

**MINUTES OF THE 83RD MEETING OF THE MAHAPOLA HIGHER EDUCATION
SCHOLARSHIP TRUST FUND**

DATE & TIME: 24TH NOVEMBER 2020 AT 7.20 P.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.S.V.D. KESARRALAL GUNASEKARA	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
(Via Microsoft Teams)

PRELIMINARY

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

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.

Mr. M.P. Bandara, Director tabled a letter dated 16/11/2020 from Mr. A. Gulam Rasheed, Appointed Trustee tendering his resignation from the Mahapola Higher Education Scholarship Trust Fund.

Hon. Dr. Bandula Gunawardena, Minister of Trade, pro tem Chairman informed the Board that he Dr. Ravindranath Liyanage has been invited to join the Board as a Trustee in place of Mr. A. Gulam Rasheed which was noted and approved by the Board.

Mr. M.P. Bandara, Director informed the Board that Mr. H.M. Chithrananda, State Secretary, Ministry of Skills Development, Vocational Education & Restructuring Innovation has ceased to hold that position and therefore will cease to be an ex officio Trustee of the Board.

PROCEEDINGS

1. CONFIRMATION OF THE MINUTES OF THE 82ND MEETING HELD ON 13TH OCTOBER 2020

The Minutes of the 82nd Meeting of the Mahapola Higher Education Trust Fund held on 13th October 2020 which had been circulated were approved by the Board and signed by Hon. Bandula Gunawardena, Minister of Trade and Chairman pro tem. as a correct record of the proceedings subject to the following amendments:

2. MATTERS ARISING FROM THE MINUTES

2.1 To consider the payment of a fee for the Committee appointed to look into the liquidation of NWCL and NWSL

Mr. M.P. Bandara, Director informed the Board that at the previous meeting a 8 member Committee was appointed to consider the liquidation of NWCL and NWSL consisting of the following members and suggested that a fee be paid to the members of the Committee. He recommended that the payment be made on a per sitting basis and mentioned that it may not take more than 3 or 4 sittings.

The Committee having discussed approved the payment of Rs.7,500/- per sitting (net of taxes) to the following members of the Committee:

Prof. Abeyratne Bandara	-	Chairman, NWSL
Mr. T. Dharmarajah	-	Director, NWSL
Mr. Parakrama Bandara	-	Director, Mahapola Trust Fund
Mr. S.V.D. Kesarralal Gunasekera	-	Trustee, Mahapola Trust Fund
Mr. N.K.G.K. Nammawatta	-	Add. Sec (retired) Ministry of Defense
Mr. Sujeewa Rajapakse	-	Chairman, People's Bank
Mr. K.D. Chithrapala	-	Add. Sec.(Retired) Ministry of Industry & Commerce
Mr. Shanil Fernando	-	Attorney-at-Law

3. **BOARD PAPER NO.1**
ESTABLISHMENT OF A COMPANY LIMITED BY GUARANTEE FOR THE FLORICULTURE PROJECT AT AMBEWELA

Mr. M.P. Bandara, Director tabled Board Paper No.1 in connection with the above together with a Proposal for the Establishment of The Sri Lanka Institute of Floriculture and Technology (G) Limited (SLIFT) in Ambewela, Nuwara Eliya.

1. Organizational Structure and the Start-up Cost Budget

The Board noted the Organizational Structure which was part of the Proposal.

Referring to the cost budget, the Hon. Dr. Bandula Gunawardena suggested that instead of using funds from the Mahapola Fund, to meet expenses by obtaining a loan and include the repayment of the loan in the Cost Budget. The Hon. Dr. Bandula Gunawardena suggested that the budget be prepared after visiting the land. Accordingly, it was decided to prepare a cost estimate after taking over the land.

2. Name of the proposed institute as Sri Lanka Institute of Floriculture and Technology (G) Limited

Hon. Dr. Bandula Gunawardena suggested the following names in respect of the proposed Institute

1. Institute of Agri Technology of Sri Lanka OR
2. Bio Technology

3. Memorandum and Articles of Association of the Company by Guarantee for the Institute

A draft was tabled for the information of the Board.

