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MARC Insights Education Sector Dakshina Kannada

2024

Research by: MARC

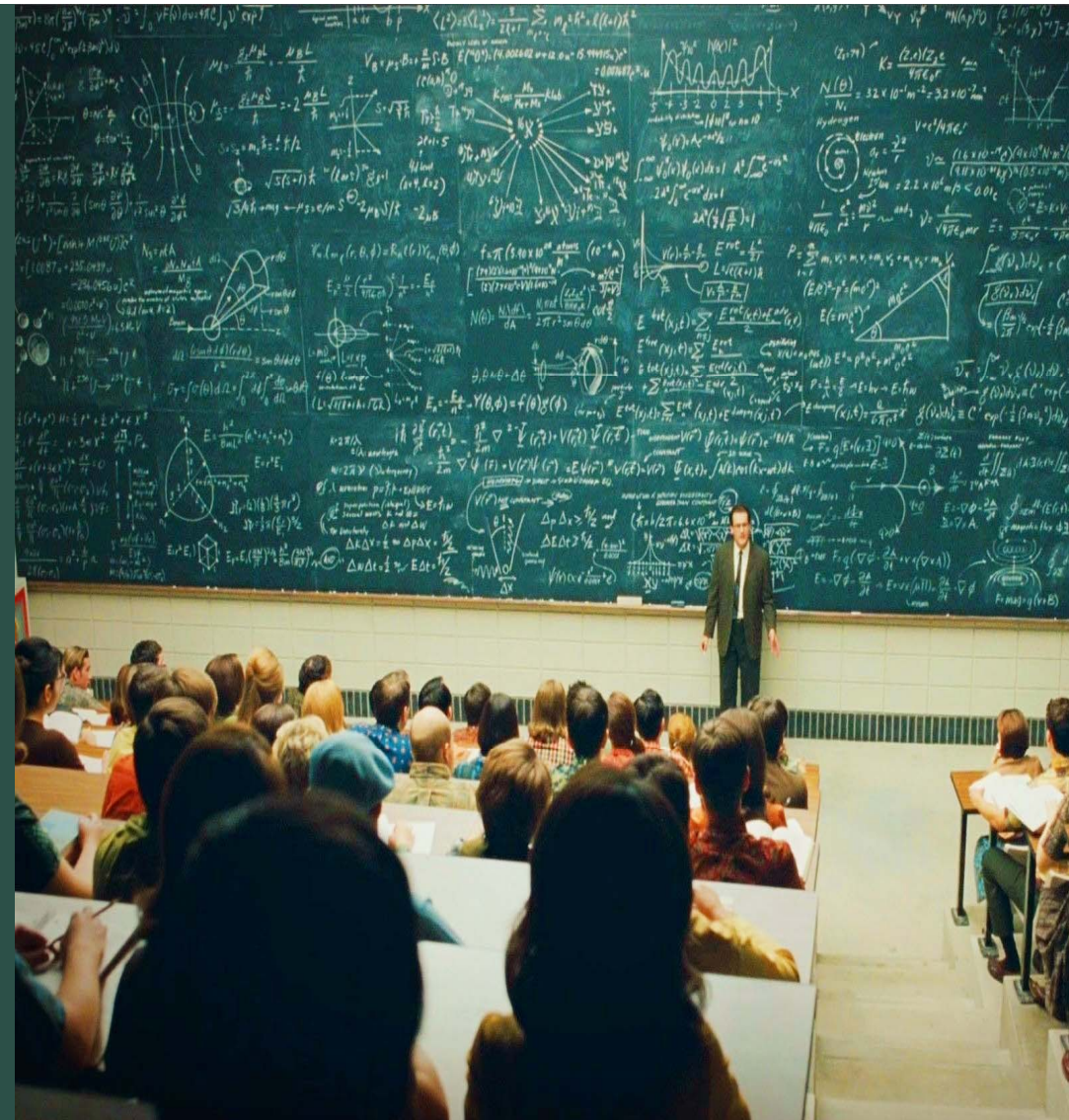


Table Of Content

1

Education Industry Overview (Page 4-6)

Industry Overview- India & Karnataka, Industry Overview- Karnataka & Dakshina Kannada, Industry Overview- Dakshina Kannada

2

Comprehensive Overview of Education Sector (Page 8-11)

