

**MINUTES OF THE 68<sup>TH</sup> MEETING OF MAHAPOLA HIGHER EDUCATION  
SCHOLARSHIP TRUST FUND**

**DATE & TIME:** 13<sup>TH</sup> JULY 2018 AT 4.30 P.M.

**VENUE:** THE LOUNGE, CHIEF JUSTICE'S OFFICE, 5<sup>TH</sup> 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. (DR) WIJEYADASA RAJAPAKSA, P.C. MINISTER OF HIGHER EDUCATION & CULTURAL AFFAIRS	FOUNDER TRUSTEE
3. MR. J.J. RATHNASIRI, SECRETARY, MINISTRY OF HIGHER EDUCATION & CULTURAL AFFAIRS	EX.OFFICIO TRUSTEE
4. MR.S.S. HETTIARACHCHI SECRETARY, MINISTRY OF EDUCATION	EX.OFFICIO TRUSTEE
5. MR. S.V.D. KESARRALAL GUNASEKARA 6. DR. D.K. DARREL MATHEW, MBBS, FCGP	APPOINTED TRUSTEE APPOINTED TRUSTEE

**BY INVITATION**

- (i) Mr. D.A.W. Wanigasooriya, Additional Secretary/ Chief Accountant  
Presidential Secretariat (Observer)
- (ii) Mr. M.P. Bandara, Director MTF
- (iii) Ms. R. Arulanandan, representing S S P Corporate Services (Private) Limited, Secretaries

1. **WELCOME THE NEW MINISTER IN CHARGE OF MAHAPOLA DR. WIJEYADASA RAJAPAKSE, P.C. AND THE SECRETARY MINISTRY OF HIGHER EDUCATION AND CULTURAL AFFAIRS MR. J.J. RATHNASIRI AND TWO NEW TRUSTEES MR. KESARRALAL GUNASEKARA AND DR. D.K. DARREL MATHEW APPOINTED TO THE BOARD BY THE CHAIRMAN OF MTF BOARD HON. CHIEF JUSTICE ON BEHALF OF THE BOARD**

The Hon. Chief Justice welcomed the new members, the new Minister in charge of Mahapola Dr. Wijeyadasa Rajapakse, P.C. , the Secretary Ministry of Higher Education and Cultural Affairs, Mr. J.J. Rathnasiri , the two new Trustees Mr. Kesarralal Gunasekara and Dr. D.K. Darrel Mathew to the Board.

## **2. CONFIRMATION OF THE MINUTES OF THE 67<sup>TH</sup> MEETING HELD ON 5<sup>TH</sup> MARCH 2018**

The Minutes of the 67<sup>th</sup> Meeting of the Mahapola Higher Education Trust Fund held on 5th March 2018 were circulated to the Board. The members being in agreement, the minutes were adopted as a correct record of the proceedings and signed by the Chairman.

## **3. MATTERS ARISING FROM THE MINUTES**

### **Suspension of Monthly Scholarship Installments of the Medical Students engaged for the Students boycotting the lectures for the period 2017/02 to 2017/11**

Mr. Parakrama Bandara, Director informed the Board that immediately after the strike the payment of the monthly Scholarship Installment was suspended.

However the Board having considered the request of the Deans of the 8 Medical Faculties of the Universities approved the release of the 9 scholarship installments which were suspended from the total instalments due for the academic period, to the Medical Students of all Medical Faculties.

Mr. Parakrama Bandara, Director stated that accordingly the students were paid the scholarship installments with a letter which stated that only up to 50 months scholarship installments will be paid.

The Hon. (Dr) Wijeyadasa Rajapaksa, P.C., Minister of Higher Education & Cultural Affairs stated that the object of the Mahapola is to maintain the discipline of the University and therefore the Board had to take a policy decision in this connection.

