

**MINUTES OF THE 66TH MEETING OF MAHAPOLA HIGHER EDUCATION
SCHOLARSHIP TRUST FUND**

DATE & TIME: 5TH DECEMBER 2017 AT 4.30 P.M.

VENUE: THE LOUNGE, CHIEF JUSTICE'S OFFICE, 5TH FLOOR,
SUPREME COURT, COMPLEX, COLOMBO 12.

PRESENT:

1. HIS LORDSHIP THE CHIEF JUSTICE MR. W.P.G. DEP P.C.	EX.OFFICIO TRUSTEE
2. HON. MR. MALIK SAMARAWICKREMA, M.P. MINISTER OF DEVELOPMENT STRATEGIES & INTERNATIONAL TRADE	FOUNDER TRUSTEE
3. MRS. C. WIJAYAWARDHANA SECRETARY, MINISTRY OF DEVELOPMENT STRATEGIES & INTERNATIONAL TRADE	EX.OFFICIO TRUSTEE
4. MR.D.C.DISSANAYAKE SECRETARY, MINISTRY OF UNIVERSITY HIGHER EDUCATION & HIGHWAYS	EX.OFFICIO TRUSTEE
5. MR.S. HETTIARACHCHI SECRETARY, MINISTRY OF EDUCATION	EX.OFFICIO TRUSTEE
6. MR.ANIL RAJAKARUNA, ATTORNEY-AT-LAW	APPOINTED TRUSTEE
<u>EXCUSED</u>	

DR. WICKREMA WEERASOORIA, ATTORNEY-AT-LAW
APPOINTED TRUSTEE

BY INVITATION

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

**1. CONFIRMATION OF THE MINUTES OF THE 65TH MEETING HELD ON 10TH
OCTOBER 2017**

The Minutes of the 65th Meeting of the Mahapola Higher Education Scholarship Trust Fund held on 10th October 2017 which had been circulated were approved by the Board. Proposed by Mr. D.C. Dissanayake, Secretary, Ministry of University Higher Education & Highways and seconded by Mrs. C. Wijayawardhana, Secretary, Ministry of Development Strategies & International Trade the minutes were signed by the Chairman 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. CONFIRMATION OF THE MINUTES OF THE 6TH MEETING OF THE MANAGEMENT COMMITTEE HELD ON 10TH OCTOBER 2017 AT THE LOUNGE, CHIEF JUSTICE'S OFFICE

The Minutes of the 6th Meeting of the Management Committee held on 10th October 2017 which were circulated were approved by the Board.

4. BOARD PAPER NO.1

ANNUAL BUDGET ESTIMATE FOR 2018 & PERFORMANCE REPORT OF MTF 2017 (UP TO 30TH OCTOBER 2017)

The Board noted the contents of Board Paper No.1 from Mr. M.P. Bandara, Director, MTF on the above subject.

The Board noted the Summary of the Budget Estimate for the year 2018 and the detailed Budget Estimate for the year 2018. Accordingly the Board noted the estimated Income of Rs.1,670 Mn, expenditure of Rs.1,440 Mn and a Net Surplus of Rs.230 Mn for the year 2018.

Referring to the Lease rental of Rs.20 Mn from SLIIT the Board suggested that the Management Committee should look at the Lease Agreement. Mr. P. Bandara stated that he will check and obtain an opinion from the Auditor General in this connection.

The Board was informed that the Development Lotteries Board income (Share of Profit) received through the Presidential Fund takes 2 to 3 months to reach MTF. Therefore it was recommended to withdraw Rs.50 Mn minimum amount for each month from NWCL to meet the monthly Scholarship Payments from January 2018 onwards..

The Board noted that the estimated cost of CMS Development and Virtual Server (recommended SLT) will be Rs.5 Mn and is included in the Capital Budget 2018.

The Board having noted the above approved the Annual Budget Estimate for 2018.

5. Performance Report of NWCL/NWSL for the period ending 30th October 2017

Mr. Sunil Peiris, Chairman and Mr. Gihan Jayathileke, CEO of National Wealth Corporation Limited were invited to the meeting.

The Board noted the contents of Board Paper No.2 from Mr. M.P. Bandara, Director, MTF on the above subject which covered the following :

- Performance of the Operation of main fund (Managed by NWCL) up to 30th October 2017

- Performance of the Operation of NWCL/NWSL/ Group up to 30th October 2017
- Strategic Business Plan 2018-2020 approved by the Board of Directors of NWCL Group.

