

**MINUTES OF THE 62<sup>ND</sup> MEETING OF MAHAPOLA HIGHER EDUCATION  
SCHOLARSHIP TRUST FUND**

**DATE & TIME:** 21<sup>ST</sup> NOVEMBER 2016 AT 4.00 P.M.

**VENUE:** CHAMBERS OF THE CHIEF JUSTICE'S OFFICE,  
SUPREME COURT, COMPLEX, COLOMBO 12.

**PRESENT:**

- |   |                     |
|---|---------------------|
| 1. HIS LORDSHIP THE CHIEF JUSTICE MR. K. SRIPAVAN   | EX. OFFICIO TRUSTEE |
| 2. HON. MR. MALIK SAMARAWICKREMA, M.P.<br>MINISTER OF DEVELOPMENT STRATEGIES & INTERNATIONAL<br>TRADE | FOUNDER TRUSTEE     |
| 3. MRS. C. WIJAYAWARDHANA<br>SECRETARY, MINISTRY OF DEVELOPMENT STRATEGIES &<br>INTERNATIONAL TRADE   | EX. OFFICIO TRUSTEE |
| 4. MR. D.C. DISSANAYAKE<br>SECRETARY, MINISTRY OF UNIVERSITY HIGHER EDUCATION &<br>HIGHWAYS           | EX. OFFICIO TRUSTEE |
| 5. DR WICKREMA WEERASOORIA, ATTORNEY-AT-LAW   | APPOINTED TRUSTEE   |
| 6. MR. ANIL RAJAKARUNA, ATTORNEY-AT-LAW   | APPOINTED TRUSTEE   |

**EXCUSED**

- |   |                     |
|---|---------------------|
| 1. MR. S S HETTIARACHCHI<br>SECRETARY, MINISTRY OF EDUCATION                                      | EX. OFFICIO TRUSTEE |
| 2. MR. D.A.W. WANIGASURIYA, ADDL. SEC.Y / CHIEF ACCOUNTANT, PRESIDENTIAL<br>SECRETARIAT -OBSERVER |                     |

**IN ATTENDANCE BY INVITATION :**

- (I) 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 61<sup>ST</sup> MEETING HELD ON 6<sup>TH</sup> JUNE 2016**

The Minutes of the 61<sup>st</sup> Meeting of the Mahapola Higher Education Trust Fund held on 6<sup>th</sup> June 2016 which had been circulated were approved. Proposed by Mr. Anil Rajakaruna and seconded by Mrs. C. Wijayawardhana the Chairman signed the minutes as a correct record of the proceedings.

**2. MATTERS ARISING FROM THE MINUTES**

**2.1 National Wealth Corporation Limited (NWC) and Natwealth Securities Limited (NWS)**

The Board decided that steps should be taken to call for valuation as earlier decided for the disposal of Natwealth Corporation (NWC) and Natwealth Securities (NWS) as entrusted to Pricewaterhouse Coopers.

Hon. Mr. Malik Samarawickrema, M.P. agreed to speak to the current directors of NWS (Primary Dealer) and apprise them of the Board's views on this matter.

The Board granted approval for the agreement with NWC for the management of the funds to be signed for another year because this was a requirement already committed too.

The Board noted that Dr. Wickrema Weerasooria had earlier tendered his resignation as Chairman of NWC and the Hon. Mr. Malik Samarawickrama, M.P. agreed that he be permitted to step down and the Hon. Minister agreed to nominate a person to take over from Dr. Weerasooria.

Hon. Mr. Malik Samarawickrema, M.P. tabled copy of a letter dated 21<sup>st</sup> November 2016 forwarded by Mr. Gihan Jayatilleke, Chief Executive of Natwealth Securities Limited with regard to commission of offences by the former CEO of Natwealth Securities Limited, Mr. Riyaz during the time of the previous Government). This letter sets out the details of the fraud and was tabled for the information of the Board, the contents of which was noted by the Board.

**3. TABLING AND CONFIRMING MINUTES OF THE 4<sup>TH</sup> MEETING OF THE MANAGEMENT COMMITTEE OF MTF HELD ON 29<sup>TH</sup> JUNE 2016  
(Minutes prepared by Mr. Parakrama Bandara, Acting Director MTF and approved by Mrs. Chandanie Wijeyawardhana, Chief Accounting Officer MTF)**

The Minutes of the 4<sup>th</sup> Management Committee Meeting held on 29<sup>th</sup> June 2016 which was chaired by Mrs. C. Wijayawardhana were tabled and contents noted by the Board.

