombo Road, Wattala in extent (A1. R1. P22)		26,572.00
29. All that undivided 1/3 share from and out of the portion remaining after the acquisition by the Crown from and out of all those allotments of land marked Lots Nos. A2, B1, C, E, F1, F3, N, 0 situated at Geradehipitiya in extent (A6. R0. P0.)		12,000.00
30. All that divided lot marked 1 of the land called Walawwewatta, Thorakumbura, Meegahakumbura Gangodayakumbura, Ganwasamekumbura and Madiwalakumbura bearing assessment No. 52, Negombo Road, Kurunegala containing in extent A0. R0. P21, according to Plan No. 966 dated 6-12-62 made by K. M. Samarasinghe, Licensed Surveyor.		2,700.00
	Rs.	858,781.00

MOVEABLES

1. Money in Banks:

Mercantile Bank Ltd., Colombo, Current A/c. No. 2904	93,980.47	
Chartered Bank Colombo, ...	1,448.97	95,429.44

P 29
Affidavit of H. C. Madanayake filed in District Court, Colombo, Case No. 21231/T 30-9-63
— *Continued*

2. Stocks, Shares, Debentures of Companies:

1,000	Shares of Emjay Mills Ltd. ..	5,000.00	
250	Shares of Emjay Garages Ltd. ..	5,000.00	
250	Shares of Bank of Ceylon ..	12,500.00	
3,360	Shares of Emjay Estates Ltd. ..	67,200.00	
3,622	Shares of Sri Lanka Omnibus Co. Ltd.		
1,010	Shares of Sinhalese Film Industrial Corporation Ltd.	5,050.00	
50	Shares of Ceylon Pencil Co. ..	200.00	94,950.00

3. Household goods, Jewellery Motor Cars Etc.

Hillman Car No. 3 Sri 4236	5,000.00	
Two Lorries	8,000.00	13,000.00

4. Rent accrued due at date of death.

Arrears of rent		5,326.00

Debts due to the Estate.

(*a*)	Interest on compensation awarded by the Ceylon Transport Board	15,029.12	
(*b*)	Amount due from H. M. Ranasinghe of Kurunegala on lot 8 of Walawwewatta ..	1,390.00	
(*c*)	Amount due from Emjay Estates ..	647,542.00	663,961.12
			1,731,447.56

Debts due from the Estate.

1.	Amount due to the Eastern Estates & Supplies Agency Co., Ltd.	4,000.00
2.	Amount due to the Bank of Ceylon Central Office, York Street, Colombo, on the personal guarantee of the deceased on the loan granted to the Sri Lanka Omnibus Co., Ltd.	308,642.09
3.	Amount due to the Bank of Ceylon Central Office, York Street, Colombo, on the personal guarantee of the deceased to Ratnapura Omnibus Co., Ltd. ..	20,062.80
4.	Amount due to the Emjay Insurance Co., Ltd., Norris Road, Colombo	46,642.50

P 29
Affidavit of H. C. Madanayake filed in District Court, Colombo, Case No. 21231/T 30-9-63
—*Continued*

5.	Amount due to Messrs. Andre Debrie in D. C. Colombo, Case No. 24987/S on a personal guarantee	6,270.92
6.	Amount due to Messrs. Andre Debre in D. C. Colombo, Case No. 24947/S on a personal guarantee	83,372.90
7.	Amount due to Mrs. N. Wijewardena of 100, Horton Place, Colombo, on account of rents collected and loans taken ..	30,423.00
8.	Amount due to Mrs. N. Wijewardena of 100, Horton Place, Colombo, on account of money taken on the matured Insurance Policy No. 3401430 of Sun Life Assurance Company of Canada	10,370.00
9.	Tax liabilities	200,000.00
10.	Emjay Garages Ltd., Peliyagoda ..	272,000.00
11.	Capital Losses on:—	
	(*a*) 200 Bank of Ceylon Shares Valued at Rs. 152/50 per share on 31-3-57 valued at death at Rs. 75/- per share ..	15,500.00
	(*b*) 3360 shares of Emjay Estates Ltd., valued at Rs. 41/- per share on 31-3-57 valued at death at Rs. 17/- per share	80,640.00
	(*c*) 3662 shares of Sri Lanka Omnibus Co. Ltd., valued at Rs. 150/- per share on 31-3-57 valued at death nil ..	543,300.00
	(*d*) 1050 shares of Sinhala Film Industrial Corporation Ltd. at Rs. 10/- per share valued at death at Rs. 5/- per share	5,250.00
12.	Amount due to Dr. S. K. Madanayake of "Kalyani", Peliyagoda.	41,250.00
13.	Amount due to Mrs. M. Kotagama of "Kalyani", Peliyagoda on account of loan ..	15,000.00
14.	Amount due to Mrs. M. Kotagama of "Kalyani", Peliyagoda on account of rents collected	24,000.00

P 29 Affidavit of H. C. Madanayake filed in District Court, Colombo, Case No. 21231/T 30-9-63 — *Continued*

15.	Amount due to Mrs. M. Kotagama on account of Insurance Policy No. 3401431 of Sun Life Assurance Co. of Canada ..	10,369.00	
16.	Amount due to Mr. U. G. Madanayake on account of Insurance Policy No. 340-1424 of Sun Life Assurance Co. of Canada	11,325.00	
		1,728,418.21	1,731,447.56
17.	Amount due to Sinhalese Film Industrial Corporation Ltd.	15,000.00	
18.	Amount due to the Petitioner from the proceeds of sale of Kola Estate	78,497.00	
19.	Amount due to the Estate of Mrs. M. Y. Perera in D. C. Colombo, Case No. 18030/T.	27,800.00	
		1,849,715.21	
20.	Funeral Expenses	2,000.00	1,851,715.21
	To Debit against the Estate		120,267.65

Declared & affirmed to at Colombo on this 30th day of September, 1963. } Signed. C. MADANAYAKE.

BEFORE ME:— Signed. A. V. PUSHPADEVI JOSEPH
Commissioner for Oaths.

P 30 & P 30A Journal Entries in District Court Colombo, Case No. 21231/T

P 30 & P 30A

JOURNAL ENTRIES IN DISTRICT COURT, COLOMBO CASE NO. 21231/T.

IN THE DISTRICT COURT OF COLOMBO

In the matter of the Intestate Estate and Effects of Mudaliyar Jayasena Madanayake, also called and known as MADANAYAKAGE JAYASENA, of "Kalyani", Peliyagoda.

Deceased.

HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE, of "Kalyani", Peliyagoda.

P 30 & P 30A Journal Entries in District Court Colombo, Case No. 21231/T — *Continued*

Petitioner

No: 21231/T.
Testamentary
Jurisdiction.

Vs.

1. SIRINATHA KUMARADASA MADANAYAKE of "Kalyani", Peliyagoda.
2. DHARMAWANSA SIRIPALA MADANAYAKE of 93, Rosmead Place, Colombo.
3. IRANGANI HEMAMALI WIJEWARDENE (nee Madanayake) of 100, Horton Place, Colombo 7.
4. UPALI GOTABAYA MADANAYAKE.
5. MALINI SOMAKUMARI KOTAGAMA (nee Madanayake) both of "Kalyani" Peliyagoda.

Respondents.

(1)
30-9-63

Mr. Ben Samarasinghe files proxy (1c) and Petition (1b) of the Petitioner praying for letters of Administration of the estate of the abovenamed deceased, and moves that O/N be entered declaring that the estates of the Petitioner and her right and take out Letters of Administration and the Estate of intestate.

The motion is allowed and it is hereby ordered that an O/N be entered declaring that the petitioner is entitled and Letters of Administration to the estate of the said intestate and that a copy of the said Order be published in Government Gazette and twice in the Daily News paper for 28-11-63.

Forwarded declaration to C. I. R.