Pre-Primary Segment, K-12 Segment, Higher Education Segment, Higher Education Segment- Medical

3

Education Sector Dynamics (Page 13-15)

Operational Challenges, Government Initiatives & Schemes, Opportunities in Education Sector

4

Financial Analysis (Page 17-20)

KPI's Comparison- Medical Institutions

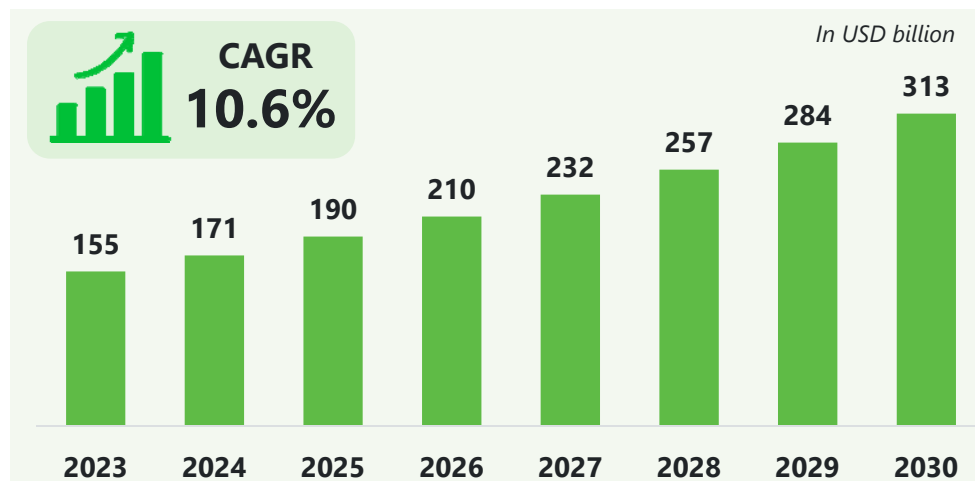
4

Opportunities in surrounding regions (Page 21-24)

Education Industry Overview

Industry Overview – India & Karnataka

Snapshot of India's Education Industry



43%

of India's population is in the age group of 0-24 years, **60.93 crore**. Belonging to learning age

20%

increase in the budget allocation towards school education

6%

Average annual spending by Indian households on education

Snapshot of Karnataka's Education Industry

Literacy rate

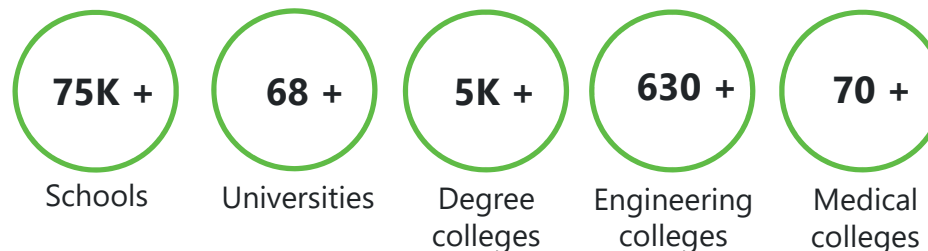
| India | Karnataka |
|-------|-----------|
| 77% | 75.4% |

Karnataka ranks

3rd

for having the highest number of colleges in India

Educational Infrastructure



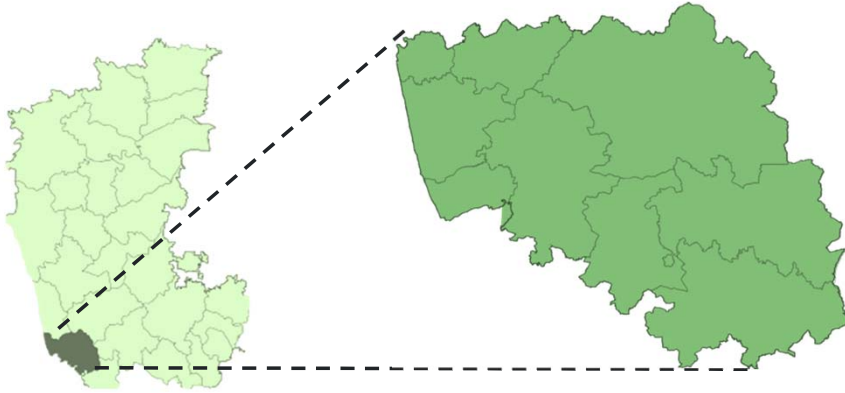
"Karnataka government has decided not to implement NEP"

