

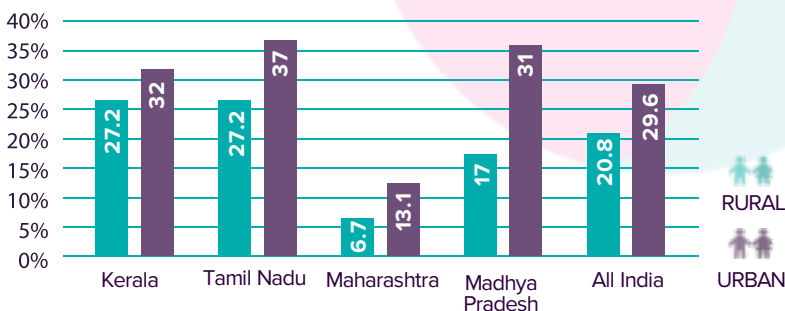
# EDUFINANCE MARKET KNOWLEDGE

## EDUCATION LENDING OPPORTUNITIES IN INDIA

### CURRENT TRENDS

In India, the number of low cost private schools has more than doubled since 1993. Parental buy-in has been central to the growth of low cost private schools as confidence in the government-run education system has dropped due to limited resources and bureaucracy. As a result, privately owned schools for low-income families have been started by local education entrepreneurs in their communities to provide affordable and quality education. Currently, the market share of private schools is 43%, a percentage that is reckoned to continue to increase.

% OF CHILDREN IN AFFORDABLE PRIVATE SCHOOLS BY STATE

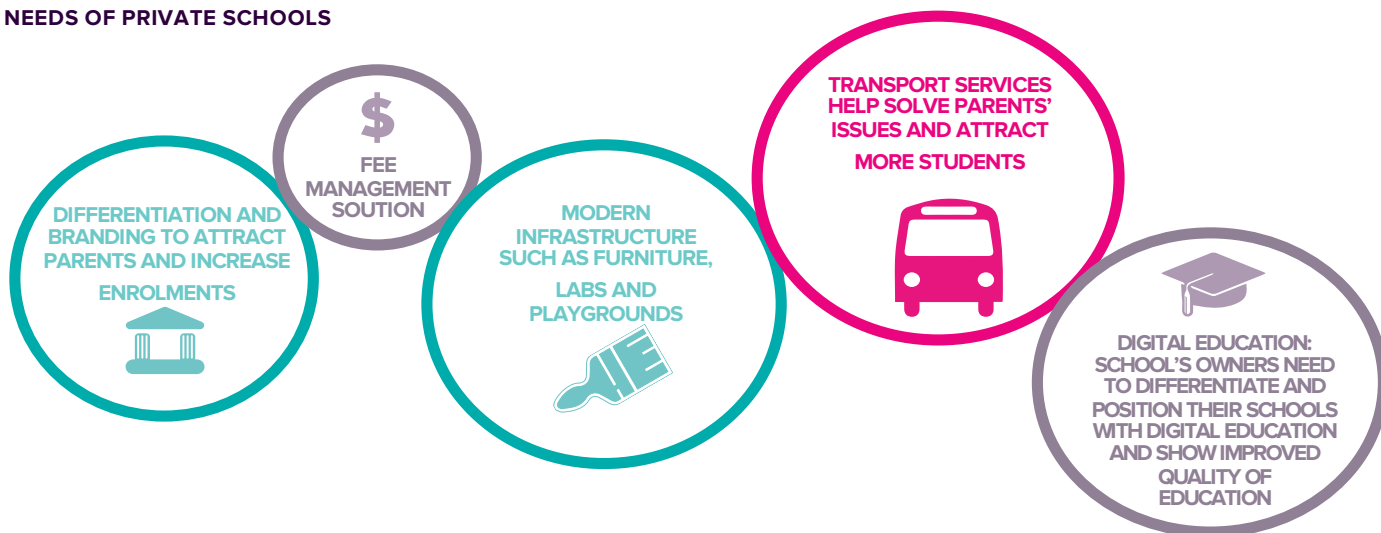


### INCREASE OF THE DEMAND FOR PRIVATE SCHOOLS

The research indicates that the common perception among parents is that the quality of education provided by private schools is higher than government schools: 57% of respondents who send their children to private institutions do so because they believe that private schools provide a better environment for learning, while 19% of the respondents thought that the quality of education in government institutions was not satisfactory.

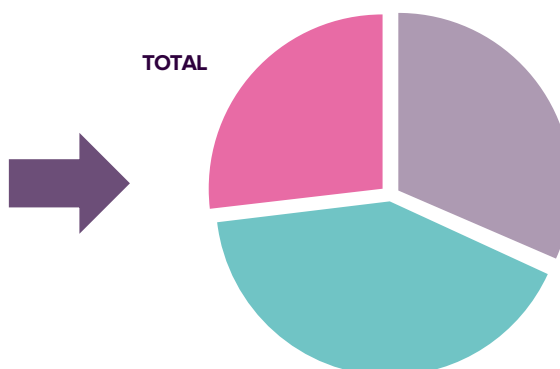
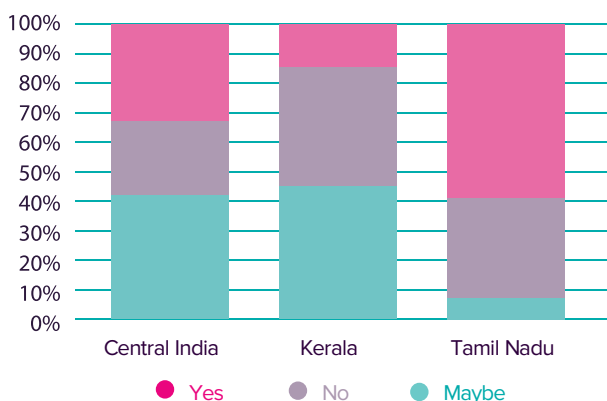
## FINANCING THE AFFORDABLE PRIVATE SCHOOL SECTOR: SCHOOL IMPROVEMENT LOANS

