

**MINUTES OF THE 73RD MEETING OF MAHAPOLA HIGHER EDUCATION
SCHOLARSHIP TRUST FUND**

DATE & TIME: 2ND APRIL 2019 AT 4.30 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. M. NIHAL RANASINGHE, SECRETARY, MINISTRY OF EDUCATION	EX.OFFICIO TRUSTEE EX OFFICIO TRUSTEE
4. MR. S.V.D. KESARRALAL GUNASEKARA	APPOINTED TRUSTEE
5. PROF. M.L.A. CADER	APPOINTED TRUSTEE

EXCUSED

HIS LORDSHIP THE CHIEF JUSTICE MR. H.N.J. Perera P.C.
MR. S.T. KODIKARA,
TRUSTEE
SECRETARY, MINISTRY OF DEVELOPMENT STRATEGIES &
INTERNATIONAL TRADE

EX.OFFICIO TRUSTEE
EX.OFFICIO

BY INVITATION

- (i) Mr. D.A.W. Wanigasooriya, Additional Secretary/Chief Accountant- Presidential Secretariat (Observer)
- (ii) Mr. M.P. Bandara, Director MTF
- (iii) Ms. R. Arulanandan, 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.

1. CONFIRMATION OF THE MINUTES OF THE 72ND MEETING HELD ON 18TH JANUARY 2019

The Minutes of the 72nd Meeting of the Mahapola Higher Education Trust Fund held on 18th January 2019 which had been circulated were approved by the Board and signed by the Chairman pro tem. Hon. Rauff Hakeem, Minister of City Planning, Water Supply and Higher Education, as a correct record of the proceedings.

2. MATTERS ARISING FROM THE MINUTES

2.1 Arbitration MTF Vs. Oceanic Games

Mr. S.V.D. Kesarralal Gunasekara, Trustee briefed the Chairman pro tem. and the Board on the status of the above matter. He explained that the Arbitration Centre fixed for the hearing of the Arbitration was not proper and the Arbitrator appointed was not appropriate and the Arbitration was therefore not duly constituted.

Mr. M.P. Bandara, Director stated that due to the above reasons a stay order has been obtained by the Trust. The Board was informed that Dr. Harsha Cabral, P.C. has been retained by the Company for this purpose. Mr. M.P. Bandara, Director informed the Board that for 2 years the Lottery was conducted and since the BOI approval granted was incorrect with regard to the share investment, the Lottery has been cancelled at the moment.

2.2 Land to set up Mahapola Quarters

Mr. S.V.D. Kesarralal Gunasekara, Trustee informed the Board that the Company is right now located at the J.R. Jayawardene Centre at a monthly lease rental of Rs.300,000/-. He stated that the Company should pursue obtaining a portion of land to set up the Mahapola Head Quarters.

Mr. M.P. Bandara, Director stated that the Company had written to the UDA and the UDA had stated that they are putting up an office space at Colombage Mawatha and the UDA can rent out a portion for the Mahapola Office.

Mr. M. Nihal Ranasinghe, Secretary, Ministry of Education informed the Board that the Hon. Minister of Megapolis may not know about this and requested Hon. Rauff Hakeem, Minister of City Planning, Water Supply and Higher Education to speak to the Hon. Minister of Megapolis in this connection.

Mr. S.V.D. Kesarralal Gunasekara, Appointed Trustee stated that he will join the Hon. Rauff Hakeem, Minister of City Planning, Water Supply and Higher Education when he meets the Hon. Minister of Megapolis in connection with the obtaining a suitable land for the Mahapola Office.

3. BOARD PAPER NO.1

APPOINTMENT OF NEW TRUSTEE FOR THE BOARD OF MAHAPOLA TRUST FUND

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

The Board noted the acceptance of the resignation of Dr. D.K.D. Mathew, Trustee with effect from 10th November 2018 which was noted at the previous meeting.

Hon. Rauff Hakeem, Minister of City Planning, Water Supply and Higher Education informed the Board that he has nominated Prof. M.L.A. Cader of No.25/2, Chocolate Factory Road, Herassigala, Kandy as a Trustee with immediate effect which was noted by the Board.

4. BOARD PAPER NO.2

AMENDMENT OF THE MAHAPOLA HIGHER EDUCATION SCHOLARSHIP TRUST FUND ACT NO.66 OF 1981

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

Mr. Bandara informed the Board that as requested by the Chairman MTF, His Lordship Chief Justice, MTF/Ministry is planning to submit a cabinet memorandum on removal of the name of His Lordship Chief Justice from the Board of Trustees by amending the Sec 3 (2) of the Mahapola Higher Education Scholarship Trust Fund Act No.66 of 1981.