Mr. Sunil Peiris, Chairman National Wealth Corporation Limited informed the Board that National Wealth Corporation Limited has reported a loss of Rs.2.9 Mn as at 31st October 2017 and reported a Group profit of Rs.131 Mn for the 10 months ended 31st October 2017.

Mr. Sunil Peiris informed the Board that as per the Company's projection Natwealth Securities should make a profit of Rs.154 Mn while National Wealth Corporation Limited is expected to make a profit of Rs. 2 Mn. Accordingly a Group profit of Rs.156 Mn is expected for the financial year ending 31st December 2018.

Hon. Minister Malik Samarawickrema, Minister of Development Strategies & International Trade stated that they had done very well compared to the previous year.

Mr. Sunil Peiris thereafter summarized the Strategic Business Plan 2018-2020 for the years 2018 and 2020 which was noted by the Board.

		<u>2018</u>	<u>2020</u>
<u>NWSL</u>	-Shareholders fund	1.19 Bn	1.56 Bn
	-ROI	13%	17%
<u>NWCL</u>	Shareholders fund	1.24 Bn	1.29 Bn
<u>Growth of Mahapola</u>		8.31 Bn	9.65 Bn

Mr. Sunil Peiris in response to the Hon Minister stated that the Group expects to improve on their weak areas by improving the brand management which is taken care of by the Marketing Manager.

The Hon. Minister Malik Samarawickrama, tabled letter dated 24th November 2017 from National Wealth Corporation Limited requesting for the amendment of the Fund Management Agreement re-investment committee up to 31st December 2018 between National Wealth Corporation Limited and the Mahapola Higher Education Scholarship Trust Fund.

The Board having noted the contents of the letter approved the amendment of the Fund Management Agreement re-investment committee between National Wealth Corporation Ltd and the Mahapola Higher Education Scholarship Trust Fund upto 31st December 2018.

Mr. Sunil Peiris at this stage circulated among the Directors the Terms of Reference for the Investment Committee since the Investment Committee did not have a TOR.

The Hon. Minister requested the Management Committee to look at it and recommend to the Board for approval.

The Hon. Minister at this stage stated that he wishes to place on record on behalf of the Board his appreciation of the work carried out by the Chairman and CEO of Natwealth.

6. Progress Report of Scholarship award for Academic Year 2015/16 (13176 Scholarships have been awarded) & New Scholarship award for 2016/17 (New Batch) with the implementation of the Budget Proposal an increased annual parental income up to Rs.500,000/-

Mr. M.P. Bandara, Director MTF tabled Board Paper No.3 on the above subject.

The Board noted the following:

- 14,676 Scholarships have been awarded in 2017 (2015/16 Academic year) within 2 ½ months period – started the process end of July 2017 and completed the awarding process end of September 2017. Payments commenced on 1st week of October 2017.
- Scholarship selection list for the Academic year 2016/17 received on 18th November 2017 from the UGC. 14,822 students are eligible to receive the Scholarships (all eligible students in all streams are receiving scholarships based on Annual Parental income of Rs.300,000/-)
- As per the Budget proposal 2018 the above Annual parental income of Rs.300,000/- has been increased up to Rs.500,000/-. This will be implemented in 2018 (with new academic year 2017/18 student intake).

The selected student list for Scholarship awards was submitted for the information of the Board.

The Board having noted the above approved the awarding of 14,822 Scholarships for the Academic Year 2016/17 students of the Universities and Higher Educational Institutes as per the list of eligible students submitted by the UGC.

Mr. S. Hettiarachchi, Secretary Ministry of Education agreed to help the MTF with computerizing the system, in order to make payments for students.

7. Proposal for Establishment of one committee as Audit & Management Committee of MTF replacing the both Audit Committee and Management Committee of the MTF

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

The Board noted the scope of the Audit Committee and the Management Committee and observed that due to various reasons regular meetings of the above Committees were not held during the last two years.

The Board having noted the above approved the replacement of the Audit Committee and Management Committee with a new Committee called the Audit & Management Committee of MTF to be chaired by Mr. S. Hettiarachchi, Secretary, Ministry of Education.

The Board noted that the Audit & Management Committee should meet regulatory at least twice a month.

8. MTF Draft Accounts for the Year 2016 and Performance Report 2017

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

- Financial Statements (Draft) of Mahapola Trust Fund for the period ended 31st December 2016 which included the following:
 - Statement of Financial Position of MTF as at 31st December 2016
 - Statement of Financial Performance for the period ended 31st December 2016
 - Cash Flow Statement for the year ended 31st December 2016.
- Performance Report – 2017 (up to 30th October 2017)

Mr. M.P. Bandara, Director MTF informed the Board that the draft accounts may require some minor adjustments.