Accordingly the Board decided that in future if the **recipient students engage in strikes or stay away from academic activities** the monthly scholarship installment **shall be forfeited according to the time period.**

## **4. TABLING THE MINUTES OF THE 8<sup>TH</sup> MEETING OF THE MANAGEMENT COMMITTEE HELD ON 2<sup>ND</sup> APRIL 2018 AT THE SECRETARIES OFFICE OF THE MINISTRY OF EDUCATION FOR CONFIRMATION BY THE BOARD**

The Minutes of the 8<sup>th</sup> Meeting of the Management Committee held on 2<sup>nd</sup> April 2018 which were circulated were taken up by the Board

- **Management Committee Paper No.1**  
**Amount Receivable from Development Lottery Board for the 5 years up to 31/12/2017**

The Board noted that a letter had been sent by the Director, MTF to Additional Secretary, President's Fund on 23<sup>rd</sup> March 2018 on the outstanding profit share of Rs.595,836,286/- due from DLB.

The Hon. (Dr.) Wijeyadasa Rajapaksa, P.C., Minister of Higher Education & Cultural Affairs stated that MTF should have a discussion with **President Fund**. Mr. Kesarralal Gunasekara, Trustee also stated that a discussion should be held with **Secretary to the President** quickly in this connection

- **Management Committee Paper No.2**  
**Submission of Annual Reports of MTF for 2012, 2013 and 2014 to the Parliament**

Mr. Parakrama Bandara, Director informed the Board that the Auditors are not willing to issue an Audit Report without consolidating the Accounts.

The Board having discussed decided that since this is a Trust to submit only the MTF Accounts for the time being to Parliament **until the consolidated accounts are finalized**. In the meantime Mr. Kesarralal Gunasekara, Trustee suggested that MTF speaks with the Auditors in this connection.

- **Approval for the Short Term Investment of MTF for the period 2016/2017**

The Board having noted the recommendation of the Management Committee approved the investment made during the period 2016/17 as per Annexure (II) submitted by the Director MTF

- **Re-commencing of Online Lottery and Hard Ticket Lottery of Mahapola**

The Board having noted the recommendation of the Management Committee approved the preparation of a project proposal for Online Lottery and Hard Ticket Lottery for the evaluation on the viability of the project and appointment of a person having experience in lottery operations in Sri Lanka for the preparation of project proposal and market evaluation.

- **Initiation of Legal Action on Recovery of the loss on the transaction with PTL in the Secondary Market**

The Board having noted the recommendation of the Management Committee approved that MTF should proceed with legal action against PTL on the recommendation of the Central Bank of Sri Lanka.

- **Appointment of the Director MTF as an Observer on the DLB Board**

The Board having noted the recommendation of the Audit & Management Committee did not recommend the appointment of Director MTF as an observer on the DLB Board.

- **Increase of Basic Salary of MTF Staff with effect from 1<sup>st</sup> January 2018 to include the Director MTF**

The Board having noted the recommendation of the Management Committee did not approve a salary increase for the permanent staff and decided that a salary increase cannot be recommended for the Director, MTF until he completes one year in the MTF service.

- **Approval for the Payment of IT Co-ordinator on an hourly rate basis**

The Board noted the recommendation of the Management Committee to submit a complete Bio-Data sheet with the documents related to the working experience and present post at UGC for the Audit and Management Committee to evaluate and make their recommendation to the Board.

- **Submission of Financial Statements of MTF for 2017**

The Board having noted the recommendation of the Audit and Management Committee approved that the Financial Statements of MTF for 2017 be submitted to the Auditor General for auditing purpose and thereafter submitted to the Board for approval.

- **Answers for the Auditor General's Comments on the Financial Statements of the MTF for the year ended 31.12.2018**

The Board having noted the recommendation of the Audit and Management Committee decided that the answers submitted for the Auditor General's comments on the Financial Statements of MTF should first be approved by the Audit and Management Committee.

The Board also approved the recommendation of the Audit & Management Committee that common financial and operations guideline/manual in compliance with the PED/12 circular issued by the General Treasury on practices of Good Governance and applicable AR & FR regulations under the provision of Mahapola Act No.66 of 1981 together with the draft manual be submitted for approval of the Board.

- **Answers to the Audit Queries for the year 2015 and 2016**

The Board having noted the recommendation of the Audit and Management Committee approved that answers to the Audit Queries of the Auditor General for final Audit Reports be submitted.

- **Appointment of Qualified Auditors for Preparation of Consolidated Financial Statements of MTF**

The Board having noted the recommendation of the Audit and Management Committee approved the submission of at least 3 proposals for selecting and submitting the final recommendation for the approval of the Board of Trustees for appointing a qualified auditor for preparing of consolidated financial statements of MTF for 2013 to 2017.

