

**MINUTES OF THE 77<sup>TH</sup> MEETING OF LALITH ATHULATHMUDALI MAHAPOLA  
HIGHER EDUCATION SCHOLARSHIP TRUST FUND**

**DATE & TIME:** 2<sup>ND</sup> MARCH 2020 AT 6.10 P.M.

**VENUE:** MINISTRY OF MASS MEDIA, ELVITIGALA  
MAWATHA, COLOMBO 5

**PRESENT:**

1. HON. BANDULA GUNAWARDENA MINISTER OF HIGHER EDUCATION, TECHNOLOGY AND INNOVATIONS	FOUNDER TRUSTEE
2. MR. D.M.A.R.B. DISSANAYAKE, SECRETARY, MINISTRY OF HIGHER EDUCATION, TECHNOLOGY AND INNOVATIONS	EX OFFICIO TRUSTEE
3. MR. G.K.S.L. RAJADASA, SECRETARY, MINISTRY OF INTERNAL TRADE, FOOD SECURITY AND CONSUMER AFFAIRS	EX.OFFICIO TRUSTEE
4. MR. S.V.D. KESARRALAL GUNASEKARA 5. MR. A. GULAM RASHEED	APPOINTED TRUSTEE APPOINTED TRUSTEE

**EXCUSED**

HIS LORDSHIP THE CHIEF JUSTICE HON. J. JAYASURIYA P.C.	EX.OFFICIO TRUSTEE
MR. H.M. CHITHRANANDA SECRETARY, MINISTRY OF EDUCATION	EX.OFFICIO TRUSTEE

**BY INVITATION**

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

**PROCEEDINGS**

In the absence of Hon. J, Jayasuriya, P.C., Chief Justice, Hon. Bandula Gunawardena, Minister of Higher Education, Technology and Innovations was appointed as Chairman pro tem to preside over the meeting.

**1.CONFIRMATION OF THE MINUTES OF THE 76<sup>TH</sup> MEETING HELD ON 24<sup>TH</sup> DECEMBER 2019**

The Minutes of the 76<sup>th</sup> Meeting of the Lalith Athulathmudali Mahapola Higher Education Trust Fund held on 24<sup>th</sup> December 2019 which had been circulated were approved by the Board subject to the following amendments:

Minute No.4 – Budget Estimate of Mahapola Trust Fund for the year 2020 and Annual Report 2018 together with strategic Plan 2020-2025 and Annual Procurement Plan of Mahapola for 2020

Mr. D.M.R.B. Dissanyake, Secretary, Ministry of Higher Education, Technology and Innovations pointed out that the 3<sup>rd</sup> paragraph of the above minute should be amended to read as follows:

“Hon. Bandula Gunawardena, Minister of Higher Education, Technology and Innovations suggested that since the Trust is short of funds to consider looking at introducing the Lottery Ticket. The Hon. Minister stated that the Trust should sell the Lottery Tickets stating that it is for Mahapola”.

Mr. S.V.D. Kesarralal Gunasekara, Appointed Trustee pointed out that the 4<sup>th</sup> paragraph of the above minute should be amended to read as follows:

“Mr. S.V.D. Kesarralal Gunasekara, Appointed Trustee stated that penetration of the market would be difficult. The Hon. Minister then suggested introducing an Online Lottery. Mr. M.P. Bandara, Director stated that Online Lotteries are very expensive”.

Thereafter Hon. Bandula Gunawardena, Minister of Higher Education, Technology and Innovations, Chairman pro tem. signed the minutes 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**

### **CABINET DECISION ON SRI LANKA INSTITUTE OF INFORMATION TECHNOLOGY (SLIIT)**

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

Mr. M.P. Bandara, Director informed the Board, that at the 76th Meeting it was decided to submit the Cabinet Memorandum on the establishment of a governing body of SLIIT and listing SLIIT under the Ministry of Higher Education.