Instead, Karnataka government will design its own education policy which will be a 'comprehensive and futuristic' education policy for Karnataka that will address both short & long term challenges of the education system in the state

Source: [KSHEC](#), [Adda247](#), [careers360](#), [KSHC - Private Universities](#), [edufever.com](#), [CAGR](#), [The Indian Express](#), [geeksforgeeks](#), [CNBC](#), [Medium](#), [Budget](#)

Industry Overview – Karnataka & Dakshina Kannada

About Karnataka



6.82 Cr. Population of State as of FY 2023

63,757 Total schools in the State (**46,757** Government & **17,000** Private)

6,156 Total colleges in the state

1,202

Government
Colleges

19

Private
University

25,278

Junior
Primary

36,951

Senior
Primary

15,867

Secondary
Schools

About Dakshina Kannada

Dakshina Kannada, or South Canara, is a coastal district in Karnataka with Mangalore as its headquarters. The district has an estimated population of 23 lakhs and a per capita income of ₹4,92,074 for 2022-23

Mangalore, has emerged as an educational hub, boasting numerous renowned institutions that attract students from across India and abroad.

422

Villages

223

Total Gram Panchayat

3,14,006

Total Students enrolled
in government, private
and aided schools for
2024

13,130

Total students in 1st
and 2nd year of
government Pre-
university colleges.

Sources : [Government of Karnataka](#), [Dakshina Kannada](#), [Shiksha](#), [District Report](#), [Report](#), [Open City](#), [Census](#), [Deccan Herald](#), [Indian Express](#)

Industry Overview – Dakshina Kannada

Key Statistics

Literacy
Rate

88.6%

Highest

Admissions
Rate

87.5%

Highest

Pass Percentage (2024)
SSLC* 2nd PUC*

92.1%

2nd Highest

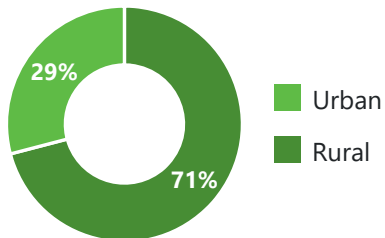
97.4%

Highest

Among all the districts in Karnataka

Educational Infrastructure

Breakdown of education
institutions



Urban Areas

47%

Population

53%

Rural Areas

29%

Educational
Institutions

71%

Indicates significant imbalance

Recent Developments

Bilingual Education

Dakshina Kannada has **received approval to establish 30 new bilingual schools**, adding to the existing 112, to strengthen students' local and global language skills.

Student Support Strategies

The Dakshina Kannada education department will introduce new initiatives to **boost attendance, offer special classes & monitor progress** for slow learners

Infrastructure Upgradation

Dakshina Kannada has launched **2 new PU colleges**, viz. SCS PU College in Urwa and Vibrant PU College in Moodbidri and **allocated Rs. 5.5 crore** to repair 365 government schools.

*Secondary School Leaving Certificate *PUC= Pre University Course

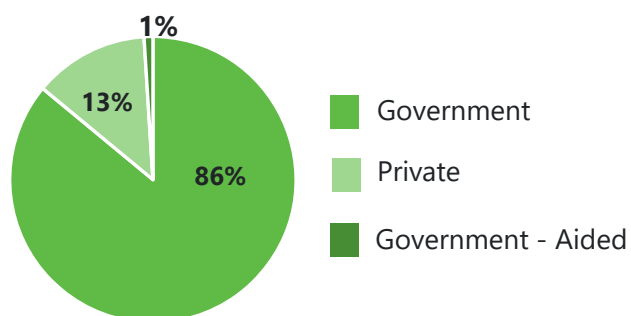
Source: [Current affairs, Times of India](#); [Admissions, Fastresult, Times of India](#), [Repairs, Report, ThetimesofIndia](#)

