

S S P Corporate Services (Private) Limited

MINUTES OF THE 72ND MEETING OF MAHAPOLA HIGHER EDUCATION SCHOLARSHIP TRUST FUND

DATE & TIME: 18TH JANUARY 2019 AT 4.00 P.M.

VENUE: THE LOUNGE, CHIEF JUSTICE'S OFFICE, 5TH FLOOR,
SUPREME COURT, COMPLEX, COLOMBO 12.

PRESENT:

1. HON. RAUFF HAKEEM MINISTER OF CITY PLANNING, WATER SUPPLY AND HIGHER EDUCATION	FOUNDER TRUSTEE
2. MR. M.M.P.K.MAYADUNNE, SECRETARY, MINISTRY OF CITY PLANNING, WATER SUPPLY AND HIGHER EDUCATION	EX.OFFICIO TRUSTEE
3. MR. S.T.KODIKARA SECRETARY MINISTRY OF DEVELOPMENT STRATEGIES AND INTERNATIONAL TRADE	EX.OFFICIO TRUSTEE
4. MR. S.V.D. KESARRALAL GUNASEKARA	APPOINTED TRUSTEE

EXCUSED

- | | |
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| 1. HIS LORDSHIP THE CHIEF JUSTICE MR. H.N.J. PERERA | EX.OFFICIO TRUSTEE |
| 2. MR. PATHMASIRI JAYAMANNA
SECRETARY, MINISTRY OF EDUCATION | EX.OFFICIO TRUSTEE |

BY INVITATION

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

PROCEEDINGS

The Board noted that Hon. H.N.J. Perera, Chief Justice wished to be excused.

Hon. Rauff Hakeem, Minister of City Planning, Water Supply and Higher Education was appointed as the Chairman pro tem. to preside over the meeting. The Chairman pro tem. welcomed the members to the meeting.

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1. CONFIRMATION OF THE MINUTES OF THE 71ST MEETING HELD ON 28TH SEPTEMBER 2018

The Minutes of the 71st Meeting of the Mahapola Higher Education Trust Fund held on 28th September 2018 which had been circulated were approved by the Board and signed by Mr. S.V.D. Kesarralal Gunasekara, Appointed Trustee as a correct record of the proceedings.

2. MATTERS ARISING FROM THE PREVIOUS MINUTES

2.1 Cabinet Memorandum for Re-Organisation of the Activities of SLIIT, NWCL and NWSL

Mr. S.V.D. Kesarralal Gunasekara, Appointed Trustee advised that the Sri Lanka Institute of Information Technology (SLIIT) was a creation of Mahapola Higher Education Scholarship Trust Fund (MTF). It was set up on a 25 acre land in Malabe.

SLIIT now wishes to take over the ownership of assets which belonged to MTF. This was an arbitrary decision taken by the officials of SLIIT claiming that the trust did not have funds to pay scholars under the scholarship programme (which is incorrect. MTF did have Rs.10.0Bn in Trust Funds) by providing Rs. 373M as a loan, not as an Investment. On repayment of this loan they decided to sever all connections with MTF. Prior to the above, this institution began the gradual process of making changes /amendments to the initial agreements signed between both organizations. SLIIT has valued the business at Rs. 400M.

It was documented that the former Minister Hon. Dr. Wijeyadasa Rajapaksa, P.C. Minister of Higher Education & Cultural Affairs summoned the officials of SLIIT and advised them that their actions were illegal. Mr. S.V.D. Kesarralal Gunasekara pointed out that the assets of the organization belonged to a Trust and as such Trust Assets could not be sold or transferred. Board Paper No 01 is submitted in this regard.

2.2 Re - commencement of Mahapola Trade Fair and Exhibition with National Youth Services Council

Mr. M.P. Bandara Director briefed the Chairman pro tem. on the Project Proposal in respect of the recommencement of the Mahapola Trade Fair and Exhibition. The event is estimated to cost approximately Rs.50 Mn. Mr. M.P. Bandara stated that while the event does not generate revenue, it provides the opportunity to develop a venue, generally a School and the surrounding area. There is active participation of both State and Private Sector Enterprises at the Fair. The Board was in favour of recommencement of the Mahapola Trade Fair and Exhibition. However it was noted that the current economic climate was not favorable to hold such an event.

