

IN THE SUPREME COURT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

In the matter of an Application under and in terms of Articles 17 and 126 of the Constitution of the Democratic Socialist Republic of Sri Lanka.

Case No: SC FR 212/2022

1. Chandra Jayaratne
No. 2, Greenland Avenue,
Colombo 05.
2. Julian Bolling,
No. 72, 5th Lane,
Colombo 05.
3. Jehan Canaga Retna
No. 5, Bullers Lane, Apartment 3B,
Colombo 07.
4. Transparency International Sri Lanka
No 366, Nawala Road,
Nawala, Rajagiriya.

Petitioners

- Vs -

1. Hon. Attorney General
Attorney General's Department,
Colombo 12.
2. Hon. Mahinda Rajapakse
Former Prime Minister, Former
Minister of Buddhasasana, Religious
and Cultural Affairs, Former
Minister of Urban Development &
Housing, Former Minister of
Economic Policies and Plan
Implementation and Former Minister
of Finance.
No 117, Wijerama Mawatha,
Colombo 07.

Limited Objections

3. Hon. Basil Rajapakse,
Former Minister of Finance
No 1315, Jayanthipura
Nelum Mawatha,
Battaramulla
No 1316, Jayanthipura Nelum
Mawatha,
Battaramulla.
4. Hon. M.U.M. Ali Sabry PC
Former Minister of Finance
No. 5, 27th Lane,
Colombo 03.
5. Hon. Ranil Wickremesinghe,
Prime Minister,
Minister of Finance, Economic
Stability and National Policies.
No. 117, 5th Lane,
Colombo 03.
6. **Deshamanya Professor W.D.
Lakshman
Former Governor of the Central Bank
No. 224, Ihalayagoda,
Imbulgoda**
7. Mr. Ajith Nivard Cabral
Former Governor of the Central Bank
of Sri Lanka,
No 32/7 School Lane,
Nawala.
8. Dr P. Nandalal Weerasinghe
Governor of the Central Bank of Sri
Lanka
Central Bank of Sri Lanka
P O Box 590
Colombo 01,
Sri Lanka

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9. The Monetary Board of the Central Bank of Sri Lanka
Central Bank of Sri Lanka
P O Box 590
Colombo 01, Sri Lanka
10. Mr. S.R. Attygala
Former Secretary to the Treasury/
Ministry of Finance
No.23, Madapatha,
Piliyandala.
11. Mr. K.M. Mahinda Siriwardana
Secretary to the Treasury/ Ministry
of Finance
The Secretariat,
Colombo 01.
12. Mr. Saliya Kithsiri Mark Peiris, P.C.,
President of the Bar Association of
Sri Lanka,
No. 153, Mihindu Mawatha,
Colombo 12.
13. Mr. Isuru Balapatabendi, AAL.,
Secretary of The Bar Association of
Sri Lanka,
No. 153, Mihindu Mawatha,
Colombo 12.

Respondents

TO: HIS LORDSHIP THE CHIEF JUSTICE, AND THEIR LORDSHIPS; THE OTHER HONOURABLE JUDGES OF THE SUPREME COURT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA.

I, Deshamanya Professor Weligamage Don Lakshman, of 622/14, Kotte Road, Ethul-Kotte being a Buddhist, do hereby solemnly, sincerely affirm hereto and state as follows:

1. I am the affirmant and the 6th Respondent abovenamed.

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2. I state that I was appointed Governor of the Central Bank of Sri Lanka [hereinafter referred to as "CBSL"] on the 24th December 2019, on the invitation of President Gotabaya Rajapaksa.
3. I resigned from the said post on 14th September 2021.
4. I affirm to the following matters from my personal knowledge and from documents and records available to me during my tenure as Governor of the CBSL and Chairman of the Monetary Board.
5. I state that these limited objections are filed in response to certain averments in the Petition that relate to the afore-mentioned period [24th December 2019 – 14th September 2021] in which I was Governor of CBSL, and ex-officio Chairman of the Monetary Board of Sri Lanka, which is the 9th Respondent above named.
6. I categorically deny the averments contained in the Petition and affidavit of the Petitioners save and except for the specific matters admitted herein below.
7. I reserve my right to file comprehensive objections to this application, in the event Your Lordships' Court were to grant the Petitioners Leave to Proceed with this application.

