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# Private Equity in Higher Education Sector in India- Need of the Hour!

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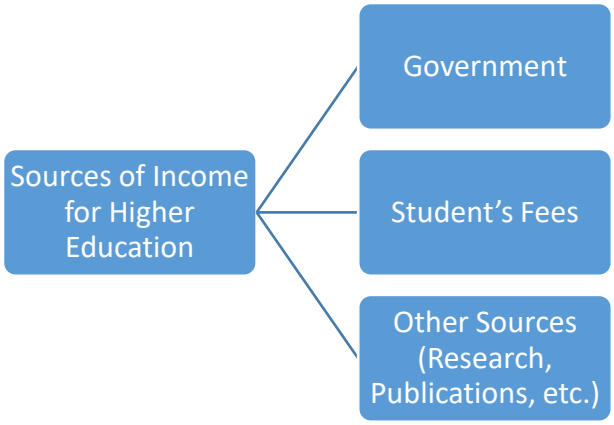
## Introduction

Public sector can no longer make the kind of huge investments that are needed in Indian higher education sector. Also, this is not required as it unnecessarily blocks up public funds for long periods. The huge demand – supply gap in this sector is a big opportunity for the private sector. Though, private investments have been increasing through time, their financing is still dependent on few sources.

**Figure 1: Common Sources for Finance of HE Institutes**




Source: Self Compiled

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Once the initial investment is made on the development of infrastructure, the institution has to divert the revenues to fund capital expenses. This results in undue pressure on increasing revenues very fast or at least at the same rate. Under such circumstances, the expenses that are needed to maintain the quality of service to the 'learner' who is the consumer are compromised.

This, very quickly, starts reflecting in poor quality of service delivery and ultimately the revenue generated falls down, the main source of the revenue being the fees collected from consumers. When the numbers of admission to the institutes start to dwindle, so does its revenue. Thus, there is a huge number of private institutions in higher education which had to close down after tasting initial success in this industry. This is evident with the AICTE and UGC statistics. According to information on AICTE website 491 higher educational institutes have closed down in past 6-7 years. (Refer Table 1)

Educational institutions, due to the uniqueness of this industry must have a long life. The most prestigious universities throughout the world usually have a history of more than 100 years. In long run, the quality of education delivered plays a huge role in determining overall profitability and viability of the institution.

The role of private equity financing model in higher education sector hence assumes importance. The model will be explained in detail in the next section. This model, according to authors, is best suited and is the need of the hour. The most important role of private equity would be to make available huge investments during the initial years; which would be used to fund all kinds of capital expenditures; including making available world class infrastructure, laboratories and hiring top faculty. The source of revenue would be available for initial 4-8 years, which would be enough time for the institution to create a niche market for itself by delivering high quality service to the consumers and also maintaining it.

**Private Equity – Conceptual Overview**

Private Equity is defined as an asset class which invests in companies (public & private) or in real assets such as real estate. PE investment can be divided into venture capital, developmental capital, Merger & Acquisition funds, Mezzanine capital and pre-IPO capital according to the stages in which it is being invested in companies. This type of investment brings forth many advantages such as it provides an open channel of finance, helps increase management and operational efficiency, promotes technological innovation, attracts talented human capital and increases 'value creation' through enterprise. (Xiang, Wang, Kong, & Li, 2009)

These firms collect funds from high net worth individuals and other investors. They invest this wealth in start- ups, businesses that promise good returns in booming sectors or businesses which need re-structuring. Till 1980s, the PE investments were mainly undertaken by wealthy families, industrial corporations and financial institutions, which invested directly in PE firms. However, the trend reversed by 1980s when

intermediaries started investing on behalf of institutional investors. The major intermediary was referred to as 'Limited Partnership' and the Institutional investors as 'Limited Partners' while the PE firms, which also used to be professional investment managers were called the 'General Partners'. (Stephen, 1998) These attracted investments as they promised the limited partners much higher returns than normally the market promised; mostly to the tune of 20- 30 per cent. The investors lending money to the PE firms may ask them to agree to some of their terms and conditions. However, once the terms have been agreed upon, the investors have no control over management of PE firms. On the contrary, the PE firms do have control over the companies they invest in, through their representatives in the company's management/Board of Directors. Though, in the traditional model, the PE owners only provided advise and did not have any say in the day to day affairs of management of the company; the trend is now changing and the PE are now playing more than mere advisory role in their portfolio companies (Barber & Goold, 2007).