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The Chairman pro tem. Also requested time to study the proposal and the Board decided to take up the Paper at the next Meeting.

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

The Board was informed that the above item is covered under Board Paper No.5.

2.4 Design and Construction of CMS WEB Site for Mahapola Trust Fund

Mr. M.P. Bandara, Director informed the Board that the CMS WEB Site for MTF was 90% complete and should be launched by February.

2.5 Health Insurance Trust Fund Scheme for Mahapola Staff

Mr. M.P. Bandara Director informed Chairman pro tem. that they have implemented this scheme at a cost of approximately Rs. 300,000/.

2.6 Purchase and Installation of Quick Book Accounting Software

Mr. M.P. Bandara, Director informed the Board that the software had now been purchased (Purchase approved by Board of Trustees at the meeting of 28th September 2018) and will be installed next week.

2.7 Purchase of Vehicle for Mahapola Trust Fund under the Duty Concessions

Mr. S.V.D. Kesarralal Gunsekara, Appointed Trustee stated that duty concessions were no longer available for the purchase of Motor Vehicles for the Institution. This item is covered under Board Paper No. 08.

2.8 Cabinet Approval for Restructuring of NWCL/NWSL and the amendment to the Mahapola Higher Education Scholarship Trust Fund Act No.66 of 1981

The Cabinet approvals were tabled for the information of the Board.

2.9 Appointment of Auditors to undertake Due Diligence Audit of NWCL and NWSL

Mr. M.P. Bandara, Director, advised Chairman pro tem. that the study was to ascertain the value of the Business and the report will be out in two weeks time.

2.10 Draft – Agreement of Mahapola Lottery conducted by DLB

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The Board advised the Chairman pro tem that this has been submitted and a copy of the draft agreement which was in principle agreed signed between the MTF and the Development Lotteries Board (DLB) for conducting the Mahapola Lottery through the Development Lotteries Board and tabled for information purposes. Mr. S.V.D. Kesarralal Gunasekara advised that licences' to conduct lotteries were awarded to 3 institutions namely

- Development Lotteries Board
- National Lotteries Board
- Mahapola Lotteries.

It was the view of the Board that MTF did not have the infrastructure to initiate a lottery which required the importation of security paper, distribution outlets, publicity etc. It was noted that under this agreement MTF would only receive 50% of the profits. The Chairman pro tem. requested time to study the above proposal.

2.11 Arbitration MTF Vs. Oceanic Games

Mr. M.P Bandara Director briefed the Chairman pro tem on the background to the above, namely the introduction of an On-Line lottery with a Malaysian Company. The initial agreement stipulated 20 conditions one of which was Guaranteed revenue of Rs. 1.0 Bn, supported by a Bank Guarantee. This however was never provided and the clause was amended. MTF initially received Rs. 250Mn after 1 year. MTF has not received any funds for the last 4 years and claimed Rs. 700 Mn. However through political intervention this was moved to an arbitration hearing and a letter was sent demanding a smaller amount. On the matter of arbitration there was a mix up in court venues. Dr Harsha Cabral P.C. petitioned the High Court who then ordered that the arbitration be halted.

2.12 Open New Bank Account with Bank of Ceylon – Torrington Branch under the MTF Scholarship Payment

Mr. M.P Bandara Director briefed Chairman pro tem. with regard to the need to open a new Bank Account with Bank of Ceylon (BOC) Torrington Branch. The existing bank BOC Corporate Branch, levied a charge of Rs7.50 per slip transfer which amounted to Rs. 500,000/ when making payments to 70,000 beneficiaries. BOC Torrington Branch has agreed to waive this charge.

2.13 Scholarship Payment Policies and Guidelines

Mr. M.P. Bandara Director briefed the Chairman pro tem. regarding the challenges (Ragging, Absentism, Fraud etc) that necessitated changes in Policies and Guidelines.

