EDUCATION AND TRAINING

CONTENTS

- Executive Summary ........................................3
- Advantage India .............................................4
- Market Overview and Trends .............................6
- Porters Five Forces Model .................................22
- Strategies Adopted .........................................24
- Growth Drivers ...............................................26
- Opportunities ...............................................32
- Success Stories ..............................................35
- Useful Information ..........................................40

For updated information, please visit www.ibef.org
EDUCATION AND TRAINING

EXECUTIVE SUMMARY

The education industry in India is estimated to reach USD144 billion by 2020 from USD97.8 billion in 2016.

Higher education sector in India is expected to increase to USD35.03 billion by 2025 from USD6.96 billion in 2015.

In the Erstwhile 12th Five Year Plan, the government plans to provide a budgetary support to the education sector of USD 74.4 billion against USD 37.3 billion in the 11th Five Year Plan.

With approximately 28.1 per cent of India’s population in the age group of 0-14 years, as of 2015, educational industry in India provides great growth opportunity.

In 2015, with 30.1 million students and approximately 48,116 colleges and institutions, India’s higher education segment is the largest in the world.

Government target of Gross Enrolment Ratio (GER) of 30 per cent for higher education by 2017 to drive investments.

In 2015, with 30.1 million students and approximately 48,116 colleges and institutions, India’s higher education segment is the largest in the world.

The education industry in India is estimated to reach USD144 billion by 2020 from USD97.8 billion in 2016.

Higher education sector in India is expected to increase to USD35.03 billion by 2025 from USD6.96 billion in 2015.

In the Erstwhile 12th Five Year Plan, the government plans to provide a budgetary support to the education sector of USD 74.4 billion against USD 37.3 billion in the 11th Five Year Plan.

With approximately 28.1 per cent of India’s population in the age group of 0-14 years, as of 2015, educational industry in India provides great growth opportunity.

In 2015, with 30.1 million students and approximately 48,116 colleges and institutions, India’s higher education segment is the largest in the world.

Government target of Gross Enrolment Ratio (GER) of 30 per cent for higher education by 2017 to drive investments.

Notes: CAGR - Compound Annual Growth Rate, P – Projected, 2016¹ – Data till March 2016

Source: UGC Annual Report 2014-15, Technopak, Centre for Budget and Governance Accountability, TechSci Research
Robust demand

- Huge demand supply gap with an additional requirement of 200,000 schools, 35,000 colleges, 700 universities and 40 million seats in the vocational training centers

Increasing investments

- During April 2000 to March 2016, inflow of USD1,256.08 million was witnessed as Foreign Direct Investment (FDI) in education sector.
- An estimated investment of USD200 billion needed by Government to achieve its target of 30 per cent GER for the higher education segment by 2020.

Competitive advantage

- Largest population in the world of about ~500 million in the age bracket 5 to 24 years
- India, having a literacy rate of only 73 per cent compared to the world average of 84 per cent, presents an opportunity for private players to explore the untapped market

Policy support

- 100 per cent FDI (automatic route) is allowed in the Indian education sector
- To liberalise the sector, the government has taken initiatives such as the National Accreditation Regulatory Authority Bill for Higher Educational and the Foreign Educational Institutions Bill
- In 2016, the government is expected to launch NEP to address the changing dynamics in the education industry of the country. The NEP, as on June 2016, awaits as a draft by the HRD Ministry.

Source: Ministry of HRD, Technopak, Department of Commerce Government of India. DIPP, TechSci Research
Note: GER stands for Gross Enrolment Ratio, NEP – National Education Policy, HRD – Human Resource Development
EDUCATION AND TRAINING

MARKET OVERVIEW AND TRENDS
EVOLUTION OF THE INDIAN EDUCATION SECTOR

1960-1990
- In 1964, the Kothari Commission was appointed to make a detailed survey of all the education branches in India and advice government on policies for the development of education at all stages and in all its aspects.

