

Background



88M

Students enrolled in Private Unaided Schools



335,844

Private Unaided Schools in India

Scope

OF MARKET RESEARCH



360

Private unaided schools interviewed



2023

over the months of Feb-May



754

Parents Interviewed



ACROSS 5 STATES

Andhra Pradesh / Telangana, Karnataka, Madhya Pradesh, Rajasthan and Uttar Pradesh

School selection criteria:



INR 500-2K

Monthly school fees per child



200 STUDENTS

Minimum school enrolment

Characteristics

OF SCHOOLS INTERVIEWED



22 YEARS

Average age of school



463

Average number of students in academic year 2022–23



20%

of schools reported reduced enrolment over last 3 years



46%

Average female student enrolment rate



26:1

Pupil-Teacher Ratio

Average monthly school fees: INR 1,100 (USD 13.40)



61%

collect fees monthly



64%

report no change in fees for 3 years



92%

report cash as main method of fee collection



89%

fee collection efficiency

Financial Profile

OF SCHOOLS INTERVIEWED



94% of total income comes from school fees



88% of schools are built on self-owned land



of total expenditure goes on salaries



28% average surplus

Borrowing Experience

HISTORICAL



7.2% of schools have had a school improvement loan in the last 5 years

Barriers to accessing loans:



High interest rates



Hard to find a lender to schools



Loans do not fit school needs

Demand

SCHOOL IMPROVEMENT LOANS



41% of schools are interested

Desired Loan Uses	%
Construction of classrooms	49%
Construction / renovation of school buildings	27%
Purchase of school buses	23%
Purchase / construction / renovation of playground	22%

SCHOOL FEE LOANS



16% of parents are interested



MARCH & JUNE

Months with highest loan demand



53%

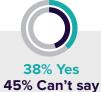
would use the loan for non-fee educationrelated items



INR 44k / USD 500

Average loan amount required

Schools' Interest in partnering with a financial institution to offer school fee loans to parents:



suggests more effort required to explain the nature and benefits of a partnership

Loan Characteristics

REQUIRED BY SCHOOLS



INR 23 LAKHS / USD 28K

Average loan required



4.2 YEARS

Average preferred loan tenure



59% would use school land /buildings as collateral



64%

would like their loan in April–June

≤ INR 5 LAKHS/ USD 6K

10% want a loan for the above amount, ideally unsecured and based on cashflow analysis

ESTIMATED SIZE OF THE EDUFINANCE MARKET IN INDIA

Product	Estimated Market Size
School Improvement Loan – secured (>INR 5 lakhs)	INR 8,200 crores
School Improvement Loan – unsecured (<inr 5="" lakhs)<="" td=""><td>INR 360 crores</td></inr>	INR 360 crores
School Fee Loan	INR 9,300 crores
Total Estimated Market Size	INR 17,900 crores
	USD 2.2 billion