

**MINUTES OF THE 69TH MEETING OF MAHAPOLA HIGHER EDUCATION
SCHOLARSHIP TRUST FUND**

DATE & TIME: 30TH JULY 2018 AT 4.00 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. (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.V.D. KESARRALAL GUNASEKARA 5. DR. D.K. DARREL MATHEW, MBBS, FCGP	APPOINTED TRUSTEE APPOINTED TRUSTEE

EXCUSED

**MR.S.S. HETTIARACHCHI
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

1. CONFIRMATION OF THE MINUTES OF THE 68TH MEETING HELD ON 13TH JULY 2018

The Minutes of the 68th Meeting of the Mahapola Higher Education Trust Fund held on 13th July 2018 which had been circulated were approved by the Board. Proposed by Mr.S.V.D. Kesarralal Gunasekara, Appointed Trustee and seconded by Mr. J.J. Rathnasiri, Secretary, Ministry of Higher Education & Cultural Affairs, Ex. Officio Trustee, the minutes were signed by the Chairman as a correct record of the proceedings.

2. MATTERS ARISING FROM THE MINUTES

Tabling the Minutes of the 8th Meeting of the Management Committee held on 2ⁿ April 2018 at the Secretaries Office of the Ministry of Education for confirmation by the Board

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

The Hon. Chief Justice informed the Board that the Board will have to re-consider the decision taken at the previous meeting with regard to taking legal action against PTL.

3. BOARD PAPER NO.1

RE-STARTING OF MAHAPOLA TRADE FAIR AND EXHIBITION IN COLLABORATION WITH THE NATIONAL YOUTH SERVICES COUNCIL

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

Mr. M.P. Bandara, Director informed the Board that as per the decision taken at the previous meeting of the Board of Trustees the Mahapola Trade Fair and Exhibition will re-commence from 2018 onwards.

Mr. M.P. Bandara also informed the Board that as informed by Hon (Dr) Wijeyadasa Rajapaksa, P.C, National Youth Services Council has agreed to give their infrastructure, facilities and institutional support for the re-commencement of the Mahapola Trade Fair & Exhibition.

The Board having noted the above approved the following:

- i. Re-commence the MTF Exhibition in collaboration with the National Youth Services Council and the first trade fair and exhibition to be held at National Youth Services Council, Maharagama.
- ii. To set up a Project Unit in the MTF to organize the trade fair and exhibition in coordination with the National Youth Services Council and other state and private organizations.
- iii. Recruit two staff members, one Assistant Director Project and one Management Assistant for the MTF project unit, which will be established in MTF.

4. BOARD PAPER NO.2

Proposal for winding up of two Subsidiaries of Mahapola Trust Fund NWCL and NWSL and appointment of Auditors to undertake Due Diligence Audit of both NWCL and NWSL

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

The Board noted that MTF incorporated a limited liability company National Wealth Corporation Limited (NWCL) in 2003 as a fund management company of MTF and National Wealth Securities Limited (NWSL) was incorporated as a fully owned subsidiary of NWCL in 2003 as a primary dealer company registered at the Central Bank of Sri Lanka for money market operations and dealing with Government Securities.

The Board was informed that according to the provisions of the Mahapola Act and Trust Deed, ownership of the Trust property or the obligations and powers of Trustees cannot be delegated to another person or party.

The Board was also informed that during the last couple of years both companies reported operating losses and has adversely affected the main fund of MTF.

Mr. M.P. Bandara informed the Board that at the previous meeting of the Trustees held on 13th July 2018 the Hon. Minister requested to submit a report and action plan on winding up of the two subsidiaries NWCL and NWSL . Mr. M.P. Bandara tabled for the information of the Board a draft report on the winding up process submitted by the Management Committee which was noted by the Board.

The Board having noted the contents of the Board Paper and the recommendation of the Hon. (Dr.) Wijeyadasa Rajapaksa, P.C., Minister of Higher Education & Cultural Affairs approved the following:

- i. Call quotations and appoint an Auditor to carryout a Due Diligence of NWCL and NWSL
- ii. Once the Due Diligence Report is obtained, carryout a valuation
- iii. Obtain Central Bank of Sri Lanka approval to transfer the shares of NWCL to an interested party since the licence has a value and
- iv. Initiate winding up procedure for NWSL

5. BOARD PAPER NO. 3

Termination of Fund Management Agreement entered with NWCL in 2013/2018 and transfer the entire fund managed by NWCL to MTF A/C

The Board noted the contents of Board Paper No.3 from Mr. M.P. Bandara, Director, MTF on the above subject.

Mr. Parakrama Bandara, Director informed the Board that the Mahapola Trust Fund incorporated a subsidiary Company NWCL in 2003 for the management of MTF funds . MTF entered into a fund management agreement with NWCL and the last renewal of the Agreement was for a period of one year from 1st January 2018 to 31st December 2018.