## **5. BOARD PAPER NO.1**

### **APPOINTMENT OF THE NEW TRUSTEES FOR THE BOARD OF TRUSTEES OF MTF**

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

The Board noted that with the recent cabinet reshuffle and the subject allocation of the Ministries, Mahapola Higher Education Scholarship Trust Fund has been allocated to the Ministry of Higher Education and Cultural Affairs.

Accordingly the Minister in charge of the subject of Higher Education Hon. (Dr.) Wijeyadasa Rajapaksha, P.C. will be the Founder Trustee of MTF, and the following two Trustees appointed by the former Minister and Founder Trustee Hon. Mr. Malik Samarawickrema have resigned. They are Dr Wickrema Weerasooria, LLB, Attorney-at-Law and Mr. Anil Rajakaruna, Attorney-at-Law.

The Board noted that Hon. (Dr.) Wijeyadasa Rajapaksa, P.C. has appointed the following two members to the Board with effect from 5<sup>th</sup> June 2018.

- I. Mr. S.V.D. Kesarralal Gunasekara – Chairman Lalith Athulathmudali Foundation Centre
- II. Dr. Dolaihala Kankanamge Darrel Mathew MBBS, FCGP 45, Fairfield Garden, Colombo 8.

The copies of the letters of appointments issued to Mr. S.V.D. Kesarralal Gunasekara and Dr. Dolaihala Kankanamge Darrel Mathew, MBBS, FCGP by Dr. Wijeyadasa Rajapaksha P.C., M.P., Founder Trustee of Mahapola Higher Education Scholarship Trust

Fund and Minister of Higher Education and Cultural Affairs was tabled for the information of the Board.

**6. BOARD PAPER NO.2**

**APPOINTMENT OF DIRECTOR TO THE DLB BOARD AS A REPRESENTATIVE OF THE CHAIRMAN – MAHAPOLA TRUST FUND**

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

The Board noted that as per the recent changes of the subject Ministries, Mahapola was gazetted under the Ministry of Higher Education and Cultural Affairs. The Board was informed that as per Section 3 of the Development Lottery Board Act No.20 of 1997, the DLB Board shall consist of the Chairman/MTF or his representative, the Secretary to the President or his representative and the Secretary to the Ministry of the Minister or his representative with two members appointed by the Minister.

The Board was informed that accordingly, the new Secretary of the Ministry of Higher Education and Cultural Affairs, Mr. J.J. Rathnasiri, Ex-Officio Trustee has been appointed to the DLB Board representing the Chairman/Mahapola Trust Fund with effect from 22<sup>nd</sup> June 2018. A copy of the letter addressed to the Secretary, Ministry of Finance & Mass Media in this regard was tabled for the information of the Board.

The Board having noted the above ratified the appointment of Mr. J.J. Rathnasiri, Secretary/Ministry of Higher Education & Cultural Affairs and Ex-Officio Trustee of Mahapola Trust Fund to the DLB Board representing the Chairman/MTF with effect from 22<sup>nd</sup> June 2018.

**7. ANNUAL GENERAL MEETING OF NWCL/NWSL FOR THE FINANCIAL YEAR 2017 (31<sup>ST</sup> DECEMBER 2017)**

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

The Board noted that the AGMs of National Wealth Corporation Limited (NWCL) and Natwealth Securities Limited (NWSL) for the financial year ended 31<sup>st</sup> December 2017 were held on 26<sup>th</sup> June 2018. As MTF is the only shareholder of NWCL one of the trustees of MTF had to represent the shareholder MTF at the AGM.

Accordingly, Mr. Kesarralal Gunasekara, Trustee of MTF was nominated as shareholder representative of MTF and the said nomination was seconded by Dr. D.K.D. Mathew, MBBS, appointed Trustee of MTF on 21<sup>st</sup> June 2018

A copy of the invitation letter for AGM and the form of proxy filed were tabled for the information of the Board.

The Board having noted the contents granted covering approval for the appointment of Mr. Kesarralal Gunasekara, Trustee of Mahapola Trust Fund to represent the shareholder MTF at the AGM of NWCL/NWSL and vote on behalf of MTF.