4. TABLING AND CONFIRMING MINUTES OF THE 2<sup>ND</sup> MEETING OF THE AUDIT COMMITTEE OF MTF HELD ON 15<sup>TH</sup> JULY 2016

(Minutes prepared by Mr. Parakrama Bandara, Acting Director MTF and approved by Mr. D.C. Dissanayaka, Secretary – Ministry of Higher Education and Highways Chairman of the Audit Committee

The Minutes of the 2<sup>nd</sup> Audit Committee Meeting held on 15<sup>th</sup> July 2016 which was chaired by Mrs. C. Wijayawardhana were tabled and contents noted by the Board.

The Board was informed that the audit queries for the year 2015 have all been answered while the audit queries for the year 2016 were still pending.

Mr. D.C. Dissanayake, Secretary, Ministry of Higher Education and Highways recommended that the MTF should invest its Gratuity Funds.

5. ITEMS FOR DISCUSSION:

5.1 Termination of Mahapola Lottery with Oceanic Games and the Litigation that Ensued

The Board considered Board Paper No.1 on the above subject and noted the following:

- The Board approved the termination of the Lottery with Oceanic Games (Pvt) Ltd, with ninety (90) days notice as recommended by Dr. Harsha Cabraal, P.C.
- Oceanic Games filed action in the Colombo Commercial High Court against the termination and also obtained an ex-parte Enjoining Order against MTF. Mr. Romesh de Silva, P.C. appeared for them.
- Hon. Minister Mr. Malik Samarawickrema had approved the following lawyers to act for MTF:
  - Mr S.A. Parthalingam, P.C,
  - Mr, Thisath Wijayagunawardane
  - Mr. Farman Cassim and
  - Paul Ratnayake Associates as instructing Attorneys
- The Oceanic Games/MTF case came up in the Colombo Commercial High Court on 27<sup>th</sup> October 2016 and the Enjoining Order was set aside and the Judge had delivered the order in favour of Defendant (MTF). The

case will be called on 17<sup>th</sup> March 2017 for Answer and **Objections** of the Defendant **(MTF)**.

- Accordingly, the MTF termination of the Lottery remains valid. Copies of the letters forwarded by the MTF to the Chairman Oceanic Games (Pvt) Ltd was tabled for the information of the Board.
- Oceanic Games had requested Arbitration as provided for in the main Lottery Agreement and they had nominated retired Supreme Court Judge Mrs. Rohini Marasinhge as their Arbitrator.
- Before the Enjoining Order was set a side, MTF had nominated Mr. Upul Jayasuriya, Attorney-at-Law as Arbitrator for MIT. Oceanic Games has not yet agreed to this nomination. If they agree, the 2 Arbitrators will have to nominate the Chairman of the Panel.
- The lawyers who appeared for MTF have submitted their Invoice of Fees. The Board having noted the request and the copies of the invoices forwarded by M/s Paul Ratnayake Associates approved of the payment of Rs. 822,911.46 subject to the following:
  - **Whether** Mr. C. Jayaratne **had** not appeared in Court but **had** done some work by getting a letter from Mr. Parathalingam P.C. and therefore the payment of Rs.61,250/- due to him can be paid.
  - The Hon. Chief Justice requested to get the proceedings of the Case and check whether the lawyers listed in the Invoice were present at the sittings and thereafter make the payment.

After the Board meeting, Dr. Weerasooria noted that on perusing the transcript of the Court proceedings, it was clear that Mr. C Jayaratne, Attorney-at-Law had appeared as a Junior Counsel and his appearance had been marked. Therefore, this payment is in order.

The Hon. Chief Justice informed the Board that since the Mahapola Lottery was begun with the approval of the Cabinet arrangements should be made to keep the Cabinet informed of the termination of the Lottery.

Accordingly the Board decided that the Hon Minister should submit **an appropriate** Cabinet Paper including all the relevant facts mentioned above and that the lottery has now been terminated. Mrs. Chandanie Wijeyawardhana was entrusted with this task of preparing the Cabinet Paper.

**5.2 Alleged Defamatory Statement by Mr. Azad Salley on 9<sup>th</sup> November 2016 on Sirasa TV broadcast only in the early 7 p.m. news and steps taken to refute it**

The Board considered Board Paper No.2 on the above subject.

The Board noted Board paper relating to the Defamatory Statement made by Mr. Azad Salley on 9<sup>th</sup> November 2016 on Sirasa TV broadcast only in the early 7 p.m. News and noted the same.

**5.3 Shifting of Mahapola Office from CWE Building, Vauxhall Street to J R Jayewardena Centre at Ward Place.**

The Board was informed that MTF signed the Lease Agreement with J R Jayewardena Centre but have not paid any rent as yet since the Company had not gone into occupation as yet.

The Hon. Chief Justice suggested that under the Agreement which was signed with the J R Jayewardena Centre, the Acting Director MTF to confirm that the rent will be payable only from the date of shifting, because repairs and refurbishments were being done.

