

MAHAPOLA HIGHER EDUCATION SCHOLARSHIP TRUST FUND

CORPORATE PLAN 2014 – 2017



1982

2017

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MAHAPOLA HIGHER EDUCATION SCHOLARSHIP TRUST FUND

1. VISION

To create an educated society with the aim of alleviating poverty.

2. MISSION

To provide Scholarships for the underprivileged youth to complete their higher education and creation of equal opportunities through the development of facilities for higher education.

3. THE AIMS AND OBJECTS OF THE FUND

(Defined by the Mahapola Higher Education Scholarship Trust Fund Act No.66 of 1981.)

1. To provide higher educational facilities to youth;
2. To provide assistance to deserving youth who have completed their secondary education satisfactorily, so as to enable them to complete their academic, industrial or technical education at a University or technical or higher educational institute, as the case may be;
3. To set up and assist in the setting up and management of vocational training institutes for enabling youth to develop their vocational skills and competence;
4. To set up and assist in the management and conduct of schools, institutes, foundations and similar institutions engaged in the furtherance of education; and
5. To provide assistance for the development and improvement of the skills and competence of lecturers, teachers and such persons engaged in the furtherance of education.

4. AUTONOMY

According to the Mahapola Higher Education Scholarship Trust Fund Act No.66 of 1981, the Board of Trustees of the Mahapola Trust Fund empowered full Autonomy to achieving its objects as independent body. The Fund is exempted from Taxes.

5. HISTORICAL BACKGROUND

The Mahapola concept introduced by Late Lalith Athulathmudali in 1980 for Trade fairs organized by the Ministry of Trade & Shipping for channelling the benefits of the open economy to the rural community. The Trade Fair and the Educational Exhibition were organized at schools. The income generated from the sale of the entrance tickets were utilized to provide basic facilities to these schools.

Considering the income capabilities created by Mahapola Trade Fairs, the late Founder decided to launch a Scholarship Scheme for the clever students with high competence and under privileged students who were unable to complete their higher education due to poverty. He created a Trust Fund through a initial personal donation and public donations and later incorporated it by an Act of Parliament under the name Mahapola Higher Education Scholarship Trust Fund Act No.66 of 1981. This Trust was created on a completely independent basis with act from the Government contribution. In the second stage the Mahapola Trust Fund generated its income from conducting the Mahapola Higher Education Lottery. Then Mahapola Trust Fund along with the President Fund, as co-investments set up the Development Lottery in 1983 sharing 50% of the capital. That share of profit and the interest income on the capital are now became the main income sources of the MTF.

The MTF which began with awarding 422 Scholarships has grown up to 227,000 Higher Education Scholarships to the underprivileged students of this country.

6. OPERATION OF THE FUND

- ❖ The Fund mainly focuses on awarding Scholarships.
- ❖ Selections for the Scholarships are purely based on the merit of the students. 10% of scholarships are awarded on Merit basis on the aggregate marks of the G.C.E.(A/L) results, without considering the income factor. Balance 90% of scholarships is awarded as Ordinary Scholarships, considering their Merit and family income of the recipients. University Grants Commission makes selections for those Scholarships. Students in the Other Higher Educational Institutions are selected on the recommendation of the Heads of those Institutions.
- ❖ At any given time, around 45,000 students are receiving benefits from the Mahapola Scholarship Trust Fund. Within an Academic year (leaving vacation period) ten scholarship instalments are paid for a student.
- ❖ A student who holds a Merit Scholarship is paid a sum of Rs.2,200/- while an Ordinary student is paid Rs.2,150/- per month by the Fund, supplemented by a further payment of Rs.350/- from Government. Accordingly, a Merit student receives a total sum of Rs.2,550/- and an Ordinary student receives a total sum of Rs.2,500/- per month.
- ❖ Approximately, 65% of the needy students are covered by Mahapola Scholarships in the past. It has reduced due intake in to universities is rapidly increased. However about 53 % of students are obtaining Mahapola scholarship in universities.
- ❖ The Fund is in a position to award Scholarships to all students who are in need of financial assistance for their higher education who have been selected for the Bio and Physical Science streams are awarded Scholarships.

7. GOALS

For the facilitation of knowledgebase society;

- * To Increase Accumulated Capital of the Fund

- * To Increase earning capacity of the Fund to award more Mahapola Scholarships on merit and needy basis to the youths for their Higher Education as deserving students

- * Enhance the number of Mahapola Merit Scholarships to encourage the clever students,

- * To provide Mahapola Scholarships for all needy students in the University System in Sri Lanka in the future,

- * To Provide Scholarships for needy students in Other Higher Educational Institutions.