Mr. M.P. Bandara tabled a copy of the Cabinet approval for the information of the Board.

The Board was informed that as approved by the Board of Trustees it is required to get the valuation report from the Government Chief Valuer for the assets of SLIIT. The Board was informed that the Government Auditors had also requested the same for audit purposes and accounting purposes, in order to record the fair value of the assets in the Balance Sheet of Mahapola Trust Fund. Mr. D.M.A.R.B. Dissanayake, Secretary, Ministry of Higher Education, Technology and Innovations suggested that the valuation be carried out by the Auditor General’s Department.

The Board having noted the above approved taking further action on the listing of SLIIT under the Ministry of Higher Education and making arrangements to get the Valuation Report from the Government Chief Valuer on the assets of SLIIT which were leased out to Sri Lanka Institute Technology Guarantee Limited.*(please check)*.

Mr. D.M.A.R.B. Dissanayake, Secretary, Ministry of Higher Education that the Board should activate the ..... Committee to speak to Mr. Athapattu,..... and the Secretary or Additional Secretary and convene a meeting as soon as possible.

#### **4. BOARD PAPER NO.2**

##### **INCREASE THE SHARE OF PROFIT FROM DEVELOPMENT LOTTERIES BOARD (DLB)**

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

Mr. M.P. Bandara, Director informed the Board that as per the DLB Act No.20 of 1997 the entire profit of DLB shall be transferred to President's Fund and thereafter remit the money to MTF to pay the Scholarships but the Act does not say anything about the amount that could be transferred to Mahapola Trust Fund.

The Board was informed that this matter was taken up at the 76<sup>th</sup> Meeting of the Board of Trustees and it was proposed to arrange a meeting with the President's Fund. Accordingly, Additional Secretary, Ministry of Higher Education, Chief Financial Officer and Additional Secretary Development with Director Mahapola Trust Fund had a meeting with Additional Secretary to the President of the President's Fund on 12<sup>th</sup> February 2020 and discussed the issue in detail.

A copy of the Minutes of the Meeting was submitted for the information of the Board.

The Board of Trustees having noted the contents approved that further action be taken to submit a joint cabinet paper for the amendment of the DLB Act in order to determine the share of profit that will be transferred to Mahapola Trust Fund from the President's Fund. Mr. M.P. Bandara, Director was requested to prepare a draft Board Paper in this connection.

#### **5. BOARD PAPER NO. 3**

##### **LAND TO SET-UP MAHAPOLA HEAD OFFICE**

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

Mr. M.P. Bandara, Director informed the Board that as per the Cabinet decision on 2<sup>nd</sup> January 2020 the land which was identified at Rajagiriya was not approved. Therefore he proposed to publish a paper advertisement to find a suitable land from a well-wisher who will agree to donate a piece of land for the Mahapola Trust Fund.

A copy of the Cabinet approval and the draft advertisement was tabled for the information of the Board.

The Board having noted the contents, approved the advertisement to be published in the newspapers and electronic media requesting a land as donation from a well wisher to establish the Mahapola Head Office.

The Hon. Minister at this stage spoke with Mr. Harith Gunawardena to assist the Mahapola Trust Fund with the preparation of a good advertisement.

#### **6. BOARD PAPER NO.4**

##### **AMENDMENT OF SCHOLARSHIP PAYMENT GUIDELINES TO ACCOMMODATE THE REQUEST FOR REMOVAL OF 80% RULE ON ATTENDANCE FOR MAHAPOLA SCHOLARSHIP PAYMENTS**

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

The Board was informed that the MTF has established payment guidelines as per the Universities Grants Commission (UGC) and Universities recommendation norms, academic guidelines and bye-laws of Universities etc. The Board was informed that among them one of the criteria is the Scholarship recipient should comply with 80% attendance of the academic activities to receive Mahapola monthly installments.

