

MINUTES OF THE 79<sup>TH</sup> MEETING OF LALITH ATHULATHMUDALI MAHAPOLA  
HIGHER EDUCATION SCHOLARSHIP TRUST FUND

DATE & TIME: 27<sup>TH</sup> JULY 2020 AT 8.45 A.M.

VENUE: MINISTRY OF HIGHER EDUCATION, TECHNOLOGY  
AND INNOVATIONS, COLOMBO 7

PRESENT:

1. HON. BANDULA GUNAWARDENA MINISTER OF HIGHER EDUCATION, TECHNOLOGY AND INNOVATIONS	FOUNDER TRUSTEE
2. MR. D.M.A.R.B. DISSANAYAKE, SECRETARY, MINISTRY OF HIGHER EDUCATION, TECHNOLOGY AND INNOVATIONS	EX OFFICIO TRUSTEE
3. MRS. BHADRANI JAYAWARDENA, SECRETARY, MINISTRY OF INTERNAL TRADE, FOOD SECURITY AND CONSUMER AFFAIRS	EX.OFFICIO TRUSTEE
4. MR. H.M. CHITHRANANDA, SECRETARY, MINISTRY OF EDUCATION	EX OFFICIO TRUSTEE
5. MR. S.V.D. KESARRALAL GUNASEKARA	APPOINTED TRUSTEE

XCUSED

HIS LORDSHIP THE CHIEF JUSTICE HON. J. JAYASURIYA P.C. MR. A. GULAM RASHEED	EX.OFFICIO TRUSTEE APPOINTED TRUSTEE

BY INVITATION

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

## PRELIMINARY

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

## PROCEEDINGS

In the absence of Hon. J. Jayasuriya, P.C., Chief Justice, Hon. Bandula Gunawardena, Minister of Higher Education, Technology and Innovations was appointed as Chairman pro tem to preside over the meeting.

### 1. CONFIRMATION OF THE MINUTES OF THE 78<sup>TH</sup> MEETING HELD ON 23<sup>RD</sup> JUNE 2020

The Minutes of the 78<sup>th</sup> Meeting of the Lalith Athulathmudali Mahapola Higher Education Trust Fund held on 23<sup>rd</sup> June 2020 which had been circulated were approved by the Board subject to the following amendment:

#### Minute No.10 – Other Business

#### Proposed Settlement of the Repo outstanding from NWSL to Virtual Trading Lanka Ltd.

Mr. Parakrama Bandara, Director pointed out that the fourth paragraph of the above minute should be amended to read as follows:

“Rs. 100 Mn as an initial part payment and the balance Rs.100 Mn in 10 monthly equal installments”.

Thereafter Hon. Bandula Gunawardena, Minister of Higher Education, Technology and Innovations, Chairman pro tem. signed the minutes as a correct record of the proceedings.

### 2. MATTERS ARISING FROM THE MINUTES

#### 2.1 Amendment of Scholarship Payment Guidelines to accommodate the request for removal of 80% Rule on attendance for Mahapola Scholarship Payments

The Board decided to take up the above item at the next meeting.

#### 2.2 Status Report of the Mahapola Scholarship Monthly Payments and Forecast

Mr. S.V.D. Kesarralal Gunasekara, Appointed Trustee informed Mr. P. Bandara, Director to report at every meeting the amount due from the Treasury.

Mr. D.M.A.R.B. Dissanayake, Secretary, Ministry of Higher Education, Technology and Innovations inquired whether a letter was sent reminding to pay the balance scholarship payments. Mr. P. Bandara, Director confirmed that he had written to the Chairman, UGC reminding that the balance scholarship payments are due to be paid.



Mr. D.M.A.R.B. Dissanayake, requested Mr. P. Bandara to write to the Chairman, UGC once again and the Vice Chancellors of all the Universities , Secretaries of the relevant Ministries and the Secretary to the Cabinet, reminding them about the payments due to be made to Mahapola.

3. BOARD PAPER NO.1

AMENDMENT OF THE MAHAPOLA ACT NO.66 OF 1981 PROVISION 3.2 (i)

Mr. M.P. Bandara, Director tabled Board Paper No.1 in connection with the above.

The Board was informed that Dr.Bandula Gunawardena, Hon. Minister of Higher Education Technology and Innovations and Ex-officio Minister, Trustee of Mahapola had met His Lordship the Chief Justice to discuss certain matters pertaining to Mahapola Trust Fund and related companies on 3<sup>rd</sup> July 2020 at the Chief Justice's Lounge.

