

**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 VirtualUniversity 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

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.

9. **BOARD PAPER NO.7**

ESTABLISHMENT OF A TRAINING INSTITUTE IN BIO SYSTEM TECHNOLOGY FOR HORTICULTURE (CUT FLOWERS) UNDER MAHAPOLA TRUST FUND IN ABEWELA

Mr M.P. Bandara, Director, MTF tabled Board Paper No.7 in connection with the above.

Mr. M.P. Bandara, Director informed the Board that according to paragraph 6.1 of the MTF Act No.66 of 1981 one of the main objectives is to set up and manage the training institute for the youth who are in need of the technical skills to achieve their technical education. Further the Auditor General's Report issued for the financial year 2019 of Mahapola Higher Education Scholarship Trust Fund has commented that, the fund has not taken any steps to achieve the above objective on the development of the skills of youth to get their technical education needs by the establishment of the training institute for the improvement of the skills of the youth and therefore the Hon. Minister Dr. Bandula Gunawardena proposed to establish a training institute on Bio System Technology for horticulture (cut flowers) in Abewela for training youths to develop their skills in this sector and farming horticulture (cut flowers) products for the export markets to earn income to improve the Mahapola Fund and the seed capital will be funded by the Mahapola Trust Fund.

The Board was informed that, the Hon. Minister has discussed with Hon. Minister of Sports Mr. Namal Rajapaksha, who has agreed to allocate land at Abewela for this project which belongs to SLBC and now being used by the youth brigade of the Ministry of Sports on lease.

The Board was informed that the project cost and the comprehensive project proposal with details of land will be submitted at the next meeting of the Board of Trustees.

The Board having noted the contents, in principle approved the establishment of the Training Institute of Bio System Technology Institute for Horticulture (cut flowers) in Abewela.

10. **BOARD PAPER NO.8**

APPOINTMENT OF IT COORDINATOR (CONTRACT BASIS) FOR MAHAPOLA TRUST FUND

Mr. M.P. Bandara, Director tabled Board Paper No.8 in connection with the above.

Mr. M.P. Bandara, Director informed the Board, that MTF has initiated some new projects to improve the fund position such as

- (i) Online Payment Gateway facility with People's Bank to collect donations online from well-wishes (Local & Foreign) project is now on going
- (ii) Scholarship Online Payment System System already developed by the University of Kelaniya but, there are some issues to be settled. Therefore, the Company should have an IT person.
- (iii) As proposed by the Board arrangements are being made to commence the Virtual The Board noted the recommendation of Mr. M.P. Bandara to appoint

Mr. Sampath Chandrasena of NCAS for Mahapola Trust Fund as an IT Co-ordinator on contract basis,

The Hon. Minister Dr. Bandula Gunawardena recommended advertising the position and selecting a suitable person in respect of the above position.

11. BOARD PAPER NO.9

SETTLEMENT OF INVOICES ON PROFESSIONAL FEES (LEGAL CHARGES) TO MR. V.K. CHOKSY P.C.

Mr. M.P. Bandara, Director tabled Board Paper No.9 in connection with the above.

The Board having noted the contents of the Board Paper approved the payment of Rs.554,160/- to Mr. V.K. Choksy, P.C., Legal Consultant of Mahapola Trust Fund, being the cost of professional services rendered on several pending litigations of NWSL and Mahapola Trust Fund.

12. BOARD PAPER NO.10

PROPOSAL FOR THE ESTABLISHMENT OF 25 NOS OF FOREIGN STUDY CENTRES UNDER THE MAHAPOLA TRUST FUND

Mr. M.P. Bandara, Director tabled Board Paper No.10 in connection with the above.

The Board was informed that as per the provision of the Mahapola Act No.66 of 1981, the objective of the Act as per clause 6.1 is to establish and operate training institutes for technical education for the youth who are under privileged and need to get technical education for the fulfillment of their technical education need to obtain better life.

The Board was also informed that as per the Auditor General's Report for the year 2019 on the financial statements of MTF, the Company has not taken any steps to achieve the above established objective of the Fund.

The Board was informed that accordingly, Hon. Minister of Trade and Ex-officio Trustee Dr. Bandula Gunawardena proposed to set up 25 Centers for foreign studies in collaboration with the Foreign Employment Bureau, especially for foreign languages and job oriented training for youth who are seeking foreign jobs. The Board was informed that it is proposed to set up these Centers island wide covering all 25 districts and focus on foreign language skills such as English, Korean, Japanese, Chinese, German and French.

The Board was informed that the initial capital for establishing the Centers will be introduced by Mahapola Trust Fund and the study course will be designed as a fee levying course. In respect of applicants who do not have sufficient funds to start a Course could apply for a loan facility which will be arranged by the Government through State Banks at a concessionary rate of interest.

The Board was also informed that the Mahapola Trust Fund hopes to keep a 15% to 20% profit margin after deducting all the expenses in each study course conducted by the Center.

The Board having noted the above approved the establishment of 25 foreign study centers in collaboration with the Foreign Employment Bureau to conduct foreign language studies and training for foreign employment seekers under the Mahapola Trust Fund.

13. BOARD PAPER NO.11

PROPOSAL FOR THE ESTABLISHMENT OF AN IT INSTITUTE IN COLLABORATION WITH JAVA INSTITUTE TO SUPPORT WORKERS (MIDDLE LEVEL IT PROFESSIONALS) FOR SOFTWARE ENGINEERS

Mr. M.P. Bandara, Director tabled Board Paper No.11 in connection with the above.

The Board having noted the contents decided to study same and take it up at the next meeting.

14. BOARD PAPER NO.12

PROMOTIONAL PROGRAMME FOR MAHAPOLA BRAND NAME FOR COLLECTING LOCAL AND FOREIGN DONATIONS

Mr. M.P. Bandara, Director tabled Board Paper No.12 in connection with the above.

The Board having noted the contents of the Board Paper approved the publishing of a booklet in order to get financial assistance for higher education for under privileged and seeking of approval from the External Resources Department (ERD) in order to obtain foreign donations.

15. OTHER BUSINESS

Board Meetings

It was decided to convene monthly Board Meetings on the second Tuesday of every month.

There being no other business to be taken up the meeting concluded.

CONFIRMED TRUE RECORD



CHAIRMAN

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