It's important to note that though PE firms can invest in any sector; these typically specialize in one sector to gain experience, expertise and strategy skill in that particular sector. Also, these firms typically invest in high risk sectors.

The PE firms seek to exit the investments in 3-5 years, at the maximum of 10 years but not before over hauling the internal processes of the company for rapid performance improvement. (i.e. cash flow and margin improvement). When the PE firms sell their investments, they typically use 90 percent of the funds for fresh investments and reserve around 10 percent in the portfolio companies. The PE fund continuously raises capital to buy new investments, while exiting previous ones. If these firms are able to provide promised returns to their limited partners and create value for the portfolio companies, then it becomes easy for them to generate new capital from old and new limited partners.

Another aspect of the PE firms is that these typically charge fees to their limited partners to manage their investments. There are two sets of fees:

(a) Annual Management Fees; which PE funds charge for managing the total assets.

(b) Performance Incentive fees/Carried Interest/Carry (based on hurdle rate) – This is allowed to the General Partners only if an annual required return or 'hurdle rate' of at least 7-10 per cent is achieved.

Since the profits of the PE firms comes from the profits made by companies beyond the hurdle rate of return. Hence, the PE firms are motivated to generate above market returns. (Private Equity Industry Overview , 2016)

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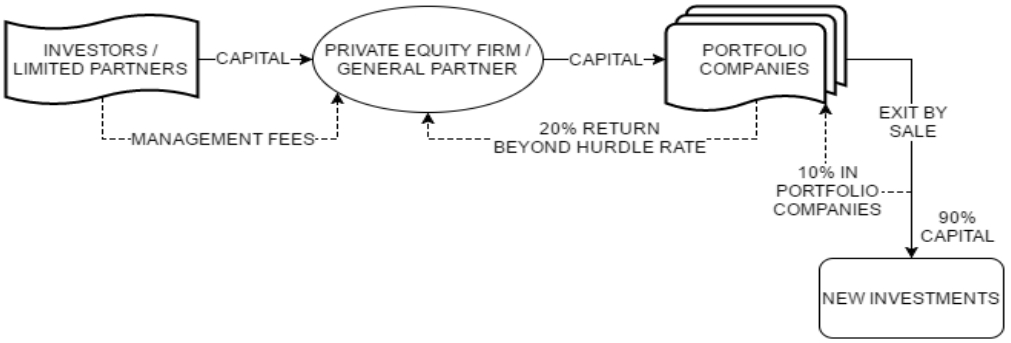
**Figure 2: Model of Private Equity Finance**




Source: Self Compiled

The 'buy to sell' strategy can be touted as the strategic secret of the private equity firms which guarantee them exceptionally high returns as they are likely to exit the investment after initial years, when it has already delivered highest possible returns.

PE firms in developed nations undertake investments in diverse portfolios like technology sectors, industries that need re-structuring or combine. In developing nations, firms target traditional industries like real estate, telecom, power, energy. Uniquely, Indian software firms have received lot of investment recently).

**Banks vs Private Equity Funding in Higher Education Sector**

Private Equity finance has some very distinct advantages over other sources of finance, which are primarily available to educational institutions such as loans from commercial banks (debt financing). One of the main feature that distinct Private Equity from Bank finance is the fact that banks are a kind of 'external finance' provider which are only concerned about the repayment of their interest and principal amounts, whereas the providers of Private equity have their profits or above normal market rate of return only if the venture prospers. Therefore, PE providers are concerned about success/failure of the venture. If the venture fails, PE firms lose alongside the shareholders.

Bank loans on the other hand are secured loans through personal assets or business assets. These type of loans are therefore referred to as 'Senior Debt' because it is secured through the receiver's assets and has highest priority during repayment.