A copy of the Fund Management Agreement entered into by and between MTF and NWCL was tabled for the information of the Board.

The Board having noted the contents of the Paper, on the recommendation of Mr. S.V.D. Kesarralal Gunasekara decided that Hon (Dr) Wijeyadasa Rajapaksa, P.C. be authorized to appoint three (03) new members to the Board and the new Board be empowered to take control of NWCL and that all transactions should be signed by the Directors of NWCL. He also recommended that the new Board should take action on the maturity of the funds invested in various instruments.

6. BOARD PAPER NO.4

Approval for the Settlement of Legal Cases, Trillion Securities (Pvt) Ltd Vs. Natwealth Securities Limited and Virtual Investment & Trading Lanka (Pvt) Ltd Vs Natwelth Securities Limited in the Commercial High Court and MC Colombo

The Board noted the contents of Board Paper No.4 from Mr. M.P. Bandara, Director, MTF on the above subject.

The Board was informed that the cases filed by Trillion Securities (Pvt) Ltd and Virtual Investment and Trading Lanka (Pvt) Ltd are the two main cases against NWSL at the Commercial High Court, Colombo and MC Colombo respectively Mr. M.P. Bandara, Director informed the Board that according to the legal proceedings it appears that NWSL is weak on these two cases. The Board was informed that if NWSL loses the case, claim plus damages will have to be paid by NWSL and it will be badly affect NWSL and MTF. The Board was informed that Mr. Romesh De Silva, P.C. appears for MTF in the High Court.

Detailed reports of both cases were submitted for the information of the Board. Mr. S.V.D. Kesarralal Gunasekara, informed the Board that he had looked at the files and meet up with the lawyers.

Hon. (Dr.) Wijeyadasa Rajapaksa, P.C. stated that the lawyers should allowed to fight the case.

7. BOARD PAPER NO.5

Proposal for Re-starting of Mahapola Lottery with DLB

The Board noted the contents of Board Paper No.5 from Mr. M.P. Bandara, Director, MTF on the above subject.

Mr. M.P. Bandara informed that the Board approved the re-start of the Mahapola Lottery at the previous Meeting of the Board of Trustees.

The Board was informed that Hon (Dr) Wijeyadasa Rajapaksa, P.C. and Secretary, Ministry of Higher Education and Cultural Affairs together with the Director MTF had a discussion with the Chairman and General Manager of DLB on the re-starting of the Mahapola Lottery under the brand name Mahapola. DLB had agreed to undertake lottery operations for MTF and agreed to submit a project proposal in this regard. The Board was informed that the project proposal and the draft agreement will be submitted to the Board soon.

The Board having noted the above approved

- i. Re-starting of Mahapola Lottery using the infrastructure facilities of DLB under the brand name Mahapola for MTF.
- ii. Obtain approval of the Cabinet of the Ministers to operate the Mahapola Lottery with DLB

8. BOARD PAPER NO.6

Proposal for Re-structuring of SLIIT Activities and approval for the draft Cabinet Memorandum

The Board noted the contents of Board Paper No.6 from Mr. M.P. Bandara, Director, MTF on the above subject.

Mr. M.P. Bandara informed the Board that as per the recommendation of the Management Committee the Board decided to re-visit the Agreement entered by and between MTF and SLIIT in 2015. Mr. Bandara informed the Board that it is noted that the agreement itself violates the provisions of the MTF Act and Trust Deed by the transfer of the ownership of the property of SLIIT to a third party without proper approval of the Board of Trustees and the Cabinet of Ministers.

Mr. M.P. Bandara informed the Board that as informed by Hon (Dr) Wijeyadasa Rajapaksa, P.C. it is required to obtain the approval of the Cabinet of Ministers for the re-structuring of the SLIIT. Therefore a draft Cabinet Memorandum was prepared and a copy of same was tabled for the information of the Board. Hon. (Dr.) Wijeyadasa

Rajapaksa, P.C. requested Mr. S.V.D. Kesarralal Gunasekara to check the draft Cabinet Memorandum and make amendments, if necessary.

The Board having noted the contents authorized the submission of the Cabinet Memorandum for obtaining approval of the Cabinet for re-structuring SLIIT.

Hon (Dr.) Wijeyadasa Rajapaksa, P.C. stated that he will submit the Cabinet Paper and request the Cabinet to appoint a Sub Committee to take appropriate steps.

Mr. S.V.D. Kesarralal Gunasekara, stated that the original proposal was that ex-officio members of the Government should be the directors of SLIIT which is not the case at present. He pointed out that MTF should not hamper the operations but continue operations but prevail upon them that SLIIT is part of Mahapola.