A copy of the draft Cabinet Memorandum on the above was submitted for the information of the Board.

The Board having discussed were of the view that it will be good since everyone will be guided by the statute. It was noted that what is important was that these funds have to be safeguarded since it is less than satisfactory. The Board having noted the above decided to defer the decision on the above.

5. BOARD PAPER NO. 3

ESTABLISHMENT OF INVESTMENT COMMITTEE OF MAHAPOLA HIGHER EDUCATION SCHOLARSHIP TRUST FUND AND APPOINTMENT OF THE MEMBERS FOR THE INVESTMENT COMMITTEE

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

Mr. M.P. Bandara, Director informed the Board that as per the decision of the Cabinet of Ministers and the approval of the Board of Trustees of MTF the fund management agreement which was entered with Nat Wealth Corporation Limited has expired with effect from 31st December 2018 and no extension has been granted. Accordingly the main fund of MTF managed by NWCL has been transferred to a new Custodian Trust A/c at BOC Corporate Branch (Investment Bank Division) on 28th February 2019. Therefore the Secretary of the Ministry of City Planning, Water Supply and Higher Education ex-officio trustee and chief accounting officer of MTF proposed to establish an investment committee to make the investment decision for the main fund.

The Board approved the establishment of the Investment Committee to take investment decisions of the main Fund and the appointment of the following members to the Investment Committee:

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|-------|----------------------------------|---|----------|
| (I) | Mr. M.M.P.K. Mayadunne | Secretary, Ministry of City Planning,
Water Supply and Higher Education
Ex-Officio Trustee/Chief Accounting
Officer of MTF | Chairman |
| (II) | Mr. Kesarralal Gunasekara | Appointed Trustee | Member |
| (III) | Mr. Manjula Hirantha de
Silva | Chartered Accountant and CEO
Insurance Trust Fund | Member |
| (IV) | Mr. M.P. Bandara | Director, MTF | Member |

Mr. M.P. Bandara tabled the CV of Mr. Manjula Hirantha de Silva, the outside nominee for the information of the Board.

The Board noted the draft Terms of Reference of the Investment Committee which was tabled for the information of the Board.

The Board approved the payment of a sitting allowance of Rs.10,000/- per member per sitting of the Investment Committee.

Mr. M.P. Bandara, Director informed the Board that the Investment Committee will have to sit at least twice a month.

6. BOARD PAPER NO.4

AUTHORIZED SIGNATURES OF NEW CUSTODIAN TRUST ACCOUNT OPENED AT BOC CORPORATE BRANCH (INVESTMENT BANK DIVISION)

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

Mr. M.P. Bandara informed the Board that due to the termination of the fund management agreement with NWCL on 31st December 2018, the special power of attorney given by MTF to NWCL was revoked and cancelled.

Accordingly the Custodian Account of NWCL has been terminated and MTF has opened a new Custodian Trust A/c at BOC Investment Banking Division and Current Account at BOC Corporate Branch for the MTF transactions.

Accordingly the Board resolved

"That the Board authorized the Mahapola Higher Education Scholarship Trust Fund to operate A/c no. 1791 at BOC Corporate Branch A/c no. 45383302834 at BOC Torrington Branch A/c no. 000083302834 BOC Corporate Branch and new Custodian Trust A/c no. 000083867162 at the investment banking division of BOC by any two of the following authorized persons.

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|-------|---|---|--|
| (iv) | Mr. M. M. P. K. Mayadunne
Planning,

Education | - | Secretary, Ministry of City

Water Supply and Higher

and Ex-Officio trustee, Chief
Accounting Officer of MTF |
| (v) | Mr. S. V. D. Kesarralal Gunasekara
Higher | - | Appointed Trustee Mahapola

Education Scholarship Trust Fund. |
| (vi) | Mr. M. P. Bandara | - | Director MTF |
| (vii) | Ms. Samanthika Rajapakshe | - | Administrative Officer MTF
(In respect of routine
administrative payments to
define a level of recurrent nature) |

7. BOARD PAPER NO.5
DRAFT SOR OF MTF AND CADRE REQUIREMENT

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

Mr. M.P. Bandara informed the Board that MTF is an independent trust governed by the Mahapola Higher Education Scholarship Trust Fund Act No.66 of 1981. According to the provision of the Act MTF can recruit the staff with the approval of the Board of Trustees. Accordingly it is not necessary to get the approval of the DMS of the General Treasury. However, the Board was informed that as per the recent Treasury Circular No. DMS/0/2018 all the statutory boards are required to submit the cadre details to the General Treasury.

