

**MINUTES OF THE 65TH MEETING OF MAHAPOLA HIGHER EDUCATION
SCHOLARSHIP TRUST FUND**

DATE & TIME: 10TH OCTOBER 2017 AT 5.30 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.ANILRAJAKARUNA,ATTORNEY-AT-LAW	APPOINTED TRUSTEE
<u>EXCUSED</u>	

MR. S. S. HETTIARACHCHI
SECRETARY, MINISTRY OF EDUCATION

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

BY INVITATION

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

1. CONFIRMATION OF THE MINUTES OF THE 64TH MEETING HELD ON 15TH JUNE 2017

The Minutes of the 64th Meeting of the Mahapola Higher Education Trust Fund held on 15th June 2017 which had been circulated were approved by the Board subject to the following amendment:

Minute No.3 – Matters Arising from the Minutes

Minute No. 3.3 – Appointment of Mr. Parakrama Bandara as Director MTF

The members of the Board agreed that the fifth paragraph of the above minute should be amended to read as follows:

“ The Hon. Minister has approved this appointment and the salary is to be discussed with the Management Committee”.

Thereafter proposed by Mr. Anil Rajakaruna, Appointed Trustee and seconded by Mr. D.C. Dissanayake, Secretary, Ministry of Higher Education and Highways, the Chairman signed the minutes as a correct record of the proceedings.

2. MATTERS ARISING FROM THE MINUTES

2.1 Enquiry on Poverty Alleviation Programme

Mrs. Chandanie Wijayawardhana, Secretary, Ministry of Development Strategies & International Trade informed the Board that she was requested to check whether organizing Fairs were within the objectives of the Mahapola Higher Education Scholarship Trust Fund Act.

The Hon. Chief Justice stated that as per the Mahapola Higher Education Trust Fund Act Fairs could be held. The Hon. Mr. Malik Samarawickrema, M.P., Minister of Development Strategies & International Trade suggested that a proposal be submitted in respect of same.

3. BOARD PAPER NO.1

SHIFTING OF MAHAPOLA OFFICE TO J.R. JAYEWARDENE CENTRE AT DHARMAPALA MAWATHA, COLOMBO 7

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

Mr. M.P. Bandara informed that the new Mahapola Office at J.R. Jayawardena Centre, No:191, Dharmapala Mawatha, Colombo7 was declared opened by Mrs. Jayanthi Karunarathna, Additional Secretary of the Ministry of Development Strategies & International Trade and Mr. Anil Rajakaruna Trustee of the MTF on 5th July 2017.

The Board of Trustees having noted the contents of the Board Paper considered the following:

(i) Amendment to the Lease Agreement signed by MTF with J.R. Jayawardena Center

The Board of Trustees approved the amendment of the commencement date of the Lease Agreement signed by MTF with J.R. Jayawardena Centre to 1st March 2017.

(ii) Disposal of unusable items of MTF office at CWE Building at Vauxhall Street

(a) Disposal of Used Papers

The Board approved the sale of Used Papers at the CWE Building at Vauxhall Street to National Paper Corporation

(b) Disposal of Unusable Furniture and Equipment

The Board approved the disposal of unusable furniture and equipment to the MTF staff for a nominal price.

(iii) Procurement of Computers and Equipments

The Board of Trustees having noted the contents of the Paper approved the procurement of the following items subject to the purchases being made as per the National Procurement Guidelines.

<u>Item</u>	<u>Estimated Cost (Rs.)</u>
1. 08 Nos. Desktop Computers	1,040,000.00
2. 01 Laptop Computer	110,000.00
3. 02 Laser Jet Printers	60,000.00
4. PABX Digital Tele (intercom system)	850,000.00
5. Other Equipment	350,000.00

4. BOARD PAPER NO. 02

INVESTMENT OF EXCESS FUNDS OF MTF IN FIXED DESPOSITS, REPOS, GOVERNMENT BONDS

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

Investment

The Board having noted the recommendation of Mr. M.P. Bandara, Director and Mr. S.M. Rajapakse, Administrative Officer of MTF granted covering approval to invest the fund balances as indicated below since they give the highest rate of interest.