The disadvantages of PE financing over bank loans is that the granting of Private Equity is usually a lengthy process. The investors conduct lengthy surveys, review business plans, go through legal environments and conduct 'due diligence' before committing to any investment. Also, the business owners have to give up part of

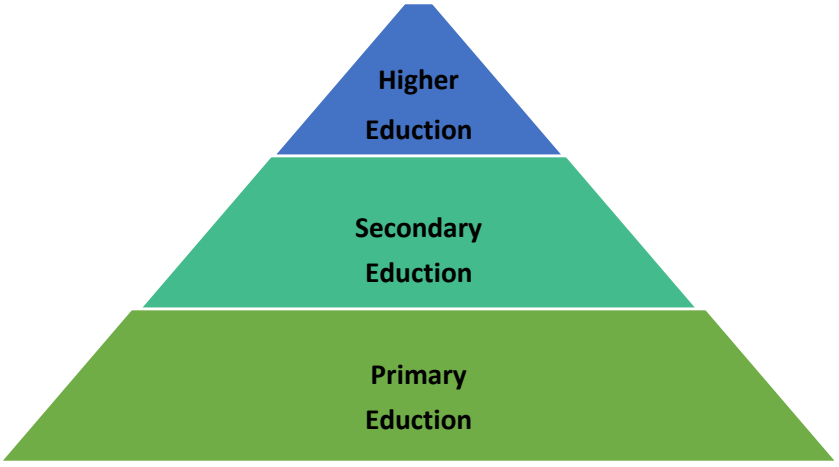
company equity to PE investors whereas the investors have control over the exit/sale of investment. (Nexus-Private Equity Partner)

The private educational institutions in higher education sector in India either rely on bank loans for funding or government aids besides the private investment. The source of funds is neither adequate to the kind of expenses that need to be made by a private higher education institute nor it serves he purpose of covering capital expenditure during initial years of the institutes.

Similarly, the students who seek admissions to these higher educational institutes rely heavily on bank finance through education loans promised at low rates of interest by banks. When educational loans taken by students, do not yield returns for the banks and ultimately convert into NPAs; it becomes a matter of concern not only for the bank but also for that institution which trained the student. Recently, Dr. Anbumani Ramadass (2016) highlighted this issue through a letter to the Prime Minister. A major quantum of the fees of these higher educational institutions is these days being funded by bank loans (add data). If these loan accounts are getting converted into NPAs, it also reflects a failure on part of the educational institutions. Also, these institutions can play a vital role in this regards by creating avenues for income generation for students. This can be done through setting up of 'Incubation Centres' within the university campuses. These centres should be equipped with world class infrastructure and should function as companies. It would serve the twin purpose of providing a platform to provide on the job training to students as well as helping them to generate extra income for themselves. In the long run, it would make the students employable and better equipped to re-pay their educational loans.

**Higher Education Sector in India- Proportion of Participants (Number of Enrollments) in different levels of Education in India**

**Figure 3: Proportion of levels of Education**




Source: Self Compiled

Quality Higher education set standard targets to secondary and primary education. In the era of globalization and technology driven information system development of human capital is important to compete at global level. The benefits of globalization will be achieved by the country which has higher skill human power (Rani 2016). No government can afford to support the higher education for long on incremental basis.

Growing demand in higher eduction (especially post graduate course and research) and growth/supply in the higher eduction institution has signifcant gap in India, which results in brain drain. It gives an opportunity to foregin institutions to compete with Indian entrepenures engaged in higher education in two ways – (i) Foreign institutions can open their remote centres and (ii) Through strategic tie up and collobration with leading higher eduction insitutions in India. Though India has comparatively low enrollment rates in higher education in comparison to countries like UK, USA and Japan, the government funds are still not sufficient to support 'qulaity' in higher eduaction. At the same most of the govement eudctional instituions produceing unemlybale garduates every ervery year in all most of every field eduction.

Some of the unique features of higher education sector are highlighted below:

**Unique Features of Higher Education**

- It can lead to long term revneue generation from research and scientific innovations
- Provides technical knowledge and know-how (technical hands) to cope up with fast chnaging technical world
- Caters to various manufacturing, services and other sectors of economy by providing speicalised and expert manpower of respective stream.
- Brings economically poor but academically sound candidates in main strem of economic development.
- Has sufficient scale of expansion
- Successful business model to act as a standalone entity.

Self-financing has short term life, and heavy dependency on them just for the sake of better revenue will affect the higher education negatively by ignoring the research in basic streams of educations. It has been observed in UK, that this trend creates high vacuum of good teacher and researcher in the education system. (Rani 2016). The most of the higher education courses of private institutions are funded by education loans offered by various public, private and foreign sector banks. From the banks point of view, the returns on education loans are not promising with high administrative cost and low recovery rates.