Preliminary objections to the maintainability of this application

8. By way of Preliminary Objection, I am advised to state that:
 - (a) This application is time barred;
 - (b) The Petitioners are guilty of suppression and misrepresentation of material facts;
 - (c) The Petitioners have failed to add necessary parties to this application;
 - (d) The Petition does not disclose an infringement or imminent infringement of the Petitioner's fundamental rights by executive or Administrative action;
 - (e) The Petitioners are guilty of Prolivity;
 - (f) The reliefs sought in this application are misconceived; and
 - (g) Therefore this application should be dismissed in limine.

Without prejudice to the above

Background to the 6th Respondent

9. I state that:

- a. I am an Emeritus Professor of Economics at the University of Colombo and I have held the positions of Head, Department of Economics, Dean, Faculty of Graduate Studies (1992-94) and Vice Chancellor (1994-99) of the University of Colombo.
- b. I obtained a D.Phil in 1973 from the University of Oxford and an Honorary Doctor of Letters (D.Litt.), from the University of Colombo in 2008
- c. I have authored a textbook in Economics titled which has been used extensively by generations of Sri Lankan students, having gone through 12 editions and many reprints.
- d. I have also edited two books on economic development issues in Sri Lanka, one titled *Dilemmas of Development: Fifty Years of Economic Change in Sri Lanka* published by Sri Lanka Association of Economists in 1997 and the other (edited by two, with me as main editor) titled *Sri Lanka's Development since Independence: Socio-Economic Perspectives and Analyses* published by Nova Science Publishers (New York) in 2000.
- e. My edited publication titled *The Distant Neighbours: Fifty Years of Relations between Japan and Sri Lanka*, Colombo: Faculty of Graduate Studies, University of Colombo, 2003 is highly valued as a comprehensive examination of Japan-Sri Lanka relation over the first fifty year of diplomatic relations between the two countries.
- f. In my academic career I have also served (during my sabbatical years) as visiting professor/ invited scholar in several foreign academic institutions - the Institute of Social Studies in the Netherlands, International Development Centre of Japan (IDCJ), Institute of Developing Economies (IDE), Institute for Development Co-operation (JICA) in Tokyo, International Centre for Public Enterprises (ICPE) in Ljubljana Yugoslavia, and Jawaharlal Nehru University in New Delhi, Visiting Professor in Economics at Ryukoku University, Kyoto, and Visiting Professor in Economics at Saga University, Japan.
- g. In Sri Lanka, I have also served as Member, Presidential Commission on Finance and Banking, 1990, Senior Economic Advisor to Ministry of Finance and Planning (2008-09), Member, National Economic Council (2008-10),

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Chairman, Presidential Commission on Taxation (2009-10), Chairman, Institute of Policy Studies (2010-15), Vice Chancellor, Sanasa University Institute, Kegalle (2014-19) and the Chairman, Committee of Experts appointed by the President to examine Sri Lanka - Singapore Free Trade Agreement in 2018.

- h. I have been awarded the National Honours *Deshmanya* by the President of Sri Lanka in 2005 for the services rendered to the progress of education in this country.
- i. The Government of Japan has in 2022, conferred on myself and my wife the prestigious award of the *Order of the Rising Sun* in recognition of our distinguished contribution to promoting academic exchanges and mutual understanding between Japan and Sri Lanka. The award ceremony has been scheduled for the second half of August 2022.
- j. I am an economist by Profession and an academic scholar and administrator with extensive experience.
- k. My specialisation has been in development economics with a focus on macro-economic and international economic issues. I have written extensively and published my research in several globally reputed academic Journals. I have over 90 academic articles published in reputed journals subjects related to development and economics.
- l. Among my research papers, there are ones on political economy of taxation, operations of International Monetary Fund and World Bank in Sri Lanka, Foreign Direct Investments in South Asia, Japanese Investments in South Asia and Socio-Economic Impact of Structural Adjustment Policies in Sri Lanka, Poverty in Sri Lanka, performance of public enterprises, and several other topics.
- m. After my retirement from University of Colombo, my students and colleagues published two *Festschrifts*, one in English titled *Development Perspectives: Growth and Equity in Sri Lanka: A Festschrift in Honour of Prof. W. D. Lakshman*, 2008 and the other in Sinhala (- . .), 2008.
- n. I am currently in the process of compiling my memoirs and a book based on research about Sri Lanka's development experience using my teaching and professional experience including as Governor of the Central Bank.