Sgd. PERCY A. SENARATNE.
Additional District Judge.

P 30 & P 30A Journal Entries in District Court Colombo, Case No. 21231/T — *Continued*

(2)
1-10-63.

Declaration forwarded to C. I. R.

(3)
4-10-63

O/N entered.

(4)
17-10-63

C. I. R. file receipt of Declaration of 18-10-63 property numbered ED/2875 N(4). File.

Sgd. Illegibly.
Additional District Judge.
19-10-63.

(5)
9-11-63/12-11-63

Proctor for Petitioner files letter from H. M. Ranasinghe, Proctor S.C. and moves for a D/N for Rs. 1390/- as per motion.

Issue D/N.

Sgd. Illegibly.
Additional District Judge.
16-11-63.

D/N No. B O 80103 for Rs. 1390/- entered.

Intld.....
19-11-63.

(6)
28-11-63

1. Proof of publication filed.
2. Consent of Respondents 1-5 filed. Order made absolute.
3. Await Certificate for 19-3-64.

Sgd. Illegibly.
District Judge.

(7)
11-12-63

K. R. D/16 No. 2863/816524 of 26-11-63 for Rs. 1390/- filed.

(7)
19-3-64

Await Certificate for 17-4-64

Sgd. A. E. R. COREA.
Additional District Judge.
19-3-64.

P 30 & P 30A
Journal Entries
in District Court
Colombo, Case
No. 21231/T
— *Continued*

(8)
9-4-64

Ben Samarasinghe files a copy of the letter sent to the C. I. R. Colombo.

File.

Sgd. Illegibly.
Additional District Judge.
15-4-64.

(9)
11/12-6-64

Proctor for Petitioner files Petition and Affidavit together with minute of consent from 1st - 5th Respondents moves the Court to grant the Petitioner Letters of Administration limited for the purpose of enabling her and defend and take all steps necessary in Case No. 894/ZL of this and to proceed with and take all steps necessary in Case No. 55058/M.

Support.

Sgd. Illegibly.
Additional District judge.

(10)

Mr. Advocate N. Wickramanayake in support of J. E. (9).

I allow the application. Issue letters of administration for limited purpose stated as the Respondents have consented. Enter O/Absolute.

Sgd. Illegibly.
Additional District Judge.
1-7-64.

Later it is brought to my notice that the application has been made by way of Summary Procedure, on a consideration of the contents of the Petition, Affidavit and on the submissions made I am satisfied that the facts have been *prima* facie established. I therefore direct that an Order Nisi be entered accordingly.

Issue O/N for 23-7-64.

Sgd. Illegibly.
Additional District judge.
1-7-64.

(11)
10-7-64

O/N entered.

P 30 & P 30A Journal Entries in District Court Colombo, Case No. 21231/T — *Continued*

(12)
23-7-64

O/N not issued on the Respondents-not tendered for issue. Minute of Consent from all Respondents filed.

O/N made absolute.

Sgd. N. M. J. RAJENDRAN.
Additional District judge.

(13)
28-7-64

Limited Letters of Administration issued to Petitioner.

Sgd. S. T. THAMBYDURAI.
Additional District Judge.

(14)
17-9-64/24-9-64

Public Holiday. Certificate on 11-3-66:

Sgd. A. E. R. COREA.
Additional District Judge.
24-9-64.

P 16 Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation, Ltd. 24-12-63

P 16

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

Minutes of the meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited, held on the 24th day of December, 1963 at 3.30 p.m. at the office of the Chairman of the Board of Directors of the above Corporation No. 157, Mihindu Mawata Road, Hultsdorp, Colombo.

Present:— Mr. D. L. Gunasekera (Chairman).
Mr. Thomas Liyanage.
Mr. M. S. Perera.
Mr. Gilbert Hewavitarana.
Mr. Dharmadasa Wijemanne attended the meeting by invitation.

Mr. Gilbert Hewavitarana acted as Secretary protem.

1. Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited held on the 11th day of July, 1963 were read by the Secretary and signed by the Chairman.

P 16
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industiral Corporation Ltd. 24-12-63 — *Continued*

2. Resolved unanimously to approve the following transfers of shares to Mrs. Sirima Wijemanne of 16 Shady Grove Avenue, Borella, Colombo- (1) Vincent Trutand De Zoysa of Associated Motorways Ltd., Colombo,(500) Five Hundred Ordinary Shares of Rs. 10/- each numbered from 501 to 1000 - (2) Ruwanpura Sherman de Silva of 24, Cambridge Place, Colombo 7, (1000) One Thousand Ordinary Shares of Rs. 10/-each numbered from 2001 to 3000- (3) Biyagamage Sirisena Fernando of Cotta Road, Borella Colombo, (1000)- One Thousand Ordinary shares of Rs. 10/-each numbered from 3001 to 4000/- and the following transfer of shares to Mapatunge Somipala Perera of Udumulla, Padukka, from Gamalath Mohottige Don Jothipala of No. 14, Church Road, Mabima, Heiyantuduwa, (5) five Ordinary Shares of Rs. 10/- each, numbered from 17890 to 17894, and further resolved to issue fresh share certificates to the respective transferees.

3. The Board discussed various matters in connection with the future of the Corporation and resolved to invite Mr. Dharmadasa Wijemanne to join the Directorate.

The Meeting terminated.

Sgd. GILBERT HEWAVITARANA.
Secretary.
157, Mihindu Mawata, Colombo.

Sgd. D. L. GUNASEKERA.
Chairman.
28-12-63.

P 18

P 18
Letter sent to Mrs. J. Madanayake by D. Wijemanne & Co.
27-1-64

LETTER SENT TO MRS. J. MADANAYAKE BY D. WIJEMANNE & CO.

DHARMADASA WIJEMANNE & CO.
Proctors & Notaries.

No. 110/1 Front Street,
Colombo 11,
27-1-1964.

REF. NO: C/70/64/DW.

REGISTERED POST

Mrs. J. Madanayake,
Administratrix of the Estate
of the late Mr. J. Madanayake,
"Kalyani",
Peliyagoda.

P 18
Letter sent to Mrs. J. Madanayake by D. Wijemanne & Co. 27-1-64
—*Continued*

Dear Madam,

We are instructed by the Sinhalese Film Industrial Corporation Limited, that the late Mr. Jayasena Madanayake and our abovenamed clients entered into Agreement No. 342 dated 2-3-1959 attested by H. C. Perera, N. P. whereby the Company agreed to purchase the property and premises described in the schedule to the said agreement and situated at Dalugama for a total consideration of Rs. 40,000/- on your late husband perfecting the title to the said property to the satisfaction of our clients.

In pursuance of the said agreement our clients paid to the late Mr. Jayasena Madanayake a sum of Rs. 15,000/- as part payment of the consideration and with the consent and authority of the late Mr. Jayasena Madanayake constructed buildings on the said land at considerable expense.

We are further instructed that the late Mr. Jayasena Madanayake had to the date of his death failed and neglected to perfect the title as undertaken by him. However as our clients do not wish to delay the completion of the transaction any further, they are prepared to pay the balance consideration of Rs. 25,000/- and obtain the necessary conveyance of the property, notwithstanding the failure to perfect the title as required by the aforesaid agreement.

We are instructed to demand the conveyance as our clients are ready and willing to pay the balance consideration. We trust that you will treat this matter as urgent.

Yours faithfully,
Sgd. D. WIJEMANNE & Co.

CC. to Sinhalese Film Industrial Corporation Ltd.

P 17
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 28-1-64

P 17

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited, held on the 28th day of January 1964 at the office of the Chairman of the Board of Directors of the above Corporation, No. 157, Mihindu Mawata, Hultsdorf, Colombo.

Present:—Mr. D. L. Gunasekera
Mr. Thomas Liyanage
Mr. M. S. Perera
Mr. Gilbert Hewavitarana
Mr. Dharmadasa Wijemanne attended the Meeting by invitation.

