

**MINUTES OF THE 81ST MEETING OF THE MAHAPOLA HIGHER EDUCATION
SCHOLARSHIP TRUST FUND**

DATE & TIME: 29TH SEPTEMBER 2020 AT 7.45 A.M.

VENUE: MINISTRY OF TRADE,
27, VAUXHALL STREET, COLOMBO 2

PRESENT:

1. HON. DR BANDULA GUNAWARDENA MINISTER OF TRADE	FOUNDER TRUSTEE
2. MRS. BHADRANI JAYAWARDHANA, SECRETARY, MINISTRY OF TRADE	EX OFFICIO TRUSTEE
3. PROF. KAPILA PERERA SECRETARY, MINISTRY OF EDUCATION	EX OFFICIO TRUSTEE
4. MR. H.M. CHITHARANANDA	APPOINTED TRUSTEE
5. MR. S.V.D. KESARRALAL GUNASEKARA	APPOINTED TRUSTEE
6. MR. A. GULAM RASHEED	APPOINTED TRUSTEE

EXCUSED

HIS LORDSHIP THE CHIEF JUSTICE HON. J. JAYASURIYA P.C.	EX.OFFICIO TRUSTEE
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BY INVITATION

- (i) Mr. M.P. Bandara, Director MTF
- (ii) Ms. R. Arulanandan, representing S S P Corporate Services (Private) Limited, Secretaries

PRELIMINARY

The Board decided to consider the Hon. Chief Justice as excused having noted the contents of his letter dated 20th June 2019.

PROCEEDINGS

In the absence of Hon. J. Jayasuriya, P.C., Chief Justice, Hon. Dr Bandula Gunawardena, Minister of Trade was appointed as Chairman pro tem to preside over the meeting.

1. **CONFIRMATION OF THE MINUTES OF THE 80TH MEETING HELD ON 28TH AUGUST 2020**

The Minutes of the 80th Meeting of the Mahapola Higher Education Trust Fund held on 28th August 2020 which had been circulated were approved by the Board and signed by Hon. Bandula Gunawardena, Minister of Trade as a correct record of the proceedings.

2. **MATTERS ARISING FROM THE MINUTES**

There were no matters arising from the minutes of the previous meeting.

3. **BOARD PAPER NO.1**
PRESENT POSITION AND CURRENT SITUATION OF SRI LANKA INSTITUTE OF INFORMATION TECHNOLOGY (SLIIT)

Mr. M.P. Bandara, Director tabled Board Paper No.1 in connection with the above.

The Board having noted the contents of the Paper approved the following:

- (i) Obtain a Valuation Report from the Government Chief Valuer for the entire business including property of SLIIT, which belongs to Mahapola Trust Fund at Malabe.
- (ii) Call for a copy of the Final Report of the Presidential Inquiry Commission held in 2019 on SLIIT under the right to Information Act from the Presidential Secretariat.
- (iii) To inquire from the Cabinet on the procedure to be adopted with regard to selling of the entire property to prospective investor or to the investor introduced by the Current Board of Management Prof. Lakshman Rathnayake and Lalith Gamage – Vice Chancellor of SLIIT based on the valuation of the Government Chief Valuer.
- (iv) The submitting of a Cabinet Memo in order to inform the Cabinet on the above arrangement of SLIIT and re-possession of the Mahapola Ownership at SLIIT.

4. **BOARD PAPER NO.2**
Current Situation of E-Lotto with Oceanic Games (Pvt) Ltd.

Mr. M.P. Bandara, Director tabled Board Paper No.2 in connection with the above.

Mahapola E-Lotto Agreement signed with Oceanic Games (Pvt) Ltd Malaysia in 2013 and commenced operation in 2014 continuing up to 2016. Due to some issues on investment and capital, the lottery operations was terminated and guaranteed revenue also not paid to Mahapola. The total outstanding unpaid guaranteed revenue receivable from Oceanic Games as at date of termination of the agreement was Rs.750 Mn.

Oceanic Games (Pvt) Ltd filed a petition in Commercial High Court on termination of Lotto Agreement in 2016 and Court order to apply Arbitration Procedure to settle the dispute as per the Lottery Agreement signed with Mahapola and Oceanic Games (Pvt) Ltd.

As advised by the Legal Consultant of Mahapola Trust Fund, Mr. V.K. Choksy PC, it was initiated to send a letter of demand to recover the outstanding guaranteed revenue of Rs.750 Mn with interest to Oceanic Games (Pvt) Ltd (a copy of the letter of demand was tabled for the information of the Board).

5. BOARD PAPER NO.3

SETTING UP OF VIRTUAL UNIVERSITY UNDER MAHAPOLA TRUST FUND

Mr. M.P. Bandara, Director tabled Board Paper No.3 in connection with the above.

The Board having noted the contents of the Paper approved

(i) The appointment of members for the Project Evaluation Committee to study the Virtual University Project proposed and submit a report to the Board of Trustees in order to set up the Virtual University under the Mahapola Higher Education Scholarship Trust Fund.