Mr. M.P. Bandara, Director informed the Board that due to some administrative difficulties in the Universities, Chairman, UGC (former Vice Chancellor of SJP) requested to abolish this 80% attendance rule (not in writing) and the Student Union also requested to remove this 80% rule (without giving any reasons). Accordingly, MTF requested from the Chairman UGC to inform the revised payment guidelines instead of the removal of 80 attendance rule on 13<sup>th</sup> January 2020.

In response, the Vice Chairman of UGC informed that the UGC at its 1024<sup>th</sup> Meeting has approved to remove the 80% attendance rule and the same not to be considered when monthly Scholarship Payment is made to students. However, the UGC has still not proposed an alternative payment guideline instead of the abolished 80% attendance rule.

The copies of the letters in connection with the above was tabled for the information of the Board.

The Board having noted the contents approved the revision of the Scholarship Payment guideline by abolishing the 80% attendance rule from the Scholarship Payment guidelines.

The Board decided that a grant will be provided for the next 6 months only to those who have passed the first semester.

## **7. BOARD PAPER NO.5**

### **RESTRUCTURING PROCESS OF NAT WEALTH CORPORATION LTD AND NAT WEALTH SECURITIES LIMITED**

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

Mr. M.P. Bandara, Director informed the Board that as approved at the 76<sup>th</sup> Meeting of MTF, Nat wealth Securities Limited operations will continue and the Company has already appointed a new Board of Directors to Nat Wealth Corporation Ltd and Nat Wealth Securities Limited.

The Board was informed that due to some litigations and outstanding tax liabilities the balance sheet of Nat Wealth Securities Limited as at 31<sup>st</sup> December 2019 had to be revised (copy tabled). Therefore some observations were presented to the Board for consideration to accommodate the above liabilities.

The Board having noted the observations and the advice of the Legal Consultant, Mr. V.K. Choksy approved of the following in principle subject to approval and observation of the Investment Committee:

1. Establish the revised Balance Sheet of NWSL as at 31<sup>st</sup> December 2019 to accommodate the possible liabilities of NWSL and make the adjustments in the accounts accordingly.
2. To negotiate settlement of the two legal cases which are Trillion Securities Ltd and Virtual Trading Ltd and tax liabilities pending at the appeal stage and Commercial High Court and Appeal Court with repayment period of 3 to 4 years and appoint a Committee for negotiating of the outstanding legal cases settlement comprising the following members:
  - a. Two Directors of NWSL
  - b. Additional Secretary, Ministry of Higher Education, Technology and Innovations  
The Legal Consultant of MTF Mr. V.K. Choksy will facilitate the above committee with the opposition lawyers.
3. Issue preference (or preference check) capital of Rs. 500 Mn at Rs.10/- each at 12% interest per annum redeemable cumulative preference shares for 5 years to maintain the core capital of NWSL.
4. New Cabinet paper to sell 49% of the Capital of NWSL to prospective investor to increase the capital of the Company (NWSL)
5. Transfer shareholding of NWSL to new investor with the share trading license (SEC) instead of liquidating of the company(NWSL)

## **8. BOARD PAPER NO.6**

### **OPENING OF BANK ACCOUNTS FOR THE SCHOLARSHIP RECIPIENTS AT BANK OF CEYLON AND ARRANGE RS. 5,000/- CREDIT LIMIT FOR ONE MONTH (1-30 DAYS)**

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

Mr. M.P. Bandara, Director informed the Board that as per the new government policy it is proposed to increase the monthly Scholarship installment up to Rs.7,000/- for the University students. The Board was informed that a sum of Rs.1.2 Bn is required annually to increase this amount without burden to the General Treasury.

The Board was informed that due to the current position of the Fund and the revenue sources, it is not possible to increase the above amount immediately. The Board was also informed that it is proposed to introduce the above limit and the student be permitted to withdraw up to Rs.5,000/- (credit) per month by using the electronic card.