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2.14. Auditor Generals Report on the Activities of Mahapola Trust Fund Special Audit Report due for submission to the Parliament

Mr. M.P. Bandara, Director informed the Board that a Comprehensive Report will be received which will be presented in Parliament.

2.15 Land to set up Mahapola Quarters

Mr. S.V.D. Kesarralal Gunasekara, Appointed Trustee briefed the Chairman pro tem. on the need for MTF to have its own building to house its Head Quarters. Currently the Company is located at J.R. Jaywardene Centre which is a rented property. The current need would be for its administration activities, a Reference Library, and Lecture Rooms for students. The requirement was for approximately 70 perches around Colombo. Land initially earmarked for this use was disposed of. They had approached the UDA as well as Public Trustee with no success.

The Chairman pro tem suggested that the Trust should also look at obtaining a portion of land from the University on a profit sharing basis.

2.16 Appointment of Assistant Director Projects on Contract Basis

Mr. M.P. Bandara Director, briefed the Chairmen pro tem. on the need for the post of Assistant Director Projects due to the increase in activities plus the planned recommencement of the Trade Fair. A copy of his Curriculum Vitae was tabled for the information of the Board.

3. BOARD PAPER NO.1

RESTRUCTURING OF THE ACTIVITIES OF SLIIT AND THE CANCELLATION OF THE TWO AGREEMENTS ENTERED INTO WITH SLIIT ON 12TH MAY 2015

Mr. M.P. Bandara, Director tabled Board Paper No.1 on the above subject.

Mr. S.V.D Kesarralal Gunsekara, Appointed Trustee along with Mr. M.P. Bandara Director briefed Chairman pro tem. on the paper and the current status.

On the receipt of Cabinet Observation dated 3rd September 2018, a letter dated 9th October 2018 was sent to the Chairman of SLIIT. These letters were tabled for the information of the Board.

The Board having noted the contents granted covering approval of the Board of Trustees for the content of the letter addressed to Professor Lakshman Rathnayake Chairman-SIIT requesting the decision and concerns of the Board of Directors of SLIIT on the restructuring of activities of SLIIT.

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4. BOARD PAPER NO.2 PROGRESS REPORT ON THE RESTRUCTURING PROCESS OF THE ACTIVITIES OF NWCL AND NWSL

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

Mr. M.P. Bandara, Director provided an update to the Board which covered the following:

S/N	Steps Taken	Progress as at 31 st December 2018
(1)	Cancelling the Fund Management Agreement entered by and between MTF and NWCL	<p>Fund Management agreement expired on 31/12/2018. No further extension will be granted and entire fund balance will be transferred to MTF custodian account with Bank of Ceylon (BOC) Corporate Branch.</p> <p>Termination of Agreement approved by Board. Funds are now back with MTF and transferred to the Account with Bank of Ceylon. Board Paper No 04 submitted in this regard</p>
(2)	Transfer all fund balances to MTF –Main Account operating at BOC –Corporate Branch	<p>Due to the pending approval of the Board of Trustees, existing Custodian Account operated by NWCL with Bank of Ceylon will continue for a further period until new custodian account is opened with approval of the Board of Trustees.</p> <p>Approved by Board.</p>
(3)	Sell the shares of NWSL Primary Dealer Company following the National Procurement Guidelines	<p>1. Due diligence audit commenced on the 23rd of October and will be finalized by December 2018.</p> <p>Mr. M.P. Bandara Director stated that the report will be released next week.</p> <p>2. As informed by the Secretary Ministry of Higher Education Mr. Pathmasiri Jayamanne the procurement level would be cabinet appointed Tender Board. Accordingly, nominations for the SCATEC has already been submitted to the MOHE for recommendations and submitted to the General Treasury.</p> <p>Noted by the Board</p>
(4)	Pending litigation to be handed over to Attorney General's Department	<p>1) Two cases filed at the Commercial High Court Colombo. NWSL proposed amicable settlement and parties also agreed.</p>