In response to the Hon. Rauff Hakeem, Minister of City Planning, Water Supply and Higher Education, Mr. Bandara informed the Board that there were 14 staff members employed by MTF at present and that there were some vacancies and some are in respect of new posts. Mr. M.M.P.K. Mayadunne, Secretary, Ministry of City Planning, Water Supply and Higher Education stated that the MTF requires some people with experience in investment management.

The Board having noted the above decided to take up the above item at the next meeting since the Hon. Rauff Hakeem, Minister of City Planning, Water Supply and Higher Education requested time to go through the Paper.

8. **BOARD PAPER NO.6**

PROGRESS OF THE RESTRUCTURING OF NWCL/NWSL FULLY OWNED SUBSIDIARIES OF MTF

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

The Board having noted the contents of the above Paper

- (I) Granted covering approval for the operation of NWCL from 1st January 2019 to 28th February 2019 the period during which the fund management agreement was inactive and certain operations of the Custodian A/c at BOC Corporate Branch have been continued by NWCL with the consent of MTF.
- (II) Approved the submission of Cabinet Paper for the revision of the decision taken on restructuring of the activities of NWSL/NWCL.
- (III) Approved to find a strategic investor (Business partner) for NWSL to improve the capital base of the company to improve the profitability.
- (IV) Granted covering approval of the Board for cancellation of the fund management agreement together with the special power of attorney given to NWCL to manage the main fund of MTF.
- (V) Granted covering approval for the transfer of the total portfolio of MTF managed by NWCL at BOC Corporate Branch to a new Custodian A/C of MTF with BOC Corporate Branch (Investment Banking) with immediate effect and authorized two Trustees to sign the cancellation of the fund management agreement and fund transfer request from NWCL with the opening and operating of new custodian A/C at BOC Corporate Branch.

Hon. Rauff Hakeem, Minister of City Planning, Water Supply and Higher Education was of the view that the Company should not sell the licence since the Company was badly managed. He informed the Board that having looked at the SOR the Company should be able to find a suitable person to run the Company.

The Board having discussed decided to advertise for the post of CEO and simultaneously thereafter give a Press Release.

9. **BOARD PAPER NO.7**

INCREASE OF MAHAPOLA SCHOLARSHIP MONTHLY INSTALLMENTS FOR SLIATE STUDENTS AND STUDENTS IN THE UNIVERSITIES UNDER THE MINISTRY OF HIGHER EDUCATION

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

The Board having noted the contents of the Board Paper

(i) Approved the increase of the monthly scholarship installment of students in SLIATE up to Rs.2,500/- (increased by Rs1,000/-) with effect from April 2019.

(ii) Approved the increase of the monthly scholarship installment of the students in the Universities coming under the Ministry of Higher Education such as Bikshu University, Buddhist & Pali University by Rs.400/- with effect from 1st January 2019. (It was noted that Rs.2,150/- is currently being paid)

(iii) Noted the revised annual budget estimate for 2019 which has already been approved at the 72nd meeting of the Board of Trustees to accommodate the additional cost of Rs.55 Mn. to pay the monthly scholarship installments of SLIATE students from April 2019.

10. **BOARD PAPER NO.8**

PRINTING OF SCHOLARSHIP AWARDING CERTIFICATE FOR NEW SCHOLARSHIP BATCH 2017/18

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

The Board having noted the contents of the Board Paper approved the printing of Scholarship Certificates and placing of the signature of the Secretary of the Ministry of Higher Education on the Scholarship Certificates for the 2017/2018 student intake.

The Board having discussed decided to organize the Awards Ceremony in MTF first at the Sugathadasa Indoor Stadium. It was noted that the University Grants Commission has not given the list as yet.

The Board noted the recommendation of the Hon. Minister that the MTF should ensure that the following are in place for the Awards Ceremony i.e. a digital backdrop, a documentary about what is happening at MTF, a dance item and invite the Hon. Prime Minister and the Hon President for the Awards Ceremony.

11. BOARD PAPER NO.9

MASTER RE-PURCHASE AGREEMENT WITH BOC CORPORATE BRANCH AND INVESTMENT BANKING DIVISION

Mr. M.P. Bandara, Director, MTF tabled Board Paper No.9 in connection with the above.