- * Structural support for the activities of the Educational Institutions.

8. STRENGTHS

- * Independent Legal set up,
- * Autonomy of the Board of Trustees and high powered Governing Body
- * Very high public acceptance and goodwill
- * Strong liquid capital base (gilt-edged Security)
- * Very high acceptance in the Financial Market
- * Skilful staff and Institutional Arrangement
- * Simple operational arrangements with very small staff and operational cost (less than 2% of the expenditure).

9. WEAKNESSES

- * Unsolicited appeals of students
- * Non-uniformity of academic timetables within the Higher Educational Institutions
- * Disorder in work flow, organizational and communication gaps
- * Locations and distance
- * Difficult selection procedure
- * Administration and operational obstacles

10. THREATS

- * Students' pressure
- * Volatile Financial market and relatively low Interest rates,
- * National Economics & Social Welfare Policies
- * Inflation
- * Enhancement of annual students' intake to Universities.

11. OPPORTUNITIES

- * High regard of UGC, Universities & Other Higher Educational Institutes towards MTF.
- * Potential for the establishment of a unique educational institute funded and operated by MTF.
- * More support from the President's Fund and Development Lotteries Board.

12. SCHOLARSHIP AWARDING STRATEGY

1. Within the annual Surplus Income, number of annual Scholarship Awards will be decided.
2. Scholarship awards are dependent on the earnings of the Mahapola Annual Income and available commitments.
3. Main income is interest received from investments in gilt-edged securities (low risk investments)
4. DLB Share of Profit will be used if interest income is not sufficient for Scholarship payments.
5. Accumulated Capital of Fund must be increased annually.
6. No Capital withdrawal for Scholarship payments.

13. ANTICIPATED PERFORMANCE

Academic Year	Annual University Admissions (Gross)	Annual increment of Admissions	No. of Scholarships allocation for Universities annually (Gross) *	Annual Increase of Scholarships	% of Mahapola Scholarships in Universities (Gross)	No of Mahapola Scholarships for Other Higher education Ins.(Gross)
2006/07	15,996	518	9,000	0	56	1,500
2007/08	18,714	2,718	9,500	500	51	1,500
2008/09	19,340	626	10,000	500	52	1,500
2009/10	20,110	770	10,000	0	50	2,500
2010/11	20,274	164	10,300	300	51	1,500
2011/12	26,944	6,670	11,300	1000	42	1,500
2012/13	22,943	(4,001)	13,500	2200	59	2,200
*2013/14	24,000	1,057	14,000	500	58	2,500
*2014/15	26,000	2000	14,500	500	55	3,000
*2015/16	28,000	2000	15,000	500	53	3,500
*2016/17	30,000	2000	16,000	1,000	53	4,000

* Annual numbers forecasted on current assumptions.