The Board was informed that the amendment of the Mahapola Higher Education Scholarship Trust Fund Act No.66 of 1981 amending the provision 3.1 ( ) (i) of the Act, facilitating the Hon. Chief Justice to nominate a suitable person as Chairman of the MTF Board was taken up. The Board was informed that the Hon. Chief Justice was very firm that he or a Supreme Court judge cannot accept Chairmanship of the Board, due to the responsibilities of the judicial matters and Supreme Court bench sittings and due to the conflict of interest due to pending legal cases.

Accordingly it was suggested to nominate a retired Supreme Court Judge with the Secretary, to the President or his nominee to the Mahapola Trust Board as Ex-officio members.

Mr. Parakrama Bandara, Director informed the Board that, the Hon. Minister has submitted a Cabinet Memorandum on 31<sup>st</sup> December 2019 seeking the approval for amending the Mahapola Act No.66 of 1981 provision 3.2 ( ) (i) and Cabinet approval was granted on 22<sup>nd</sup> February 2020.

• A copy of the Cabinet Memorandum and copy of the Cabinet approval was tabled for the information of the Board.

Mr. S.V.D. Kesaral Gunasekara, Appointed Trustee stated that since 1981 the Hon. Chief Justice has been the Chairman of the Board and the Board is proposing to change this since the present Chief Justice has stated that he is unable to take up office.

Mr. Bandula Gunawardena, Minister of Higher Education, Technology and Innovations stated that the Hon, Chief Justice was very firm about his decision.

Accordingly the Board decided to submit a note to the Cabinet together with the recommendation of the Ministry of Justice to appoint at least a retired Chief Justice as Chairman of the Board of MTF.

4. BOARD PAPER NO.2  
Re-Structuring of NWCL and Sale of Shares of NWSL

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

Mr. Bandara informed the Board of the decision taken at the previous meeting held 23<sup>rd</sup> June 2020 to liquidate the two companies by transferring the shares of NWSL to a prospective investor and close down NWCL considering the current situation of financial market, uncertainty of the business and additional capital required to run companies was noted by the Board.

The Board was informed that the Governor of the Central Bank of Sri Lanka submitted his position by his letter dated 30<sup>th</sup> June 2020 addressed to the Hon. Minister of Higher Education, Technology and Innovations stating that NWSL is not eligible for investment for MTF. A copy of the said letter was tabled for the information of the Board.

Accordingly the Board was informed that it is proposed to take the following steps in order to finalize the Liquidation Process of the two companies – NWCL and NWSL.

1. Complete the due diligence audit to ascertain the value of the business (NWCL/NWSL) (it is being done and the final report will be submitted by the end of July 2020).
2. Prepare a Share Sale Agreement covering the CSBL regulations for primary deal (NWSL) and protect the rights of the employees and the interest of Mahapola Trust Fund (ultimate shareholder of NWCL)
3. Submit the draft Share Sale Agreement for the approval of the Board of Trustees.
4. Appoint a Special Committee to:
  - (a) Prepare a Share Sale Agreement
  - (b) Prepare a newspaper advertisement for calling EOI for the Sale of Shares of NWCL
  - (c) Evaluate the proposals of prospective buyers and recommend to the Board of Trustees.
5. The following members were proposed for the Special Committee in respect of item (4) above
  - (i) One Trustee from the Board of Trustees – Mr. S.V.D. Kesaralal Gunasekara
  - (ii) One member of the Investment Committee of MTF or one of the Directors of NWSL – Mr. T. Dharmarajah



- (iii) One member from a reputed financial institution who should be a fully qualified Chartered Accountant or similar qualification. Mr. Sujeewa Rajapaksa, Chairman, People's Bank who is a Chartered Accountant and the former President of the Institute of Chartered Accountants of Sri Lanka was proposed.

It was decided to make an honorary payment in respect of their professional contribution and in the event they do not accept same to give a plaque in appreciation.(To check)

6. Authorize NWCL Board to initiate the Share sale transaction calling EOI and selection of prospective investor with the recommendation of the special committee.
7. Submit the final selected prospective investor to transfer the NSCL shares to the Board of Trustees for its consideration and necessary approval.
8. Selected prospective investor, which were approved by the Special Committee and the Board of Trustees to submit to the CBSL for final concurrences through the Ministry of Higher Education, Technology and innovations.

The Board having noted the above approved the following:

- (i) The winding up of the two companies NWCL and NWSL by selling the entire shareholding (100%) of NWCL, which is owned by Mahapola Trust Fund to the prospective investor recommended and approved by the Special Committee selected on the open bidding process.
- (ii) To authorize NWCL Board to undertake the share sale transaction as per the above steps proposed and approved by the Board of Trustees of Mahapola.
- (iii) To submit the final selected prospective investor to transfer the shares of NWCL as per the Share Sale Agreement for the CBSL for final concurrences through the Minister of of the Ministry of Higher Education, Technology and Innovations.