Mr. Gilbert Hewavitarana acted as Secretary Protem.

P 17
Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Ltd. 28-1-64
— *Continued*

1. Minutes of the Meeting of the Board of Directors of the Sinhalese Film Industrial Corporation Limited held on the 24th day of December, 1963 were read by the Secretary and signed by the Chairman.

2. Resolved to appoint Mr. Dharmadasa Wijemanne, a Director of the Corporation and also to be the Managing Director.

3. Resolved to authorise Mr. Dharmadasa Wijemanne as Managing Director to carry out the following:—

(1) to negotiate with a view to effecting a settlement in the matter of Andre Debrie's Transaction;

(2) to proceed with the land matter pertaining to the Kalyani Studios' Land property;

(3) to negotiate with the Government Electrical Department in the matter of power supply contract to the Kandyan Studios;

(4) to carry out with the administrative matters of the Corporation.

4. Resolved to call a General Meeting of the Shareholders of the Corporation to table accounts for the years 1961 and 1962 and also to place before the said General Meeting a resolution proposing the issue of fresh shares at a discount (discount-shares) under Section 48 of the Companies Ordinance No. 51 of 1938 and further resolved to hold the said General Meeting on or before the end of February 1964.

5. Resolved to accept with regret the resignation of Mr. Sherman de Silva from the Directorate.

6. The entire sets of keys of the Kalyani Studios situated at Dalugama, the set of account books, the minute book and other connected files were handed over to Mr. Dharmadasa Wijemanne, the New Managing Director.

7. Resolved to hold Board Meeting every Tuesday of the week at 3 p.m.

The Meeting terminated.

Sgd. GILBERT HEWAVITARANA,
Secretary.

Sgd. T. LIYANAGE,
Chairman.

157, Mihindu Mawata, Colombo.

D 21
Particulars of Directors or Managers and of any changes therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd. —
29-1-64

D 21

PARTICULARS OF DIRECTORS OR MANAGERS AND OF ANY CHANGES THEREIN, FURNISHED UNDER THE COMPANIES ORDINANCE IN RESPECT OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

Registration Fee, Rs. 5. Payable only in Cash
Cheque, Postal Order or Money Order

THE COMPANIES ORDINANCE, NO. 51 OF 1938 (CAP. 145)

Particulars of Directors or Managers and of any Changes therein

(*Pursuant to Section* 142 (2))

Name of Company: THE SINHALESE FILM INDUSTRIAL CORPORATION Limited.

Note:—This Return must be sent to the Registrar of Companies, P. O. Box 1502, Colombo, within 14 days of the appointment of the first directors of the Company, and if there is a change in these particulars after registration within 14 days of the change.

Presented by—

GILBERT HEWAVITARANA

UNAPANDURA, DALUGAMA, KELANIYA.

P 19
Letter sent to the Plaintiff Company by Proctor Ben Samarasinghe 5-2-64

P 19

LETTER SENT TO THE PLAINTIFF-COMPANY BY PROCTOR BEN SAMARASINGHE

BEN SAMARASINGHE
Proctor S.C. Notary Public.

REGISTERED

No. 127, Hultsdorf,
Colombo 12.
5th February, 1964.

Messrs. Sinhalese Film Industrial Corporation,
Dalugama, Kelaniya.

Dear Sirs,

I am sending you herewith a copy of a letter which I had addressed to Mr. D. L. Gunasekera, Proctor, as a Director of the Corporation.

Yours faithfully,
Sgd. BEN SAMARASINGHE.

P 19A
Letter sent to D. L. Gunasekera, Director of the Plaintiff Company, by Proctor Ben Samarasinghe (Annexed to P 19) 1-2-64

P 19A

LETTER SENT TO D. L. GUNASEKERA, DIRECTOR OF THE PLAINTIFF - COMPANY BY PROCTOR BEN SAMARASINGHE (Annexed to P19)

BEN SAMARASINGHE
Proctor S. C. & Notary Public.

No. 127, Hultsdorf,
Colombo 12.
1st February, 1964.

D. L. Gunasekera Esqr.,
Director.
Sinhalese Film Industrial Corporation,
No. 157, Mihindu Mawatha,
Colombo 12.

Dear Sir,

Sinhalese Film Industrial Corporation

I am writing on instructions from my client Mrs. C. Madanayake of "Kalyani", Peliyagoda, who has applied for Letters of Administration to the estate of the late Mudaliyar J. Madanayake.

My client instructs me that no person should enter the land called Owite Weliketiyakumbura and Wanatha, Mullekumbura, Mullagahakumbura, Millagahawatta, Pelengaha Kumbura etc., at Dalugama, Dalugangoda and Nungamugoda, without the written consent of my client.

Yours faithfully,
(Sgd.) BEN SAMARASINGHE.

(The above is the original of which a copy was sent along with P19.)

Particulars of the Directors or Managers (*a*) **of** THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED.

and of any changes therein

D 21
Particulars of Directors or Managers and of any changes therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd. — 29-1-64
— *Continued*

The present Christian name or names and Surname (*b*)	Any former Christian name or names or Surnames	Nationality	Nationality of origin (if other than the present Nationality)	Usual Residential Address	Other business Occupation or Directorships if any. If none, state so (*c*)	Changes giving dates of Changes (*d*)
SHERMAN DE SILVA	Nil	Citizen of Ceylon	British	No. 24, Cambridge Place, Colombo 7.	Mg. Director Sherman de Silva & Co., Ltd.	Resigned on 28.1.64
THOMAS LIYANAGE	Nil	do	do	"Emalsevena" Melder Place, Nugegoda	Merchant.	
DON LEONOR GUNASEKERA	Nil	do	do	Hunupitiya, Wattala	Proctor S.C.	
HENRY NAYANANANDA LIYANAGE	Nil	do	do	"Emalsevana" Melder Place, Nugegoda	Merchant.	
CHARLES ABEYSEKERE C.C.S.	Nil	do	do	Ministry of Industries	Govt. Director.	
MAPATUNAGE SOMIPALA PERERA	Nil	do	do	Udumulla, Padukka	Company Director.	
GILBERT HEWAVITARANA	Nil	do	do	Unapandura, Dalugama, Kelaniya	Company Director.	
DHARMADASA WIJEMANNE	Nil	do	do	16, Shady Grove Avenue, Borella, Colombo	Proctor S.C.	Appointed on 28-1-64.

(*a*) "Director" includes any person who occupies the position of a Director by whatever name called and any person in accordance with whose directions or instructions the Directors of a Company are accustomed to act.

(*b*) In the case of a Corporation its corporate name and registered or principal office should be shown.

(*c*) In the case of an individual who has no business occupation but holds any other directorship or directorships, particulars of that directorship or of some one of those directorships must be entered.

Signature: Sgd. Illegibly

(*State whether Director or Manager or Secretary*) Director.

Dated the 29*th day of* January 1964

(*d*) A complete list of the Directors or Managers shown as existing in the last Particulars delivered should always be given. A note of the changes since the last List should be made in this column, *e.g.*, by placing against a new director's name the words "in place of—" and by writing against any former director's name the words "dead" "resigned", or as the case may be, and giving date of change.