1990-2000
- In 1992, the National Policy on Education-1986 was revised.
- In 1995 the National Programme of Nutritional Support to Primary Education (NP-NPSE) was launched as a sponsored scheme by the Centre
- In 1995, National Council of Rural Institutes (NCRI), an autonomous body was established for the promotion of rural higher education

2000-2010
- RMSA was launched in March 2009 with the objective to enhance access to secondary education
- In 2009 Saakshar Bharat, a centrally sponsored scheme was launched with focus on women and other disadvantaged groups in rural areas of low literacy
- The RTE, became operative in 2010 according to which every child has a right to elementary education

2010-14
- In 2012 the amendment of the Indian Institute of Technology Act, 1961 took place which envisages inclusion of eight new IITs
- In 2014, Indian Institutes of Information Technology Bill, 2014 was passed by both the houses of the parliament. The bill aims to bring four information technology institutes 1 under the control of a single authority

2016
- In June 2016, New Policy on Education (NPE) was formulated for promotion of education in India.
- In May 2016, The HRD (Human Resource Development) ministry is also planned to launch Shala Asmita Yojana (SAY) to track the movement of all students in India.

Notes: RTE - Right of Children to Free and Compulsory Education, RMSA- Rashtriya Madhyamik Shiksha Abhiyan, NIT-National Institute of Technology, IISER- Indian Institutes of Science Education and Research, 1 IIIT-Allahabad, IIIT-Gwalior, IIIT Design and Manufacturing Jabalpur, and IIIT Design and Manufacturing Kancheepuram

For updated information, please visit www.ibef.org
EDUCATION LANDSCAPE IN INDIA

Indian education system

Public sector
- Schools
  - Central govt. funded institutions
  - State govt. funded institutions
  - Higher education institutions

Private sector
- Formal setup
  - Schools
  - Higher education institutions
- Non formal setup
  - Pre-schools
  - Coaching classes
  - Multimedia schools
  - Vocational training centers
  - Education material suppliers

Source: Grant Thornton
Note: Gov’t refers to Government
**KEY FACTS**

- With 762 universities, India has the world’s largest higher education system in the world and it ranks second in terms of student enrolment in higher education.
- Gross Enrolment Ratio (GER) in higher education reached 30.1 million in 2015.
  - Government has a target Gross Enrollment Ratio of 30 per cent to be achieved by FY17.
- Indian literacy rate is expected to reach 73 per cent in 2015 as compared to 63 per cent in 2011.

**India’s literacy rate (2015)**

- 2001: 63%
- 2011: 69%
- 2015: 73%

**India’s higher education Enrolment in Higher Education (In Lakhs): 2007-17T**

- 2007: 3.00 (Central), 60.32 (State), 75.10 (Private), 27.40 (Open and Distance Learning)
- 2011: 12.00 (Central), 110.40 (State), 185.00 (Private), 52.00 (Open and Distance Learning)


Note: E – Expected, T–Target
**DEMOGRAPHICS**

* About 41 per cent of the Indian population (~500 million people) are within the 5 – 24 years age group
* According to the Census 2011, as many as ~778 million people in the country are literate
  * Of these ~444 million are males and 334 million are females. While the overall literacy rate works out to be 74 per cent, the male literacy rate is 82.1 per cent and that for females is 65.5 per cent, showing a gap of 16.6 per cent between the sexes at the national level

---

**Census 2011 - Indian population by age group**

- **Source:** Government of India (GOI)
As per Union Budget FY17, Government of India (GOI) allocated USD149.37 million for setting up a higher education financing agency.

The GOI is planning to open 62 Navodaya Vidyalayas, under the Union Budget 2016 – 17. Also, to expand the quality of education in India, an increased focus would be on Sarva Shiksha Abhiyan.

Ten public institutions and ten private institutions would be positioned with a regulatory architecture, so that they could emerge as world class teaching and research institutions across the country.
The private education sector is estimated around USD95.8 billion in 2015, and is expected to reach USD133 billion in 2020.

The emergence of the un-organised private education sector in India has opened a door of opportunities for many companies.

With increased corporate investments in the sector, the share of private schools in the total number of schools have increased over the past few years.

The number of recognised private schools in the country increased from 319,990 in FY14 to 328,845 in FY15.

Percentage share of government and private schools

<table>
<thead>
<tr>
<th></th>
<th>Private Schools</th>
<th>Government Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY08</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>FY09</td>
<td>19%</td>
<td>81%</td>
</tr>
<tr>
<td>FY10</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>FY11</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>FY12</td>
<td>21.20%</td>
<td>78.80%</td>
</tr>
<tr>
<td>FY13</td>
<td>21.50%</td>
<td>78.50%</td>
</tr>
<tr>
<td>FY14</td>
<td>22.10%</td>
<td>77.90%</td>
</tr>
<tr>
<td>FY15</td>
<td>23.00%</td>
<td>77.00%</td>
</tr>
</tbody>
</table>