Hon. (Dr.) Wijeyadasa Rajapaksa, P.C. stated that the Company should carryout an audit on the investment made by Mahapola in SLIIT.

9. BOARD PAPER NO.7

Approval for printing of Scholarship Certificates for 2017/18 Scholarship Awarding

The Board noted the contents of Board Paper No.7 from Mr. M.P. Bandara, Director, MTF on the above subject.

The Board having noted the contents of the Paper approved the recommendation that the Scholarship Certificates be signed by the Hon. Minister in charge of the subject of Higher Education under which Mahapola is listed and the Chairman of MTF the Hon. Chief Justice.

The Board having noted the contents of the draft new Scholarship Certificate which will be issued for the Academic Year 2017/18 Scholarship Awards approved same.

Mr. S.V.D. Kesarralal Gunasekara, Appointed Trustee recommended that an annual event be organized for the distribution of Scholarship Certificates in order to make this event known to the public, at a minimum cost covering a duration of approximately 1 ½ hours. He suggested that this event be organized in the other districts as well. Mr. Kesarralal Gunasekara, Appointed Trustee also suggested that, this organizing part should be entrusted to the district Secretaries. Whenever possible Vice Chancellors of the Universities also could provide their facilities to hold the district event.

10. BOARD PAPER NO.8

Additional 45 New Scholarship Awards for Academic Years 2014/15, 2015/16, 2016/17 consideration of the Appeals recommended by the Appeal Committee of MTF

The Board noted the contents of the Board Paper No.8 from Mr. M.P. Bandara, Director, MTF on the above subject.

The Board was informed that 15,000 scholarships were approved by the Board of Trustees in respect of the academic year 2016/17, out of which 14,822 scholarships have been awarded and the payments have already commenced while 78 scholarships remain in the approved limit of scholarships for the year 2016/17.

The Board having noted the recommendation of the Mahapola Scholarship Appeals Committee, approved the award of the additional 45 numbers of scholarships for the students of the academic years 2014/15, 2015/16 and 2016/17.

11. BOARD PAPER NO.9

Proposal for using University Recommendation and Certification for monthly attendance of the Scholarship Recipients instead of signature verification

The Board noted the contents of the Board Paper No.9 from Mr. M.P. Bandara, Director, MTF on the above subject.

Hon (Dr.) Wijayadasa Rajapakse, P.C. recommended that the above item be taken up at the next meeting after discussion with the University Grants Commission.

12. BOARD PAPER NO.10

Approval for Scholarship Awards Incentive Payment for the new Scholarship Awards in Academic Year 2016/2017

The Board noted the contents of the Board Paper No.10 from Mr. M.P. Bandara, Director, MTF on the above subject.

The Board noted that during the academic year 2016/17, 14,822 Scholarships have been awarded and the incentive entitlement will be Rs.299,775/-.

The Board having noted the work sheet of the incentive payment for the academic year 2016/17 approved the payment of Rs.299,775/- to staff being incentive entitlement in respect of 14,822 Scholarships awarded in respect of the academic year 2016/17.

13. BOARD PAPER NO.11

Approval for the new Cadre for MTF and Organizational Structure for MTF

The Board noted the contents of the Board Paper No.11 from Mr. M.P. Bandara, Director, MTF on the above subject.

Mr. M.P. Bandara, Director informed the Board that the present cadre of MTF is 14 and in order to meet future development plans and arrangements the required cadre will be 25 and the Company is accordingly required to increase the cadre of MTF.

Mr. M.P. Bandara tabled a copy of the Organization Structure and the Cadre Position for the information of the Board.

Referring to the present cadre requirement, Hon (Dr.) Wijeyadasa Rajapakse recommended that Asst. Director/D/D, Manager and Accountant should possess a degree with a Class since there are 15,000 unemployed graduates at present.

The Board having noted the above approved the new cadre and organization structure of MTF.

14. OTHER BUSINESS

i. Request for land for MTF Office

Mr. S.V.D. Kesarralal Gunasekara, Appointed Trustee informed the Board that he had spoken with the Public Trustee and requested for a piece of land for the Mahapola Trust and to consider providing it on lease since the MTF is paying a big sum as rental i.e. Rs.275,000/- + VAT per month.

Hon. (Dr.) Wijeyadasa Rajapaksa, P.C., suggested that a request be made to the Urban Development Authority for a suitable plot of land for the Mahapola Office.

The Board having discussed decided to write to the Public Trustee and the UDA requesting for a plot of land. The Board of Trustees were of the view that it might be useful to identify the land and then request for same.

ii. Date of Next Meeting

The Board decided to convene the next meeting on Thursday, 30th August 2018 at "The Lounge", Chief Justice's Office, 5th Floor, Supreme Court Complex, Colombo 12 at 4.00 p.m.

**CONFIRMED TRUE RECORD
CHAIRMAN**