### Background

- **88M** Students enrolled in Private Unaided Schools
- **335,844** Private Unaided Schools in India

### Characteristics of Schools Interviewed

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average age of school</td>
<td>22 YEARS</td>
</tr>
<tr>
<td>Average number of students in academic year 2022–23</td>
<td>463</td>
</tr>
<tr>
<td>Pupil-Teacher Ratio</td>
<td>26:1</td>
</tr>
<tr>
<td>Average female student enrolment rate</td>
<td>46%</td>
</tr>
<tr>
<td>Reduction in enrolment over last 3 years</td>
<td>20%</td>
</tr>
</tbody>
</table>

### Scope of Market Research

- **360** Private unaided schools interviewed
- **754** Parents Interviewed
- **2023** over the months of Feb–May
- **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

### 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
- 78% of total expenditure goes on salaries
- 88% of schools are built on self-owned land
- 28% average surplus

**Demand**

**School Improvement Loans**

- 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
- 53% would use the loan for non-fee education-related items
- INR 44k / USD 500 Average loan amount required

**Loan Characteristics Required by Schools**

- INR 23 lakhs / USD 28k Average loan required
- 4.2 years Average preferred loan tenure
- ≤ INR 5 lakhs / USD 6k would use school land/buildings as collateral
- 64% would like their loan in April–June

**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

**Loan Characteristics Required by Schools**

- INR 23 lakhs / USD 28k Average loan required
- 4.2 years Average preferred loan tenure
- ≤ INR 5 lakhs / USD 6k would use school land/buildings as collateral
- 64% would like their loan in April–June

**Estimated Size of the Edufinance Market in India**

<table>
<thead>
<tr>
<th>Product</th>
<th>Estimated Market Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Improvement Loan – secured (&gt;INR 5 lakhs)</td>
<td>INR 8,200 crores</td>
</tr>
<tr>
<td>School Improvement Loan – unsecured (&lt;INR 5 lakhs)</td>
<td>INR 360 crores</td>
</tr>
<tr>
<td>School Fee Loan</td>
<td>INR 9,300 crores</td>
</tr>
<tr>
<td>Total Estimated Market Size</td>
<td>INR 17,900 crores</td>
</tr>
</tbody>
</table>

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

- 38% Yes
- 45% Can’t say

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