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		<p>2) Tax cases continue</p> <p>3) Other legal cases to be handed over to Attorney General's Department.</p> <p>Board Paper Number 05 submitted in this regard.</p>
(5)	Winding up of NWCL	<p>Due diligence audit is currently in progress for both NWCL and NWSL . Based on the valuation of the Business –Sell the shares of NWCL as well for which they obtained Cabinet approval.</p> <p>The Chairman pro tem was not in favour of same. He stated that Primary Dealership Licence should not be sold as it was a source of income. The current situation was due to bad management which could be rectified by appointing proper people. He requested time to study the report. It was noted that they would need to seek cabinet approval to retain the licence.</p>
(6)	<p>A summary of the fund position of NWSL and NWCL as at 31/12/2018</p> <p>1.) Net Asset position of both companies as at 30th November given below</p> <p>(Figs in Rs. Mn) NWCL</p> <p>Total Assets 1,249,346,427</p> <p>Total Liabilities (2,547,878)</p> <p>Net Equity as at 30th November 2018 1,246,798,549</p> <p>(Figs in Rs. Mn) NWSL</p> <p>Total Assets 3,814,662,314</p> <p>Total Liabilities (2,883,890,455)</p> <p>Net Equity as at 30th November 2018 930,771,859</p> <p>2.) Value of Treasury Bonds and Treasury Bills of NWSL- Marked to Market situation in 31st December 2018. (Tabled).</p> <p>3.) Value of Treasury Bonds and Treasury Bills of main fund position managed by NWCL in 31st December 2018 (Tabled)</p>	The Board noted the contents.
(7)	<p>CBSL Meetings</p> <p>1) Two meetings were held with the officials of the Central Bank of Sri Lanka (CBSL) directors</p>	The Board noted same

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	<p>MTF/Director of NWCL and NWSL with CEO/Chief Dealer of NWSL. The CBSL in principle agreed to select a suitable buyer to transfer the shares of NWSL</p> <p>2.) NWSL was to scale down the business operations due to the starting of restructure process and stop the new Repo borrowings. Therefore it is difficult to accommodate the bond auction 3rd round compulsory allocation. NWSL requested CBSL to restrict the allocation in this regard and CBSL replies that primary dealer regulations cannot be changed for one dealer.</p>	
(8)	<p>As an alternative arrangement to maintain the Liquidity Position and Core Capital Requirement with the minimizing the market loss, Director MTF proposed to obtain a Term Loan Facility of Rs. 4.0Bn from BOC Corporate Branch and then entire portfolio of NWSL will be transferred to MTF Custodian A/C managed at BOC Corporate Branch. When the interest rate and market movement come back to normal the portfolio can be released without any losses to MTF</p>	The Board noted same. Board Paper Number No 3 submitted in this regard.
(9)	<p>NWSL will have to maintain core capital minimum level of Rs 1.0Bn due to the interest rate fluctuation and NWSL maintaining only trading portfolio the mark to market loss will be high. Therefore up to 30th November 2018 the total core capital shortfall was Rs. 60mn. Accordingly NWCL must infuse the capital equivalent of the above sum by way of increasing the share capital of NWSL.</p>	The Board noted same

5. **BOARD PAPER NO. 3**
TERM LOAN FACILITY OF RS. 4 Bn FROM BOC TO ACQUIRE THE NWSL TREASURY BONDS PORTFOLIO

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

It was resolved:

"That the **Mahapola Higher Education Scholarship Trust Fund** established by the **Mahapola Higher Education Scholarship Trust Fund Act No.66 of 1981**, do obtain from the Bank of Ceylon

Term Loan facility of Rs.2,000,000,000/-

Term Loan facility of Rs.2,000,000,000/-

and other pecuniary aid and assistance and accommodation and Banking facilities in addition to the existing facilities from time to time and in any manner and subject to such terms and conditions and upon the security of **Treasury Bonds of Mahapola Trust Fund under the Bank of Ceylon custodian account (Face Value Rs.5,819.91Mn) & Letter of Setoff** and such other or further securities as the Bank of Ceylon might require in this connection and for that purpose to sign, seal, execute and deliver from time to time all documents of whatsoever kind or nature as may be required by the Bank of Ceylon and that every such sealing be attested by **any two members of the Board.**"

6. **BOARD PAPER NO 04**
OPENING OF NEW CUSTODIAN ACCOUNT AT BOC – CORPORATE BRANCH

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

As per the decision of the Cabinet of Ministers regarding the restructuring of two subsidiaries of MTF, NWCL, and NWSL, the Fund Management Agreement entered with NWCL in 2003 had expired on 31st December 2018 and the existing Custodian Account operated by NWCL will also be closed. The Agreement was not renewed and the Board approved the cancellation of the Agreement. This has been intimated by letter dated 7th December 2018 by Mr. M.P Bandara-Director MTF.