14. ANTICIPATED PROGRESS

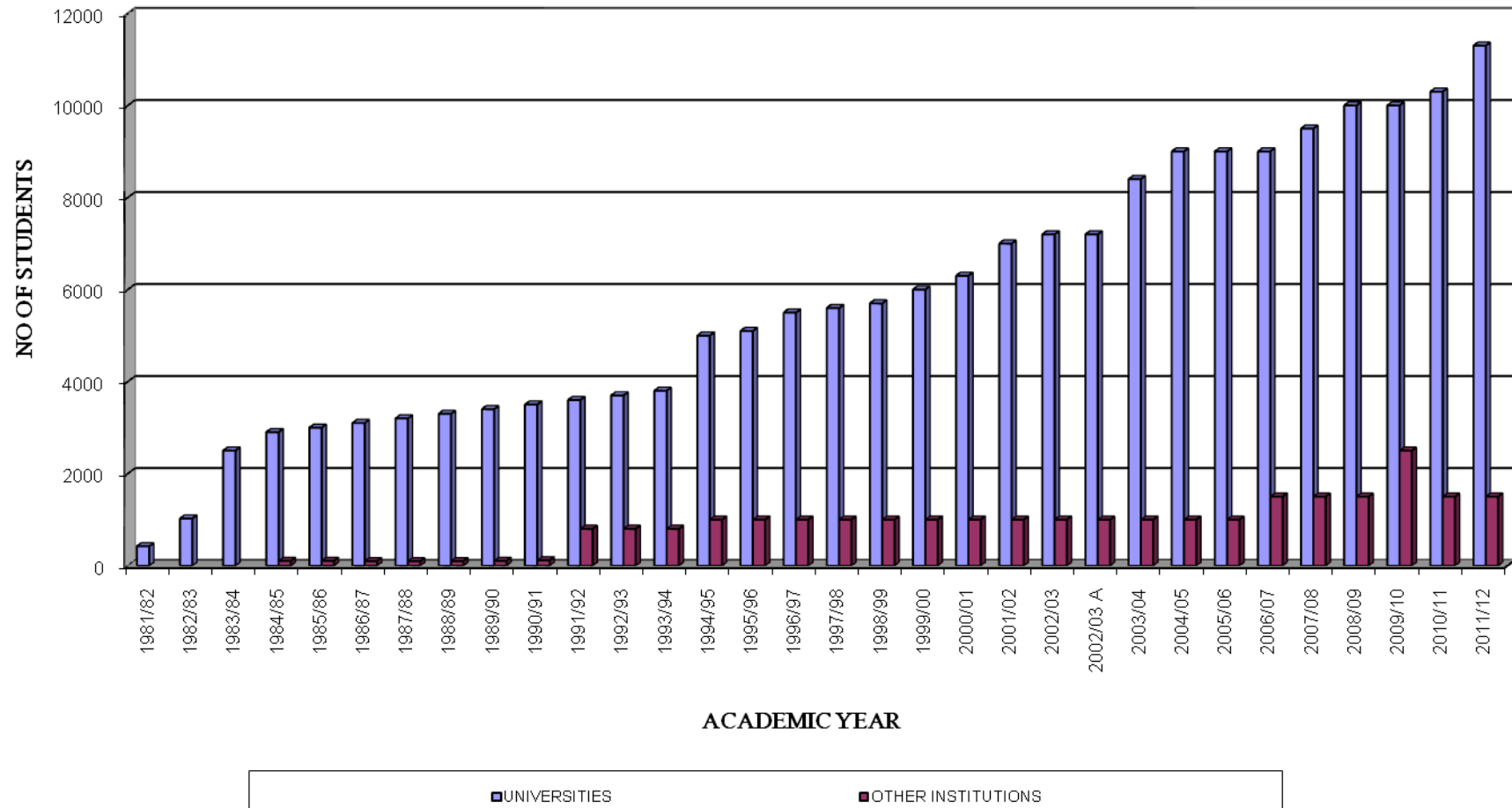
Year	Total No of Scholarships	Expenditure Rs. M	DLB Share of profit Rs.M	Mahapola Lottery	Anticipated Income for MTF Investment Rs.M *
2010	12,500	764	413		700
2011	11,800	695	601		538
2012	13,000	800	734		600
2013	13,300	900	896		700
2014	13,500	960	700	100	580
2015	14,000	1,020	680	500	550
2016	14,500	1,200	650	500	500
2017	15,000	1,500	700	500	485

* Considering the interest rate in the market, income has been forecasted.

