

Education

Industry Code (as per CMIE Prowess): 0101041517000000'

June 2022

Overall Industry Risk Score: **14/20 | Marginally Favourable**

Sample Size: 5 Companies

Median Rating Value of sample size: BBB+

Individual Parameters Contributing to the Score

Demand & Supply Balance



16/20

Moderate Demand

Demand for traditional educational services is expected to remain healthy post pandemic despite the increased popularity of online educational services. The online educational courses have made successful inroads across the Indian educational spectrum from schools to professional courses with the entry of reputed players like Byjus, Unacademy & Upgrad. The online education market has reached around USD 2.28 Bn in FY22. As per IBEF website, with ~27% of population in the 0-14 years age bracket, the education sector offers tremendous opportunities for growth. Applications for the 'Study in India' programme increased by 146% in 2021. Given the favourable demographics, the need for employment and upskilling, the demand for education would be very favourable.

Extent of Competition



12/20

Neutral

The industry is highly fragmented and unorganized. Easier Board affiliations (school education) and University affiliations (higher education) has reduced entry barriers in the sector and foreign universities are encouraged to set up campuses under the new education policy.

Regulatory Risk



16/20

Stable Regulatory environment

The industry is well regulated and implementation of the new Education Policy will further streamline the regulatory framework. The Government has supported education at the primary school levels as well as higher levels through initiatives such as opening of IITs & IIMs at new locations. Various Government schemes to support distance learning are being adopted. The resource requirements for expanding the educational services has been enabled through routes like FDI, budgetary allocation and entry of private sector.

Input Related Risk



12/20

Largely predictable supply of inputs from diversified sources or Raw Materials with rare, occasional disruptions / fairly predictable price band

The availability of quality teachers and faculty is an industry challenge and the costs thereof are on an increase.