The new trend of industry linked (Market Driven) education programmes work on a model which does not prove to be very successful for academic higher educational institutes. These programs are developed on full cost recovery basis offer specific

courses as more of a technical training than an educational programme. Though these programmes offer advantages like exposure and development of faculty, guaranteed placement for successful students etc., these have serious academic and financial implications too. As these programmes are totally based on the manpower demand of clients therefore, once the demand is satisfied, the programme may be closed which may create heavy burden on the faculty members to learn new course and techniques used for short term and also leads to unused customized infrastructure cost like specific labs, computers and hostels etc.

**Review of Literature**

As per the Report on Private Equity by PWC**,** after forming of new government, the industry is looking for expansion and growth, with expected annual GDP growth of 6-7% in Indian Economy. By 2025, Industry is expecting significant growth in PE in the form of number of deals, size, and nature. During April 2000 to December 2013 private equity injected an amount of 78.3 billion USD i.e. 37 % of total FDI inflow, and more than 4000 business. During 1998 to 2013 infrastructure has taken highest 18.53% private equity followed by IT and allied business 16.30%, and Banking, Financial Service and Insurance 10.40%. However, education has taken only 1.03 while health acre has taken 6.19%. While comparing PE share of different sector in India. Looking on economy wise, India, China and Brazil, it has been observed that China had always led in during these 15 years followed by Indian and Brazil. As per the survey the influencing factors for future PE in India will be stable fiscal and regulatory regime, corporate governance and political & social stability. Private equity investors also wish to see changes in the behavior pattern of promoters like better governance, greater transparency willingness to cede control and greater openness to idea & external assistance. Key areas of improvement in investor and investee relationship may be dedicated as promoter's engagement, openness about new ideas, better equality of professional management and quality and adequacy of information.

As per Cognizant 20-20 Insights September 2012, the market of private equity is bigger than the public equity. Regulation of the capital market also plays an important role in the investment return of both private equity as well as public equity. Investment by bank in private equity may also be challenge in future due to the requirement of Basel III norms. To ensure the compliance of Basel III, banks also need to maintain Capital Conversion Buffer 2.5% of Risk Weighted Assets (RWA). It will also lead to consolidation in banking industry due to the inability of small banks to meet out capital requirement laid down by Basel III. It will benefit to the private equity market in two ways, firstly, new player may enter in the market, can raise the demand for capital, secondly big players also may demand new capital for expansion of the business. Role of fund administrative also increase in the private equity market.

As per Asian Development Bank 2012 report on 'Counting of Cost Financing Higher education for inclusive growth suggests that since higher education is expensive to cut the cost Government and Universities increase student's teacher ratio, differing

maintenance, hiring less qualified instructor allowing academic salaries to fall, starving libraries and laboratories of funding. The report recommends government and higher education institutions to ensure fully implement quality assurance measure, assist countries to assess the economic and social returns associated with different strategies for distributing support to higher education bodies, improve the quality of institutional data, mapping students flow & associated financial assistance & enhance the effectiveness of equity measures.

The Asian Development Bank 2012 report on Private Higher Education across Asia, mentioned overlapping features of private higher education like semi elite, religious affiliated / cultural oriented, for profit/ Nonprofit in disguise, demand observing & serious demand observing. This sector also facing various challenges like varying quality, high tuition & fees, how & to what extent to financially support private higher education. The study recommends support the development of national policies & regulations regarding the effective operations of private higher education institutions, support universities and national higher education system, in their efforts to strengthen quality assurance & accreditation procedure for private higher education institutions, assist government and private higher education institutions in exploring alternative finding models for private higher education & help in creating a system that brokers international partnership opportunities for private colleges and universities.

Krohmer, Lauterbach and Calanog, 2009, examine the impact of staging on investment return. Staging involves the sequential disbursement of capital from private equity, during the life of investment relationship. The study finds that staging has positive impact on investment return if it is done in the beginning of project as it helps in mitigating information asymmetry. Staging can also impact negatively if done prior to the exit decision. The study focuses on prospective of Investor Company (private company) & impact timing of staging on investment return. Investment relationship has been divided into three phases based on the time like Initial phase (i-phase), maturity phase (m-phase) & finally pre-exit phase (p- phase). Six control variable have been identified like syndication, IPO, age of the company at the time of initial investment, degree of active involvement of Portfolio Company in technology, initial investment of fund & convertible securities. The results find this staging instantly has increased during critical situation in the p-phase. It has been recommended that PE firm should allocate more time and efforts in the beginning of investment relationship.