4. Proposed first set of members/guarantors of the company

The following were proposed to be the first set of members/guarantors of the new Company:

1. Secretary, Ministry of Trade – Ex-officio members of the Mahapola Trust Fund
2. Prof. Gamini Senasinghe – Project Consultatnt
3. Mr. Kesarralal Gunasekara – Trustee, MTF
4. Director General – Export Development Board
5. Add. Secretary – Ministry of Agriculture Development
6. Add. Secretary, Ministry of Education
7. Add. Secretary, Ministry of Science and Technology
8. Director, Mahapola Higher Education Scholarship Trust Fund
9. President, of the Flower Exporters Association
10. Additional Secretary – Ministry of Youth Affairs and Sports
11. District Secretary – Nuwara Eliya

5. **Members' contribution subscription**
Initial subscription/Guarantee will be Rs.1000/- (one time subscription)
6. **The appointment of Prof. Gamini Senasinghe as Project Consultant of the proposed Institute of Floriculture and Technology for the overall supervising and content development and implementation of the other initiations of the project.**

A brief Curriculum Vitae of Prof. Gamini Senanayake, of the University of Matara was tabled for the reference of the Board, which was noted and approved by the Board.

7. **Part funding arrangement with the BPP**
Australian Government grant of \$ 500,000/- as seed capital

Mr. M.P. Bandara, Director informed the Board that a request for funding has been submitted which was noted and approved by the Board.

8. **Appointment of S S P Corporate Services (Pvt) Ltd as Company Secretaries for setting up of the Guarantee Company for the Institute**

4. **BOARD PAPER NO.2**

Establishment of a School Development Fund within the Main Fund of Mahapola Trust Fund

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

Mr. Bandara informed the Board that as recommended by Hon. Dr. Bandula Gunawardena at the 82nd Board Meeting of the Board of Trustees, it is proposed to establish a separate School Development Fund by allocating Rs.100 Mn out of the main Fund which was approved by the Board.

The Board having noted the recommendation of Mr. M.P. Bandara, Director appointed the following members to develop the Terms of Reference, Memorandum Of Understanding and the Operational Manual of the School Development Fund.

1. Secretary, Ministry of Trade
2. Secretary, Ministry of Education
3. Secretary, Ministry of Technological Education
4. Add. Secretary, Ministry of Education
5. Mr. Kesarralal Gunasekara – Trustee/MTF
6. Mr.M.P.Bandara – Director MTF

The Board having noted the recommendation of Mr. M.P. Bandara also approved the introduction of a paper lottery for a short period of 5 to 6 draws through Development Lotteries Board and the value of the ticket to be Rs.50/- and the entire profit earned of the lottery to be transferred to the School Development Fund.

Hon. Dr. Bandula Gunawardena, suggested that as highlighted in Section 6 (1) of the Act, a portion of the Capital Gain earned from any activity carried out by MTF should be transferred to this Fund which was noted and approved by the Board.

5. **BOARD PAPER NO.3**

ESTABLISHMENT OF UNIVERSAL UNIVERSITY VILLAGE AT – MILLANIYA ESTATE (UDA LAND) AT MORAGAHENA, PADDUKA

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 the

- (1) Establishment of Universal University Village at Millaniya Moragahahena, Yahalakale Estate Homagama 152 acres vested with UDA, to be allocated to the Mahapola Trust Fund on long term lease (99 years) and the land rent to be paid by Mahapola Trust Fund.
- (2) Appointment of Prof. Gamini Senanayake as the Project Consultant of the above Project.

6. **BOARD PAPER NO.4**

CURRENT UPDATES OF THE LIQUIDATION PROCESS OF THE NWSL AND NWCL TWO SUBSIDIARIES OF MAHAPOLA TRUST FUND

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

Mr. M.P. Bandara informed that as per the final approval by the Cabinet on 6th November 2020, the liquidation process of NWSL and NWCL have commenced. However, due to Covid-19 situation the process got delayed.

The Board was informed that the Board of Directors of NWSL decided to send a letter to the Director SNBFI of CBSL to withdraw the PD License of NWSL. A copy of the letter was tabled for the information of the Board.

The Board was also informed that further action has been taken to get the approval of the Commissioner of Labour to terminate the services of the employees of NWCL and NWSL which was noted by the Board.

7. **EXTENSION OF THE SERVICE PERIOD OF THE DIRECTOR MAHAPOLA TRUST FUND – MR. M.P. BANDARA**

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

Accordingly, the Board noted that as per the approval granted by the Cabinet (copy tabled), the service period of the director Mahapola Higher Education Scholarship Trust Fund has been extended for 6 months from 3rd September 2020 to 2nd March 2021.

The Board also noted that the SOR and other arrangements have been made for the recruitment of the Director Mahapola Trust Fund which was delayed due to the Covid-19 situation.