D 22
Particulars of Directors or Managers and of any changes therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd. — 7-2-64
— *Continued*

Particulars of the Directors or Managers (*a*) **of** THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED.

and of any changes therein

The present Christian name or names and Surname (*b*)	Any former Christian name or names or Surnames	Nationality	Nationality of origin (if other than the present Nationality)	Usual Residential Address	Other business Occupation or Directorships if any. If none, state so (*c*)	Changes giving dates of Changes (*d*)
THOMAS LIYANAGE	Nil	Citizen of Ceylon	British	"Emalasevena" Melder Place, Nugegoda	Merchant.	
HENRY NAYANANANDA LIYANAGE	Nil	do	do	"Emalasevena" Melder Place, Nugegoda	Merchant.	
CHARLES ABEYESEKERE C.C.S.	Nil	do	do	Ministry of Industries	Govt. Director.	
MAPATUNGE SOMIPALA PERERA	Nil	do	do	Udumulla Padukka	Company Director.	
GILBERT HEWAVITARANA	Nil	do	do	Unapandura, Dalugama, Kelaniya	Company Director.	
DHARMADASA WIJEMANNE	Nil	do	do	16, Shady Grove Avenue, Borella, Colombo	Proctor S.C.	
DON LEONOR GUNASEKERA	Nil	do	do	Hunupitiya, Wattala	Proctor S.C.	Resigned 31.1.64
J. E. AMARATUNGA	Nil	do	do	Gover Street, Havelock Town, Colombo.	Planter.	Appointed 31-1-64.
SITA HAPUARACHCHI	Nil	do	do	Veediyagoda, Bandaragama	Planter.	Appointed 31-1-64.

(*a*) "Director" includes any person who occupies the position of a Director by whatever name called and any person in accordance with whose directions or instructions the Directors of a Company are accustomed to act.

(*b*) In the case of a Corporation its corporate name and registered or principal office should be shown.

(*c*) In the case of an individual who has no business occupation but holds any other directorship or directorships, particualrs of that directorship or of some one of those directorships must be entered.

Signature: Sgd. Illegibly

(*State whether Director or Manager or Secretary*) Director.

Dated the 7th *day of* February 1964

(*d*) A complete list of the Directors or Managers shown as existing in the last Particulars delivered should always be given. A note of the changes since the last list should be made in this column, *e.g.*, by placing against a new director's name the words "in place of —" and by writing against any former director's name the words "dead" "resigned" or as the case may be, and giving date of change.

D 22

PARTICULARS OF DIRECTORS OR MANAGERS AND OF ANY CHANGES THEREIN, FURNISHED UNDER THE COMPANIES ORDINANCE IN RESPECT OF THE SINHALESE FILM INDUSTRIAL CORPORATION, LTD.

D 22
Particulars of Directors or Managers and of any changes therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd. — 7-2-64

Registration Fee, Rs. 5. Payable only in Cash, Cheque, Postal Order or Money Order

THE COMPANIES ORDINANCE, NO. 51 OF 1938 (CAP. 145)

Particulars of Directors or Managers and of any Changes therein

(*Pursuant to Section* 142 (2))

Name of Company: THE SINHALESE FILM INDUSTRIAL CORPORATION Limited.

Note:—This Return must be sent to the Registrar of Companies, P. O. Box 1502, Colombo, within 14 days of the appointment of the first directors of the Company, and if there is a change in these particulars after registration within 14 days of the change.

Presented by—

GILBERT HEWAVITARANA

UNAPANDURA, DALUGAMA, KELANIYA.

P 20

P 20
Letter sent to Proctor Ben Samarasinghe by Dharmadasa Wijemanne & Co.
8-2-64

LETTER SENT TO PROCTOR BEN SAMARASINGHE BY DHARMADASA WIJEMANNE & CO.

DHARMADASA WIJEMANNE & CO.
Proctors & Notaries.

No. 110/1, Front Street,
Colombo 11,
8-2-1964.

REF. No:—C/70/64/DW.

Ben Samarasinghe Esq.,
Proctor S.C. & Notary,
Hultsdorp,
Colombo.

Dear Sir,

Your letter dated 1st February 1964 addressed to D. L. Gunasekera Esq., has been handed to us by the Sinhalese Film Industrial Corporation limited to acknowledge receipt and reply same.

We have already on instructions from the aforesaid Company written to Mrs. C. Madanayake letter dated 27-1-64 wihch has still not even been acknowledged, and instead letter dated 1-2-64 under reference has been addressed to D. L. Gunasekera Esq.

By Agreement bearing No. 342 dated 2nd March 1959 attested by H. C. Perera, Notary Public the late Mudaliyar J. Madanayake agreed to execute a transfer in favour of our clients when the title to the said property is perfected as agreed upon by the parties. It was agreed that the conveyance will be executed on the late Mr. Madanayake perfecting the title to the said property.

However the late Mr. Madanayake had wrongfully failed and neglected to perfect the title as agreed upon, although our clients were ready and willing to Complete the said purchase, notwithstanding the above lapse on the part of the late Mr. Madanayake.

Within two weeks from date hereof we shall be forwarding to you a draft of the Conveyance for your approval.

As it appears that you have not received adequate instructions from your client, we shall set out two relevant clauses of the aforesaid agreement executed by the late Mr. Madanayake in regard of possession.

"(5) The Purchaser-Company shall be in possession of the said property and premises from the date hereof.

P 20
Letter sent to Proctor Ben Samarasinghe by Dharmadasa Wijemanne & Co.
8-2-64
— *Continued*

(6) The Purchaser Company can put up any buildings of any kind permanent or temporary for the purpose the of Purchaser-Company."

I trust that your client would appreciate that our clients have been in lawful occupation and possession of the property in question since 1959, hence obtaining any written consent or consent in any form to enter or to continue to occupy and possess the property does not arise.

We are further instructed that if our clients or their agents occupation of the said property is wrongfully interfered with, and if thereby your client commit trespass, we would be reluctantly compelled to take appropriate legal proceedings against your client or any persons who..... 10

P 21
Letter sent to M/s. Dharmadasa Wijemanne & Co. by Mrs. C. Madanayake
10-2-64

P 21

LETTER SENT TO M/S. DHARMADASA WIJEMANNE & CO., BY MRS. C. MADANAYAKE

MRS. C. MADANAYAKE.

"Kalyani,"
Peliyagoda.
10-2-1964.

YOUR REF:— 6/70/64/DW.

Messrs. Dharmadasa Wijemanne & Co., 20
110/1, Front Street,
Colombo 11.

Dear Sirs,

I write to acknowledge receipt of your letter dated 27th January 1964.

A reply will be sent by my Lawyers in due course.

Yours faithfully
Sgd. C. MADANAYAKE.
(Mrs. C. Madanayake)

P 22
Letter sent to Proctor Ben Samarasinghe by the Plaintiff Company
10-2-64

P 22

LETTER SENT TO PROCTOR BEN SAMARASINGHE BY THE PLAINTIFF-COMPANY 30

THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

"Kalyani Studios",
Dalugama,
Kelaniya.
February 10, 1964.

Ben Samarasinghe Esq.,
Proctor S. C. & Notary,
Hultsdorp,
Colombo.

P 22
Letter sent to Proctor Ben Samarasinghe by the Plaintiff Company 10-2-64
— *Continued*

Dear Sir.

We acknowledge receipt of your letter dated 5th February 1964 enclosing a copy of letter addressed to D. L. Gunasekera Esq. The original was handed over to us by Mr. Gunasekera and has been referred to our lawyers for reply.

Yours faithfully.

The Sinhalese Film
Industrial Corporation Ltd.
(Sgd.) D. WIJEMANNE.
Managing Director.

P 23

P 23
Letter sent to M/s. Dharmadasa Wijemanne & Co. by Proctor Ben Samarasinghe 29-2-64

LETTER SENT TO M/S. DHARMADASA WIJEMANNE & CO. BY PROCTOR BEN SAMARASINGHE

DELIVERED BY HAND

BEN SAMARASINGHE
Proctor **S. C. & Notary Public.**

No. 127, Hultsdorf,
Colombo 12.
29th February, 1964.

Messrs. Dharmadasa & Wijemanne & Co.
Proctors,
110/1, Front Street,
Colombo.

Dear Sirs,

REF. NO. C/70/64/DW.

