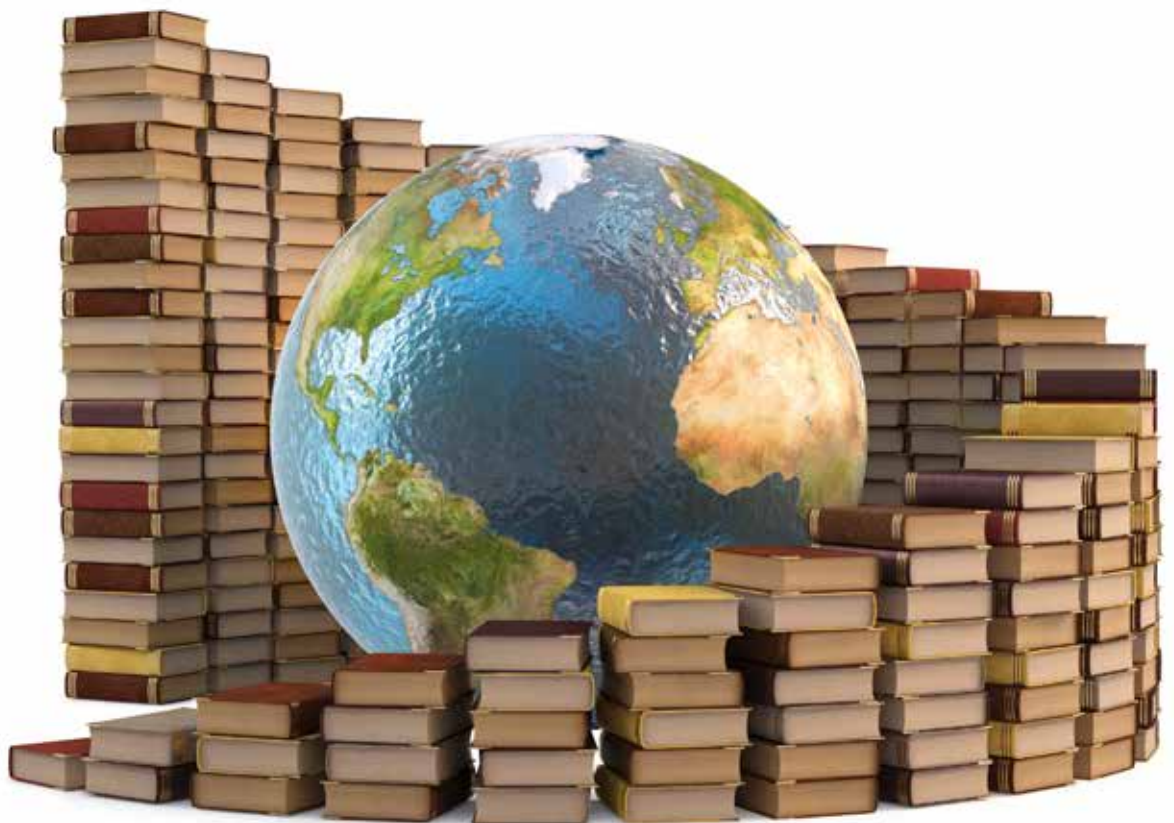


Foreign Universities in India
Untapped opportunities for
foreign varsities in the Indian
higher education sector



The Indian Government is in the process of notifying rules which will pave the way for foreign universities to set up a campus in India –world’s third largest higher education system with about 50% population below 25 years

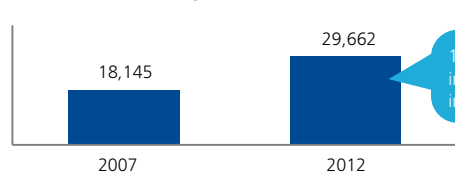
Entry of Foreign Universities in India

A recent press release has indicated that the Government is in the process of notifying rules which will pave the way for entry and operation of foreign universities in India. Under the proposed rules, a foreign university needs to fulfill certain eligibility criterion which includes the following:

- Should be ranked amongst the top 400 universities of the world as per the rankings published by Times Higher Education, Quacquarelli Symonds (QS) or the Academic Ranking of World Universities (ARWU);
- Should form a not-for-profit legal entity in India, registered under section 25 of the Companies Act 1956, for setting up the campus;
- To be registered as a not-for-profit legal entity, in existence for at least twenty years, in the host country;
- To be accredited by an accrediting agency of the host country. In absence of its accreditation in that country, it should be accredited by an internationally accepted system of accreditation;
- To offer programmes of study or courses to be of quality comparable to those offered to students in its main campus overseas;
- To maintain a corpus of not less than ₹ 250 million before being notified;

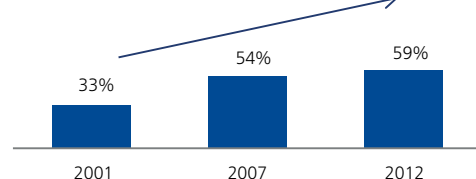
The above conditions are contained in the press release, the final list of requirements will emerge as and when the proposed rules get notified. Based on our discussions with the Government, we understand that the proposed rules will be notified shortly.