**8. PROJECT PROPOSAL FOR RE-STARTING OF MAHAPOLA EXHIBITION AND TRADE FAIR AND INITIATION OF E-LOTTO FOR MAHAPOLA**

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

Mr. Bandara informed the Board that at the 66<sup>th</sup> Meeting of the Board of Trustees held on 5<sup>th</sup> December 2017 it was decided to re-commence the Mahapola E Lotto and Hard Ticket Lottery as an additional source of income for Mahapola. At the same meeting the Board of Trustees rejected the re-starting of Mahapola Trade Fair and Exhibition due to non-availability of institutional support and insufficient staff at MTF to organize this kind of Trade Fair and Exhibition.

The Board was informed that in the recent cabinet re-shuffle the Ministry in charge of the subject of Mahapola has been changed and the Minister of Higher Education and Cultural Affairs has assumed duties as founder Trustee of MTF.

The Board was informed that Hon. Minister Malik Samarawickrama had a discussion with the Finance Minister Mr. Mangala Samaraweera on 24<sup>th</sup> April 2018 on the re-starting of the Hard Ticket Lottery and the then Finance Minister has given his consent to re-start Mahapola Hard Ticket Lottery through Development Lotteries Board instead of operating a separate lottery by the MTF.

Accordingly the DLB Chairman submitted a Project Proposal on re-starting of Hard Ticket Lottery for Mahapola and the same was tabled for the information of the Board.

Hon. (Dr.) Wijeyadasa Rajapaksa, P.C. requested Mr. Kesarralal Gunasekara to discuss with the DLB and inform the Board.

Hon. (Dr.) Wijeyadasa Rajapaksa, P.C. informed the Board to re-consider the decision taken at the 66<sup>th</sup> Meeting on re-starting of MTF Exhibition. Mr. M.P. Bandara Director, MTF submitted a new project proposal as requested by the Hon. Minister for re-starting of Mahapola Trade Fair and Exhibition for the information of the Board. He also tabled the proposed management structure to handle Exhibitions.

The Hon. (Dr.) Wijeyadasa Rajapaksa, P.C. informed the Board that he had discussed this with the National Youth Council. He stated that since they have an allocation MTF does not have to pay anything. The Hon. Minister stated that he will arrange a meeting with the National Youth Council and a concept Paper could be tabled at the next meeting.

It was decided to take up the management structure for discussion separately.

The Board approved the project proposal on re-starting of Mahapola Trade Fair and Exhibition and Mahapola E-lotto with hard ticket lottery for submission of same for the approval of the Cabinet of Ministers.

**9. OVERALL POSITION OF THE MAHAPOLA FUND AND ANALYSIS OF INCOME & EXPENDITURE UP TO 30<sup>TH</sup> JUNE 2018**

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

Mr. M.P. Bandara's presentation to the Board covered the following:

- MTF Main Fund and Budgeted Income and Expenditure analysis up to 31<sup>st</sup> December 2018 and performance up to 30<sup>th</sup> June 2018
- Mahapola Higher Education Scholarship Trust Fund Group Performance for the period from January to June 2018
- Fund Position of NWCL/NWSL and MTF as at 30<sup>th</sup> June 2018
- Mahapola Trust Fund Lost Investment opportunities due to the Losses incurred by NWSL 2015/2016 and share of profit from DLB has not been received in 2017

The Hon. (Dr.) Wijeyadasa Rajapaksa, P.C. stated that the objectives of the Mahapola Trust is clear and the appointed Trustees are to manage the funds. He stated that the Minister in charge of the Ministry of Trade was appointed Dr. Wickrema Weerasooria Chairman of NWCL and Dr. Wickrema Weerasooria's son is a Director of Wealth Trust Limited. He pointed out that this being a Trust, the basic principle of the Trusts that Trustees cannot be a party to the decisions taken is applicable.