With reference to your letter of February 8, 1964 and your previous letter of 27th January, 1964 I am instructed to state that it is the Sinhalese Film Industrial Corporation Ltd., that is not aware of its own transactions.

The Corporation was unable to fulfil the terms of the agreement under reference and the agreement was rescinded and lapsed. For that reason as well as for other reasons which will be set out if necessary the Corporation has now no rights whatsoever on the agreement.

It would appear from your letter that the recent offer of the Corporation to complete the alleged purchase is nothing more than an attempt to make a deal for itself taking advantage of the fact that Mudaliyar Madanayake is not now alive.

Your client has no right whatsoever now to be in possession of the premises and any attempt on the part of your client to do so will constitute a trespass for which the Corporation will be liable in damages.

Yours faithfully,
Signed. BEN SAMARASINGHE.

cc. to:—
The Sinhalese Film Industrial
Corporation.

D 23
Particulars of Directors or Managers and of any changes therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd. — 11-3-64

D 23

PARTICULARS OF DIRECTORS OR MANAGERS AND OF ANY CHANGES THEREIN, FURNISHED UNDER THE COMPANIES ORDINANCE IN RESPECT OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

Registration Fee, Rs. 5. Payable only in Cash, Cheque, Postal Order or Money Order.

THE COMPANIES ORDINANCE, NO. 51 OF 1938 (CAP. 145)

Particulars of Directors or Managers and of any Changes therein

(*Pursuant to Section* 142 (2))

Name of Company: THE SINHALESE FILM INDUSTRIAL CORPORATION Limited.

Note:- This Return must be sent to the Registrar of Companies, P. O. Box 1502, Colombo, within 14 days of the appointment of the first directors of the Company, and if there is a change in these particulars after registration within 14 days of the change.

Presented by -

GILBERT HEWAVITARANA

UNAPANDURA, DALUGAMA, KELANIYA.

Particulars of the Directors or Managers (*a*) **of** THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

and of any changes therein

D 23
Particulars of Directors or Managers and of any changes therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd. — 11-3-64
— *Continued*

The present Christian name or names and Surname (*b*)	Any former Christian name or names or Surnames	Nationality	Nationality of origin (if other than the present Nationality)	Usual Residential Address	Other business Occupation or Directorships if any. If none state so (*c*)	Changes giving dates of Changes (*d*)
J. E. AMARATUNGA	Nil	Citizen of Ceylon	British	Gower Street, Havelock Town, Colombo.	Planter.	
DHARMADASA WIJEMANNE	Nil	do	do	16, Shady Grove Avenue, Borella, Colombo	Proctor S.C.	
THOMAS LIYANAGE	Nil	do	do	"Emalasevena" Melder Place, Nugegoda	Merchant	
HENRY NAYANANANDA LIYANAGE	Nil	do	do	"Emalasevena" Melder Place, Nugegoda	Merchant	Resigned 29.2.64
MAPATUNGE SOMIPALA PERERA	Nil	do	do	Udumulla, Padukka	Company Director.	
GILBERT HEWAVITARANA	Nil	do	do	Dalugama, Kelaniya (Unapandura)	Company Director.	
SITA HAPUARACHCHI	Nil	do	do	Veediyagoda, Bandaragama	Planter.	
CHARLES ABEYSEKERA C.C.S.	Nil	do	do	Ministry of Industries	Govt. Director.	

(*a*) "Director" includes any person who occupies the position of a Director by whatever name called and any person in accordance with whose directions or instructions the Directors of a Company are accustomed to act.

(*b*) In the case of a Corporation its corporate name and registered or principal office should be shown.

(*c*) In the case of an individual who has no business occupation but holds any other directorship or directorships, particulars of that directorship or of some one of those directorships must be entered.

Signature: Sgd. Illegibly

(*State whether Director or Manager or Secretary*) Director.

Dated the 11th *day of* March 1964

(*d*) A complete list of the Directors or Managers shown as existing in the last Particulars delivered should always be given. A note of the changes since the last list should be made in this column, *e.g.*, by placing against a new director's name the words "in place of ..." and by writing against any former director's name the words "dead" "resigned" or as the case may be, and giving date of change.

D 24
Particulars of Directors or Managers and of any changes therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd.
6-4-64

D 24

PARTICULARS OF DIRECTORS OR MANAGERS AND OF ANY CHANGES THEREIN, FURNISHED UNDER THE COMPANIES ORDINANCE IN RESPECT OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

Registration Fee, Rs. 5. Payable only in Cash, Cheque, Postal Order or Money Order.

THE COMPANIES ORDINANCE, NO. 51 OF 1938 (CAP. 145)

Particulars of Directors or Managers and of any Changes therein

(*Pursuant to Section* 142 (2))

Name of Company: THE SINHALESE FILM INDUSTRIAL CORPORATION Limited.

Note:—This Return must be sent to the Registrar of Companies, P. O. Box 1502, Colombo, within 14 days of the appointment of the first directors of the Company, and if there is a change in these particulars after registration within 14 days of the change.

Presented by—

GILBERT HEWAVITARANA

UNAPANDURA, DALUGAMA, KELANIYA.

Particulars of the Directors or Managers (*a*) **of** THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

and of any changes therein

D 24
Particulars of Directors or Managers and of any changes, therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd. — 6-4-64
— *Continued*

The present Christian name or names and Surname (*b*)	Any former Christian name or names or Surnames	Nationality	Nationality of origin (if other than the present Nationality)	Usual Residential Address	Other business Occupation or Directorships if any. If none, state so (*c*)	Changes giving dates of Changes (*d*)
J. E. AMARATUNGA	Nil	Citizen of Ceylon	British	Gower Street, Havelock Town, Colombo.	Planter.	
DHARMADASA WIJEMANNE	Nil	do	do	16, Shady Grove Avenue, Borella, Colombo	Proctor S.C.	
THOMAS LIYANAGE	Nil	do	do	"Emalasevena" Melder Place, Nugegoda	Merchant	
MAPATUNGE SOMIPALA PERERA	Nil	do	do	Udumulla, Padukka	Company Director.	
GILBERT HEWAVITARANA	Nil	do	do	Dalugama, Kelaniya (Unapandura)	Company Director.	
SITA HAPUARACHCHI	Nil	do	do	Veediyagoda, Bandaragama	Planter.	
CHARLES ABEYSEKERA C.C.S.	Nil	do	do	Ministry of Industries	Govt. Director.	
Y. R. PIYASENA	Nil	do	do	78, Prince Street, Colombo 11.	Merchant.	Appointed 17-3-64.

(*a*) "Director" includes any person who occupies the position of a Director by whatever name called and any person in accordance with whose directions or instructions the Directors of a Company are accustomed to act.

(*b*) In the case of a Corporation its corporate name and registered or principal office should be shown.

(*c*) In the case of an individual who has no business occupation but holds any other directorship or directorships, particulars of that directorship or of some one of those directorships must be entered.

Signature: Sgd. Illegibly

(*State whether Director or Manager or Secretary*) Director.

Dated the 6th *day of* April 1964

(*d*) A complete list of the Directors or Managers shown as existing in the last Particulars delivered should always be given. A note of the changes since the last list should be made in this column, *e.g.*, by placing against a new director's name the words "in place of —" and by writing against any former director's name the words "dead" "resigned", or as the case may be, and giving date of change.

P 24
Letter sent to D. S. Madanayake by Dharmadasa Wijemanne & Co. 12-5-64

P 24

LETTER SENT TO D. S. MADANAYAKE BY DHARMADASA WIJEMANNE & CO.

DHARMADASA WIJEMANNE & CO.
Proctors & Notaries.

No. 110, Front Street,
Colombo 11.
12th, May, 1964.

OUR REF:— C/70/64/LMF.