(ii) The Project Evaluation Committee to consist of the following members:

	<u>Name</u>	<u>Designation</u>	<u>Position</u>
(1)	Prof. Gihan Dias	Senior Professor, University of Moratuwa	Chairman of the Committee
(2)	Ven. Mattavihari	Founder, Dharmavahini Foundation	Member
(3)	Dr. Ruwan Weerasinghe	Senior Lecturer, UCSC	Member
(4)	Mr. Ranjith Rubasinghe	President/CEO, Sri Lanka Technological Campus / Director, Telecom	Member
(5)	Dr. Harsha Wijayawardena	CEO, Theekshana Institute of IT, UCSC	Member
(6)	Dr. Ishantha Siribaddana	Chairman JAVA Institute of Computing	Member
(7)	Dr. Ranjith Amarasinghe	Senior Lecturer Mechanical Engineering Department, University of Moratuwa	Member
(8)	Mr. Anusha Palpita	Former DG of TRC	Member
(9)	Mr. M. P. Bandara	Director, MTF	Member
(12)	Ms. Kanthi Gunawardena	Additional Secretary, Ministry of Trade	Member
(11)	Project Coordinator	IT Coordinator of Mahapola Trust Fund	Assist to the Committee
(12)	Secretary to the Committee	Development Assistant from the Ministry of Trade	Assist to the Committee

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BOARD PAPER NO.4

PROPOSAL FOR THE RE-STRUCTURING OF THE CAPITAL BASE OF NWSL FULLY OWNED SUBSIDIARY OF MAHAPOLA TRUST FUND

Mr. M.P. Bandara, Director tabled Board Paper No.4 in connection with the above.

A Report submitted by Mr. H.N.B. Meegolla, Acting Chief Executive Officer, Natwealth Securities Limited was tabled.

Prof. Abeyratne Bandara and Mr. T. Dharmarajah, Directors of Nat Wealth Securities Limited were invited to the meeting.

Mr. Parakrama Bandara, Director informed the Board that a meeting was held, with the Secretary, Ministry of Trade and Cabinet Secretary with the Secretary to the President on the Cabinet paper submitted by the Hon. Minister Dr. Bandula Gunawardena on the re-structuring of NWSL on 17th September 2020 at the Presidential Secretariat.

The Board was informed that at the meeting, the Secretary to the President, Dr. P.B. Jayasundara had indicated some concerns over the Cabinet Paper submitted by the Hon. Minister on the above matter and suggested that the Paper be deferred and called further observations from the Ministry of Finance to see any possibilities to transfer the PD license to Sri Lanka Insurance Corporation (SLIC) as they have enough funds to operate this Company instead of selling the PD license to a new investor.

The Board was informed that the Secretary to the President had stated that after transferring the PD license and after having settled the liabilities of the two companies (NWSL/NWCL) the business of the companies could be closed down.

Mr. M.P. Bandara informed the Board, that since the above proposal is not beneficial to the Company, it is proposed to sell 49% or 50% of the shares of NWSL to SLIC and keep the balance 50% with the Company and NWSL to be operated by a joint management with 2 or 3 directors appointed by Mahapola Trust Fund and the balance Directors to be appointed by SLIC and operations to be carried out on a profit sharing basis.

At the request of Mahapola Trust Fund, NWSL has submitted a Report on the Current Financial Position of both NWCL and NWSL with the decision taken by the Board of Directors of NWCL and NWSL up to 30th August 2020. (Tabled for the information of the Board).

Mr. M.P. Bandara sought the approval of the Board for the settlement of income tax and VAT liabilities and 02 outstanding Repo Liabilities which are at the Commercial High Court and Supreme Court on pending litigations before finalizing the Share Sale transactions.

The Board was informed that as per the Report tabled the total tax assessed in respect of NWSL was Rs.465 Mn (i.e. income tax, Value Added Tax and NBT) and total penalty in respect of same was Rs.238 Mn.

Hon. Dr Bandula Gunawardena stated that the Company should request for at least 10 years to settle the total outstanding from the Tax Appeal Commission.

The Board was informed that the Tax Appeal Commission is not meeting since they have no place to meet to resolve the tax issues pertaining to the above.

The Hon. Minister at this stage spoke to Mr. S.R. Attygalle, Secretary, to the Treasury and informed that the Mahapola Trust Fund has a tax issue to be resolved and that the Tax Appeal Commission has no place to meet. The Hon. Minister informed the Board that Mr. S.R. Attygalle had stated that they have found a place at Lake House to hold meetings.

Hon. Dr. Bandula Gunawardena suggested that the Company obtains an opinion from Mr. Palitha Kumarasinghe, Attorney-at-Law.

In the meantime the Board decided to inform Cabinet and request their concurrence to inform the Central Bank of Sri Lanka through the Cabinet not to cancel the license of NWCL. It was also decided to inform Cabinet that the Company is unable to submit a plan by 30th November pending the Cabinet decision.

The Board having discussed decided to provide the Auditor General's Report and the Annual Report of NWSL and indicate the loss incurred by the Company and request the Cabinet's recommendation and the proposed course of action.

7. **BOARD PAPER NO. 5**
ANNUAL BUDGET ESTIMATES FOR THE YEAR 2021 WITH THE ACTUAL PERFORMANCE UP TO 30TH AUGUST 2020

Mr M.P. Bandara, Director, tabled Board Paper No.5 in connection with the above.

The Board having noted the contents of the detailed Budget Estimate approved the Annual Budget Estimates for 2021 (June 2021 to December 2021).

8. **BOARD PAPER NO.6**
ANNUAL REPORT WITH PERFORMANCE REPORT OF MTF FOR 2019

Mr. M.P. Bandara, Director, MTF tabled Board Paper No.6 in connection with the above.

The Board having noted the contents of the Annual Report with the Performance Report for the year 2019 approved same to be submitted to the Parliament through the Ministry of Trade.