Xiang, Wang, Kong, & Li, 2009, analyze and suggest measures to improve the strategy skills required to introduce PE in hi-tech industries and to ensure successful co-operation between PE investor and the hi tech projects. The authors rightly opine that introducing PE investment is not only receiving funds, but also value added services after investment. Therefore, enterprises must aim to take finance from these PE investments which are not good to enhance the shareholder's value. An important aspect of PE funding is the 'scale' of investment. It can neither be too small which would cause the total cost of investors to go up and should neither be too high, as it would bear a corresponding high risk. Thus, the scale of funds should match the developmental plans

of the company. Another important aspect is the 'Exit Route' followed by PE. PE firms would exit the investment when it is giving the best yields. According to the authors, the government must make sure to clear any hurdles on ways to be followed for exit like IPO, mergers, transfer in OTC market etc. The firms must also make certain preparations to receive PE like selecting a reasonable financing strategy, enhancing negotiating skills, make a sellable business plan and improve management to facilitate and attract PE investors.

According to the AnnaLee Saxenian, the phenomena, once known as 'Brain Drain' is now reversing to become 'Brain Circulation'. Highly skilled individuals who migrated from developing countries to the developed world in search for better opportunities are now contributing to their home economies by setting up companies and forming business relationships. Such individuals are becoming 'Transnational'. Author also highlights that these foreign educated venture capitalists; when invest in home countries, they help in transferring first -hand knowledge of financial institutions to peripheral regions – leading to new breed of 'Transnational Venture Investors'. These returning entrepreneurs have the ideal combination of technical knowhow, experience, strategy and resources to identify niche markets in native country, mobilize the available skills and connect it to the international market while also influencing domestic policy makers to swiftly remove barriers which create obstacles to further growth. This is specifically significant in case of higher education sector wherein the 'returning entrepreneurs' can bring in required capital in the form of private equity, provide management expertise etc. and also sufficiently influence policy makers to remove regulatory barriers in the industry which are creating obstacles to further growth. Author has also highlighted the fact that the developing countries are still way behind in the application of university research into real life. The advantages of 'Brain Circulation' are available to countries that have invested heavily in higher education and are also able to provide economically as well as politically stable environment. (Saxenian, 2005)

Chang, 2000, examines the growth experiences of South Korea with respect to its financial system's efficiency. The author's objective is to take the South Korean model to develop some insights on the theory of comparative financial systems. The information based theory of comparative financial system is based on the idea that the information which is needed by a firm to make decisions is dispersed and decentralized in the economy. In a market based system, the 'price signals' are relatively important. The author of this paper further argues that the value of 'price signals' varies with the stages of economic development. During early stages of development of an economy, the country's competitive advantage is in cheap labour cost. Hence, resources can be diverted to the industries which are labour intensive (government can play a vital role if private investment is not forthcoming). As the economy develops, the comparative advantage is lost. The economy now moves towards production of goods and services, the revenues from which are more affected by technological innovation. In this stage, a financial system which can give the 'price signals' i.e. which relies more on financing through traded securities works better. The author gives example of South Korean

economy's success story. He says that initially South Korea invested in labour intensive industries, then diversified into heavy and capital intensive industries and finally shifted focus to sophisticated, technology driven electronics and telecommunication industries. In S. Korean firms, much of the funds come from banks and non-bank institutions.

**Objectives**

The objectives of the paper are as follows:

1. To explore if private equity funding in higher/technical institutions would lead to increased profitability and operational efficiency of the institution, thus resulting in better quality of education.
2. To explore if private equity in this sector would lead to establishment of successful world class institutions/ more employment opportunities for the pass-outs
3. To compare the model of funding of private equity Vs funding by banks for higher education sector.
4. To suggest changes in regulatory environment in Indian higher education sector to improve the quality of teaching and thus increase the employability of graduates.

**Research Methodology**

The present research is exploratory in nature to find out the impact of private equity model of funding to the education institutions on their operating efficiency and longevity. The secondary data has been collected by the website of AICTE All India Council for Technical Education for present institutes and closed autonomous institutes during last 5 years. The proposed model of injection of funds in academic institution through private equity will provide capital support for medium term to stabilize the business and bring it in a scalable position.

**Hypothesis**

For the present study, we have taken the following hypothesis:

H0: The model of funding as no significant impact on the operational efficiency of the institution. (The operational efficiency measurement – over a period of time, the difference between operational expenses and revenue should consistently increase over a period of time.)