**6. ITEMS FOR INFORMAITON AND APPROVAL OF THE BOARD OF TRUSTEES**

**6.1 Progress of the construction of swimming pool for Royal College – Polonnaruwa**

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

The Board noted that as approved by the MTF a swimming pool has been constructed for Royal College – Polonnaruwa under the school development programme at a cost of Rs.22 Mn.

The Board was informed that the MTF has so far paid Rs.19 Mn up to 30<sup>th</sup> October 2016 as progress payment.

The Board was also informed that the MTF has paid Rs.180,000/- at Rs.30,000/- per month to Mr. Chandrasena, District Engineer, Polonnaruwa for consultancy services up to October 2016. The MTF had appointed him as the Consultant/Engineer.

Board approval was sought for the following:

- To pay Consultancy fees of Rs.180,000/- to Mr Chandrasena District Engineer, Polonnaruwa for his services for the balance period of the contract
- Pay the balance construction payment to Aqua Technologies on the completion of the construction of swimming pool project.

The Hon Chief Justice requested Mr. Parakrama Bandara, Acting Director MTF to obtain a certification from the Engineer appointed by the Board prior to making any payment and to ensure that all payments are as per the Agreement and that the Engineer's term of office should not be extended beyond the necessary period since he was paid a monthly allowance of Rs.30,000/-.

## **6.2 Revision of the salaries of the MTF staff as per the Budget proposal**

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

The Board was informed that as per the Budget proposal 2016 the salaries of the government employees have been revised with effect from 1<sup>st</sup> January 2016. This revision was applicable to the employees of government corporations and government owned undertakings.

Accordingly the salaries of MTF employees had been revised as per the salary conversion table given by the salaries and cadre commission with effect from 1<sup>st</sup> January 2016 and revised salary computations were submitted for the information of the Board.

The Board approval was sought to implement the new revised salary for the MTF staff with effect from 1<sup>st</sup> January 2016.

The Board approved the revision of salaries for the MTF staff with effect from 1<sup>st</sup> January 2016 subject to getting someone to check prior to the payment being effected.

Mrs. C. Wijayawardhana stated that she will get the Chief Accountant of the Ministry of Development Strategies and International Trade to check and thereafter forward it to the Management Committee and effect payment.

## **6.3 Procurement of Motor Vehicle for the use of MTF under the Finance Leasing**

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

The Board was informed that as per the Director General, Fiscal Policy Department of the General Treasury, MTF is unable to purchase a motor vehicle

under a duty free facility as MTF is exempt only from the custom duty but import of motor vehicle is subject to excise duty.

Accordingly Director MTF has made arrangements to purchase motor vehicles locally under a bank lease facility according to the necessary procurement procedure as per the National Procurement Guidelines.

The Board having discussed approved the purchase of a vehicle by calling quotations as per State procedure instead of leasing subject to approval of the Management Committee.

#### **6.4 Development of New Web site for Mahapola Trust Fund**

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

The Board having noted that the MTF does not have its own web site approved the development of a Website for the MTF and directed that quotations be called from the University of Kelaniya, Colombo, Moratuwa and the ICT and for the Management Committee to consider this matter further.

The Hon Chief Justice requested Dr. Wickrema Weerasooria to speak to Mr. Jayantha Fernando of ICT in this connection.

#### **6.5 Budget Estimate 2017, Income and Expenditure Budget of MTF 2017**

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

The Board having noted the contents approved the Budget Estimate for 2017 – Income and Expenditure.

Referring to the item Recurrent under Expenditure, the Board requested Mr. M.P. Bandara, Acting Director to indicate the cost of Scholarships separately.

#### **6.6 Investment of Additional Funds in fixed deposits and REPO in Government Banks**

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

The Board noted that **additional** funds of MTF have been deposited in 03 months fixed deposits at the highest rates offered by Peoples Bank until scholarship payments are due, when these funds will be utilized.

- People's Bank – Rs.100 Mn fixed deposit at the rate of 11.60% for 03 months
- People's Bank – Rs.100 Mn fixed deposit at the rate of 11.50% for 03 months
- People's Bank – Rs. 100 Mn 3 months REPO at the rate of 12.50% at the highest interest rate

The Board requested Mr. Anil Rajakaruna, Attorney-At-Law to get a better rate for MTF from the National Savings Bank.

#### **6.7 Donation for the Lalith Athulathmudali Commemorative Foundation Centre**

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

The Board having noted the request forwarded by the Chairman of the Lalith Athulathmudali Commemorative Foundation Centre on the recommendation of Hon Mr. Malik Samarawickrema, M.P. approved a donation of Rs.500,000/- for the event organized by the Lalith Athulathmudali Commemorative Foundation Centre.

#### **7. ANY OTHER MATTERS**

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

CONFIRMED TRUE RECORD

CHAIRMAN