The Board having noted the above Financial Statements prepared by MTF for the year ended 31st December 2016 approved same subject to the adjustment to be made in order to submit to the Auditor General for the purpose of auditing.

9. Disposal of existing Motor Car of MTF & procurement of new passenger van for MTF

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

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

- (i) Disposal of existing Motor Car of MTF by calling tenders, by open paper advertisement following the procurement guidelines.
- (ii) Procurement of a New Passenger Van for MTF in accordance with the National Procurement Guidelines and using the sale proceeds of the disposed Motor Car for partly financing the New Passenger Van.

10. Paper advertisement for calling donation from well-wishers who are willing to donate a piece of land in Colombo city limit for the MTF Head Office Building

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

The Board having noted the contents approved the publishing of an advertisement in the Press and the Electronic Media calling donations from well-wishers who are willing to donate a piece of land in Colombo to MTF for the construction of MTF Head Office.

Mr. M.P. Bandara, Director was informed that in the event someone donates land, to come up with a proposal to the Board.

11. Rectify the Incentive scheme for new scholarship awards as approved by the Management Committee previous year per rate basis for 2017 onwards

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

The Board having noted the contents of the above Board Paper decided that the Audit and Management Committee should make their recommendation to the Board on the following:

- (i) Incentive payment for the staff of MTF on the basis of per Scholarship rate (Rs.25/- per Scholarship) for the year 2017 on completion of award for the Academic Year 2015/16, 14,676 student scholarship awards (Rs.366,900/-)
- (ii) Implementation of the above proposed incentive scheme for 2017 and future periods on the same basis applicable as per rate pay basis on No.of Scholarships awarded during the year.

12. Staff Matters

- (a) Increase of the Basic Salary of MTF staff by 25% from 1st January 2018

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

Mr. Bandara informed the Board that as per the MTF Act the Board of Trustees of MTF are empowered to make decisions on employees' remuneration and other benefits.

Further, with regard to employees of National Wealth Corporation Limited (NWCL) which is a fully owned subsidiary of MTF, the salary structure is decided by the Board of Directors of the NWCL.

The Board was informed that the total cost of the increase of basic salary by 25% will be Rs.85,902/- per month which will include the increase in applicable payments to EPF/ETF etc. The Board was informed that budgetary provision is also available for this salary increment.

The Board having considered the above facts and the recommendation of Mr. M.P. Bandara, Director to consider an increase due to the current cost of living and transport costs, approved the proposed increase of basic salary by 25% for all categories of staff with effect from 1st January 2018.

(b) Recruit 01 Book Keeper and 03 Management Assistants taking the list of names from the Department of Public Administration/UGC

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

The Board having noted the contents approved

- (i) Recruitment of 3 Management Assistants by an interview from the list of applicants' submitted by the Department of Public Administration.
- (ii) Recruitment of 1 Book Keeper by an interview from the list of applicants' submitted by University Grants Commission.

Mr. D.C. Dissanayake, Secretary, Ministry of University Higher Education & Highways informed that as per the labour law you cannot have anyone on contract for more than one year.

(c) Establishment of Welfare Society at MTF for the staff of MTF

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

The Board having discussed requested Mr. M.P. Bandara to obtain the necessary approval from the Audit and Management Committee in respect of the following:

- Establishment of a welfare society at MTF for the benefit of the MTF staff
- Open a bank account with Government banks under the name of welfare society
- Receiving a donation of Rs.100,000/- as an annual payment for the welfare society fund account from the main scholarship fund.
- Deduction of a monthly contribution for the welfare purposes fund from the employees of MTF for welfare from their salary and crediting to the staff welfare fund.

13. Donation for the Lalith Athulathmudali Commemoration Foundation launched the books distribution programme in Ampara area and Mount Lavinia underprivileged schools

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

Mr. Bandara informed the Board that as requested by Hon. Minister Mr. Malik Samarawickrama at the previous meeting, a Progress Report obtained from the Lalith Athulathmudali Commemoration Foundation Centre in respect of the Donation of Rs.500,000/- given in 2016 was being tabled for the information of the Board.

The Board having noted the above approved the grant of a sum of Rs500,000/- for the books distribution event arranged by the Lalith Athulathmudali Commemoration foundation Center.

The members of the Board were of the view that in future MTF should identify a different model and request for a skills development project.

14. Any other Matters

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

CONFIRMED TRUE RECORD

CHAIRMAN

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