D. S. Madanayake Esq., 10
93, Rosmead Place,
Colombo 7.

Dear Sir,

We are instructed by the Sinhalese Film Industrial Corporation Limited that your late father Mudaliyar Jayasena Madanayake by Agreement bearing No. 342 dated 2-3-1959 attested by H. C. Perera N. P. agreed to sell and convey to our clients at a price of Rs. 40,000/- the property and premises described in the schedule to the said agreement and situated at Dalugama on your late father perfecting the Title to the said property to the satisfaction of our clients as agreed upon. 20

In pursuance of the said agreement our clients made a part payment of Rs. 15,000/- of the purchase-price leaving a balance sum of Rs. 25,000/- payable upon the execution of the deeds of conveyance in favour of our clients in terms of the said agreement.

In terms of the said agreement and with the full knowledge acquiescence and approval of your late father, our clients at its own expense and cost erected permanent buildings thereon proceeded to equip the same for the purpose of its business as contemplated by the parties.

Your father the late Mud. Madanayake died without having perfected the title of the said property as agreed and before completion of the said sale 30 and purchase in accordance with the provisions of the agreement.

We are instructed that despite the default as aforesaid on the part of your father but particularly in view of the improvements effected by our clients on the faith of the undertaking and agreement of your father, our clients are ready and willing to pay the balance purchase price of Rs. 25,000/- and obtain a valid conveyance from you and the other heirs of your late father in terms of the Agreement No. 342 although the title to the said property has not been perfected.

We are instructed to demand the conveyance from you. Unless you express your willingness to grant the aforesaid conveyance within 5 days from the date hereof we are instructed to institute legal proceedings against you and the other heirs to obtain the said conveyance and to prevent the unlawful efforts to deprive our clients of their lawful possession of the said property.

P 24
Letter sent to D. S. Madanayake by Dharmadasa Wijemanne & Co.
12-5-64
— *Continued*

Yours faithfully,
Signed: D. WIJEMANNE & CO.

P 31

P 31
Letter sent to Proctor Ben Samarasinghe by Dharmadasa Wijemanne & Co.
13-5-64

LETTER SENT TO PROCTOR BEN SAMARASINGHE BY DHARMADASA WIJEMANNE & CO.

DHARMADASA WIJEMANNE & CO.

Proctors & Notaries,

No. 110, Front Street,
Colombo 11.
13-5-1964.

Our Ref : C/70/64.

BEN SAMARASINGHE ESQR.,
Proctor S. C. & N. P.
127, Hultsdorf,
Colombo.

Sir,

We acknowledge the receipt of your letter dated 29-2-1964 and wish to deny the several allegations contained therein and to state that the instructions you have received are not correct.

We are instructed by our clients to demand the conveyance as set out in our letter dated 27-1-1964 to Mrs. Jayasena Madanayake and letter dated 8-2-1964 addressed to you.

If your client and the other heirs of the late Mudaliyar J. Madanayake are not willing to grant the conveyance in terms of the Agreement No. 342, we have no alternative but to institute action to obtain the conveyance and to prevent your client's recent unlawful efforts to take forcible possession of the property in question in violation of our client's rights. For your information, herewith we enclose a copy of the letter we have addressed to the other heirs of the late Mudaliyar Madanayake.

Yours Faithfully,

Signed. D. WIJEMANNE & CO.

c.c. to Sinhalese Film Industrial Corporation.

D 46
Extract from the Information Book of Peliyagoda Police — 30-5-64

D 46

Translation

EXTRACT FROM THE INFORMATION BOOK OF PELIYAGODA POLICE

Date : 30-5-64.
Time : 1 p.m.
Page : 347

RAJAPAKSE ARATCHIGE JAMES RAJAPAKSE aged 40 years, watcher, residing at Kalyani Studio, Dalugama, Came to Police and complains thus :— 10

I am residing at Kalyani Studio. I am the Watcher of the land in which the said Studio stands. On 64-5-29 at about 12.00 in the day, three men unknown to me came to the said Studio and went away. Today at about 4.00 a.m. the said three men entered forcibly into the land in which the said studio stands, and plucked two jak fruits from one of the trees in the said land and put it into a car and two of them went away. The other person is staying in the said studio. I do not know the names and address of these three men. When I questioned them as to why they plucked jak fruits like that, they said that they have a right into the land.

The said studio Manager by a Company. I am making this complaint 20 at the request of Mr. Madanayake, the owner of the said land. My witnesses are Somapala and Silynona. This is all. Signed in Sinhalese. Read over and explained. Sgd : P. C. 1504, Fernando.

Copied correctly.

Sgd. BOGAHAWATTE,
C. 5447.

I do hereby certify that the foregoing is a true extract taken from the information Book No. 11 of Minor complaints of Peliyagoda Police.

Sgd. On a Rupee Stamp.

Illegibly. D. R. L. 30

Translated by : Sgd. Illegibly. S. T. D. C. Colombo 9-7-64.

D 47
Letter sent to Mrs. I. H. Wijewardena by Dharmadasa Wijemanne & Co. 30-5-64

D 47

LETTER SENT TO MRS. I. H. WIJEWARDENA BY DHARMADASA WIJEMANNE & CO.

DHARMADASA WIJEMANNE & CO.

Proctors & Notaries.

No. 110, Front Street,
Colombo 11.
30-5-1964.

Our Ref : C/151/64/JBP.

URGENT—DELIVERED BY HAND

MRS. I. HEMAMALI WIJEWARDENA,
100, Horton Place,
Colombo 7.

Dear Madam,

D. C. COLOMBO CASE NO.1263 / Z. L.

On the instructions of our clients, the Sinhalese Film Industrial Corporation Ltd., of Kelaniya, we instituted Action No. 1263/Z.L. against you and 5 others. In the said action we made application to Court for an Interim Injunction in the manner prayed for in the petition dated 22nd May 1964, a copy of which is enclosed herewith for your information.

The said application came up for disposal before S. Thamby Durai Esquire, Additional District Judge, Colombo, this morning and upon reading the affidavit and petition of our clients and also hearing Counsel, the Court directed that an enjoining order be issued in terms of the prayer to the petition pending the disposal of the said application.

The Court by its order enjoined and restrained you, your agents, servants and other persons acting through or under you from entering upon or into the land buildings and premises described in the schedule to the petition and/or disturbing or hindering the quiet possession user and enjoyment of the same by our clients and its agents, servants, workmen and persons claiming through or under it and/or committing any other act in violation of our clients' right to the possession enjoyment and user of the said property, buildings and premises pending the disposal of application for Interim Injunction.

This intimation is made to you as there might be a slight delay in the Fiscal serving upon you the notice of injunction and enjoining order.

Yours faithfully,
Sgd. D. WIJEMANNE & Co.

encl : Copy of petition dated
22-5-64 filed in D. C. Colombo,
Case No. 1263/Z.L

D 25
Particulars of Directors or Managers and of any changes therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd. — 17-7-64

D 25

PARTICULARS OF DIRECTORS OR MANAGERS AND OF ANY CHANGES THEREIN, FURNISHED UNDER THE COMPANIES ORDINANCE IN RESPECT OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

Registration Fee. Rs. 5. Payable only in Cash Cheque, Postal Order or Money Order.

THE COMPANIES ORDINANCE, NO. 51 OF 1938 (CAP. 145)

Particulars of Directors or Managers and of any Changes therein

(*Pursuant to Section* 142 (2))

Name of Company: THE SINHALESE FILM INDUSTRIAL CORPORATION Limited.

Note:—This Return must be sent to the Registrar of Companies, P. O. Box 1502, Colombo, within 14 days of the appointment of the first directors of the Company, and if there is a change in these particulars after registration within 14 days of the change.

Presented by—

GILBERT HEWAVITARANA

UNAPANDURA, DALUGAMA, KELANIYA.