Source: Care Research, DISE 2013-14, ASER

Notes: Others also include Vocational Training, Multimedia in Schools and Pre School, E – Estimate, F-Forecasted
SCHOOLING & VOCATIONAL TRAINING INFRASTRUCTURE IN INDIA

**Schools:** ~1.4 mn as of FY15

- **Govt.:** ~1.08 mn
- **Private¹:** ~0.32 mn
- **No of students²:** ~227.7 mn
- **Annual intake²:** ~18 mn
- **Additional requirement 200,000² schools**

**Vocational training centers:** 18,000

- **Polytechnic institutions:** ~2,250
- **ITC:** 7,200
- **No of students:** ~4.5 mn
- **Annual intake:** ~1.8 mn
- **Additional requirement 40 mn seats**

*Source: Technopak, TechSci Research, National University of Educational Planning and Administration, Notes: ¹ Recognized, ² In FY12*
STRONG GROWTH IN THE NUMBER OF UNIVERSITIES AND COLLEGES

* With both the Government and the private sector stepping up to invest in the Indian education sector, the number of schools and colleges have seen an uptrend over the past few years

* Government’s initiative to increase awareness among all sections of the society has played a major role in promoting higher education among the youth

**Growth in the number of colleges**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY07</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18604</td>
<td>31660</td>
<td>32964</td>
<td>35539</td>
<td>37204</td>
<td>39671</td>
<td>40760</td>
</tr>
</tbody>
</table>

**CAGR: 10.30%**

**Growth in the number of universities**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY07</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>367</td>
<td>467</td>
<td>523</td>
<td>574</td>
<td>624</td>
<td>666</td>
<td>711</td>
</tr>
</tbody>
</table>

**CAGR: 8.8%**


*Note: CAGR - Compound Annual Growth Rate*
EDUCATION AND TRAINING

INCREASING SHARE OF STATE PRIVATE UNIVERSITIES

* There has been a significant increase in the share of the state private universities as part of total universities from 3.43 per cent in 2008-09 to 28.8 per cent in 2014-15

University mix (FY09)

- Total Universities in FY09: 408
- 55.88% State Universities
- 25.25% Central Universities
- 9.31% State Private Universities
- 6.13% Others
- 3.43% Deemed Universities

University mix (FY15)

- Total Universities in FY15: 711
- 46.3% State Universities
- 28.8% State Private Universities
- 18.0% Central Universities
- 6.5% Deemed Universities
- 0.4% Others

India has the world’s largest higher education system and it ranks second in terms of student enrolment in higher education as on July 2015.

As on 2015, gross enrolment for the higher education sector increased to 30.1 million, out of 30.1 million enrolments 55.1 per cent students are males and 44.9 per cent are female enrolments.

Year-wise growth of students enrolment (million)

INCREASING PENETRATION FOR RESEARCH EDUCATION

M.Phil and doctorate degrees awarded in the arts field (FY03-FY14P) (in 000’ units)

M.Phil and doctorate degrees awarded in the science field (FY03-FY14P) (in 000’ units)

* As per latest available data, greater number of students are getting attracted to teaching as a career as reflected by the increase in number of students appearing for the National Eligibility Test (NET) from 1.25 lacs in December, 2008, to nearly 7.38 lakhs in June 2013. This is led by an initiative to create potential faculty for universities and colleges.

* As per the Union Budget 2015-16, a new IIT was planned to be set up in Dharwad district, Karnataka, which was set up in August 2016. Also, under the Budget, AIIMS would be set up in J&K, Punjab, Tamil Nadu, Himachal Pradesh and Assam, wherein, site for AIIMS has been finalized in J&K, Punjab, Himachal Pradesh, as on June 2016. IIMs were setup in Visakhapatnam, Andhra Pradesh during 2015, under the same Budget. The government plans to open three new National Institutes of Pharmaceutical Education and Research in Maharashtra, Rajasthan and Chhattisgarh.

NOTABLE TRENDS IN INDIA’S EDUCATION SECTOR - PRESCHOOLS

• In the year 2015 the Pre-school segment was worth USD2.1 billion of which the branded Pre-school segment was expected to contribute 33.83 per cent to the total Pre-school industry in India. Pre-school segment in India is expected to grow from USD0.75 billion in 2011 to USD3.4 billion by 2020, exhibiting growth at a CAGR of over 17 per cent.