A decision was taken to transfer the funds to a new Custodian Account with Bank of Ceylon Corporate Branch. A Letter dated 10th December from BOC with copy of the agreement with a special power of attorney was submitted, and a copy was presented for the information of the Board.

Resolved:

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"That with reference to Clause 2 (a) of the Agreement for Custody Services between Mahapola Higher Education Scholarship Trust Fund dated(hereinafter referred to as the "Agreement"), Mahapola Higher Education Scholarship Trust Fund hereby notify you that the persons whose names and signatures (hereby certified as true) are set out below are appointed to be an Authorised Person/s in terms of the Agreement.

AUTHORISED PERSON/S SPECIMEN SIGNATURES

Name	Specimen signature
1. Mr. M.M.P.K. Mayadunne (NIC No. 633361185 V), Secretary, Ministry of City Planning, Water Supply and Higher Education and Ex Officio Trustee, Chief Accounting Officer of Mahapola Higher Education Scholarship Trust Fund.
2. Mr. M.P.Bandara (NIC No. 642861700 V), Director, Mahapola Higher Education Scholarship Trust Fund.
3. Ms Samanthika Rajapaksha(NIC No. 697901930 V)- Administrative Officer Mahapola Higher Education Scholarship Trust Fund.

Mahapola Higher Education Scholarship Trust Fund hereby acknowledge and confirm that any two of the Authorised signatories have full power and authority on our behalf to issue instructions , directions and other communications to you in connection with the services being or to be carried out by you pursuant to the Agreement."

7. BOARD PAPER NO 5

Amicable Settlement of two Cases of NWSL Trillion Securities (Pvt) Limited and Virtual Investment.

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

Case	
1) Trillion Securities (Pvt.) Ltd – Commercial High Court-Colombo Case No. HC-Civil 155/2015 MR.	Capital O/S Rs.53.830.000/- Judgment is given in favour of Trillion Securities . The total claim submitted was for Rs. 99Mn. Copy of order was tabled. Trillion Securities (Pvt) Ltd agreed for full and final settlement of Rs. 90Mn. (Before 31 st of December 2018)

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2) Virtual Investment Trading Lanka (Pvt) Ltd. CHC-522/2016 MR MC-Port-MC 4015/2016	Capital O/S Rs 35,070,000/ +36% interest calculated on daily basis +Legal cost+damages, TTL claim Rs 160mn. (Interest calculation tabled) Agreed full and final settlement Rs. 95Mn
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Next court date of Virtual Investment Trading Lanka Ltd
-MC 4015/16-18TH January 2019
-CHC 522/2016MR-29TH January 2019

The Chairman pro tem. was provided an update on the above cases which was the result of not releasing funds to the owners after the sale of Bonds. In case number 1 above, the court ruled in favour of the plaintiff. The Chairman pro tem requested the Board to renegotiate for payment of Capital only, based on the fact that these were scholarship funds belonging to students. Mr. M. P. Bandara Director advised that while Central Bank of Sri Lanka (CBSL) has also ordered payment, on an appeal, the Court requested Central Bank to agree for settlement of Capital only. CBSL has yet to rescind its previous direction and issue a new one, based on Court instructions.

Mr. M.P. Bandara Director advised that case number 2 above, is still in Court and awaits a verdict. The Chairman pro tem. requested that they approach Court with an agreement to settle capital only, prior to a decision of the Court.

Accordingly the proposed payment of settlement of Rs. 90Mn to Trillion Securities (Pvt) Ltd and Rs. 95mn to Virtual Investment was turned down by the Board, with recommendations to approach both parties for settlement of capital sums only.