Particulars of the Directors or Managers (*a*) **of** THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

and of any changes therein

D 25
Particulars of Directors or Managers and of any changes therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd. — 17-7-64 — *Continued*

The present Christian name or names and Surname (*b*)	Any former Christian name or names or Surnames	Nationality	Nationality of origin (if other than thepresent Nationality)	Usual Residential Address	Other business Occupation or Directorships if any. If none, state so (*c*)	Changes giving dates of Changes (*d*)
J. E. AMARATUNGA	Nil	Citizen of Ceylon	British	Gower Street, Havelock Town, Colombo.	Planter.	
DHARMADASA WIJEMANNE	Nil	do	do	16, Shady Grove Avenue, Borella, Colombo	Proctor S. C.	
THOMAS LIYANAGE	Nil	do	do	"Emalasevena" Melder Place, Nugegoda	Merchant	
MAPATUNGE SOMIPALA PERERA	Nil	do	do	Udumulla Padukka	Company Director.	
GILBERT HEWAVITARANA	Nil	do	do	Dalugama, Kelaniya.	Company Director.	
SITA HAPUARACHCHI	Nil	do	do	Veediyagoda, Bandaragama	Planter.	
CHARLES ABEYSEKERA C.C.S.	Nil	do	do	Ministry of Industries	Govt. Director.	
Y. R. PIYASENA	Nil	do	do	78, Prince Street, Colombo 11.	Merchant.	
J. W. PIYATISSA	Nil	do	do	39, Bagatalle Road, Colombo 3.	Merchant.	Appointed 14-7-64.

(*a*) "Director" includes any person who occupies the position of a Director by whatever name called and any person in accordance with whose directions or instructions the Directors of a Company are accustomed to act.

(*b*) In the case of a Corporation its corporate name and registered or principal office should be shown.

(*c*) In the case of an individual who has no business occupation but holds any other directorship or directorships, particulars of that directorship or of some one of those directorships must be entered.

Signature: Sgd. Illegibly

(*State whether Director or Manager or Secretary*) Director.

Dated the 17th *day of* July 1964

(*d*) A complete list of the Directors or Managers shown as existing in the last Particulars delivered should always be given. A note of the changes since the last list should be made in this column, *e.g.*, by placing against a new director's name the words "in place of —" and by writing against any former director's name the words "dead" "resigned", or as the case may be, and giving date of change.

D 26
Particulars of Directors or Managers and of any changes, therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd.

D 26

PARTICULARS OF DIRECTORS OR MANAGERS AND OF ANY CHANGES THEREIN, FURNISHED UNDER THE COMPANIES ORDINANCE IN RESPECT OF THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.

Registration Fee, Rs. 5. Payable only in Cash, Cheque, Postal Order or Money Order.

THE COMPANIES ORDINANCE, NO. 51 OF 1938 (CAP. 145)

Particulars of Directors or Managers and of any Changes therein

(*Pursuant to Section* 142 (2))

Name of Company: THE SINHALESE FILM INDUSTRIAL CORPORATION Limited.

Note:—This Return must be sent to the Registrar of Companies, P. O. Box 1502, Colombo, within 14 days of the appointment of the first directors of the Company, and if there is a change in these particulars after registration within 14 days of the change.

Presented by—

DHARMADASA WIJEMANNE

16, Shady Grove Avenue, Borella, Colombo.

Particulars of the Directors or Managers (*a*) **of** THE SINHALESE FILM INDUSTRIAL CORPORATION LIMITED

and of any changes therein

D 26
Particulars of Directors or Managers and of any changes therein, furnished under the Companies Ordinance in respect of the Sinhalese Film Industrial Corporation Ltd.

The present Christian name or names and Surname (*b*)	Any former Christian name or names or Surnames	Nationality	Nationality of origin (if other than the present Nationality)	Usual Residential Address	Other business Occupation or Directorships if any. If none, state so (*c*)	Changes giving dates of Changes (*d*)
J. E. AMARATUNGA	Nil	Citizen of Ceylon	British	Gower Street, Havelock Town, Colombo.	Planter.	
DHARMADASA WIJEMANNE	Nil	do	do	16, Shady Grove Avenue, Borella, Colombo	Proctor S.C.	
THOMAS LIYANAGE	Nil	do	do	"Emalasevena" Melder Place, Nugegoda	Merchant	
MAPATUNGE SOMIPALA PERERA	Nil	do	do	Udumulla, Padukka	Company Director.	
GILBERT HEWAVITARANA	Nil	do	do	Dalugama Kelaniya	Company Director.	
SITA HAPUARACHCHI	Nil	do	do	Veediyagoda Bandaragama,	Planter.	
CHARLES ABEYSEKERA	Nil	do	do	Ministry of Industries	Govt. Director.	
Y. R. PIYASENA	Nil	do	do	78, Prince Street, Colombo 11.	Merchant.	
J. W. PIYATISSA	Nil	do	do	39, Bagatalle Road, Colombo 3.	Merchant.	
L. DE S. TUDAWE	Nil	do	do	183, Havelock Road, Colombo 5.	Contractor	Appointed 21-7-64.
G. I. P. GUNASEKERA	Nil	do	do	18/3 Flower Terrace, Colombo 7.	None	Appointed 21-7-64.

(*a*) "Director" includes any person who occupies the position of a Director by whatever name called and any person in accordance with whose directions or instructions the Directors of a Company are accustomed to act.

(*b*) In the case of a Corporation its corporate name and registered or principal office should be shown.

(*c*) In the case of an individual who has no business occupation but holds any other directorship or directorships, particulars of that directorship or of some one of those directorships must be entered.

Signature: Sgd. Illegibly

(*State whether Director or Manager or Secretary*) Director.

Dated the.....day of.....19.....

(*d*) A complete list of the Directors or Managers shown as existing in the last Particulars delivered should always be given. A note of the changes since the last list should be made in this column, *e.g.*, by placing against a new director's name the words "in place of—" and by writing against any former director's name the words "dead" "resigned", or as the case may be, and giving date of change.

D 48
Extract from the Minor Complaint Book of the Peliyagoda Police 1-9-64

D 48

EXTRACT FROM THE MINOR COMPLAINT BOOK OF THE PELIYAGODA POLICE

Translation

COPY FROM THE PELIYAGODA POLICE MINOR COMPLAINT BOOK

Date : 1-9-64.
Time : 1.15 p.m.
Page : 168.
Folio : 10.

Upali Gotabhaya Madanayake, age 28 years, Buddhist, Proprietor Planter residing at "Kalyani", Peliyagoda comes to the Police Station and states:— The land on which "Kalyani Studio" at Dalugama is situated, belongs to my father Mudaliyar Madanayake. Some other people also have forwarded claims to this land. Therefore those people have for the purpose of settling the dispute instituted Action No. 1265-Z.L. in the District Court of Colombo against us. The District Court inquired into the matter and warned the Plaintiff-party not to put up any new buildings on the said land till the case is finally decided. Today at 12-30 p.m. I went to Dalugama to inspect this land. But I did not enter the land. I stopped the car by the side of the road and saw the land. Then I saw several people on the land engaged in putting up a new building. This is contrary to the order of the District Cout. I request that inquiries be made into this. I make this complaint for my future benefit. This is all. Signed in Sinhalese. Read and explained. Admitted as correct.

Sgd. P. C. 7488
KARUNARATNE.

Copied correctly.

Sgd. Illegibly.
P. C. 1706
EKANAYAKE.

I certify that the above copy was correctly copied from the Minor Complaint Book No. 1 which is in my charge.

Sgd. Illegibly
on two fifty cents Stamps.
Inspector of Police.
Peliyagoda.

2-9-64.

Translated by me :—

Sgd. Illegibly.
4-9-64.

D 52

D 52
Extract from the Information Book of Minor Complaints of Peliyagoda Police
1-9-64

EXTRACT FROM THE INFORMATION BOOK OF MINOR COMPLAINTS OF PELIYAGODA POLICE.