H1: The model of funding has significant impact on the operational efficiency of the institution.

H0: The availability of required funds during the initial periods of the institution building would have no significant impact on overall growth of the institution

H2: The availability of required funds during the initial periods of the institution building would lead to better overall growth of the institution (conventional vs. non-conventional projects)

H0: Bank funding in higher education sector is not suitable during initial phase of the establishment of the institution.

H3: Bank funding in higher education sector is suitable during initial phase of the establishment of the institution.

H0: The restrictions on the corporate funding in Indian higher education sector, has no impact on overall growth of the sector.

H4: The restrictions on the corporate funding in Indian higher education sector, has significant impact on overall growth of the sector.

**Data Analysis**

The data presented in Table 1 and 2 reveals that approximately 42 percent of approved institutions closed down during the past 5-6 years. Some institutions which taste initial success in the form of high rate of admissions during first and second years, have also been seen failing due to low admissions which leads to dearth of finance to sustain the institute. As discussed earlier, the institutes mostly depend on few sources of finance which are neither available as an 'Open Channel' of finance nor come without quick repayment obligations. Hence, it is essential that the institutes must receive a steady source of finance- which would be enough to support it through initial years of establishment. Also, the finance should be able to provide support for world class infrastructure and human capital.

Our submission in the paper is that these needs can be met through PE funding model for higher educational institutions. This model of finance will have distinct advantages over traditional commercial bank sourced finance.

First, it will be 'enough' to support required infrastructure and human capital. Second, it will not have re-payment obligations over a short period. Thus, the institutions will not be forced to fund their capital expenses from revenue generated. Third, it will enable industry centric education and research. This will be done through creation and operation of 'Research based Labs – Incubation Centres' which will be industry funded. This can be explained with an example –

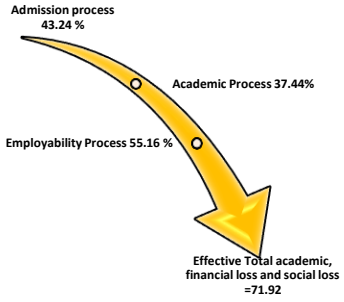
Suppose, five leading technical companies approach the leading higher education institute for setting up of such research labs and the project entails an investment of 1000 cr. If the companies are willing to contribute 60 percent of the amount, the obligation of rest 40 percent falls on the institute. Every educational institute is free to set up such centres without any regulatory hassle. The presence of PE can solve the problem of funds here and it can contribute the 40 percent of equity. Our submission is that such a scenario will create an asset which will be worth 4-5 times in few years.PE firm can exit this investment in a time span of 7-8 years and post which the higher

educational institute will be able to meet the operating expenses as well as generate some surplus. This model can be used to build world class research labs, libraries etc. which so many engineering colleges are unable to and close down due to lack of such infrastructure.

Another unique feature of this model would be that an institute/university would become a centre for mass production of hi tech articles (which require labor as well as technical expertise). The developed research centres/ labs can be used to produce articles like RFID cards, magnetic chips etc. This would not only provide revenue but also expose students and faculty to real life situations and they would be updated with current technology used in production processes.

In the current scenario, the higher educational institutions are going through huge wastage of resources. We have explained this through the 'Process Loss' being generated in the current higher education sector. (Refer Fig 4 & Table 4)

Figure 4: Process Loss in Technical Higher Education Sector




Source: Self Compiled

The first process loss is referred to as 'Admission Loss' which is when the institutes are unable to attract enough number of students. It is evident from Table 4 that the average percentage of enrolled/intake is only 56.76 which means that in the first stage itself the institutes are generating a process loss of 43.24%. This means that the institutes are starving for both quantity and quality of students. In the second stage, the loss occurs when the enrolled students are unable to pass out. This is referred to as the 'Academic Loss' (37.44%) which is a huge economic as well as academic loss to the institutions. In the third stage the pass out students are not getting placed which means that the whole purpose of the student registering for the course and paying fees is being defeated. This is referred to as the 'Employability Loss' (55.16%). This loss depicts the lack of expertise knowledge in the students and it defeats the very purpose of higher education which is value addition in knowledge as well as development of required skills of the

said discipline. This degrades the dignity of the said qualification as well as the image of the institution in the corporate world. The total academic loss in the whole process is a whopping 72 percent. This can also be referred to as the 'Academic Leakage' which means that 72 percent of the total registered students are unable to meet the objective of the higher educational course for which they had opted.