The Board having noted the contents of the Board Paper

Resolved

“That Trustees be authorized to enter into a Master Re-purchase Agreement with Bank of Ceylon for short term investment (overnight & Repo/Reverse Repo investment) and authorize Mr. M.M.P.K. Mayadunne, Secretary, Ministry of City Planning, Water Supply and Higher Education and Mr. S.V.D. Kesarralal Gunasekara, Trustee to sign the Master Re-purchase Agreement with BOC on behalf of the Company.

12. BOARD PAPER NO.10

TRANSFER OF TREASURY BOND HELD IN NAT WEALTH SECURITIES LTD CUSTODIAN A/C NO. D107931000/003357 TO MTF NEW C/A NO. D107931000 AT BOC INVESTMENT BANKING DIVISION

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

The Board having noted the contents of the Board Paper

- (I) Approved the rectification of the transfer of Treasury Bonds held in NSB and People's Bank with the face value of Rs.1,108,219,735/- to Custodian A/c No. D107931000/003352 of NWSL (CDS A/C under the name of Mahapola Trust Fund) on 20th December 2018.
- (II) Approved the transfer of Treasury Bonds portfolio held in NWSL Custodian A/C No. D107931000/003352 to MTF Custodian Trust A/C No.D107931000 at BOC Investment Banking Division with immediate effect.

13. BOARD PAPER NO.11

PROPOSAL FOR THE COMMENCEMENT OF NEW ONLINE LOTTERY FOR MAHAPOLA HIGHER EDUCATION SCHOLARSHIP TRUST FUND

Mr. M.P. Bandara, Director, MTF tabled Board Paper No.11 in connection with the above.

The Board having noted the contents of the Board Paper approved to carryout the Feasibility Study on the Lottery Market in Sri Lanka to evaluate whether there is any potential market for on line Lottery in Sri Lanka

With regard to carrying out a Feasibility Study for the Lottery Market in Sri Lanka it was decided to obtain two more quotations in addition to the quotation received from the

University of Kelaniya. The Hon. Rauff Hakeem, Minister of City Planning, Water Supply and Higher Education recommended obtaining a Report in this connection.

Mr. Kesarralal Gunasekara, Trustee informed the Board that there were two online lotteries but both failed. He however stated that since the Lotteries Board and the Development Lotteries Board are both very strong due to the dealer network this might work.

Mr. M. Nihal Ranasinghe, Secretary, Ministry of Education stated that it was important to get all the telecommunication companies on Board.

14. BOARD PAPER NO.12

SETTLEMENT OF REPO OUTSTANDING TO TRILLION SECURITIES (PVT) LTD LIABILITY UNDER NAT WEALTH (PVT) LTD LIABILITY UNDER NAT WEALTH SECURITIES (PVT) FULLY OWNED SUBSIDIARY OF MAHAPOLA HIGHER EDUCATION SCHOLARSHIP TRUST FUND

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

The Board having noted the contents of the Board Paper

- (i) Approved the payment of the recommended sum of Rs.95 Mn as full and final settlement of the above outstanding to Trillion Securities (Pvt) Ltd by NWSL on or before 31st March 2019.
- (ii) Approved to vacate the appeal lodged by NWSL in the Supreme Court against the Commercial High Court Judgement and finalize the litigation related to the Trillion Securities (Pvt) Ltd.

Mr. S.V.D. Kesarralal Gunasekara, Appointed Trustee stated that the Company needs to have a discussion with NWSL.

Hon. Rauff Hakeem, Minister of City Planning, Water and Higher Education and Mr. M.M.P.K. Mayadunne, Secretary, Ministry of City Planning, Water and Higher Education were of the view that this should be settled.

15. BOARD PAPER NO.13

SPONSORSHIP FOR THE ANNUAL GET TOGETHER 2019 WELFARE SOCIETY OF UNIVERSITY GRANTS COMMISSION

Mr. M.P. Bandara, Director tabled Board Paper No.13 in connection with the above.

The Board having noted the contents of the Board Paper approved the payment of Rs.25,000/- as MTF Sponsorship for the Annual Get together of UGC Staff Welfare Society and Rs.10,000/- for book donation programme organized by J.R. Jayewardene Centre.

16. BOARD PAPER NO.14

APPROVAL FOR THE REIMBURSEMENT OF THE TUITION FEES OF COMMONWEALTH EX-MASTERS PROGRAMED FOR M P BANDARA, DIRECTOR MTF

Mr. S.V.D. Kesarralal Gunasekara, Trustee tabled Board Paper No.14 in connection with the above.