Comprehensive Overview of Education Sector

Pre-Primary Segment

Educational Infrastructure

Ownership of Institutions

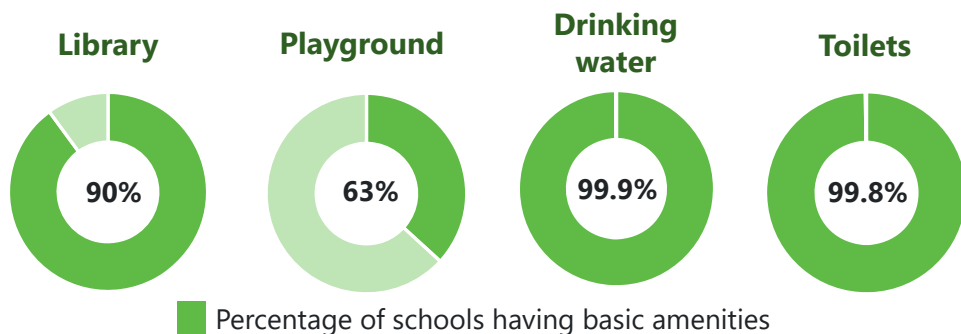


Teacher - Student Ratio

1:29

which is on par with **1:30** ratio specified in RTE Act, 2009

Availability of Basic Amenities in Institutions



Source: : [newskarnataka](#), [Report](#), [Times of India](#)

Challenges



Space Constraints

"211 out of 2,131 Anganwadi centers operate without their own premises."

Currently, out of 211 Anganwadi's, 56 operate in rented spaces, 91 in community halls & 64 in the schools



Improper Planning

Dakshina Kannada reports 14 schools with no admissions this year due to insufficient student numbers in the areas where these schools are located.

Top Private Players in Dakshina Kannada



CHIRA Kids Pre-School



HoneyComb Montessori Pre-School



Little Einsteins Daycare & Pre-School Derebail Mangaluru



Little Elly Pre-School

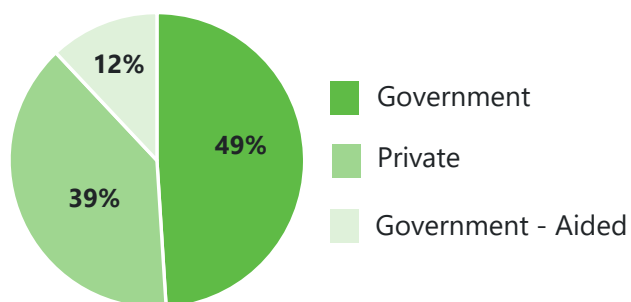


Early Learning Center (ELC)

K-12 Segment

Educational Infrastructure

Ownership of Institutions

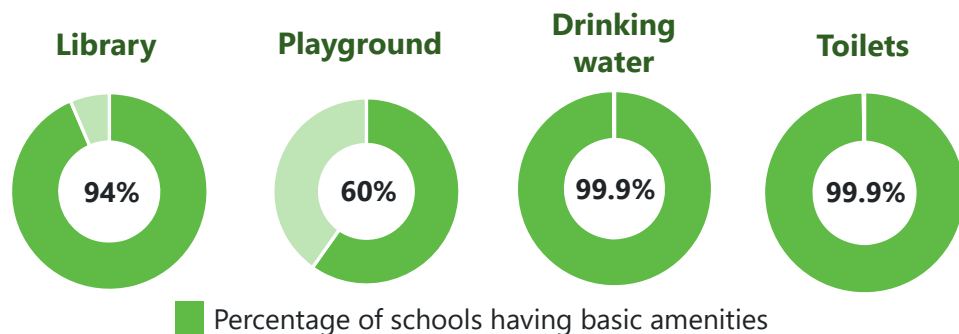


Teacher - Student Ratio

1:14

which is significantly higher than **1:30** ratio specified in RTE Act, 2009

Availability of Basic Amenities in Institutions



Source: [Report](#), [Times of India](#)