Appointment as Governor Central Bank of Sri Lanka and Chairman of the Monetary Board

10. I state that:

- a. On 24th December 2019, I was appointed as the Governor of the CBSL by the President, in terms of Section 12 of the Monetary Law Act [hereinafter referred to as “the Act”];
- b. As Governor of the CBSL, I became the Chairman of the Monetary Board in terms of Section 8(2) of the Act.

11. I state that when I assumed office on 24th December 2019, Sri Lanka's economic position, as reflected in the *Central Bank Annual Report, Volume I for 2019* were as follows:

a. Real Sector:

i. GDP (Gross Domestic Product) at current market prices:	Rs. Bil. 15,016
Real GDP Growth	2.3%
Rate of Unemployment	4.8%
Rate of inflation (NCPI)	6.2%
(CCPI) (Year on Year % change)	4.8%
ii. External sector	
Balance of trade (USD)	- 8.0 billion
Current Account Balance (USD)	- 1.8 billion
Overall balance	+ 0.4billion
Official External Reserves (Gross)	USD 7.6 billion
External Debt	USD 55.9 billion
Exchange rate (USD equivalent)	SLR 179

*A true copy of the relevant pages of the Central Bank Annual Report, Volume I for 2019 pages 6-13, marked as **6R1**.*

12. I state that pursuant to the election of President Gotabaya Rajapakse in November 2019, the Government introduced several tax cuts and tax reductions in keeping with the President’s election manifesto. I state that these fiscal measures had been introduced prior to my appointment as Governor of the CBSL and Chairman of the Monetary Board.

The COVID-19 Pandemic and its impact on Sri Lanka

13. I state that in less than a month since I assumed office as Governor of the CBSL, the COVID-19 pandemic became globally rampant, with the first case of the COVID-19 virus being detected in Sri Lanka on or about the 27th of January 2020.

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14. I state that given the incurable nature of the virus and the fatalities reported globally, the State was compelled to take immediate steps to contain the spread of the virus and also provide all essential requirements to ensure the safety and wellbeing of its citizens.
15. I state that Sri Lanka experienced three waves of the spread of COVID-19 variants from March 2020 to September 2021, each of which necessitated nationwide lockdowns and travel restrictions to save lives.
16. I state that during my tenure as Governor of CBSL and Chairman of the Monetary Board, the entire Sri Lankan economy was adversely affected by the COVID-19 pandemic, causing a drop in domestic production and exports, reduced foreign exchange earnings and increased importation costs especially of food and medicine.
17. I state further that the State also had to incur substantial expenditure to fund hospitals, quarantine centers and intermediate care centers and also provide financial relief to persons affected by loss of employment, closure of businesses and also through the introduction of debt moratoriums, rescheduling of loan repayments, and relief packages for low income families.

Relief measures implemented through the policy of the Monetary Board

18. I state that during my tenure, the Monetary Board introduced a series of extraordinary policy measures to provide liquidity to the economy and regulatory forbearances to enable operational flexibility to licensed banks and non-banking financial institutions (NBFIs) and thereby provide relief to the public.

*A true copy of a letter dated 23rd March 2020 by the Presidential Secretariat titled "Banking Facility and Credit Support to the Local Economy" is annexed hereto marked as **6R2** and is pleaded as part and parcel hereof.*

19. I state that such policy measures included *inter alia* the following:
 - a. Reduction of policy interest rates and Statutory Reserve ratio to the lowest levels in history, in order to provide liquidity to the market at reduced and concessionary rates.
 - b. Adequate liquidity support given to the banking system which enabled banks to provide the support required by businesses and individuals to tide over the difficulties faced during the lockdown period.