It should also be emphasized that the world over, technical higher education is expensive. Therefore, if it is totally funded by private enterprises, it will only be for elite classes, while the government aims to make this technical education to be available for the masses. This can also be referred to as the 'Economic Paradox' i.e. government aims to keep the fees low whereas private agencies do not want it as their surplus would reduce.

Another important stakeholder in the present scenario of higher education are the commercial banks. The education loan portfolio is a significant share in their total loan portfolio. So, it is also not in the interest of the banks that fees should be reduced. However, it can surely be 'cross- compensated' i.e. financially strong candidates can sponsor financially poor but academically strong students. This would be possible in our suggested model of finance through Private Equity and Research based labs which are capable of becoming centres of mass production.

## Future Scope

There is future scope of making a comprehensive research on variables like household expenditure on education, on primary, secondary, higher education, Share of fees in operating cost, Private Vs. public institutions, in context to India and other developing economies.

## Conclusion

We can safely conclude that the state of higher educational institutions in India is in doldrums. These institutions not only suffer from low availability of finance but are also caught in a 'vicious 'cycle of low capital – low expenditure- high liability of repayment of finance over institutions – low expenditure on essential expenses such as faculty salaries and research.

If this vicious cycle needs to be broken so that the institutions have enough liberty to focus on developmental expenditures; without worrying about repayment of debt through the revenue earned; then, the time has come to think of 'private equity' as the answer to the problem. This unique model of finance will be able to provide timely finance enough to fund the capital expenditures for initial years of building of the institution. During this time, the institute/ higher education centre would be able to focus on improving quality of service delivery, brand building, incur expenses on building 'incubation centres'/Research based Labs for practical training of students as well as creating sources of additional revenue generation. Private Equity model of funding higher education sector, as suggested by the authors also assumes immense importance because we cannot neglect the power of 'human capital' in a globalized scenario. The

present state of Indian higher education sector, in this respect, is not particularly a 'happy one'. The educational index (Refer Table 6) is particularly low. Also, it has been stagnant at 0.47 for years 2011-13. Thus, the infusion of Private equity in Indian higher education sector will be a breath of fresh air which would infuse life to the higher education system and create infrastructure for world class educational service delivery.

## ANNEXURE

**Table #1**

| **AICTE Approved Progressive Closed Institutes** | | |
|---|---|---|
| **Year** | **Number** | **Institute -Type** |
| 2012-13 | 72 | Unaided - Private |
| 2013-14 | 111 | Unaided - Private |
| 2014-15 | 77 | Unaided - Private |
| 2015-16 | 125 | Unaided - Private |
| 2016-17 | 106 | Unaided - Private |
| **Total** | **491** | |

Note: Progressive Closure means Institute cannot admit the students for the first year during the Academic Year for which Progressive Closure is Granted, However the existing students will continue.
Source of data: AICTE website

**Table #2**
**AICTE Approved Institutes in Higher Education**

| **Year** | **Number** |
|---|---|
| 2012-13 | 321 |
| 2013-14 | 157 |
| 2014-15 | 244 |
| 2015-16 | 175 |
| 2016-17 | 291 |
| **Total** | **1188** |

Source of data: AICTE website

**Table #3 AICTE Approved Institutes in Higher Education**

| **Year** | **Number** | **Intake** | **Enrolment** | **%** |
|---|---|---|---|---|
| 2012-13 | 321 | 3463029 | 2148314 | 62.04 |
| 2013-14 | 157 | 3723771 | 2173907 | 58.38 |
| 2014-15 | 244 | 3958218 | 2128197 | 53.77 |
| 2015-16 | 175 | 3835261 | 2026516 | 52.84 |
| 2016-17 | 291 | 3700421 | NA | |
| | Average | | | 56.76 |

Source of data: AICTE website

**Table #4**

| | Enrolment/ Intake | Pass out/ Enrolment | Placed / Pass out | Placed / Enrolled |
|---|---|---|---|---|
| Average percentage | 56.76 | 62.56 | 44.84 | 28.08 |

Source of data: AICTE data base; Table is self- derived.