• With growing awareness among tier 2 and tier 3 cities, penetration rate for the pre school segment is expected to rise to 25 per cent in 2015.

• To ensure scalability, preschool chains like Kidzee, Eurokids are upgrading to K-12 schools.

Note: F - Forecast
### NOTABLE TRENDS IN INDIA’S EDUCATION SECTOR - K-12

| Private schools adopting franchise models | • Various operating models like a mix of franchisee and owned-schools are being used by the private players to ensure their economic viability |
| Emergence of international school segment | • With increasing awareness, private Indian players are collaborating with international brands to provide international standard quality education |
| Increasing use of technology | • Schools are investing in information and multimedia education technologies to provide better education to students.  
• Increase in technology has also influenced the education sector due to which smart classes are gaining acceptance |
| Increase in the number of recognised Educational Institutions | • Number of recognised educational institutions are expected to rise from 7,485 in 2011 to 7,906 in 2014 |
| Key Challenges | • Enrollment rate across the senior classes is quite low, while the girls dropout rate have witnessed increase in comparison to that of boys in the primary and secondary levels. |

*Source: Ministry of Human Resource Development, Data sourced from KPMG Report 2011, TechSci Research*
NOTABLE TRENDS IN INDIA’S EDUCATION SECTOR - HIGHER EDUCATION

**International collaborations**
- In order to meet the need of today’s demanding students who seek international exposure, many Indian universities and colleges have entered into joint venture agreements with international universities to provide world class education.
- Till 2015, Indian government has entered into Educational Exchange Programmes with 51 countries to boost international collaborations in education sector

**Multi campus model gaining popularity**
- Many private institutions are adopting multi city campus model to scale up their operations and expand in the untapped market of tier 2 and tier 3 cities

**Specialised degrees gaining popularity**
- With more and more students opting for industry focused qualifications, the demand for specialised degrees is picking up
- Most of the universities are offering MBA / Technical degrees with focus on specific sectors

NOTABLE TRENDS IN INDIA’S EDUCATION SECTOR - VOCATIONAL TRAINING

- Private equity players have become bullish on the fast growing education sector including vocational and supplementary training. Between 2010-13, there were 47 Private Equity deals worth USD586.1 million. For example, Kaizen Management Advisors invested in Ace Creative Learning Pvt Ltd and WizIQ raised money from Kaizen and Bertelsmann.
  - In 2015, Meritnation raised USD4.09 million and a Mumbai based e-learning portal Toppr raised an amount of USD10.45 million.

- With rising internet penetration in India, vocational training companies are selecting the online channel to offer courses and increase their national reach.

- In a recent trend, vocational training companies have entered into agreements with corporate houses to train their existing employees with the required skill sets.
  - Also through corporate partnerships, vocational training companies are training college passouts with both soft and hard skills required by their corporate partners.
  - In 2015, MetaScale and NIIT entered into an agreement to provide services in Big Data Analytics.

- In 2015, 30.1 million students have enrolled in higher education of which 55.1 per cent are male and 44.9 per cent are female.

EDUCATION AND TRAINING

PORTERS FIVE FORCES ANALYSIS

Competitive Rivalry
- Lower competition among existing players because of the demand-supply gap
- However, with limited number of institutes offering quality education, institutes compete to attract best students to their respective campuses

Threat of New Entrants
- Minimal infrastructure requirements allow startups to venture into the pre school and vocational study sector

Substitute Products
- With many institutions offering specialised and skill based courses, it's easy for students to switch to courses that better meet their need

Bargaining Power of Suppliers
- Bargaining power of quality education institutes remain high
- Significant shortage of teachers has increased the bargaining power

Bargaining Power of Customers
- High demand-supply gap has weakened the bargaining power of the students

Source: PricewaterhouseCoopers, Techopak, TechSci Research

For updated information, please visit www.ibef.org
EDUCATION AND TRAINING

STRATEGIES ADOPTED

Joint Ventures
- Domestic service providers have formed joint venture with foreign players. For example Educomp has formed joint venture with Raffles to form Raffles Millennium International Colleges which offer courses in fashion design, fashion marketing, interior design, product design and graphic design, jewellery design
- In 2015, NIIT entered into strategic partnership agreement with HP to provide training services in software testing services
- As of November 2016, Welingkar Institute of Management Development and Research (WeSchool) signed two MoUs with Israeli universities ‘Haifa’ and ‘IDC Herzliya’ for cooperation in the fields of study of technology, agriculture, archaeology, biology, etc.
- In an initiative to build Andhra Pradesh as a global brand for higher education, the state government in November 2016, signed four memorandums of understanding (MoUs) with various organisations engaged in educational activities, to promote innovation, internationalisation and establishment of research capacities.