Mr. M.P. Bandara, Director informed the Board that since there are several projects being initiated by MTF, the Company requires a suitable person to co-ordinate all those Projects. He therefore proposed to appoint a Project Consultant for Mahapola Trust Fund to co-ordinate all new Projects of Mahapola Trust Fund.

Mr. M.P. Bandara tabled for the information of the Board the AG's opinion, that in terms of the powers vested in terms of Sec. 6 of the Mahapola Trust Fund Act, the Mahapola Trust Fund is not subject to any ministerial supervision. Accordingly, the Board of Trustees can approve the recruitment of staff to discharge its obligations without the consent of the DMS, which was noted by the Board.

The Board having noted the above approved the appointment of a person for the post of Project Consultant for the overall supervision of the new projects of MTF.

8. APPROVAL FOR THE PROCUREMENT OF THE CAPITAL GOODS AND EXPENDITURE

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

Mr. M.P. Bandara, Director stated that as approved by the Board, there are several new projects due to commence by the MTF. Therefore, since the existing Mahapola office space is not sufficient to accommodate the project office of the Mahapola Trust Fund, additional space was rented from the J.R. Jayawardena Center, with the approval of the Board.

Mr. M.P. Bandara, Director stated that although he has sought the approval of the Board to purchase some capital goods and carryout some renovation work for the Project Office and the Director's Office, he now proposes to transfer some of the equipment at the NWCL office to the Mahapola Office.

The Board having noted the above, approved only the purchase of a Laptop Computer for Rs.260,000/- and a Mobile Phone for Rs.100,000/- for the Director's Office.

Hon. Dr. Bandula Gunawardena, Chairman pro tem at this stage inquired whether Mahapola would like to move to the CINTEC building located Homagama which will be completed in approximately 2 months.

Mr. M.P. Bandara, Director in the meantime informed the Board that the advertisement requesting for suitable land for the Mahapola Trust Fund Office will be published in the newspapers.

9. APPROVAL FOR THE PAYMENT OF PROFESSIONAL FEES TO MR. V.K. CHOKSY, P.C. LEGAL CONSULTANT OF MAHAPOLA TRUST FUND

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

Mr. Bandara informed the Board that Mr. V.K. Choksy P.C., Legal Consultant of Mahapola Trust Fund has submitted his professional fees in respect of his appearance for the NWSL court matters during the period 15th October 2020 to 30th October 2020 which totaled Rs.597,288.00 which is made up as follows:

<u>Description</u>	<u>Fees (Rs.)</u>
SC – Misc 1/20	155,000.00
NWCL – Opinion	131,250.00
Oceanic Games (Pvt) Ltd	52,500.00
Letter to Ernst & Young on NWSL	140,000.00
Arbitration Fees – Mr.N. Abeyratne	100,000.00
Legal Fees – Ms. K.T. Dissanayaka	<u>18,538.00</u>
Total	<u>597,288.00</u>

The Board having noted the above approved the payment of Rs.597,288/- due to Mr. V.K. Choksy, P.C., in respect of the above.

However, the Board requested Mr. M.P. Bandara that, with regard to future legal fees to be paid to Mr. V.K. Choksy, P.C. to get prior approval of the Board.

10. ESTABLISHMENT OF CITY TRADING CENTER AND LARGE SCALE WAREHOUSING COMPLEX AT MIHINTALE ANURADHAPURA IN 300 ACRES LAND (LRC)

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

Hon. Dr. Bandula Gunawardena proposed that a City Trading Center and a Large Scale Warehousing Complex is to be established on 300 Acres of land at Mihintale on a land vested by the LRC in the Anuradhapura district.

The main objective of the project to be as follows:

1. To develop the Mihintale area in the Anuradhapura District as a Trading Hub for Agriculture products in the area and distributing and providing storage facilities to cater to the farmers in the area and as a Large Scale Trading Center to fulfill the needs of the infrastructure facilities for post-Harvest Production of the area.

2. To acquire land in extend 300 Acres vested with the LRC to Mahapola Trust Fund and develop the land into a Trading Hub for Agriculture products and offer the land blocks to the prospective investors, developers and traders on long-term lease basis.
3. To strengthen the Mahapola Scholarship Trust Fund by the rent income received from long-term land lease, by uplifting the education of the under privileged in the country and those who are in need of financial assistance to fulfill their educational needs.