Fund Investment Rs.(M)	Bank	Period (Month)	Rate of Investment	Mode	Evaluation Sheet Reference
50.0	NSB Fund Management	01	9.00%	REPO	A
312.0	Peoples Leasing & Finance PLC	15	14%	FD	B

Sale of Bond

The Board having noted the recommendation of Mr. M.P. Bandara, Director granted covering approval for the sale of bonds held in Bank of Ceylon for re-investment at a higher rate of interest as indicated below:

Cost Rs.(M)	Bank	Discount	Sale Value Rs. (M)	Capital Gain Rs.(M)
300.0	BOC	10.93%	312,354	6.4

5. **BOARD PAPER NO.3**
DRAFT FINAL ACCOUNTS OF MTF FOR 2015 & MONTHLY FINANCIAL PROGRESS REPORT UP TO SEPTEMBER 2017

Mr. M.P. Bandara, Director tabled Board Paper No.3 covering the following :

- Summary of Financial Position as at 31st December 2015
- Statement of Financial Position as at 31st December 2015
- Statement of Financial Performance for the year ended 31st December 2015
- Cashflow Statement for the year ended 31st December 2015
- Cashflow Statements 1st January 2017 to 30th September 2017

Mrs. C. Wijayawardhana, Secretary, Ministry of Development Strategies & International Trade informed the Board that MTF has not submitted Annual Reports from 2012 to 2016. Mrs. Wijayawardhana also informed the Board that the MTF was called up by the Sectoral Committee for not having submitted the Audited Accounts. The Board of Trustees was informed that the reason for non submission of Audited Accounts was due to a problem in consolidation of accounts.

Hon. Mr. Malik Samarawickrema, Minister of Development Strategies & International Trade suggested to speak to the Auditor General and seek clarification on the above.

6. BOARD PAPER NO.4
APPOINTMENT OF MR. PARAKRAMA BANADARA, ACTING DIRECTOR MTF AS DIRECTOR MTF

Board Paper No.04 from Dr. Wickrema Weerasooria, Trustee of MTF was tabled.

The Board noted the contents of the of Special Committee Report recommending the appointment of Mr. Parakrama Bandara as Director of MTF since the Management Committee could not meet.

The Hon. Chief Justice suggested that the Management Committee should meet immediately after this meeting and make its recommendation with regard to the appointment of the Director and recommend the salary to be paid to him which could be ratified at the next meeting of the Board of Directors.

7. BOARD PAPER NO.5
APPOINTMENT OF DIRECTOR AS MAHAPOLA NOMINEE TO THE BOARD OF DIRECTORS OF THE DEVELOPMENT LOTTERIES BOARD

Mr. M.P. Bandara, Acting Director tabled Board Paper No.05 in connection with the above.

The Board having noted the contents of the Board Paper

Resolved:

That Mr. D.C. Dissanayake, Secretary, Ministry of Higher Education and Highways be and is hereby appointed as the Mahapola nominee on the Board of Directors of the Development Lotteries Board.

8. BOARD PAPER NO.6
PENDING LEGAL CASES

Mr. M.P. Bandara, Acting Director tabled Board Paper No.06 in connection with the above which covered the following:

(i) Mahapola Lotto Case No. HC/CIVIL/448/2016/MR

The Board of Trustees was informed the position of the Mahapola Lotto (E-lottery) Vs Ocenic Games (Pvt) Ltd – Case No. HC/CIVIL/448/2016/MR. The above Case was withdrawn by the party without cost.

(ii) **NWSL/Trillion Securities Ltd HC.155/15**

The Board of Trustees was informed that National Wealth Securities Limited (fully owned subsidiary of MTF) Vs Trillion Securities Ltd pertains to a dispute on repurchase transaction – with regard to a Claim of Rs.70 Mn (capital + interest). The above case was refixed for trial on January 2018. Mr. Romesh De Silva, PC is appearing for NWSL.

(iii) **NWSL/Virtual Investment & Trading Lanka (Pvt) Ltd MC Fort 4015/16**

The Board of Trustees was informed that the National Wealth Securities vs Virtual Investment and Trading Lanka (Pvt) Ltd pertains to a dispute on Master Re-purchase Agreement (15/11/2012) with regard to a claim of Rs.30 Mn (capital + interest).

Mr. M.P. Bandara was requested to submit further details of the above Case at the next meeting.