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- c. Maintaining the domestic prices of essential imported goods at stable levels by taking measures to ensure the stability of the exchange rate system. However, due to the spread of the COVID-19 virus, export proceeds, workers' remittances and earnings from tourism substantially reduced while substantial capital outflows were observed.
- d. CBSL requested financial institutions to provide **a six-month moratorium on capital and interest payments on loans obtained by borrowers affected by the pandemic** and to waive off any accrued and unpaid penal interest charged on such loans. Considering the subsequent waves of the pandemic, this was extended for more than 18 months for customers who were severely affected by the pandemic.
- e. Taking steps to enable the provision of **social security payments** for a large share of the population and to make payments in respect of essential health services by providing required financing to the government during this time to overcome fiscal stresses arising from the shortfall in government revenue and increased expenditure.
- f. Additionally, **CBSL introduced a Rs. 50 billion refinancing and credit guarantee scheme** to provide low-cost funding for Small and Medium Enterprise (SME) customers, reduced interest rates on targeted lending products, provided liquidity facility to the construction sector and other government suppliers, suspended recovery actions against non-performing loans, and reduced fees and charges on several banking services to provide relief to retail customers. Measures were also put in place to provide liquidity support to any distressed financial institution as and when a need arises.
- g. CBSL also ensured **smooth flow of currency required by the economy during the lockdown period**. These measures allowed the general public to fulfill their currency requirements through bank branches and automated teller machines (ATMs) even during the curfew periods. Importantly, uninterrupted operation of payments and settlements systems for both rupee and foreign currency transactions needed by the economy and the financial system was facilitated by the CBSL during the pandemic. Several electronic modes of payments were actively promoted and facilitated, enhancing convenience to the general public to effect transactions.
- h. **Amidst the pandemic, Sri Lanka's unblemished record of debt service payments was maintained**. The following external loan repayments (estimated figures) became due and were settled during my tenure:

In Billions of US Dollars

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	2020 January to December	2021 January to August
Foreign Loan Repayments	1.5	1.17
Settlement of SLDBs	0.953	1.324
Settlement of OBU loans	0.421	1.122
Syndicated loan repayments	0.335	
Maturity of ISBs	1	1
Total	4.208	4.617

20. I state that with the onset of the COVID-19 pandemic, the State's objective was focused on saving as many Sri Lankan lives as possible and accordingly the Monetary Board and the Central Bank took every possible measure to support this paramount objective. I state that the total number of deaths in Sri Lanka due to the COVID-19 pandemic stands at over 16,000 with over 665,000 cases being reported since February 2020. I state that the number of fatalities and the number of people who would have been adversely affected would have been much greater if not for the efforts taken by the Government of Sri Lanka assisted by the CBSL to ensure adequate and timely financing.
21. I state that despite the unprecedented burden on the economy during my tenure as Governor of the CBSL and Chairman of the Monetary Board, due to *inter alia* the aforesaid measures taken by the Monetary Board and policies implemented by CBSL, the Sri Lankan economy was stable. In fact:
- a. according to The CCPI (Colombo Consumers Price Index) and NCPI (National Consumers Price Index) for 2019-21, the percentage annual increase in general price level was at single digit (i.e. less than 10%) levels.
 - b. There was no significant shortage of essentials, goods, commodities, and other essential items including fuel, liquid petroleum gas, medicine and food. When occasional shortages emerged, foreign exchange was made available at the request of the Ministry of Finance for key state sector institutions such as Litro Gas and Ceylon Petroleum Corporation and also importers of food to help them clear cargo from the Port.

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A true copy of the letter dated 12th August 2021 by the Hon. Minister of Finance to the Governor is annexed hereto marked as 6R3 and is pleaded as part and parcel hereof.

True copies of the letter dated 21st June 2021 by the Presidential Secretariat titled "Proposals to impose 150 percent deposit margin on Letters of Credit" and the Response letter dated 13th July 2021 are annexed hereto marked as 6R4 and 6R5 and are pleaded as part and parcel hereof.

FOREIGN RESERVES

- c. The gross official International Reserves of the Central Bank: USD 7.6 Billion in 2019; USD 5.7 million in 2020 and USD 3.1 million in 2021.
 - d. There were several factors which impacted the International Reserves, including but not limited to:
 - i. a large volume of debt repayments becoming due in the years 2020 and 2021 amounting to approximately US Dollars Million 4,208 in 2020 and US Dollars Million 4,617 in 2021;
 - ii. These debt service requirements becoming onerous due to the COVID-19 pandemic which saw a drop in export earnings and an increase in import costs including costs incurred for the purchase of essential medicines and medical equipment to combat COVID-19;
 - iii. Lack of tourism earnings which had in 2018 accounted for over 4 Billion US Dollars in foreign exchange to Sri Lanka;
 - iv. Reduction in tax revenue due to tax cuts, which failed to bring in the desired economic benefits to Sri Lanka owing to the economic downturn caused by the COVID-19 pandemic;
 - v. The drop in foreign remittances by migrant workers, many of whom lost their employment due to the COVID-19 pandemic.
22. I state that, when I resigned as Governor of the CBSL on 14th September 2021, the key economic indicators as shown in the *Central Bank Annual Report for 2021* were as follows (The statistics below are for entire 2021):

a. Real Sector:

- i. GDP (Gross Domestic Product) at current market prices: Rs. Bil. 16,809
- | | |
|---|-------|
| Real GDP Growth | 3.7% |
| Rate of Unemployment | 5.1% |
| Rate of inflation (NCPI)(Year on Year % change) | 14.0% |

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	(CCPI) (Year on Year % change)	12.1%
ii. External sector		
Balance of trade (USD)		- 8.1 billion
Current Account Balance (USD)		- 3.3 billion
Overall balance		- 4.0billion
Official External Reserves (Gross)		USD 3.1 billion
External Debt		USD 50.7 billion
Average Exchange rate (USD equivalent)		SLR 199

*A true copy of the relevant pages of the Central Bank Annual Report for 2021 pp. 4, 6-8 is annexed hereto, marked **6R6** and is pleaded as part and parcel hereof.*

Role and function of the Central Bank and the Monetary Board

23. I state that in terms of Section 5 of the Act, the Central Bank of Sri Lanka is responsible for the administration, supervision and regulation of the monetary, financial and payments system of Sri Lanka. The Central Bank is also charged with the duty of securing as far as possible the following objectives, namely (a) economic and price stability and (b) financial system stability to encourage and promote the development of the productive resources of Sri Lanka.
24. I state that in terms of Section 8 of the Act, the Monetary Board of the Central Bank shall in addition to determining the policies or measures authorised to be adopted in the Act, is vested with the powers, duties and functions of the Central Bank and generally responsible for the management operations and administration of the Bank.
25. I state that in terms of Section 106 of the Act, the Central Bank shall act as the fiscal agent and banker of the Government and of agencies or institutions acting on behalf of the Government, whether established by any written law or otherwise.
26. I state therefore that neither the Monetary Board or the Central Bank has the power under the Act **to determine fiscal policy**, which is a matter entirely within the purview of the Government and the Parliament of Sri Lanka. The Monetary Board however from time to time provides advice to the Government with regard to fiscal policy so as to ensure macroeconomic stability in the country.
27. I state that in terms of **Section 9(1)** of the Act, The Monetary Board of the Central Bank is a body corporate with perpetual succession and a common seal and may sue or be sued in its corporate name.

28. I state that in terms of **Section 17** of the Act, *inter alia*,
- a. The meetings of the Monetary Board are convened by the Governor of the CBSL,
 - b. The quorum for any meetings of the Monetary Board is three members; and
 - c. No decision taken at any meeting of the board shall be deemed to be a decision of the board unless it has the concurrence of at least three members, or, in any case where any other provision of this Act requires a unanimous decision, the concurrence of all five members.
29. I state further that in terms of the Monetary Law, the Governor of the CBSL:
- a. does not have a casting vote; and
 - b. does not have any power to veto a majority decision of the Monetary Board.
30. I state that during my tenure as Governor of the CBSL;
- a. all decisions of the Monetary Board were taken with consensus;
 - b. all members of the Monetary Board were free to express divergent views at the meeting but the decisions were finally approved as decisions of the Monetary Board.
 - c. all meetings of the Monetary Board were held with the participation of the Senior Deputy Governor, Deputy Governors and Directors of Departments of the Central Bank who were responsible for the preparation and presentation of papers to the Monetary Board and the recommendations made in the same.
 - d. The Monetary Board was guided by economic research findings and data collected and analysed by the Department of Economic Research of the CBSL, in formulating, implementing, and executing policies and measures in the subjects of money and banking and other relevant economic subjects;
 - e. All decisions of the Monetary Board were carried out after detailed and well-debated discussions guided by policy and other economic research of the officers of the CBSL.