The Board was informed that a detailed Project proposal is being prepared and will be tabled at the next Board of Trustees meeting.

The Board having noted the above approved of the following:

- (i) Concept of establishing the Trading Hub at Mihintale in the Anuradhapura District.
- (ii) Acquire 300 Acres of land belonging to the LRC on long term lease basis for the above purpose
- (iii) Draft Cabinet Memorandum prepared by the Ministry of Trade which will be submitted for the approval of the Cabinet of Ministers for the above project.
- (iv) Introducing the seed capital for the project by the Mahapola Trust Fund.

11. APPROVAL FOR THE DIVERSIFICATION OF THE INVESTMENT PORTFOLIO OF THE MAHAPOLA TRUST FUND AND INVESTMENT OF FUNDS IN REAL ESTATE SECTOR

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

The Board was informed that according to the provisions of the Mahapola Act No.66 of 1981, the Board of Trustees is vested with the power to take decisions with regard to investing the funds to earn an income for the operations and maintain the Fund, in order to achieve the objectives of the Fund.

The Board was informed that during the last two decades the growth of the Fund was minimum due to various reasons i.e. changes in the political environment, decision of the Ex-Officio Trustees and adverse effect of the economy of the country, which led to the low growth of the fund.

The New Government policy framework "Saubhagya Dakma" focuses on the Education Sector. Accordingly, students who are completing secondary education and seeking higher education will have the required infrastructure to cater to the demand in 10 years. The Board was informed that as per the 2021 to 2025 medium term strategic plan of the Higher Education sector, the students who are eligible to receive university education will be facilitated to enter the National Universities and the average Advanced Level qualified intake will be approximately 150,000 per year, with at least 100,000 intakes to be absorbed to the National Universities by 2025. It was pointed out that accordingly the financial assistance to be provided to students will also increase.

Accordingly, the Mahapola Trust Fund will also be increased up to Rs.20 Bn by the year 2025 in order to increase the number of scholarships and the value per scholarship.

The Board was informed that due to the economic recession of the world due to COVID-19 pandemic continues and the Sri Lanka economy is also badly affected. It was reported that MTF's income sources were also affected with the current situation with regard to the Money Market, Share Market and other financial activities. The interest rates offered by banks have also reduced due to the excessive funds available in banks.

The Board having noted the recommendation of Mr. M.P. Bandara, Director approved the proposal to revise the decision taken to invest the Mahapola main Fund only in Treasury Bonds, Treasury Bills and Bank Fixed Deposits and that 25% of the main fund be invested in the real estate sector subject to the recommendation of the Investment Committee of the Mahapola Trust Fund.

Hon. Dr. Bandula Gunawardena stated that this matter has to be discussed with the UDA where the concept could be given by MTF and to develop the land in consultation with the UDA. He also stated that it was necessary to speak with the Co-operative Development Commission the following day in this connection.

Hon. Dr. Bandula Gunawardena stated that some of the real estate that the MTF could consider are the land behind Hotel Ramada, the land of the State Trading Corporation at Nawam Mawatha, the CWE land and the land opposite HSBC.

Hon. Dr. Bandula Gunawardena, Chairman pro tem suggested appointing a Committee consisting of the following members to carry out further discussions with the UDA in connection with the above.

1. Ms.Kumuduni –Director City Development (CMC)
2. Ms.Rebeka –Engineer (CWE)
3. Engineer (UDA)
4. Senior Lecturer –Town & City Planning Development –University of Moratuwa
5. Additional Secretary – Ministry of Trade
6. Engineer –Ministry of Trade
7. Director/Engineer –Housing Development Authority
8. Mr. Indika Aluthgamage
9. Mr.Ranjith Thenuwara
10. Mr.M.P.Bandara –Director MTF

12. AQUITION OF THE PROPERTY AT THARAPURAM VILLAGE IN MANNAR DISTRICT WHICH BELONGS TO THARAPURAM CO-OPERATIVE SOCIETY

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

Having noted the contents of the Board Paper, Hon. Dr. Bandula Gunawardena, Chairman pro tem stated that MTF should first carry out an Examination by the CID prior to acquiring the land differ the decision.

13. APPROVAL FOR THE PREPARATION OF A DOCUMENTARY FOR MAHAPOLA BRAND NAME

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

Mr. M.P. Bandara, Director tabled the proposal for the production of documentary for Mahapola and the budget estimate submitted by Mr. Harith Gunawardena.

The Board having noted the contents did not approve the above Board Paper.