Enrollment Rate

88%

which is the highest in Karnataka

Drop-out Rate

0.5%

which is the lowest in Karnataka

Consumer Preferences

Preference for bilingual Medium schools



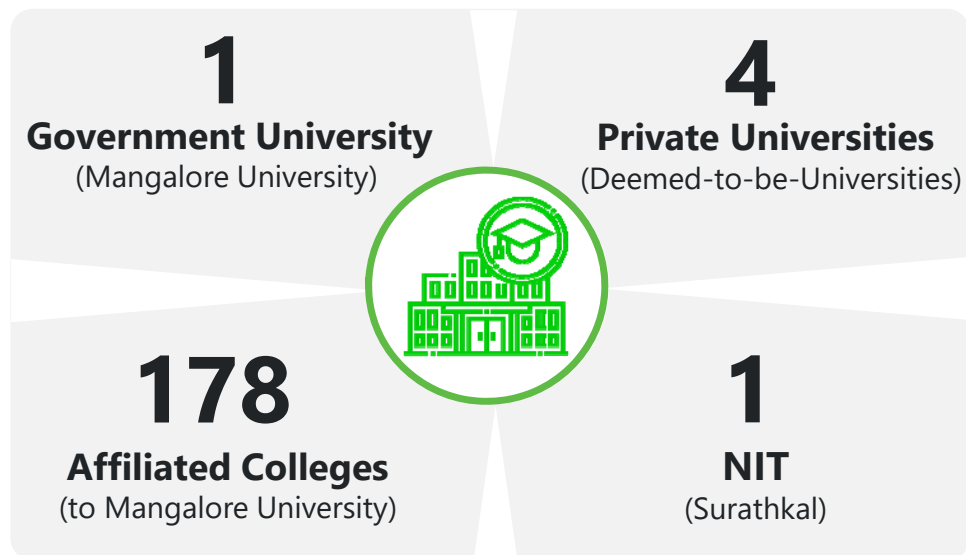
Preference for government owned over private schools

Top Private Players

- | | |
|-----------------------------|----------------------------|
| Assisi Central School | St Aloysius School |
| The Bharath Academy | St. Agnes School Mangalore |
| Shakthi Residential School | Canara High School |
| St Theresa's ICSE School | Lourdes Central School |
| Mount Carmel Central School | Alva's Schools |

Higher Education Segment

Educational Infrastructure



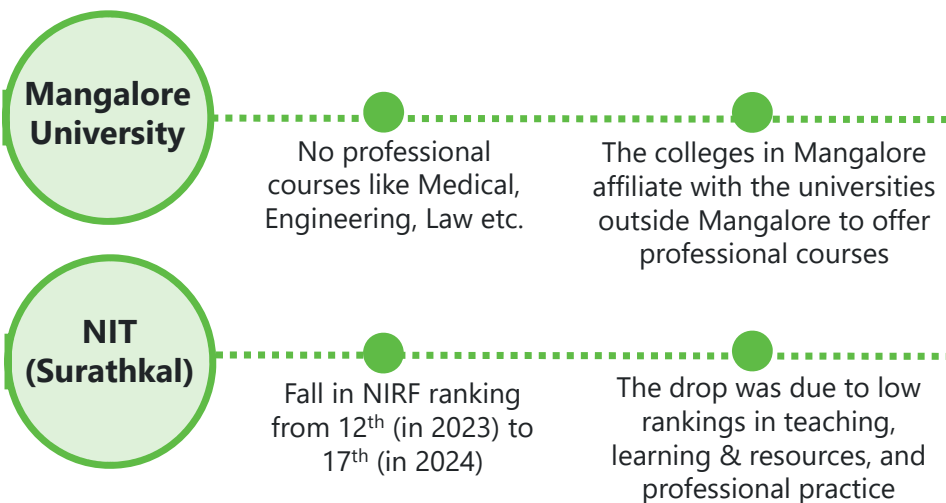
Top Private Universities



Consumer Preferences



Challenges at Government Owned Institutions



Source: [The Hindu](#), [Times of India](#)

Higher Education Segment - Medical

Karnataka – Key Statistics

57

Medical
Colleges

38

Dental
Colleges

76

Ayush
Institutions

290

Nursing
Colleges

* including government &
private

Dakshina Kannada Statistics

2,368

Medical
college seats

11

upcoming
medical
colleges

9,670

NEET
Aspirants

**Key
Issue**

Mangalore University lacks medical courses, leading to protests for a government college in Dakshina Kannada and forcing locals to rely on private institutions.

Source: [Shiksha.com](#), [MBBS COUNCIL](#), [The Hindu](#), [Mangalore today](#), [Karnataka Govt.](#), [MAHE](#), [RajPathMathura](#), [Shikha](#)

Medical Colleges

Manipal Academy of Higher Education

- ❑ The MAHE Mangalore campus features Kasturba Medical College (KMC) and Manipal College of Dental Sciences (MCODS).
- ❑ A total of 1,061 students received degrees, including 784 undergraduates, 160 postgraduates, and 117 PhDs, FY24

KS Hegde Medical Academy

- ❑ The campus offers Various Undergraduate, Postgraduate & Super Speciality, PG Diploma, & PHD programs.
- ❑ Affiliated to NITTE Deemed to be University.