The Board having noted the contents of the Board Paper approved the reimbursement of the Tuition fees of Rs.378,000/- to Mr. M.P. Bandara, Director which is payable to the Open University of Sri Lanka, for the Master's Degree Programme conducted by the Open University of Sri Lanka.

The Board was informed that as per the Establishment Code an agreement should be signed, to repay the MTF within 4 years which was noted by the Board.

17. OTHER BUSINESS

17.1 Approval for the extension of the service period of Mr. M.P. Bandara Director MTF

Mr. S.V.D. Kesarralal Gunasekara, Trustee tabled Supplementary Board Paper No.1 in connection with the above.

The Board noted that Mr. M.P. Bandara joined MTF on 15th June 2015 as an Acting Director on the request of Hon. Minister Jayawickrema Perera Minister in charge of Mahapola Trust Fund and approval of the Hon. Minister Malik Samarawickrema, with the approval of the Ministry of Higher Education and University Grants Commission. He was released from the service of UGC from 4th September 2017 for two year period to MTF to assume duties as Director of MTF.

The Board having noted the recommendation of Mr. Kesarralal Gunasekara, Trustee on the work successfully carried out by M.P. Bandara and having noted that he is 54 years of age decided to extend his service for a period of one year with effect from 5th September 2019.

Mr. M.M.P.K. Mayadunne, Secretary, Ministry of City Planning, Water Supply and Higher Education stated that if Cabinet approval is not received there is no continuity of service and therefore suggested to seek Cabinet approval for same.

17.2 Approval for the extension of the period of Building Lease Agreement signed with J.R. Jayewardena Centre

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

The Board having noted the contents of the Board Paper approved the extension of the lease period by two years from 1st March 2019 to 28th February 2021 of the main office premises at a monthly rental of Rs.274,000/- + 10% in respect of premises situated at No.191, Dharmapala Mawatha, Colombo 7 and authorized

two trustees to enter in to the lease agreement with J R Jayawardene Centre on behalf of MTF.

17.3 **Proposal by the Hon. Rauff Hakeem, Minister of City Planning, Water Supply and Higher Education on Career Guidance for Students**

Hon. Rauff Hakeem, Minister of City Planning, Water Supply and Higher Education informed the Board that in the Education System there is no career guidance for students.

Hon. Rauff Hakeem, Minister of City Planning, Water Supply and Higher Education stated that a proposal prepared by him "Apey Heta" will be circulated among the members which he intends carrying out through all the Zonal offices with the intention of providing career guidance to all Ordinary Level and Advanced Level students.

Hon. Rauff Hakeem, Minister of City Planning, Water Supply and Higher Education stated there will be education seminars to enlighten pre Ordinary Level students, Career Fairs for post Ordinary Level students and career guidance for post Advanced Level students and they plan to carry out these through Zonal Offices in all the Schools. The Board was informed that by these Seminars students will be given proper guidance. The Partners in this exercise are Ministry of Education, UGC, Non State Universities, Private Sector Institutions, Employers Federation and Professional bodies, Armed Forces, State Enterprises and Institutions. The Hon. Minister stated that through this the students will at least know what is available and identify a clear path that they could follow since currently the advisers are tuition masters.

Hon. Rauff Hakeem, Minister of City Planning, Water Supply and Higher Education informed the Board that there are 450,000 students sitting for the Ordinary Level Examination, 325,000 students sitting for the Advanced Level Examination and approximately 130,000 students fail to gain entrance to the State Universities.

Mr. M. Nihal Ranasinghe, Secretary, Ministry of education stated that there is a MOU prepared by the Ministry of Vocational Training. He stated that it was important to identify a Network between the Ministry of Education and the Ministry of Vocational Training.

The Hon. Rauff Hakeem, Ministry of City Plumbing Water Supply and higher Education stated that he will circulate the concept paper and discuss in order to roll this out fast since there are 450,000 Ordinary Level Students who have to be guided.

The Board decided to have a meeting early the following week. Mr. M. P. Bandara stated that Mahapola will partly fund this exercise and the balance to be obtained through Parliament.

Hon. Rauff Hakeem, Ministry of City Planning, Water Supply and Higher Education stated that it was important to provide a clear guidance to select

Universities and Affiliated Universities. He stressed the importance of having an interactive session with the students. He also stated that there should be a Separate Unit running this.

Mr. M. Nihal Ranasinghe, Secretary , Ministry of Education stated that development of attitudes is a key factor in teaching and stated that MTF can come up with an implementing strategy and implement same.

CONFIRMED TRUE RECORD

CHAIRMAN

A:/Min-73rd