31. I state that during my tenure as Governor of the CBSL and Chairman of the Monetary Board, the Present Governor of the CBSL, Dr. Nandalal Weerasinghe was Senior Deputy Governor of the CBSL and functioned as such until his retirement in early 2021. He was involved in formulating policy papers and advising the Governor and Monetary Board and was aware of the decisions taken by the Monetary Board from time to time. He participated in meetings with the political authority, generally with and occasionally without, Governor.
32. I state further that during my tenure as Governor of the CBSL and Chairman of the Monetary Board, the present Secretary to the Treasury Mr. K.M.M. Siriwardena also functioned as Deputy Governor and carried out functions as principal officer responsible for several Departments of the Central Bank and, as he participated in Monetary Board meetings, he was aware of the decisions taken by the Monetary Board from time to time. It was I as Governor, who invited him, because of his experience and position, to join in the meetings with the political authority.
33. I state that during my tenure as Governor of the CBSL and Chairman of the Monetary Board, the Monetary Board diligently performed its duties in terms of the Act. I state that:
- a. The Monetary Board had taken appropriate remedial measures where necessary, and periodically sent reports to the Minister of Finance, in terms of the said provisions of the Act.
 - b. In the said Reports, I state that I have, on behalf of the Monetary Board, informed the Minister of Finance about the changing conditions in the domestic and external economy and the monetary sector.
 - c. In the said letters, the Monetary Board has recommended to the Minister of Finance *inter alia* :
 - i. to raise external funding from multilaterals and friendly governments, while doing things to improve non-debt foreign earnings;
 - ii. to impose import controls and restrictions if other recommendations were not adopted; and
 - iii. to approach the IMF for a facility where necessary, although an IMF programme would be subject to strong conditions.

- d. Furthermore, the said Reports also refers to the measures adopted by the Monetary Board from time to time.

*True copies of Reports dated 4th August 2020, 17th December 2020, 6th April 2021, 30th June 2021, 26th July 2021, and 14th September 2021 are annexed herewith marked as **6R7**, **6R8**, **6R9**, **6R10**, **6R11**, and **6R12** respectively and are pleaded as part and parcel hereof.*

Policy of the Monetary Board

34. I state that, guided and assisted by Central Bank officials, I ensured that as Governor of the Central Bank that the core objectives of the Bank, namely economic and price stability and financial system stability were maintained.
35. I state that during my tenure, both the Central Bank and the Monetary Board took effective and meaningful measures to ensure that the core functions of the Central Bank were fulfilled whilst meeting the needs of the Government and ensuring the uninterrupted functioning of the economy.
36. I state that, still, as my aforementioned Monetary Policy Statements as Governor highlighted, the extraordinary impacts of COVID-19 on the economy were addressed with a constant view on the Central Bank's economic and financial stability objectives. During 2020-21 the rate of inflation remained within the range desired maintained by the Central Bank.

Specific responses to the averments in the Petition

37. Without prejudice to the above, I state that I deny all and singular the several averments in the Petition and the corresponding Affidavit thereto. All references to the averments in the Petition should be deemed to be references to the corresponding averments in the affidavits annexed thereto.
38. I state that I am unaware of the averments contained in paragraphs **1, 2, 3, 4, 6, 31, 32, 33, 34, 39, 40, 41, 43, 89, 90, 91, 92, 93, 111 and 117** of the Petition and therefore deny the same.
39. I deny the averments contained in paragraphs **9, 10, 11, 12, 14, 44, 45, 46, 47, 48, 72, 73, 74, 75, 76, 77, 78, 94, 98, 104, 106, 110, 112, 113, 114, 115, 116** and **118** of the Petition, and state further that in my role as Governor, CBSL and Chairman, Monetary Board, I have always fulfilled my role and duty under and in terms of the Law,

exercised due diligence and worked in the best interest of Sri Lanka and that the allegations against me are speculative, baseless and misconceived.