The Hon. (Dr.) Wijeyadasa Rajapaksa, P.C. pointed out that formation of a new Company is a violation of the Mahapola Act and the Trust Ordinance. He pointed out that as per the Accounts the Company has lost Rs.94 Mn in one particular transaction. He stated that the Board of Directors at that time have not understood the objective of the Mahapola Trust and as a result there are four Cases. The Hon. Minister also pointed out that although the Mahapola is exempt from taxes, the Company is now required to pay taxes and in addition Rs.1 Mn is payable as Management Fees to Nat Wealth Corporation. He pointed out that it is an appropriate time to take a decision in this connection. Hon. (Dr.) Wijeyadasa Rajapaksa, P.C. suggested that the MTF should get advice from the Attorney General in view of the pending cases.

Hon. (Dr.) Wijeyadasa Rajapakse P.C. at this stage stated that from 1<sup>st</sup> August 2018 the funds of MTF should be managed by MTF and suggested that the Investment Committee should come up with a proposal which will be approved by the Board. He suggested that an Action Plan on how MTF will invest its funds be prepared within a week. Thereafter how the MTF intends to close down these companies should be worked out.



The Hon. (Dr.) Wijeyadasa Rajapaksa, P.C. requested all the members to sit together and prepare an Action Plan. He pointed out that the MTF should manage the funds since the primary dealer is not acting prudently. It was noted that the period 2013 to 2017 has been a problematic period. Hon. (Dr.) Wijeyadasa Rajapaksa, P.C. stated that this is a charitable trust and therefore the obligations of the Trustees are important.

#### **10. RE-VISITING OF THE LEASE AGREEMENT SIGNED WITH SLIIT IN 2015**

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

The Board noted that as per the recommendation of the Audit and Management Committee the Board of Trustees at its meeting held on 5<sup>th</sup> March 2018 decided to re-visit the lease agreement signed between SLIIT and MTF.

The Board was informed that this re-visiting was needed mainly because the agreement itself was violating the Mahapola Act. It was noted that the Trust clearly states that the trust property ownership must be with the MTF. It was also noted that as per the current agreement, the Mahapola interest of the SLIIT property has been released to a third party without proper valuation. The information relevant to the Agreement has already been submitted to the Hon. Minister and the Secretary, Ministry of Higher Education and Cultural Affairs.

Hon. (Dr.) Wijeyadasa Rajapaksa, P.C. requested Mr. M.P. Bandara to get a valuation done of the SLIIT property and present to the Board.

Mr. Kesarralal Gunasekara, Trustee at this stage informed the Board that SLIIT is a creation of a Cabinet decision and a Cabinet decision was made to invest Rs.400 Mn in promoting SLIIT and that the money was drawn from Mahapola. Therefore the ownership of SLIIT lies with Mahapola.

The Board having noted the above authorized the Board of Trustees to examine and re-visit the Management Agreement signed between MTF and SLIIT in 2015.

#### **11. ARBITRATION OCEANIC GAMES (PVT) LTD VS. MAHAPOLA TRUST FUND**

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

The Board was informed that MTF awarded M-Lotto contract to Oceanic Games (Pvt) Ltd in 2013 to carryout E-Lotto for Mahapola Trust Fund with the approval of the Cabinet of Ministers.

Accordingly MTF entered into an agreement with Oceanic Games (Pvt) Ltd for operating of E-Lotto in Sri Lanka. Due to breach of the conditions of the contract agreement by Oceanic Games i.e. Oceanic Games not adhering to the agreed terms and not paying the guaranteed revenue, MTF decided to terminate the Lottery Agreement entered with Oceanic Games (Pvt) Ltd with effect from 8<sup>th</sup> June 2016.

Oceanic Games got a stay order from the Commercial High Court Colombo on the termination of the agreement. Considering the MTF submission the Commercial High Court did not extend the stay order and dismissed the appeal submitted by Oceanic Games (Pvt) Ltd. Oceanic Games referred this matter to SLNAC on 27<sup>th</sup> March 2018 and a notice was served on 19<sup>th</sup> April 2018.

MTF had appointed Mr. Upul Jayasooriya, P.C. as an Arbitrator for MTF in 2016 on the recommendation of the former Minister Hon. Malik Samarawickrama. However Hon. (Dr.) Wijeyadasa Rajapaksa, P.C. the current Minister in charge of Mahapola has recommended Justice Saleem Marsoof, P.C. instead of Mr. Upul Jayasooriya P.C. as Arbitrator for MTF as he has vast experience in handling Arbitrations and Dr. Harsha Cabraal P.C. to be appointed as the counsel to appear for MTF in the Arbitration.