### NEEDS OF PRIVATE SCHOOLS



### SCHOOL INTEREST IN AVAILING LOANS

27% of the respondents expressed an interest in taking a loan for school improvement indicating an upward trend in an interest in loans, as currently only 14% of the respondents had a loan.

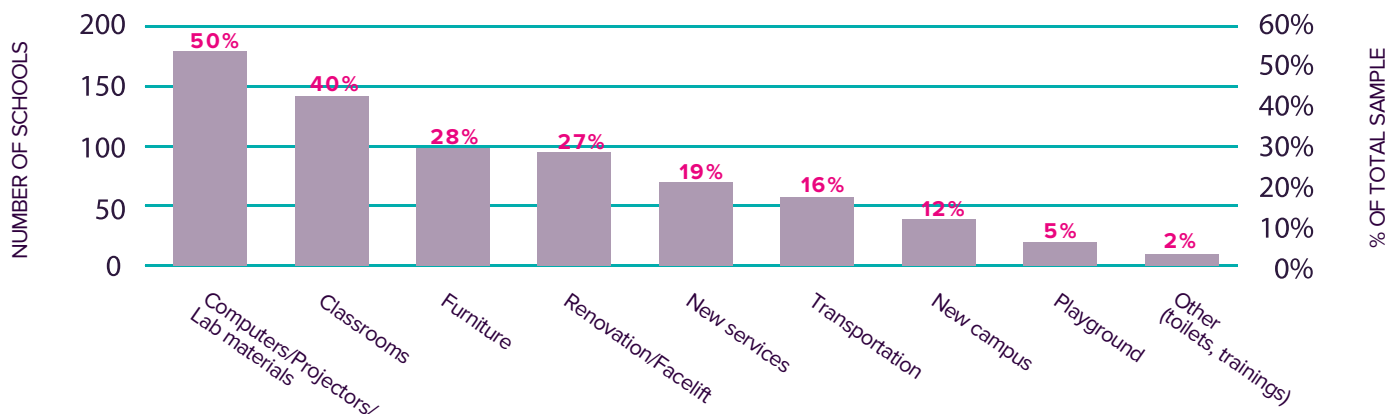


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## FINANCING THE AFFORDABLE PRIVATE SCHOOL SECTOR: SCHOOL IMPROVEMENT LOANS

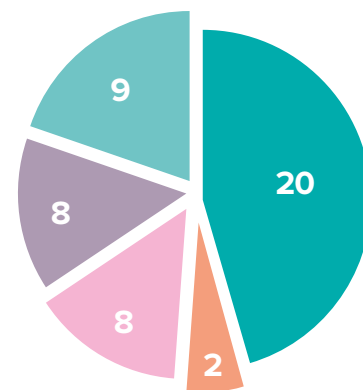
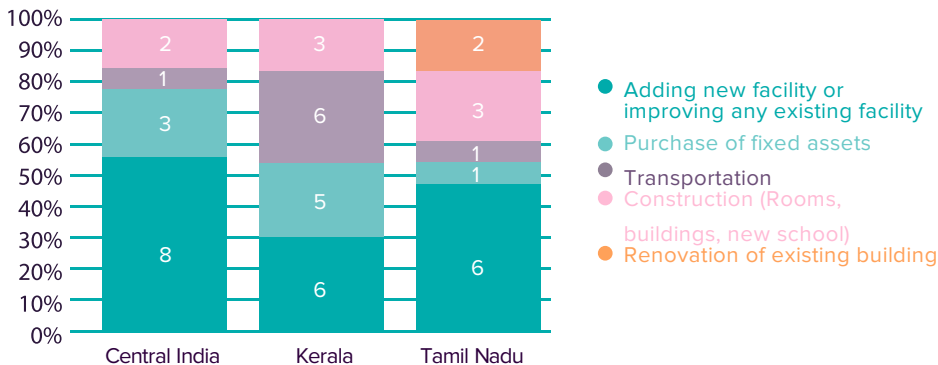
### PURPOSE OF FUTURE LOAN

50% of affordable private schools interviewed saw purchasing assets like computers, projectors, and lab materials as essential to their school development plan. 40% of affordable private schools interviewed wanted to build more classrooms to cater for an upward trend in enrolment numbers, whilst 28% and 27% wanted to buy more furniture (desks and chairs) and renovate their schools.



### PURPOSE OF EXISTING LOAN

14% of schools interviewed had taken a loan in the past. The most common uses for previous loans cited by school proprietors were adding and improving facilities, constructing new classrooms, purchasing new vehicles for school transportation and for purchasing fixed assets such as computers or projectors.



### MARKET OVERVIEW

Enrolment at private schools is expected to continue to grow in India with private schools estimated to take a **50% market share** in the coming years. Schools Improvement Loans are an expanding niche market, with a limited number of potential target clients per area base, but with a **healthy growth rate**.