Offering scholarships
- In 2014, NIIT launched its E-Certification Programme.
- Also in 2015, NIIT under 25th Bhavishya Jyoti Scholarship, awarded over 10,000 scholarships to meritorious students on the basis of their class 12th percentage.

Providing online and supplemental solutions
- As the Indian education industry opens up to new innovative ways of learning, Educomp has decided to explore this opportunity by offering its various online and supplemental solutions to help institutions to leverage the most of technology
- Dish TV has added 32 educational channels of HRD Ministry to its platform. The service will offer telecast of live classroom lectures from top institutions across the country.
Increasing disposable income and willingness of people to spend on education is a key driver for the Indian education industry. 

**GROWTH DRIVERS**

**Education in India**

**Formal education**
- **K-12**
  - Increasing awareness and sub standard government school structure in India is driving private schools enrollments
- **Higher education**
  - High demand of qualified employees from the growing service sector

**Informal education**
- **Coaching institutes**
  - Higher competition for professional courses
- **Pre-schools**
  - Franchisee models and increasing awareness in tier 2 and 3 cities is set to drive the sector
- **Vocational education**
  - Increasing demand for skilled labour
  - Low employability levels

**Source:** Netscribes and CLSA data sourced from KPMG Report, KPMG, TechSci Research
POLICY SUPPORT HAS BEEN A KEY INGREDIENT TO GROWTH

**National Knowledge Commission (NKC)**
- An advisory body - National Knowledge Commission (NKC) was set up to guide policy and direct reforms, focusing on certain key areas such as education, science and technology, agriculture, industry and e-governance
- NKC recommended to increase the number of universities to 1,500 by 2015E and to increase the gross enrolment ratio to at least 15 per cent by 2015

**Government focus on education quality**
- In the 12th Five-Year Plan, the government plans to provide enhanced access to higher education and focus on expansion, equity and excellence with a greater emphasis on quality of higher education
- Government is working on building an education based index on which the states will be ranked
- The Central government plans to disburse USD 1 billion to states for introducing skill development initiatives. As of November 2016, Ministry of Skill Development and Entrepreneurship launched Pradhan Mantri YUVA Yojana, at a cost of USD 74.68 million, for providing entrepreneurship education and training to students in the country
- To promote school education in rural areas, in November 2016, Cabinet Committee on Economic Affairs approved the opening of one Jawahar Navodaya Vidyalaya (JNV) in 62 districts of the country

**Foreign Direct Investment**
- The Government of India allowed 100 per cent FDI in the education sector through the automatic route since 2002
- Foreign Educational Institutions (Regulations of Entry and Operations) Bill, 2010 was adopted to liberalise education sector in India
- FDI investment in India from April 2000 to March 2016 reached USD1256.08 million.

**Union Budget 2016 – 17**
- As per budget 2016-17, USD149.37 million was allocated for setting up Higher Education Financing Agency.
- Under the Union Budget 2016-17, 62 Navodaya Vidyalayas are being planned to be opened.
- To expand the quality of education in India, increased focus would be laid on implementing Sarva Shiksha Abhiyan.

**National Education Policy, 2016**
- The new 2016 National Education Policy (NEP) considers education as an utmost important parameter in the country. The 2016 NEP majorly focuses on quality of education as well as innovation & research in the sector.

Source: PricewaterhouseCoopers, Union Budget 2015-16 - Government of India, TechSci Research, News sources; Notes: NEP – National Education Policy

For updated information, please visit www.ibef.org
REGULATORY FRAMEWORK OF HIGHER EDUCATION IN INDIA

- Department of Higher Education, Ministry of Human Resource Development
- Association of Indian Universities
- Central Advisory Board of Education
- State Councils for Higher Education
- University Grants Commission
- AICTE, MCI, PCI, DEC, BCI, NCTE
- ICAR, ICMR, ICSSR, CSIR
- State Regulators

Source: PricewaterhouseCoopers, TechSci Research

Notes: AICTE - All India Council of Technical Education, MCI - Medical Council of India, PCI - Pharmacy Council of India, BCI - Bar Council of India, NCTE - National Council for Teacher Education, ICAR - Indian Council of Agricultural Research, ICSSR - Indian Council of Social Science Research, CSIR - Council of Scientific and Industrial Research
GROWING M&A ACTIVITY IN THE SECTOR

* M&A activity in the sector has been picking up pace over the years. With high growth potential, the Indian education sector is expected to attract further investments from both domestic and international players.