Translation

Date : 1-9-64.
Time : 4.05 p.m.
Page : 171.
Entries of Karunaratne C. 7488.

Came to inquire into the complaint. When I came to the spot I saw several people putting up a new building in bricks opposite Sound Studio. This building is put up adjoining the Sound Studio to form an annexe to it. This is a new building. It has come up to about 15 feet in height. In order to help the construction and to enable the people to get to this building scaffoldings have been put up by bamboo sticks and by wires. I saw some people engaged in brick work in the buildings. When I look at the new building that is being constructed on the left side of the building I see a heap of bricks — this heap contained over 1,000 bricks according to what I see. This Studio is situated in the middle of a coconut land. There are two (main) buildings on it — one is Sound Studio, the other is a building where films are developed. This Studio is situated at Dalugama on Kandy Road. Proceeding to Kiribathgoda, it is on the right side of the road. I did not question from the workmen or from any responsible person there as to the fact that they were not doing something in violation of the orders of Court as I had no authority. Likewise it was not the request of the complainant himself to question the labourers or any other responsible person and to have the construction of the new building stopped. This was only to show to the Peace Officer the fact that they have violated the orders of Court. Therefore I did not make any inquiries from anybody. I am now returning to the Police Station.

Translated by me :—

Sgd. Illegibly.

Sworn Translator,
District Court, Colombo
9-7-65.

P 39
Report of A. Panditaratna, Chartered Architect, regarding "Kalyani Studios" 14-10-64

P 39

REPORT OF A. PANDITARATNA, CHARTERED ARCHITECT, REGARDING "KALYANI STUDIOS"

BILLIMORIA & DE SILVA

PEIRIS & PANDITARATNA.

ARCHITECTS

55, Turret Road,
Colombo 7.
14th October, 1964.

The Managing Director,
The Sinhalese Film Industrial Corporation Ltd., 10
"Kalyani Studios",
Dalugama, Kelaniya.

Dear Sir,

"KALYANI STUDIOS", DALUGAMA, KELANIYA.

At the request of Mr. Dharmadasa Wijemanne, I inspected the above, on the 14th instant. This land is situated off the Kandy Road, between the sixth and seventh mile posts. It has direct access from the main road and is about 10 acres in extent and has the following buildings erected on it. 20

1. A film processing and printing Laboratory.

2. A scoring and re-recording theatre.

FILM PROCESSING AND PRINTING LABORATORY.

This building is 94 feet long and 23 feet 9 inches wide. It is sited east and west with a short side as its main facade facing east. On the north side there is a projection about 16 feet wide and 47 feet long.

It has the following accommodation :—

(*a*) A film vault and library — 21 feet x 22 feet.

(*b*) Four film editing and cutting rooms — each 10 feet x 8 feet.

(*c*) A Laboratory Chief's Office — 22 feet x 14 feet. 30

(*d*) Processing room — 22 feet x 22 feet.

(*e*) A Printing room 22 feet x 12 feet.

P 39
Report of A. Panditaratna, Chartered Architect, regarding "Kalyani Studios" 14-10-64
— *Continued*

(*f*) Water Cooling room — 9 feet x 18 feet.

(*g*) Chemical supply room — 17 feet x 21 feet.

(*h*) A chemical Store room — 14 feet x 8 ft. 6 ins.

(*i*) A chemical test room — 14 feet x 8 feet.

The building is eleven feet high and beyond the Laboratory Chief's room, it is stepped down to a lower level of about 18 inches. It is built of brick masonry in lime cement mortar and the walls are plastered. The roof is covered with corrugated asbestos sheets on steel angle iron trusses. The printing room and the film processing rooms are fixed with ceilings. The doors are panelled and are of jak timber. The four editing and cutting rooms are enclosed in 4 1/2 inch thick brick walls about 8 feet high. The floors are cement rendered. Galvanised iron gutters, down pipes and storm water drains are provided. Some doors are with first coat of paint. Walls have not been treated internally or externally.

Underground ducts are provided to drain away chemical laden liquids. Some machinery has already been installed in some rooms. The value of the building given below excludes the value of machinery and its installation.

Having regard to the cost of material and labour in 1960, I fix the rate of construction of this building at Rs. 15/- per square foot of built-up area. I do not allow any depreciation as the buildings have not been used. As the cost of building material and labour has increased since 1960, I estimate the present cost of the building at Rs. 17/50 per square foot which is as follows :—

3050 sq. ft. at Rs. 17/50 = Rs. 53,375.00

SCORING AND RE-RECORDING THEATRE

This building is about 72 feet long and 27 feet wide. It is sited east and west with a short side as the main facade facing west. A small projection along the southern side, commencing from the front facade is 25 feet long and 6 feet wide and houses the staircase.

It has the following accommodation :—

(Ground Floor)

(*a*) Entrance hall — 12 feet x 12 feet.

(*b*) Office room — 12 feet x 12 feet.

(*c*) A Lobby and a staircase hall — 6 feet x 24 feet.

(*d*) An Auditorium — 57 feet x 25 feet.

(*e*) A Projection room — 24 feet x 12 feet (on the upper floor).

P 39
Report of A. Panditaratna, Chartered Architect, regarding "Kalyani Studios" 14-10-64
— *Continued*

A small front section is under construction. This covers an area of about 400 square feet. In this section foundations and superstructural walls have been constructed to a height of about 9 feet.

The building is of brick masonry in lime cement mortar. The roof if covered with asbestos sheets supported on steel angle iron trusses and prlins. Gutters and down pipes are provided. In the Auditorium, a Celotex soft board ceiling has been fixed on a timber frame work. A similar frame work in timber has been fixed on the side walls for acoustical treatment. This work in the walls is in progress and is not complete. Rain water drains have not been provided. Walls, doors and windows have not been treated with colour wash or paint.

This building is mainly an Auditorium which is 20 feet high and I fix the rate of construction at Rs. 25/- per square foot for this area. The rate for the two storey section including the stair case is fixed at Rs. 15/- per square foot. In view of the reasons already given, I estimate the present cost, as follows :—

	Rs. cts.
1275 sq. ft. Auditorium at Rs. 27/50 per sq. ft.	35,062.50
1500 sq. ft. Storey section at Rs. 17/50 per sq. ft. ..	26,250.00
TOTAL	61,312.50

Yours faithfully,

Sgd. A. PANDITARATNA.

No. 42 OF 1970

Supreme Court of Ceylon,
No. 454 (Final) of 1965.

District Court of Colombo,
Case No. 1265/ZL.

In Her Majesty's Privy Council
on an Appeal from
The Supreme Court of Ceylon

BETWEEN

THE SINHALESE FILM INDUSTRIAL CORPORATION LTD.
of "Kalyani Studios", Dalugama, Kelaniya.

(*Plaintiff - Respondent*)
Appellant

AND

1. HERATHMUDIYANSELAGE CHANDRAWATHIE MADANAYAKE, also called and known as HERATHMUDIYANSELAGE CHANDRAWATHIE in her personal capacity as well and the Administratrix of the intestate estate of MUDALIYAR JAYASENA MADANAYAKE, also called and known as MADANAYAKE JAYASENA of "Kalyani", Peliyagoda.
2. SIRINATHA KUMARADASA MADANAYAKE of "Kalyani", Peliyagoda.
3. DHARMAWANSA SIRIPALA MADANAYAKE of No. 93, Rosmead Place, Colombo 7.
4. IRANGANI HEMAMALI WIJEWARDENA (*nee* Madanayake) of No. 100, Horton Place, Colombo 7.
5. UPALI GOTABHAYA MADANAYAKE and
6. MALINI SOMAKUMARI KOTAGAMA (*nee* Madanayake) both of "Kalyani", Peliyagoda.

(*Defendants-Appellants*)
Respondents

RECORD
OF PROCEEDINGS

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