The Board having noted the above approved the

1. Appointment of Justice Saleem Marsoof P.C. as Arbitrator for MTF for the arbitration of Oceanic Games (Pvt) Ltd Vs. MTF
2. Appointment of Dr. Harsha Cabral P.C. as Counsel appearing for MTF in the above arbitration.

## **12. CHANGING THE SELECTION CRITERIA FOR HNDE STUDENTS AND ESTABLISHMENT OF NEW INSTITUTES AND DIPLOMA COURSES UNDER SLIATE**

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

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

1. Establishment of **new selection criteria** for the selection of students for Mahapola Scholarship in all HEIs coming under the Ministry of Higher Education
2. The **Technical College Mannar** to register as a new HEI and be considered for the selection of students for Mahapola under the SLIATE.
3. Addition of the **New Diploma Course – Higher National Diploma in Consumer Science and Production Technology** to the List of Diploma Courses for selection of students to award Mahapola Scholarship.

## **13. RE-STRUCTURING OF THE MONTHLY INSTALMENT PAYMENTS OF THE UNIVERSITIES AND HIGHER EDUCATIONAL INSTITUTES**

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

The Director MTF submitted a proposal for re-structuring of the monthly scholarship payments and the letter requesting the approval of the UGC for proposed new payment method has already been sent to the Chairman UGC, a copy of which was tabled for the information of the Board.

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

- I. Implementation of the New Payment Method for the payments of monthly Scholarship installments.
- II. The Treasury Contribution of the monthly Scholarship installments to be directly transferred to the MTF in order to process the monthly installment payment (Rs.5,000/-) one time and directly remitted to the individual student's bank accounts at the respective bank branch maintaining the student account.

**14. APPOINTMENT OF 03 MANAGEMENT ASSISTANTS AND 01 BOOK KEEPER FOR MTF WITH EFFECT FROM 15/05/2018**

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

The Board having noted the contents of the Board Paper and the approval granted by the Secretary, Ministry of Development Strategies and International Trade granted covering approval for the recruitment of 03 Management Assistants and 01 Book Keeper for the staff of MTF with effect from 15<sup>th</sup> May 2018.

**15. IMPROVEMENT OF COMMUNICATION FACILITIES WITH THE SCHOLARSHIP RECIPIENTS IN THE UNIVERSITIES AND HEIs – INTRODUCING A SMS GATEWAY FACILITY FOR MTF THROUGH ICTA**

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

The Board was informed that MTF is planning to automate the Scholarship Selection Process and Registration Process using the software developed by the University of Kelaniya. This is useful for the implementation of SMS Gateway Facility to communicate with the Scholarship recipients. Annual average number of scholarships awarded are 15,000. The selected students can easily get the status report of the Scholarship through SMS. Further the monthly installment payment information can also be passed to the Scholarship Holders through SMS confirming the payment is credited to the Bank Account. The Board was informed that when comparing the cost of postage and printing it is more advantageous to use SMS Gateway for communication and it is also fast and effective.

Mr. M.P. Bandara, Director MTF proposed to get the SMS Gateway facility for MTF to fulfill the above communication requirement through ICTA. ICTA will undertake integration part of the SMS Gateway and will charge a nominal fee for the services. The

Telecom service provider (Telecom/Dialog/Mobitel) will charge for the SMS depending on the number of SMS sent through their network.

A copy of the draft agreement received from ICTA was submitted for the information of the Board.

The Board having noted the contents approved

- I. The draft agreement submitted by ICTA on the obtaining of SMS Gateway facility for MTF.
- II. Two authorized officers to sign the above agreement on behalf of MTF.

**16. APPOINTMENT OF QUALIFIED AUDITORS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS FOR MTF 2013/2016**

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

The Board having noted the contents of the Board Paper approved the appointment of qualified auditors, Messrs. Ernst & Young, Chartered Accountants, No.201, De Saram Place, Colombo 10 who have submitted the lowest substantial bid for preparation of consolidated financial statements for the years 2013, 2014, 2015 and 2016 at Rs.175,000/-.