The credit limit will then automatically get adjusted once the scholarship installments are credited to the individual Accounts. The Board was informed that this will help to overcome the payment delays and delays of treasury contributions.

The Board was informed that the complete proposal with bank confirmation will be submitted after having received principle approval from the Board.

The Board having noted the contents approved in principle the initiation of introducing a credit limit of Rs.5,000/- per month and the issue of an electronic card from Bank of Ceylon for the Scholarship Recipients.

Hon. Bandula Gunawardena, Minister of Higher Education, Technology and Innovations, suggested to speak to Bank of Ceylon to consider this as a CSR project.

## **8. BOARD PAPER NO.7**

### **EX-MAHAPOLA RECIPIENTS' ASSOCIATION**

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

The Board was informed that according to the new government policy the monthly Scholarship installment is proposed to be increased up to Rs.7,000/- and the number of recipients to be increased to accommodate the increased intake of the Universities by 2020 onwards.

It was also pointed out that within the next five years the existing Mahapola Fund is to be doubled up to Rs.20 Bn to accommodate the above increase of Mahapola monthly scholarship installment payments.

Mr. M.P. Bandara, Director informed the Board that accordingly it is proposed to establish a Ex-Mahapola Recipients' Association attached to MTF as a separate funding arm to collect donations in order to increase the fund during the next 5 years (2020-2025).

The Board was informed that from 1984 to 2019 total Scholarship recipients will be over 300,000 and details are already being collected of ex-Mahapola recipients to give membership of the above organizations as it will be more successful in collecting donations to strengthen the Mahapola Fund.

A copy of the draft proposal was tabled for the information of the Board.

The Board having noted the contents approved in principle establishment of the Ex-Mahapola Recipients' Association to collect donations to increase the Funding position of the Mahapola Higher Education Scholarship Trust Fund by the next 5 years (2020-2025).

The Board noted that all funds should be credited to the Mahapola Account. It was proposed that the membership will consist of three categories ie. Gold, Platinum and Silver and accordingly the membership fees in respect of the Gold category to be Rs.5 Mn, Platinum Rs. 1Mn and Silver Rs..... It was noted that life membership could be awarded at an annual felicitation ceremony to be held.

The Board having discussed decided to launch this Association on the 23<sup>rd</sup> of April 2020 which happens to be the birthday of the late Mr. Lalith Athulathmudali and thereafter continue on a promotion for the next two months.

## **9. BOARD PAPER NO.8**

### **PREPARATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019 AND SUBMITTED FOR AUDIT PURPOSES**

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

The Board was informed that the Mahapola Trust Fund has prepared its financial statements for the year ended 31<sup>st</sup> December 2019 which includes the following:

- Statement of Financial Position (Balance Sheet) as at 31.12.2019
- Statement of Financial Performance for the year ended 31.12.2019
- Statement of Changes in Equity and
- Cash Flow Statements

Mr. M.P. Bandara informed the Board that the Financial Statements are to be submitted to the Auditors for Auditing on or before 28<sup>th</sup> February 2020 according to PDE 12 Circular issued by the General Treasury on good governance.

A copy of the Financial Statements was tabled for the information of the Board.

The Board having noted the contents approved the Financial Statements of the Lalith Athulathmudali Mahapola Higher Education Scholarship Trust Fund for the year ended 31<sup>st</sup> December 2019.

#### **10. BOARD PAPER NO.9**

##### **APPROVAL FOR THE INVESTMENT MADE ON EXCESSIVE FUND OF MTF FROM 1/1/2019 TO 30/40/2019**

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

Mr. M.P. Bandara informed the Board that the following persons were nominated to the Boards of Nat Wealth Corporation Limited and Nat Wealth Securities Limited with effect from 13<sup>th</sup> February 2020, as approved by the Board of Trustees at the 76<sup>th</sup> Meeting held on 24<sup>th</sup> December 2019.