9. **BOARD PAPER NO.7**
STAFF MATTERS

a. **Filling or Vacancies**

Mr. M.P. Bandara, Acting Director tabled Board Paper No. 07 (a) which covered the following

(i) **IT Officer on Part Time Basis**

The Board was informed that the current software used for the monthly scholarship instalment payments was developed by SLIIT 10/15 years ago and the above software was used without the software maintenance agreement with SLIIT. It was noted that with the new agreement signed between MTF/SLIIT in 2015, SLIIT has not given the services and the officers who developed the software have left the firm.

Under these circumstances MTF has decided to go for a new software developed by the University of Kelaniya but it will take minimum 01 year for the implementation of the software.

The Board having noted the recommendation of Mr. M.P. Bandara, Acting Director approved the obtaining of the service of the IT Officer for the maintenance of the scholarship payment software of the MTF and to make a payment of Rs.3,250/- per hour for the service.

(ii) Book-keeper on contract basis

The Board having noted the recommendation of Mr. M.P. Bandara, Acting Director ratified the recruitment of a Bookkeeper on contract basis for a period of 6 months on renewable basis at an all inclusive days' pay of Rs.1,500/- with effect from 15th July 2017.

b. (i) Payments of Distress Loan for the staff of MTF

Mr. M.P. Bandara, Acting Director MTF tabled Board Paper No.07 (b) in connection with the above.

The Board was informed that MTF has implemented the Public Administration Circular No.19/94 on payment of Distress Loan/Salary Loan. Accordingly the employees of MTF were eligible to obtain 10 month salary as Distress Loan with the repayment period of 60 months.

The Board was informed that as per the above Circular employees are permitted to renew the Loan after repayment of 18 installments but the employees of MTF are still not permitted to renew the Loan, therefore it was recommended to implement the above Circular provisions for the employees of MTF with effect from 1st October 2017.

Mr. D.C. Dissanayake, Secretary, Ministry of University Higher Education & Highways stated that the MTF should ensure that there is a good monitoring system. Mr. M.P. Bandara responding stated that there are only 10 employees who are eligible under this system and therefore it can be monitored without a problem.

The Board having noted the recommendation of Mr. M.P. Bandara, Director approved the renewal of the loan after repayment of 18 instalments by the employees.

(ii) Increase of the Salaries of the Staff of Mahapola Trust Fund

Mr. M.P. Bandara, Acting Director tabled Board Paper No.07 (b) in connection with the above.

The Board of Trustees noted the contents of the Board Paper and the recommendation of Mr. M.P. Bandara, Acting Director to increase the basic salary of the employees of MTF by 25% with effect from 1st January 2018.

Hon. Mr. Malik Samarawickrama, Minister of Development Strategies & International Trade recommended that the above matter be taken up at the Management Committee.

10. BOARD PAPER NO.8

Donation for the Lalith Athulathmudali Commemorative Foundation Centre

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

The Board noted the request for Rs.1 Mn from MTF and considering the current financial position of the fund Mr. M.P. Bandara recommended releasing Rs.500,000/- as in the previous year (2016) to the Lalith Athulathmudali Commemorative Foundation Centre for the Annual event of School Books Donation.

The Hon. Mr. Malik Samarawickrama, Minister of Development Strategies & International Trade requested Mr. M.P. Bandara to request for a Progress Report in respect of the payment of Rs.500,000/- given in the previous year and thereafter seek approval for a donation from the Board.

11. OTHER BUSINESS

Compliance with Mahapola Fund Management Agreement Clauses – Clause 2.2 Investment Committee

The Hon. Mr. Malik Samarawickrama, Minister of Development Strategies & International Trade tabled Board Paper No.9.

The Board was informed that clause 2.2.1 of the Mahapola Fund Management Agreement requires 02 representatives of the Trust to be appointed as part of the Investment Committee by mutual agreement between the Trust and Natwealth.

Accordingly the Board approved the appointment of Mr. D.A.W. Wanigasooriya, Additional Secretary/Chief Accountant – Presidential Secretariat and Mr. Parakrama Bandara from the MTF to the Investment Committee.

The Board was informed that in order to carry out a regular audit of the Fund, it has been proposed that M/s SJMS, Chartered Accountants be appointed Auditors. It was noted that they are currently the Auditor General appointed auditors of National Wealth Corporation Ltd and NetWealth Securities Limited.

CONFIRMED TRUE RECORD

CHAIRMAN