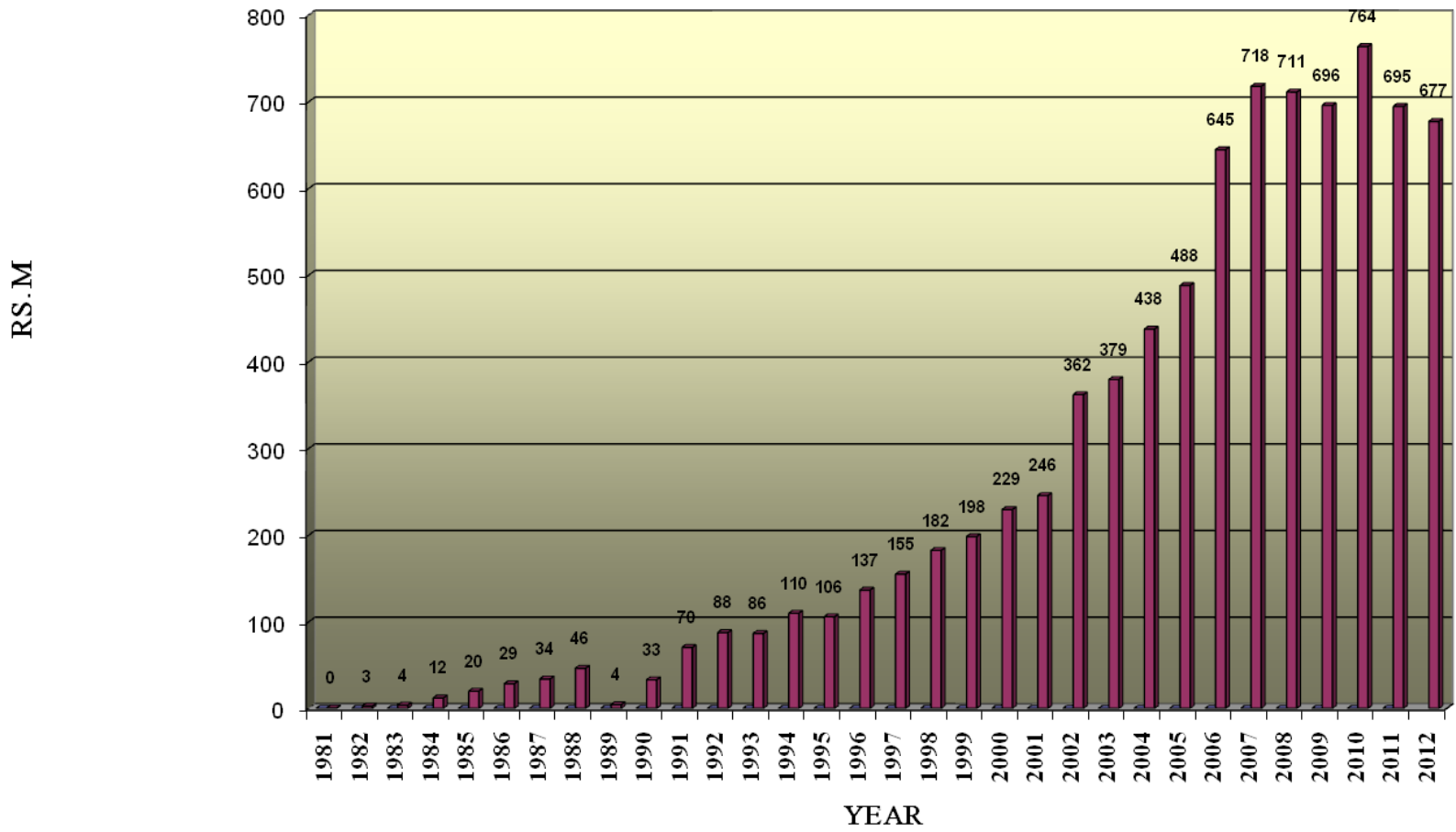
15. The relationship between University Admissions and the Mahapola Scholarships.

Academic Year	Annual University Admissions (Gross)	Annual increment of Admissions	No. of Scholarships allocated for Universities annually (Gross)	Annual Increase of Scholarships	% of Mahapola Scholarships in Universities (Gross)	No of Mahapola Scholarships for Other Higher Education Ins.(Gross)
1994/1995	8,667	652	5,000	1,200	58	1,000
1995/1996	9,190	523	5,100	100	55	1,000
1996/1997	10,446	1,256	5,500	400	53	1,000
1997/1998	10,775	329	5,600	100	52	1,000
1998/1999	11,315	540	5,700	100	50	1,000
1999/2000	11,324	9	6,000	300	53	1,000
2000/2001	11,717	393	6,300	300	54	1,000
2001/2002	11,380	-337	7,000	700	62	1,000
2002/2003	11,514	134	7,200	200	63	1,000
2002/2003 A	12,054	540	7,200	0	60	-
2003/2004	12,623	569	8,400	1,200	67	1,000
2004/2005	13,653	1,030	9,000	600	66	1,000
2005/2006	15,478	1,825	9,000	0	54	1,500
2006/2007	15,996	518	9,000	0	56	1,500
2007/2008	18,714	2,718	9,500	500	51	1,500
2008/2009	19,340	626	10,000	500	52	1,500
2009/2010	20,110	770	10,000	0	50	2,500
2010/2011	20,274	164	10,300	300	51	1,500
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2012/2013	22,943	- 4,001	13,500	2,200	59	2,500

MAHAPOLA SCHOLARSHIP AWARDS (1981-2013)



MAHAPOLA SCHOLARSHIP PAYMENTS (1981-2012)



16. PROBLEMS & ISSUES

- * Growth rate of the Accumulative Capital
- * Volatile interest rate of the market
- * Increase of Number of Scholarships and Enhancement of Scholarship Instalment Payments
- * Decreasing interest rates in the financial market
- * Rate of expenditure increased than the increment of income
- * New request and new proposals which are directly related to the expenditure
- * Depending income from interest rate of the market
- * Enhancement of number of Scholarships will totally depend on the growth of the revenue
- * If income not adequate enough to meet Scholarship payment, reduction of Scholarships or outside assistance will be needed