14. PROPOSAL TO RENT A NEW BUILDING PREMISES FOR MAHAPOLA PROJECT OFFICE AND ABSORPTION OF THE EXISTING STAFF OF NWSL WITH THE ASSETS AVAILABLE AT NWSL/NWCL

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

Mr. M.P. Bandara informed the Board that, MTF has initiated several new projects with the approval of the Board of Trustees. They are

- i. Universal University project at Moragahahena in Homagama (300 Acre land)
- ii. Floriculture Project – Ambewela
- iii. Virtual University Projects
- iv. Large Scale Warehousing Complex at Mihintale, Anuradhapura (300 Acre land)
- v. 25 Foreign Student Centers covering all 25 districts
- vi. School Development Projects
- vii. Mahapola Trade Fair and Exhibition
- viii. Mahpola Ex-Member Recipients Association

Mr. M.P. Bandara, informed the Board that, in order to commence the above projects the MTF requires the staff and a place to establish a project office.

The Board having noted the proposal made by Mr. M.P. Bandara, Director approved the renting of a building space of around 3,000 Sq. ft. within the Colombo 2-7 city limit and shift the existing NWCL office to the new premises and move all the office equipment which are available at the NWCL office to be transferred to the new project office. The Board noted that this will enable the Company to operate all the above projects from the new office.

15. APPROVAL FOR THE PROPOSAL SUBMITTED BY BANK OF CEYLON ON INTRODUCING A ELECTRONIC BANK CARD FOR THE MAHAPOLA RECEIPIENTS FROM 2021 (2019/20 BATCH)

Mr. M.P. Bandara, Director tabled Board Paper No.13 in connection with the above.

Mr. Bandara informed the Board that MTF's main bank accounts are maintained at Bank of Ceylon, Corporate Branch and Bank of Ceylon, Independence Square Branch for Mahapola monthly scholarship payments and other operations. The Board was also informed that Bank of Ceylon effects slip transactions without any charges (other banks charge Rs.15/- per entry) as an added service.

Mr. M.P. Bandara, Director informed the Board that, Bank of Ceylon proposes to open individual bank accounts for Mahapola recipients from 2021 onwards for student intakes and has offered the following value added services and credit facilities.

- i. Offer Rs.20,000/- monthly credit limit, out of which Rs.10,000/- based on Mahapola monthly instalment and the balance Rs.10,000/- credit will be given by the Bank at a concessionary rate of interest.
- ii. Several merchant discounts 5% to 20% available to Bank of Ceylon Electronic card holders and Bank of Ceylon enters into agreements with all merchants, dealers, book shops and other outlets who offer this service to the customers.
- iii. Offer a Laptop loan up to Rs.75,000/- with 0% interest and repayment period with grace period.
- iv. Bank of Ceylon has entered into an agreement with Mobitel (Private) Limited to provide internet facility for the students at a concessionary rate.
- v. E-banking facility to the account holders

A copy of the proposal submitted by the Bank of Ceylon was tabled for the information of the Board.

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

- a. The proposal on granting credit facility by Bank of Ceylon for the Mahapola recipients.
- b. Signing of Memorandum of Understanding with Bank of Ceylon for the above banking arrangements.

The Board was of the view that it was important for the Board of MTF to meet the Bank of Ceylon Board. Hon. Dr. Bandula Gunawardena, Chairman pro tem recommended that MTF makes a presentation to the Board of Bank of Ceylon and suggested that this be done after the budget, which was noted by the Board.

16. CLARIFICATION SUBMITTED ON THE NEWSPAPER ARTICLE PUBLISHED IN THE "ARUNA" NEWSPAPER ON 2ND NOVEMBER 2020

Mr. M.P. Bandara, Director tabled Board Paper No.14 in connection with the above.

The Board was informed that, the "Aruna" newspaper published a news article on extension of service period of the Director, Mahapola by the journalist, Nilantha Madurawala. Mr. M.P. Bandara, tabled a copy of the news article and the clarification submitted on same for the information of the Board.

17. OTHER BUSINESS

Date of Next Meeting

It was decided to hold the next meeting on Sunday, 13th December 2020 at Nuwara Eliya in the presence of Hon. Namal Rajapakse, Minister of Sports and the Secretary to his Ministry. The Hon. Minister suggested that arrangements be made to make a presentation on the proposed Cut Flower Project.

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

CONFIRMED TRUE RECORD

CHAIRMAN

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