* With the growing e-commerce activities, lot of merger & acquisition, PE deals, are happening in education portals.

* Coaching service provider MT Educare Ltd, plans to raise funds worth USD22.91 million through private equity.

* In 2015, Thinkcell Learning Solutions acquired Testfunda.com which is likely to boost the company in operating in 4 verticals: Gateforum for GATE preparation, Yukti for JEE & medical entrance, Logiquest (Kaplan Certified Education Partner) focusing on GRE, GMAT, SAT, TOEFL & USMLE, and Testfunda.com for online MBA & Bank test preparation.

* Some of the major M&A deals are listed below:

<table>
<thead>
<tr>
<th>M&amp;A scenario in education and training</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Acquirer name</strong></td>
</tr>
<tr>
<td>Writefine Products Pvt. Ltd.</td>
</tr>
<tr>
<td>Next Education India Pvt. Ltd.</td>
</tr>
<tr>
<td>Thinkcell Learning Solutions</td>
</tr>
<tr>
<td>Wincourse</td>
</tr>
<tr>
<td>Bertelsmann AG</td>
</tr>
<tr>
<td>ASK Pravi Private Equity Fund</td>
</tr>
</tbody>
</table>

Source: "M&A," Thompson ONE Banker, Grant Thornton, TechSci Research

Notes: M&A - Mergers & Acquisitions, Some of the deals are disclosed. ¹ The data is on the basis of the target based in India.
During April 2000 to March 2016, the Indian education sector attracted USD1256.08 million through Foreign Direct Investment (FDI).

The FDI in the education sector in India increased at a CAGR of 21.28 per cent from USD580.50 million in FY12 to USD1256.08 million in FY16.

Source: DIPP, TechSci Research
EDUCATION AND TRAINING

OPPORTUNITIES
EDUCATION AND TRAINING

OPPORTUNITIES … (1/2)

Immense growth potential

- India has the world’s largest population of about 500 million in the age bracket of 5 to 24 years and this provides a great opportunity for the education sector
- The Indian education sector is set for strong growth, buoyed by a strong demand for quality education
- Indian education sector market size is USD100 billion in FY15.
- India online education market size is expected to reach USD40 billion by FY17

Policy support

- The continued focus of the Government of India towards liberalising the Education sector, is reflected by the proposed introduction of trend setting bills such as the Foreign Educational Institutions (Regulation of Entry and Operations) Bill, 2010 and the Educational Tribunals Bill, 2010
- Adoption of “The Model School Scheme” to provide quality education in rural areas by setting up of 6000 schools across the rural regions of the country.
- As a part of 12th Five Year Plan, the Ministry of HRD, launched National Initiative for Design Innovation, which aims to link all schools in the country through 20 new Design Innovation Centres and one Open Design School.

Proposed FDI in education

- 100 per cent FDI (automatic route) is allowed in the Indian education sector
- An estimated investment of ~USD200 billion is required to achieve the government’s target of 30 per cent GER for the education sector by 2020
- The government promotes Public Private Partnership and tax concessions to encourage foreign players in the industry
- Government announced the establishment of more than 10 community colleges in association with the Government of Canada and more than 100 in the coming year.
- UK India Education Research Initiative (UKIERI) initiated in 2006, focuses on maintaining education links between India and the UK. 3rd phase of the scheme is expected to start in 2016.

Source: Technopak, India Ratings and Research, PricewaterhouseCoopers, Deloitte, TechSci Research
Notes: UK – United Kingdom

For updated information, please visit www.ibef.org
Public Private Partnership (PPP)

- Setting up of formal educational institutes under the PPP mode and enlarging the existing ones
- In the case of PPP the Government is considering different models like the basic infrastructure model, outsourcing model, equity/hybrid model and reverse outsourcing model.
- As a part of 12th Five-Year Plan, the government announced allocation of a budget of US$48.8 billion for public private partnership.
- In 2016, the government announced a scheme to set up 2,500 model schools under PPP.