40. Answering paragraph 5 of the Petition, I admit only the constitutional provisions referred to therein.
41. Answering paragraph 7 of the Petition, I only state that I was the Governor of the CBSL from 24th December 2019 – 14th September 2021, and I was an ex-officio member of the 9th Respondent Monetary Board of Sri Lanka at the aforesaid time period, and categorically reject any other reference to the 6th Respondent stated therein.
42. I categorically deny the averments contained in paragraph 8 of the Petition and state that the allegations against me are vague, speculative, have no basis, and in any case does not provide a basis to invoke the jurisdiction conferred on Your Lordships' Court in terms of Article 126 of the Constitution in the absence of a specific alleged infringement of the Petitioners' Fundamental Rights.
43. Answering paragraph 13 of the Petition, I state that the broad categorisations referred to in the said paragraphs are not applicable to me for the following reasons;
 - a. the tax policy changes of President Gotabaya Rajapakse, which resulted in the grant of several tax reductions, were already announced and begun to be implemented prior to my appointment as Governor of the CBSL.
 - b. the Monetary Board, under the Act, does not determine fiscal policy, as it is a matter entirely within the purview of the Government and the Parliament of Sri Lanka.
 - c. during my tenure as Governor of the CBSL and Chairman of the Monetary Board, I carried out my duties in terms of the Act;
 - d. during my tenure as Governor of the CBSL and Chairman of the Monetary Board, the Monetary Board carried out its duties in terms of the Act;
 - e. in my role as Governor, CBSL and Chairman, Monetary Board, I have always fulfilled my role and duty according to Law, exercised due diligence and worked in the best interest of Sri Lanka.
 - f. the allegations made by the Petitioners are entirely baseless and speculative.

44. Answering paragraphs **15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 35, 36, 42 of the Petition**, I state that save and except for the fact that the Government led by President Gotabaya Rajapakse had introduced several tax cuts pursuant to his election in November 2019 prior to my appointment as Governor of the Central Bank and Chairman of the Monetary Board. I am unaware of the remaining averments contained therein and accordingly deny the same. I further state that determining fiscal policy falls within the realm of the Government and Parliament and is not determined by the Monetary Board or the Central Bank of Sri Lanka.
45. Answering paragraphs **37 and 38** of the Petition, I state that the averments contained therein have no reference to me and are allegations raised against the President and the 2nd Respondent and accordingly the same is denied.
46. Answering paragraphs **49, 50, 51, 52, 53 and 54** of the Petition, I admit only the annual report of the CBSL and the provisions of the Monetary Act and deny the rest of the averments contained therein.
47. Answering paragraphs **55, 56, 57, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70 and 71**, I state that the allegations contained therein do not refer to me. However, without prejudice, in relation to my tenure as Governor of the CBSL during the period of 24th December 2019 - 14th September 2021, I state that the daily exchange rate movements within the exchange rate regime as determined by the Government, was properly and suitably managed under the careful scrutiny of the CBSL within the framework of the Law in keeping with the objectives of maintaining economic and price stability and financial system stability.
48. Answering the averments contained in paragraphs **58** of the Petition, I only admit the role of the Monetary Board in terms of the Act, and deny the rest of the averments contained therein.
49. Answering paragraphs **79, 80, 81, 82, 83, 84, 85, 86, 87 and 88** of the Petition, I state that the averments contained therein refer specifically to the President, 2nd, 3rd and 7th Respondents and do not refer to me and accordingly the same is denied.
50. Answering paragraphs **95, 96 and 97** of the Petition, I state that the averments contained therein do not refer to me and are specifically in relation to the President and accordingly deny the same.
51. Answering paragraphs **99, 100, 101, 102, 103, 107, 108 and 109** of the Petition, I admit only the provisions of the Constitution contained therein and deny the rest of the averments.

52. Answering paragraph 105 of the Petition, I admit only the doctrine of public trust and deny the rest of the averments contained therein.

53. Answering further, I state that I have not infringed the Fundamental Rights of the Petitioners or of the Citizens of Sri Lanka and that I have always acted and discharged my professional obligations in accordance with the law and in the best interest of the Central Bank and the Monetary Board.

The Affirmant having read over and understood the contents hereof, Affirmed to and placed his signature In my presence at Colombo On this 19th day of July 2022.



Before Me

Justice of the Peace/ Commissioner for Oaths

W. Sarath Wijesinghe
Justice of the Peace (Whole Island)
(Ministry of Justice of Sri Lanka
Reg. No. 17/03/WP/W1/403)
No. 91/2/1/A,
Mahalwarawa, Pannipittya.
Tel: 071 7897427

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Attorney - at - Law