Number of Private Higher Education Institutions



1/3rd of these institutions were set up in last 5 years

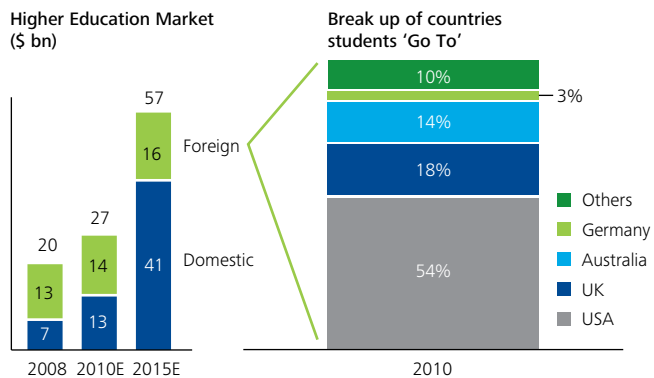
Share of private sector institutions in total higher sector enrolment



Source: MHRD, Deloitte Analysis

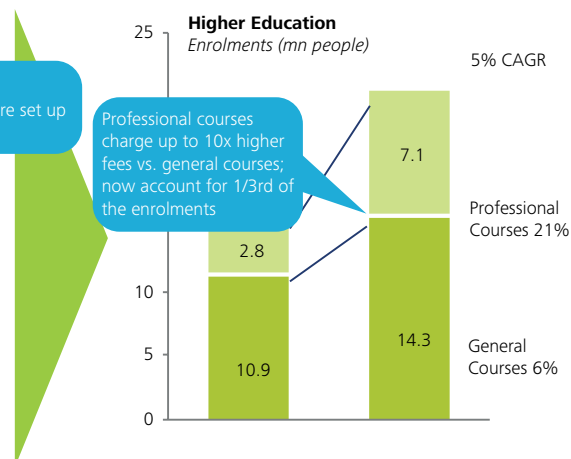
Indian Higher Education - Market Attractiveness

As per estimates, the higher education sector is expected to witness a CAGR of 20% in a five year period starting 2010 thereby becoming a \$ 57 bn market by 2015. A significant portion of this market is contributed by dollar expenditure of Indian students pursuing higher education overseas.



Source: Analyst Reports, Deloitte Analysis

The Indian higher education sector has been traditionally dominated by Government sponsored universities and colleges. Given the massive demand supply gap, the sector has witnessed a sudden increase of private institutions whose share in higher education enrollments has touched 59%.



Huge untapped opportunity for foreign educators

India has the third largest higher education system in the world after China and the US, with a total enrolment of over 27.5 mn students. In spite of this, the GER is presently lagging at 19.4% (2011) which is far lower than the world average. This signifies a tremendous growth potential, especially given the Government’s target of achieving GER of 30% by 2020. Given the limited financial commitment of the Government and massive demand-supply gap, the foreign education providers can play a major role in the Indian higher education sector. In addition, only 15 Programmes cover 82% of the total students enrolled in higher education, revealing opportunities for provision of niche and specialized offerings. The proposed rules will allow the foreign universities to introduce global best practices in India and offer quality education to millions aspiring to study in a world class university.

Key opportunities for foreign universities in India



- Establishing an Indian campus, subject to notification of rules
- Establishing formal educational institutes in collaboration with Indian private sector
- Twinning arrangements/ academic and financial collaborations with Indian institutions
- Set up an Indian subsidiary for course content development, executive training and other unregulated offerings

Deloitte Value Proposition and Service Offerings



Market Feasibility and Entry Strategy	Tax & Regulatory advisory	Implementation assistance	Marketing and management advisory	Post entry advisory
<ul style="list-style-type: none"> • “Go No-Go” Decision based on feasibility study • “Go No-Go” Decision based on feasibility study • Estimating market size, faculty availability and competitor profiling • Assessing demand of courses and programs • Location Assessment • Developing optimum business model • Brand recognition and building • Exploring collaboration options with Indian institutions 	<ul style="list-style-type: none"> • Analyzing impact of meeting regulatory requirements • Developing roadmap to obtain approvals • Tax efficient & regulatory compliant structuring • Review of business plan for tax optimisation • Seeking clarification from regulators/ revenue authorities 	<ul style="list-style-type: none"> • Advice and assistance in obtaining regulatory approvals • Effective follow-up to respond to any queries • Registration of Section 25 company • Tax registrations/ approvals • Assistance in negotiations with State Governments for incentives • Deal advisory including academic collaborations 	<ul style="list-style-type: none"> • Developing the “right value proposition” for students • Marketing and positioning strategy • Human Capital Advisory for hiring faculty and administrative staff 	<ul style="list-style-type: none"> • Tax and regulatory compliance • Financial Reporting • Internal control processes • Technology Services <ul style="list-style-type: none"> – Data security, mining and MIS – Content management and archiving system • ERP services

Deloitte in India

- One of the largest professional services organizations in India — over 20,000 professionals
- Strong national presence and wide reach with 13 regional centers
- We serve 243 and audit 93 of the top BT 500 companies
- We offer our services to 42 of the top 50 BT companies

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