Opportunities for foreign investors

- More opportunities for the private and foreign sector involve twinning arrangements/ academic and financial partnership with Indian institutions, rendering infrastructure services including development, IT and development of course content.
- Future opportunity of setting up campuses of foreign universities in India

Opportunities for innovative services

- With the tutoring in the schooling segment expected to grow from USD8 billion in 2011 to USD26 billion in 2020, there lies a large and fast growing market for coaching and tutoring services imparted through innovative means, mainly the internet

Source: Technopak, India Ratings and Research, UGC Report on “Inclusive and Qualitative expansion of Higher Education” data sourced from PricewaterhouseCoopers report, PricewaterhouseCoopers, Deloitte, TechSci Research

Notes: PPP - Public Private Partnership
EDUCATION AND TRAINING

SUCCESS STORIES
ICICI MANIPAL ACADEMY

IMA (ICICI Manipal Academy for Banking and Insurance) was incorporated in 2008. It is formed as Industry-Academia partnership between ICICI Bank and Manipal Global Education

Significant presence

- As of March 31, 2015, more than 11,000 young professionals have graduated from the IMA Academy. Every year IMA Academy receives 75,000 applications for 1000 seats.

Intensive One-year Learning Programme

- The IMA Academy is responsible for training personnel for ICICI Bank and enhance their skills as per the banking industry. IMA imparts knowledge pertaining to the banking sector and focuses on the overall personality development of the student.
- The programme is a full time residential course and provides the functional and practical applications of Banking sector.

Offering Post Graduate Diploma in Banking

- IMA offers Post Graduate Diploma in Banking jointly designed by the Manipal Global Education and ICICI Bank in the tenure of 12 months.

Source: Company website, TechSci Research
EDUCOMP

Educomp was incorporated in 1994. It currently has 27 offices worldwide including 21 in India, one in Canada, two in Singapore, and three in the United States.

Significant presence

- Reaches out to over 6.7 million students across 14,561 private schools and over 5.9 million students across 10,771 government schools
- It also runs 209 pre-schools, 51 brick and mortar K12 schools, six colleges, one higher education campus, 94 Test Prep Centers, and has 5.5 million users of its online learning properties
- In 2016, Educomp received three awards at the 6th Indian Education Awards on May 2016
- Educomp partnered with 10,700 government schools and with 14 state governments to make schools digitally equipped

Provides innovative solutions

- Innovative initiatives of The smartclass Class Transformation System (or CTS) in the space of digital classroom content and the smartclass Digital Teaching System (or DTS) in digital classroom hardware
- The company provides innovative learning techniques through 750 text books and work books, 19,000 lesson plans, 26,000 work sheets, 11,000 activities and 3,000 projects, over 500 teaching manuals

Operating in various segments

- Educomp operates in kindergarten segment through Little Millennium, chains of pre-schools
- It also has engineering college, management institute and design colleges
- Launched Educomp SmartSchool (ESS)

Source: Company website, TechSci Research
A leading Global Corporation building a pool of skilled manpower as per industry requirement.

1981
Incorporated on December 2, 1981

1982

1984
IT consultancy services started

2002
Acquired companies - Osprey, DEI and Click2learn

2006
Acquired Element K

2008
Net Revenue crosses USD229 million

2013
~1,52,000 candidates applied for NIIT test

2014
Launched E-commerce certificate programme

2015
NIIT and HP get into partnership to offer software testing course

2016
NIIT expanded its presence in China to train IT professionals

2014
Launched E-commerce certificate programme

2015
NIIT and HP get into partnership to offer software testing course

2016
NIIT expanded its presence in China to train IT professionals

Source: Company website, TechSci Research
Note: TRA-Trust Research Advisory
In the business of human development and performance change, Veta has been focused on offering English language courses.

1982
First Anniversary Celebrations

2004
Major achievement in changing the brand to VETA

1982
Study material being provided to 1 hundred thousand distance education students

2015
Inaugurated a new learning centre in Gujarat

2015
Study material being provided to 2 hundred thousand distance education students

2015
Inauguration of 22 new centers across country (between January and July 2015)

Shifting focus to direct classes

Started as Vivekananda Study Circle in Chennai

In the business of human development and performance change, Veta has been focused on offering English language courses.