17. RESOURCES & CAPITAL

- Excluding tangible asset very valuable goodwill is owned by the Mahapola trust Fund. Total net asset over Rs.9 Billion is belong to it. Out of this asset there are liquid invested assets in different portfolio which is over Rs.7 Billion. Required physical asset for the operation is available with Mahapola trust fund.
- Skilful staff - Very slim staff who are very dynamic and knowledgeable are working in the Mahapola Trust Fund. Total staffing cost is less than 0.30% of the total revenue. It is a very negligible amount of the expenditure.
- Sri Lanka Institute of Information Technology (SLIIT) Guarantee limited is totally funded by Mahapola Trust Fund providing initial capital and land. This is the largest IT degree awarding Institute in the country. Annual intake of the institute is over 1,000 students for IT degree courses. As well as Commerce and Management degree, Engineering degree course are also started.
- National Wealth Corporation Limited (NWCL) as a Financial Institute & Nat Wealth Securities Limited (NWSL) as a Primary Dealer of Central Bank of Sri Lanka are also fully owned subsidiaries of Mahapola Trust Fund. NWSL handle over Rs. 6 Billion of portfolio.
- Development Lotteries Board (DLB) is also a 50% owned subsidiary by the MTF and the President Fund. Its profitability and Income generating capacity is very high.
- Mahapola lottery restarted from 30.07. 2013 New anticipating high revenue for the Fund. As Agreement it will as follow up, 1st year Rs. 100 Million 2nd year to 4th year Rs. 500 Million for each year and 5th year Rs. 1000 Million.

18. Trend of Scholarship Payments

From 1981 to 1988.08.31

	<u>Funds provided by Mahapola</u>	<u>Treasury</u>	<u>Total</u>
Merit	400.00	--	400.00
Ordinary	350.00	--	350.00

From 1988.09.01 to

Increased Rs 150.00

	<u>Funds provided by Mahapola</u>	<u>Treasury</u>	<u>Total</u>
Merit	400.00	150.00	550.00
Ordinary	350.00	150.00	500.00

From 1991.01.01 to

Increased Rs 150.00

	<u>Funds provided by Mahapola</u>	<u>Treasury</u>	<u>Total</u>
Merit	550.00	150.00	700.00
Ordinary	500.00	150.00	650.00

From 1992.04.01 to

Increased Rs 350.00

	<u>Funds provided by Mahapola</u>	<u>Treasury</u>	<u>Total</u>
Merit	700.00	350.00	1050.00
Ordinary	650.00	350.00	1000.00

From 1994.07.01 to

Increased Rs 250.00

	<u>Funds provided by Mahapola</u>	<u>Treasury</u>	<u>Total</u>
Merit	950.00	350.00	1300.00
Ordinary	900.00	350.00	1250.00

From 2000.07.01 to

Increased Rs 200.00

	<u>Funds provided by Mahapola</u>	<u>Treasury</u>	<u>Total</u>
Merit	1150.00	350.00	1500.00
Ordinary	1100.00	350.00	1450.00

From 2002.03.31 to**Increased Rs 150.00**

	<u>Funds provided by</u> <u>Mahapola</u>	<u>Treasury</u>	<u>Total</u>
Merit	1300.00	350.00	1650.00
Ordinary	1250.00	350.00	1600.00

From 2004.04.01 to**Increased Rs 100.00**

	<u>Funds provided by</u> <u>Mahapola</u>	<u>Treasury</u>	<u>Total</u>
Merit	1400.00	350.00	1750.00
Ordinary	1350.00	350.00	1700.00

From 2004.06.01 to**Increased Rs 300.00**

	<u>Funds provided by</u> <u>Mahapola</u>	<u>Treasury</u>	<u>Total</u>
Merit	1700.00	350.00	2050.00
Ordinary	1650.00	350.00	2000.00

From 2006.04.01 to**Increased Rs 500.00**

	<u>Funds provided by</u> <u>Mahapola</u>	<u>Treasury</u>	<u>Total</u>
Merit	2200.00	350.00	2550.00
Ordinary	2150.00	350.00	2500.00

From 2015.01.01 to**Increased Rs 1,850.00**

	<u>Funds provided by</u> <u>Mahapola</u>	<u>Treasury</u>	<u>Total</u>
Merit	2600.00	1450.00	4050.00
Ordinary	2550.00	1450.00	4000.00

From 2015.05.01 to date**Increased Rs 1,000.00**

	<u>Funds provided by</u> <u>Mahapola</u>	<u>Treasury</u>	<u>Total</u>
Merit	2600.00	2450.00	5050.00
Ordinary	2550.00	2450.00	5000.00

Ten instalments are paid per Academic year.

Organization Chart of the MTF

(as approved by BOT)