8. BOARD PAPER 06
ARBITRATION OCEANIC GAMES (PVT) LTD VS MAHAPOLA HIGHER EDUCATION
SCHOLARSHIP TRUST FUND-SRI LANKA ARBITRATION CENTRE

Mr. M.P. Bandara, Director tabled Board Paper No.06 in connection with the above.

The Board noted that the District Court had ruled to stop arbitration hearings. The Board discussed the question of whether the Oceanic Games (Pvt) Limited were a solvent entity given that they owed Rs. 700Mn, where it was discovered that the Company faced several issues including a hostile change in ownership.

The Board having noted the contents of the Board Paper approved the payment of legal fees amounting to Rs. 837,500/ to Dr. Harsha Cabral P.C. and Mr. Nishan Premthiratne Attorneys- at- Law for professional services provided.

9. BOARD PAPER 07
INVESTMENT OF EXCESS FUNDS OF MTF UPTO 31/12/2018

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

Mr. M.P. Bandara Director advised that all excess funds have been invested with State Banks namely, Bank of Ceylon and National Savings Bank. A schedule of investments in the form of Overnight Investment, Repo Investment plus Repo and Fixed Deposit covering the period 1st July 2018 to 31st December 2018 was presented for the information of the Board.

The Board having noted that these investments were with State Banks, ratified the investment of excessive funds of MTF in Bank Fixed Deposit and Repos from July 2018 to December 2018.

10. BOARD PAPER 08
PROCUREMENT OF MOTOR VEHICLE FOR MTF

Mr. M.P. Bandara, Director tabled Board Paper No.08 in connection with the above.

Mr. M.T.Bandara Director updated the Board on the need for a motor vehicle. He informed the Board that MTF was unable to obtain any duty waivers, further, there were no suitable vehicles seized by customs, neither did the Ministry of Justice have excess vehicles.

The Board having noted the contents of the Board Paper approved the purchase of a Hybrid motor vehicle estimated to cost Rs.17 Mn subject to MTF following the laid down procedure and partly being funded by sale proceeds of the old vehicle and the balance from budgetary allocation of MTF for 2018.

11. BOARD PAPER 09
APPOINTMENT OF TRAINEE MANAGEMENT ASSISTANT AND OFFICE ASSISTANT FOR MTF OFFICE

Mr. M.P. Bandara, Director tabled Board Paper No.09 in connection with the above.

Mr. M.P Bandara briefed the Board on staffing situation at Mahapola wherein it was explained that while the required cadre was 25 employees they currently had only 14.

The Board having noted the contents of the Board Paper ratified the appointment of Ms R.B.S.D.Ranasinghe as Trainee Management Assistant on casual basis at Rs. 750/ per day with effect from 15th October 2018 and Mr. Y.N.S Ratnayake as KKS on contract basis for a period of 6 months at Rs. 1,000/- per day (all inclusive allowance) with effect from 29th October 2018.

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Mr. M.P. Bandara, Director informed that both candidates were selected after short-listing other candidates as well, from a list of names from the Ministry of Public Administration and Law and Order.

12. BOARD PAPER 10
PROPOSAL FOR THE INCREASE OF THE DAYS PAY OF BOOK KEEPER APPOINTED ON CONTRACT BASIS ON DAYS PAY BASIS

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

Mr. M.P. Bandara Director briefed the Board on the background to the paper submitted seeking an increase in remuneration, based on work load, of Ms K.L. Kusumawathie –Book Keeper from Rs. 1,500/- to Rs. 2000/- per day with effect from 1st November 2018. She was a contract employee recruited on 10th October 2017 on an all inclusive daily pay basis.

The Board ratified the payment of Rs.2,000/- per day with effect from 1st November 2018 to Ms. K.L. Kusumawathie, Book-Keeper until a Finance Manager is recruited.

Mr. M.P. Bandara Director tabled the current staff structure of the Organization where it was discovered that the Organisation does not have an Accountant. The Board instructed Mr. M.P. Bandara to conduct a study on staffing requirements with the assistance of NIBM. The Board also requested that a draft of an advertisement be presented to the Board for the recruitment for all senior positions, especially staff who worked and have knowledge of investments portfolios at the next meeting.