Source: Institute website, TechSci Research
USEFUL INFORMATION
University Grants Commission (UGC)
Bahadur Shah Zafar Marg, New Delhi
Pin:110 002
EPABX Nos. 23232701/ 23236735/ 23239437/ 23235733/
23237721/ 23232317/ 23234116/ 23236351/ 23230813/ 23232485
Fax. Nos. 23231797/ 23239659
Website: http://www.ugc.ac.in/

All India Council of Technical Education (AICTE)
7th Floor, Chanderlok Building
Janpath, New Delhi-110 001
AICTE EPABX Numbers: 91-11-23724151 to 91-11-23724157
AICTE Fax Number: 91-11-23724183
Website: http://www.aicte-india.org/
EDUCATION AND TRAINING

GLOSSARY

* **CAGR**: Compound Annual Growth Rate
* **FDI**: Foreign Direct Investment
* **FY**: Indian Financial Year (April to March)
* **GER**: Gross Enrollment Ratio
* **GOI**: Government of India
* **HRD**: Human Resource Development
* **AICTE**: All India Council of Technical Education
* **INR**: Indian Rupee
* **RTE**: Right of Children to Free and Compulsory
* **RMSA**: Rashtriya Madhyamik Shiksha Abhiyan
* **UGC**: University Grants Commission
* **USD**: US Dollar

Wherever applicable, numbers have been rounded off to the nearest whole number
## Exchange Rates

### Exchange rates (Fiscal Year)

<table>
<thead>
<tr>
<th>Year</th>
<th>INR equivalent of one USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004–05</td>
<td>44.81</td>
</tr>
<tr>
<td>2005–06</td>
<td>44.14</td>
</tr>
<tr>
<td>2006–07</td>
<td>45.14</td>
</tr>
<tr>
<td>2007–08</td>
<td>40.27</td>
</tr>
<tr>
<td>2008–09</td>
<td>46.14</td>
</tr>
<tr>
<td>2009–10</td>
<td>47.42</td>
</tr>
<tr>
<td>2010–11</td>
<td>45.62</td>
</tr>
<tr>
<td>2011–12</td>
<td>46.88</td>
</tr>
<tr>
<td>2012–13</td>
<td>54.31</td>
</tr>
<tr>
<td>2013–14</td>
<td>60.28</td>
</tr>
<tr>
<td>2014–15</td>
<td>61.06</td>
</tr>
<tr>
<td>2015–16</td>
<td>65.46</td>
</tr>
<tr>
<td>2016-17 (E)</td>
<td>66.95</td>
</tr>
</tbody>
</table>

### Exchange rates (Calendar Year)

<table>
<thead>
<tr>
<th>Year</th>
<th>INR equivalent of one USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>43.98</td>
</tr>
<tr>
<td>2006</td>
<td>45.18</td>
</tr>
<tr>
<td>2007</td>
<td>41.34</td>
</tr>
<tr>
<td>2008</td>
<td>43.62</td>
</tr>
<tr>
<td>2009</td>
<td>48.42</td>
</tr>
<tr>
<td>2010</td>
<td>45.72</td>
</tr>
<tr>
<td>2011</td>
<td>46.85</td>
</tr>
<tr>
<td>2012</td>
<td>53.46</td>
</tr>
<tr>
<td>2013</td>
<td>58.44</td>
</tr>
<tr>
<td>2014</td>
<td>61.03</td>
</tr>
<tr>
<td>2015</td>
<td>64.15</td>
</tr>
<tr>
<td>2016 (Expected)</td>
<td>67.22</td>
</tr>
</tbody>
</table>

Source: Reserve bank of India, Average for the year
India Brand Equity Foundation (“IBEF”) engaged TechSci to prepare this presentation and the same has been prepared by TechSci in consultation with IBEF.

All rights reserved. All copyright in this presentation and related works is solely and exclusively owned by IBEF. The same may not be reproduced, wholly or in part in any material form (including photocopying or storing it in any medium by electronic means and whether or not transiently or incidentally to some other use of this presentation), modified or in any manner communicated to any third party except with the written approval of IBEF.

This presentation is for information purposes only. While due care has been taken during the compilation of this presentation to ensure that the information is accurate to the best of TechSci and IBEF’s knowledge and belief, the content is not to be construed in any manner whatsoever as a substitute for professional advice.

TechSci and IBEF neither recommend nor endorse any specific products or services that may have been mentioned in this presentation and nor do they assume any liability or responsibility for the outcome of decisions taken as a result of any reliance placed on this presentation.

Neither TechSci nor IBEF shall be liable for any direct or indirect damages that may arise due to any act or omission on the part of the user due to any reliance placed or guidance taken from any portion of this presentation.