- Prof. A. Bandara
- Mr. M.P. Bandara
- Mr. Nirosh De Silva
- Mr. S.V.D. Kesarralal Gunasekara
- Mr. Upali Senarathne P.C.
- Mr. Shanil Fernando AAL

The Board was informed that Mr. Upali Senarathne P.C. has not accepted the appointment due to personal reasons. Therefore, the Hon. Minister has nominated Mr. T. Dharmarajah ACA instead of Mr. Upali Senaratne P.C.

A copy of the Curriculum Vitae of Mr. T. Dharmarajah (ACA) was tabled for the information of the Board.

The Board ratified the appointment of Mr. T. Dharmarajah (ACA) to the Board of Nat Wealth Corporation Limited and Nat Wealth Securities Limited.

#### **11. BOARD PAPER NO.10**

##### **APPOINTMENT OF LEGAL CONSULTANT FOR LALITH ATHULATHMUDALI MAHAPOLA HIGHER EDUCATION SCHOLARSHIP TRUST FUND AND PAYMENT OF LEGAL FEES**

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

Mr. M.P. Bandara informed the Board, that as approved at the Meeting of the Board of Trustees which was held on 24<sup>th</sup> December 2019, Mr. V.K. Choksy P.C. was appointed as Legal Consultant of MTF with effect from 30<sup>th</sup> January 2020 and all the files pertaining to the legal cases of both NWCL/NWSL were handed over to him.



The Board was informed that after handing over all the files pertaining to the legal cases to the Legal Consultant (Mr. V.K. Choksy P.C.) a consultation with him was fixed for 5<sup>th</sup> February 2020. The Board was informed that he has submitted his fee memorandum of Rs.460,000/ in respect of the legal consultation which was made up as follows:

<u>Case No.</u>	<u>Party</u>	<u>Date of Consultation</u>	<u>Legal Fees (Rs.)</u>
MC/4015/2016	Virtual Investment & Trading Lanka (Pvt) Ltd	5.2.2020	133,333/-
HC/CIVIL/155/2015/MR	Trillion Securities Ltd.	5.2.2020	133,333/-
CHC/522/206/MR	Virtual Investment & Trading Lanka	5.2.2020	133,333/-
NWSL – Tax Matters	Consultation	13.2.2020	60,000/-
Total			460,000/-

The Board having noted the above approved the payment of Rs.460,000/- as Legal Fees to Mr. V.K. Choksy P.C., for legal consultation in respect of NWCL/NWSL to be reimbursed by NWSL to the Mahapola Trust.

## **12. BOARD PAPER NO.11**

### **RECTIFICATION OF THE DELAYS AND SHORTCOMINGS OF THE SELECTION PROCESS OF MAHAPOLA SCHOLARSHIPS**

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

Mr. M.P. Bandara, Director informed the Board that student selection for Mahapola Scholarships are now being handled by the UGC. He informed the Board that annual University admission intake would be over 32,000 and out of which nearly 25,000 students apply for Mahapola Scholarships. The Board was informed that the documents relating to the parental income are submitted by the student through the Grama Sevaka are not completed. In most cases the students are not submitting correct records to the Grama Niladari (GN) and the GN also not properly submitting the completed Scholarship Application through AGA/GA resulting in the entire selection process getting delayed.

The Board having noted the contents approved the arranging of a meeting with the Grama Niladari, GA with the officials of UGC, Ministry of Higher Education and MTF and all AGA divisions in Sri Lanka.

The members of the Board were of the view that the Board should look at the possibility of processing applications on line as well.

**13. BOARD PAPER NO.12**

**REQUEST TO INCREASE THE ANNUAL SCHOLARSHIP NUMBER AWARDED TO THE STUDENTS IN BUDDHIST AND PALI UNIVERSITY**

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 decided to defer the decision on the above.

**14. OTHER BUSINESS**

There were no matters to be taken up under the above item.

**CONFIRMED TRUE RECORD**

**CHAIRMAN**