13. BOARD PAPER 11
REQUEST FOR PAYMENT OF COMPENSATION FOR THE EMPLOYEE WHO VACATED POST ON POLITICAL REASONS

Mr. M.P. Bandara, Director briefed the Board on the background to the paper presented. He stated that on the recommendations of an Investigation Committee, he sought the approval for the payment of compensation of Rs. 84,000/ to Mr. Ananda Weerasekara. This is a long standing issue. Mr. Weerasekera was not an employee of MTF but was assigned to Mahapola Trust. The question arose among Board Members as whether the payment of compensation would entitle Mr. Weerasekera to claim for additional payments of EPF and ETF for the period worked.

The Board having noted the contents of the Paper approved the payment of Rs.84,000/- subject to a letter being given stating that the organization would not be liable for any further claims in respect of EPF and ETF. A draft of the letter should be submitted to the Secretary for his approval prior to releasing the payment.

14. BOARD PAPER 12
PAYMENT OF AN ATTENDANCE ALLOWANCE TO EMPLOYEES OF MTF

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

Mr. M.P. Bandara Director briefed the Board on the background to the paper presented for the increase in the payment of an attendance allowance to staff of MTF. The current allowance was Rs. 2,500/ and would be increased to Rs. 10,000/. However, employees will be permitted 1 ½ days leave per month and would be liable for a reduction in allowance amounting to Rs. 2000/-per day for each additional days leave taken.

The matter of staff strength (12) and work load (70,000 students) was also revisited with recommendation to obtain the assistance of NIBM in conducting a work study and a salary review.

The Board having noted the above approved the increase in Attendance Allowance to Rs.10,000/-.

15. BOARD PAPER NO 13 RATIFICATION OF THE SALARY OF DIRECTOR MTF

Mr. K.D.V. Kesarralal Gunasekara, Appointed Trustee tabled a Paper in connection with the above.

The Board was informed that Mr. M.P. Bandara Director was seconded from the University Grants Commission (UGC). His salary was based on the last drawn salary from UGC which was Rs. 82,000/ plus allowance of 50% i.e. Rs 41,000/ which totaled Rs 123,000/ plus Rs. 16,000/ fuel allowance and Rs. 8,000/ communication allowance. In April 2018, there were salary increases at UGC which resulted in a salary of Rs. 123,000/ for his post. Mr. M.P. Bandara Director has requested that his last drawn salary be equated to his post at UGC which is Rs. 123,000/- and separate payments be made for his Fuel allowance of Rs. 16,000/ and his Communication allowance Rs. 8,000/ without adding same to his salary.

The Board having noted the above approved to equate the last drawn salary as Rs.123,000/- and 50% allowance thereon as salary to Mr. M.P. Bandara and a Fuel Allowance in respect of 140 Lts (cost) and Rs.8,000/- Communication Allowance with effect from April 2018.

16. BOARD PAPER NO14 DONATIONS FOR LALITH ATHULATHUDALI COMMEMORATIVE FOUNDATION CENTRE

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

Mr. S.V.D. Kesarralal Gunerakara, Appointed Trustee briefed the Board on the paper presented in respect of a request for Rs. 1,000,000/ made by the Lalith Athulatmudali Commemorative Foundation Centre for the annual distribution of

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schools books to students in rural schools, and urban schools in the Moratuwa area. The Foundation spends approximately Rs. 3.8Mn on this annual event.

The Board having noted the request approved a payment of Rs. 500,000/-, as in previous years, for the distribution of School Books for poor children in rural area.

17. BOARD PAPER 15 BUDGET ESTIMATES FOR 2019 AND ACTUAL PERFORMANCE UPTO 30TH NOVEMBER 2018

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

Detailed Budgetary estimates for 2019 plus year to date performance upto 30th November 2018 against budget was presented to the Board.

Key figures for 2019 are given below

*Total Income was estimated at	Rs. 1,870,000,000.
**Total Expenditure was estimated at	Rs. 1,649,747,000
Surplus (Deficit)	<u>Rs. 220,253,000</u>

*Total Income included Share of profit from DLB of Rs. 900,000,000/ National Wealth Rs. 800,000,000/ and Interest from Investments Rs. 150,000,000/

The Board reviewed the information above and requested for a statement of payments made by DLB.