5.

**BOARD PAPER NO.3**

**APPROVAL FOR THE FORENSIC INVESTIGATION ON NAT WEALTH SECURITEIS LIMITED**

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

The Board having noted the contents of the Paper approved the appointment of KPMG, Chartered Accountants to carry out the forensic investigation relevant to the CID complaint at a cost of Rs.2.7 Mn + Rs.250,000/- OPE except the fees for digital images of electronic devices and the final report to be submitted to the CID within two weeks.

Mr. M.P. Bandara informed the Board that KPMG are required to check transactions valuing up to Rs.21 Bn during their forensic investigation.

6. BOARD PAPER NO.4  
MAHAPOLA SCHOLARSHIP AWARDING REQUEST BY THE UNIVERSITIES  
VOCATIONAL TECHNOLOGY

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

Mr. M.P. Bandara, Director tabled a request forwarded by the Director General University of Vocational Technology, Ratmalana to grant their students Mahapola Scholarships.

The Board noted that as per the Mahapola Higher Education Scholarship Trust Fund / there is an objective set out and therefore the Mahapola Higher Education Trust Fund cannot consider this request.

7. BOARD PAPER NO. 5  
SCHOLARSHIP AWARD FOR THE A/Y 2018/19

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

The Board noted the final selection list of students eligible for Mahapola Scholarship for the A/Y 2018/19 provided by the UGC. The Board noted that the above selection has been made based on Annual Parental Income limit of Rs.500,000/- or below.

Accordingly the Board approved the awarding of scholarships for both merit and ordinary totaling 15,001 in respect of the academic year 2018/19 student intake of students in the Universities under UGC.

8. BOARD PAPER NO.6  
ANNUAL GENERAL MEETING OF NWCL/NWSL FOR 2019

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

Mr. M.P. Bandara tabled copy of the AGM Notice and Proxy Form received in respect of the Annual General Meeting of Nat Wealth Corporation Limited and Nat Wealth Securities Limited to be held on 31<sup>st</sup> July 2020.

The Board nominated Mr. S.V.D. Kesarralal Gunasekara to represent the Mahapola Higher Education Scholarship Trust Fund at the Annual General Meetings of Nat Wealth Corporation Limited and Nat Wealth Securities Limited to be held on 31<sup>st</sup> July 2020.



9. BOARD PAPER NO.7  
SETTLEMENT OF LEGAL FEES TO MR. V.K. CHOKSY P.C

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

The Board having noted the contents of the fee Memoranda for legal consulting work for MTF and NWSL cases at the Commercial High Court, MC and SC for the period 22<sup>nd</sup> June 2020 to 9<sup>th</sup> July 2020 approved the settlement of legal fees of Rs.1,468,750/- to Mr. V.K. Choksy, P.C. legal consultant of Mahapola Trust Fund and the fee for Arbitration to Mr Neville Abeyratne P.C. and Mr. Palitha Fernando P.C. appointed by MTF.

10. BOARD PAPER NO.8  
CHANGING THE OFFICE HOURS AND INTRODUCING THE FLEXIBLE OFFICE HOURS DUE TO COVID-19 SITUATION

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

Mr. M.P. Bandara, Director informed the Board that due to COVID-19 situation, the public transport facilities are not up to the required level considering the traffic congestion. Employees are getting delayed to report to work.

The Board having noted the contents of the paper approved changing the office hours and introduce flexible hours as follows with effect from 1<sup>st</sup> July 2020 until the situation is normal in the country.

	<u>In (A.M.)</u>	<u>Out (P.M.)</u>
1.	7.30	3.15
2.	7.45	3.30
3.	8.00	3.45
4.	8.15	4.00
5.	8.30	4.15

11. OTHER BUSINESS

Proposal to organize an Exhibition in the name of Mahapola

Mr. Bandula Gunawardena, Hon Minister of Higher Education, Technology and Innovations suggested organizing an Exhibition in the name of Mahapola without the involvement of the Ministry, by inviting all the Universities.

The Hon. Minister suggested organizing the Exhibition over a period of 2 years in districts in the island on the basis of a Exhibition in one district per month suggested to invite the businessmen in the area to light the oil lamp, to organize musical show and have sponsorships as well. The Hon. Minister also suggested the Army also involved in the Exhibition who generally do a good job.

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

**CONFIRMED TRUE RECORD**

**CHAIRMAN**

A:/Min-79th