**Table #5**

| **Gross Enrolment Ratio in Higher Education In India** | |
|---|---|
| Year | GER |
| 2000 | 9.55 |
| 2001 | 9.74 |
| 2002 | 10.22 |
| 2003 | 10.67 |
| 2004 | 10.98 |
| 2005 | 10.73 |
| 2006 | 11.54 |
| 2007 | 13.19 |
| 2008 | 15.12 |
| 2009 | 16.1 |
| 2010 | 17.91 |
| 2011 | 22.86 |
| 2012 | 24.37 |
| 2013 | 23.89 |

Source: http://data.uis.unesco.org/?queryid=142#

**Table #6**

| **International Human Development Indicators- India** | |
|---|---|
| **Year** | **Education Index** |
| 1980 | 0.24 |
| 1985 | 0.28 |
| 1990 | 0.31 |
| 1995 | 0.34 |
| 2000 | 0.36 |
| 2005 | 0.41 |
| 2006 | 0.42 |
| 2007 | 0.43 |
| 2008 | 0.44 |
| 2009 | 0.44 |

| | |
|---|---|
| 2010 | 0.46 |
| 2011 | 0.47 |
| 2012 | 0.47 |
| 2013 | 0.47 |

Source: Calculated using Mean Years of Schooling and Expected Years of Schooling, World Bank Data base.

**Table# 7**
**Per Capita GDP of India**

| **Country Name** | **India** | **YoY growth %** |
|---|---|---|
| **Country Code** | **IND** | |
| **Indicator Name** | **GDP per capita (current US$)** | |
| **Indicator Code** | **NY.GDP.PCAP.CD** | |
| 1960 | 83.79 | |
| 1961 | 87.03 | 3.86 |
| 1962 | 91.66 | 5.32 |
| 1963 | 103.14 | 12.52 |
| 1964 | 117.84 | 14.26 |
| 1965 | 121.70 | 3.28 |
| 1966 | 91.80 | -24.57 |
| 1967 | 98.26 | 7.04 |
| 1968 | 101.86 | 3.67 |
| 1969 | 109.76 | 7.75 |
| 1970 | 114.66 | 4.47 |
| 1971 | 120.95 | 5.48 |
| 1972 | 125.42 | 3.69 |
| 1973 | 146.63 | 16.91 |
| 1974 | 166.72 | 13.70 |
| 1975 | 161.17 | -3.33 |
| 1976 | 164.29 | 1.94 |
| 1977 | 189.92 | 15.60 |
| 1978 | 209.79 | 10.47 |
| 1979 | 228.48 | 8.91 |
| 1980 | 271.92 | 19.02 |
| 1981 | 275.92 | 1.47 |
| 1982 | 279.66 | 1.36 |
| 1983 | 297.16 | 6.26 |

| | | |
|---|---|---|
| 1984 | 282.32 | -4.99 |
| 1985 | 302.51 | 7.15 |
| 1986 | 316.85 | 4.74 |
| 1987 | 347.43 | 9.65 |
| 1988 | 361.45 | 4.04 |
| 1989 | 353.26 | -2.27 |
| 1990 | 375.15 | 6.20 |
| 1991 | 309.33 | -17.55 |
| 1992 | 323.52 | 4.59 |
| 1993 | 307.41 | -4.98 |
| 1994 | 353.29 | 14.93 |
| 1995 | 381.53 | 7.99 |
| 1996 | 408.24 | 7.00 |
| 1997 | 424.09 | 3.88 |
| 1998 | 421.82 | -0.53 |
| 1999 | 451.09 | 6.94 |
| 2000 | 452.41 | 0.29 |
| 2001 | 460.83 | 1.86 |
| 2002 | 480.62 | 4.30 |
| 2003 | 557.90 | 16.08 |
| 2004 | 640.60 | 14.82 |
| 2005 | 729.00 | 13.80 |
| 2006 | 816.73 | 12.03 |
| 2007 | 1050.02 | 28.56 |
| 2008 | 1022.58 | -2.61 |
| 2009 | 1124.52 | 9.97 |
| 2010 | 1387.88 | 23.42 |
| 2011 | 1455.67 | 4.88 |
| 2012 | 1444.27 | -0.78 |
| 2013 | 1456.20 | 0.83 |
| 2014 | 1576.82 | 8.28 |
| 2015 | 1581.59 | 0.30 |
| N=56 | Average | **5.85** |

Source: World Development Indicators World Bank Data Base

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