**Total Expenditure included Rs. 1,594,782,000/ on account of scholarship payments. Also included was an amount of Rs. 17.0 Mn allocated for purchase of motor vehicle.

The Board having discussed proposed to increase the allowance payable to undergraduates from Rs. 1,500/- to Rs.2,500/- per month. This decision was based on the increases in cost of living caused by overall inflation. The Board noted the tentative decision and that a paper will be submitted to ratify this increase.

It was also the decision of the Board to make a token distribution of the scholarships commencing with Colombo District, by the issue of certificates. Presentations of Certificates to students from the districts who have topped their grades would also be made at this event. Separate district wise ceremonies would also be held for the recipients from the various districts.

Mr. M.P. Bandara Director would coordinate the printing of the certificates keeping in mind the tenure of Chief Justice who holds the post of Ex Officio Trustee and Chairman.

18. BOARD PAPER 16

APPOINTMENT OF DIRECTOR REPRESENTING THE CHAIRMAN OF MTF FOR DEVELOPMENT LOTTERY BOARD.

Mr. K.D.V. Kesarralal Gunasekara, Appointed Trustee tabled Board Paper No.16 in connection with the above.

Mr. M. P. Bandara briefed the Board on the paper submitted for the nomination of two representatives for the Development Lottery's Board (DLB). According to the Development Lottery Board Act No 20 of 1997, the Board of Directors of DLB should comprise the following Ex Officio members & the members nominated by Hon Minister of Finance

1. The Chairman of MTF or his representative
2. The Secretary to the President or his representative
3. Secretary to the Ministry of Finance or his representative.
4. Two members appointed by the Hon Minister of Finance.

The Board having noted the above approved the appointment of Mr. M.P. Bandara Director of MTF to represent the Chairman of MTF as the Board of Directors of DLB to represent the interest of Mahapola Higher Education Scholarship Fund.

19. BOARD PAPER 17

Change of Authorised Signatories of the Mahapola Higher Education Scholarship Trust Fund Bank Accounts maintained at Bank of Ceylon Corporate Branch and at Bank of Ceylon, Torrington Branch

Mr. M.P. Bandara, Director tabled Board Paper No.17 in connection with the above.

The Board having noted the contents

Resolved

"That the Board authorized the Mahapola Higher Education Scholarship Trust Fund to operate Account No. 1791 at Bank of Ceylon, Corporate Branch and Account No 453-83302834 at Bank of Ceylon Torrington Branch by any two of the following authorized persons:

1. Mr. M.M.P.K. Mayadunne- Secretary, Ministry of City Planning, Water Supply and Higher Education and Ex Officio Trustee, Chief Accounting Officer of Mahapola Higher Education Scholarship Trust Fund.
2. Mr. M.P.Bandara, Director, Mahapola Higher Education Scholarship Trust Fund.
3. Ms Samanthika Rajapaksha, Administrative Officer Mahapola Higher Education Scholarship Trust Fund.

S S P Corporate Services (Private) Limited

Further Resolved:

"That this decision of the Board supersedes all previous instructions on operation of Account No.1791 of Bank of Ceylon, Corporate Branch and Account No 453-83302834 of Bank of Ceylon Torrington Branch and that Mr. Parakrama Bandara, Director Mahapola Higher Education Scholarship Trust Fund be authorised to take necessary steps in this regard."

20. OTHER BUSINESS

Resignation of Dr. D.K. Darrel Mathew, MBBS, FCGP

Mr. T.M.M.P. Bandara, Director tabled letter from Dr. D.K. Darrel Mathew, MBBS, FCGP, tendering his resignation as a Trustee of MTF.

The Board having noted the contents accepted the resignation of Dr. D.K. Darrel Mathew, MBBS, FCGP and wished to place on record the Trust's sincere appreciation for the valuable contribution made to the Trust during his tenure on Board.

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

CONFIRMED TRUE RECORD

CHAIRMAN

A:/Min-72nd