**17. CHANGE OF THE AUTHORIZED SIGNATORIES OF MTF BANK ACCOUNT NO. 0001791 AT BANK OF CEYLON, CORPORATE BRANCH**

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

The Board having noted the contents of the Board Paper

Resolved

“That the Board hereby authorizes the Mahapola Higher Education Scholarship Trust Fund to operate Account No.0001791 at Bank of Ceylon, Corporate Branch by any two of the following authorized persons:

- I. Mr. J.J. Rathnasiri, Secretary Ministry of Higher Education and Cultural Affairs (Chief Accounting Officer of MTF)
- II. Mr. M. Parakrama Bandara, Director MTF
- III. Ms. Samantha Rajapaksa, Administrative Officer, MTF”

Further Resolved

“That this decision of the Board supersedes all previous instructions on operating of Account No. 0001791 with Bank of Ceylon, Corporate Branch and that Mr. Parakrama Bandara, Director MTF is hereby authorized to take necessary steps in this regard”

**18. AMENDMENT TO THE SEC 3(2) OF THE MAHAPOLA HIGHER EDUCATION SCHOLARSHIP TRUST FUND ACT NO.66 OF 1981**

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

The Board was informed that as per the new Gazette Notification 2070/56 dated 12<sup>th</sup> May 2018 Mahapola Trust Fund has been gazetted under the Ministry in charge of the subject of Higher Education & Cultural Affairs.

Accordingly, to give effect to the order gazetted the Minister in charge of the subject of International Trade Hon. Malik Samarawickrema submitted the Cabinet Memorandum on the above amendment and it was approved by the Cabinet of Ministers. A copy of the Cabinet Memorandum and the approval of the Cabinet was submitted for the information of the Board.

It was proposed that the following Section of the Mahapola Act be considered for amendment:

“The Section 12(1) and 12(6) of the Mahapola Act related to the provision of the Inland Revenue Act No.28 of 1979 which is no longer valid. Therefore Mahapola Act amendments to be included in line with the provision of the new Inland Revenue Act No.24 of 2017”.

The Board having noted the contents of the Board Paper granted approval for the Board to amend Sec 3(2) and effect other necessary amendments to the Mahapola Higher Education Scholarship Trust Fund Act No. 66 of 1981.

Mr. Kesarralal Gunsekara, Trustee suggested that the name “Mahapola Higher Education Scholarship Trust Fund” be changed to “Lalith Athulathmudali Mahapola Scholarship Trust Fund”.

**19 INITIATION OF LEGAL ACTION ON RECOVERY OF THE LOSSES/UNLAWFUL GAIN ON THE PTL BOND TRANSACTION MADE BY NWSL WITH BOC IN SECONDARY MARKET**

Mr. M.P. Bandara, Director MTF tabled Board Paper No.15 in connection with the above.

The Board was informed that on the recommendation of the CBSL on the Perpetual Treasuries Limited (PTL) Bond Issue, the Audit and Management Committee of MTF has recommended proceeding with legal action against PTL on the instructions of the Attorney General. A copy of the letter of demand and CBSL recommendation was tabled for the information of the Board.

The Board having noted the above granted covering approval for initiation of legal action against PTL for the recovery of the losses incurred by MTF and unlawful gain on the bond transaction made by NWSL through BOC in the secondary market.

## **20. OTHER BUSINESS**

### **I. Approval for Short Term Investment of MTF funds for the period 1<sup>st</sup> January 2018 to 30<sup>th</sup> June 2018**

Mr. M.P. Bandara, Director MTF tabled a Paper in connection with the above.

The Board was informed that excessive funds of MTF are invested in short term investments such as Repos, Overnight and Sweeper until the Scholarship payments are due. A list of such investments made up to 30<sup>th</sup> June 2018 was tabled for the information of the Board.

The Board having noted the contents granted covering approval for the short term investments made up to 30<sup>th</sup> June 2018.

### **2. Date of Next Meeting**

The Board decided to convene the next meeting on Monday, 30<sup>th</sup> July 2018 at "The Lounge", Chief Justice's Office, 5<sup>th</sup> Floor, Supreme Court Complex, Colombo 12 at 4.00 p.m. in order to discuss the Action Plan on investments.

**CONFIRMED TRUE RECORD**

**CHAIRMAN**