Yenepoya University

- ❑ The College is affiliated with Rajiv Gandhi University of Health Sciences, Bangalore.
- ❑ It offers MD/MS in 23 departments and M.Ch./DM in 3 departments.
- ❑ The National Medical Commission has approved the admission of 250 students to the MBBS course starting from the 2023-24 academic year.

Education Sector Dynamics

Government Initiatives & Schemes

Infrastructure Progress

Under the **Viveka Scheme**, 241 out of 288 classrooms have been completed in government schools across Dakshina Kannada, **achieving 84% progress**. The project has cost nearly **Rs. 41 crore**.

Anganwadi Expansion

Dakshina Kannada will implement **25 new Anganwadi centres** receiving **Rs. 20 lakh each**. Additionally, 11 new government schools will add Kindergarten classes for economically disadvantaged children.

Education Boost

The Department of Public Instruction in Dakshina Kannada is working to improve **64 high schools with SSLC pass rates under 70%**. Additionally, **30 new bilingual Kannada-English schools** will open in 2024-25, raising the total to 112.

Loan Schemes

The Karnataka Loan Scheme

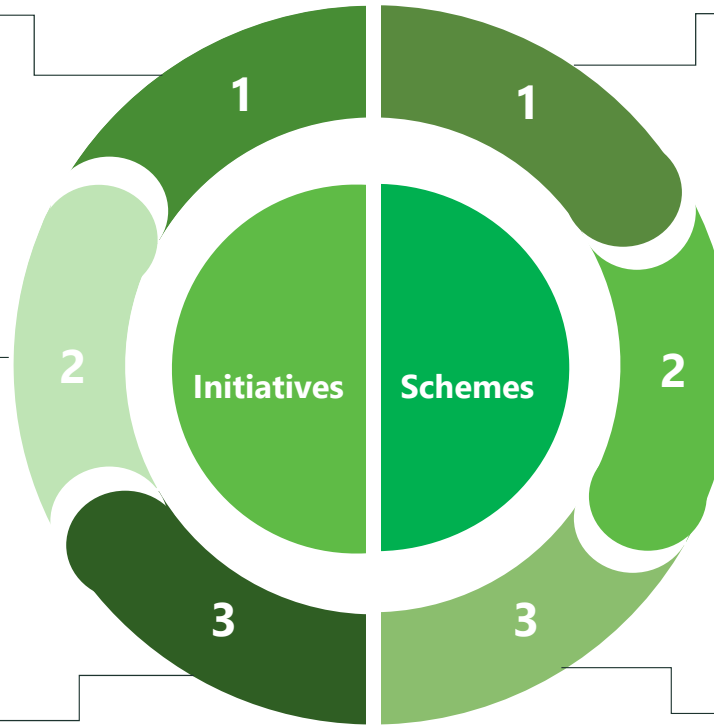
offers up to ₹20 lakh for students pursuing higher education abroad, while the **Arivu Scheme** provides ₹50,000 to ₹3 lakh annually at 2% interest for minority students in professional courses.

Samatva' Initiative to Transform Government Schools

The Karnataka government will invest ₹2,000 crore in the 'Samatva' program to transform 2,000 model government schools through a public-private partnership, focusing on key areas for CSR to enhance education and student well-being.

Vidya Shakti Scheme

The scheme provides free higher education for secondary school graduates, targeting 8 lakh students across the state. The government has allocated **Rs. 7,000 crore** for this initiative.



Source: [Times of India; Viveka](#), [Times of India; Anganwadi](#), [Times of India; KG](#), [Karnataka Govt. Schemes](#)

Opportunities in Education Sector

Student Housing and Accommodation

Develop student housing solutions, like hostels and shared accommodations, near educational institutions to meet growing demand and enhance their living conditions.

Career Counselling and Guidance Services

Provide career counselling services for high school and college students, offering assessments, counselling, and workshops for informed career choices.



AI and EdTech Integration

Develop AI-driven learning platforms and VR tools tailored to local educational needs to boost student engagement and performance.

Teacher Upskilling Programs

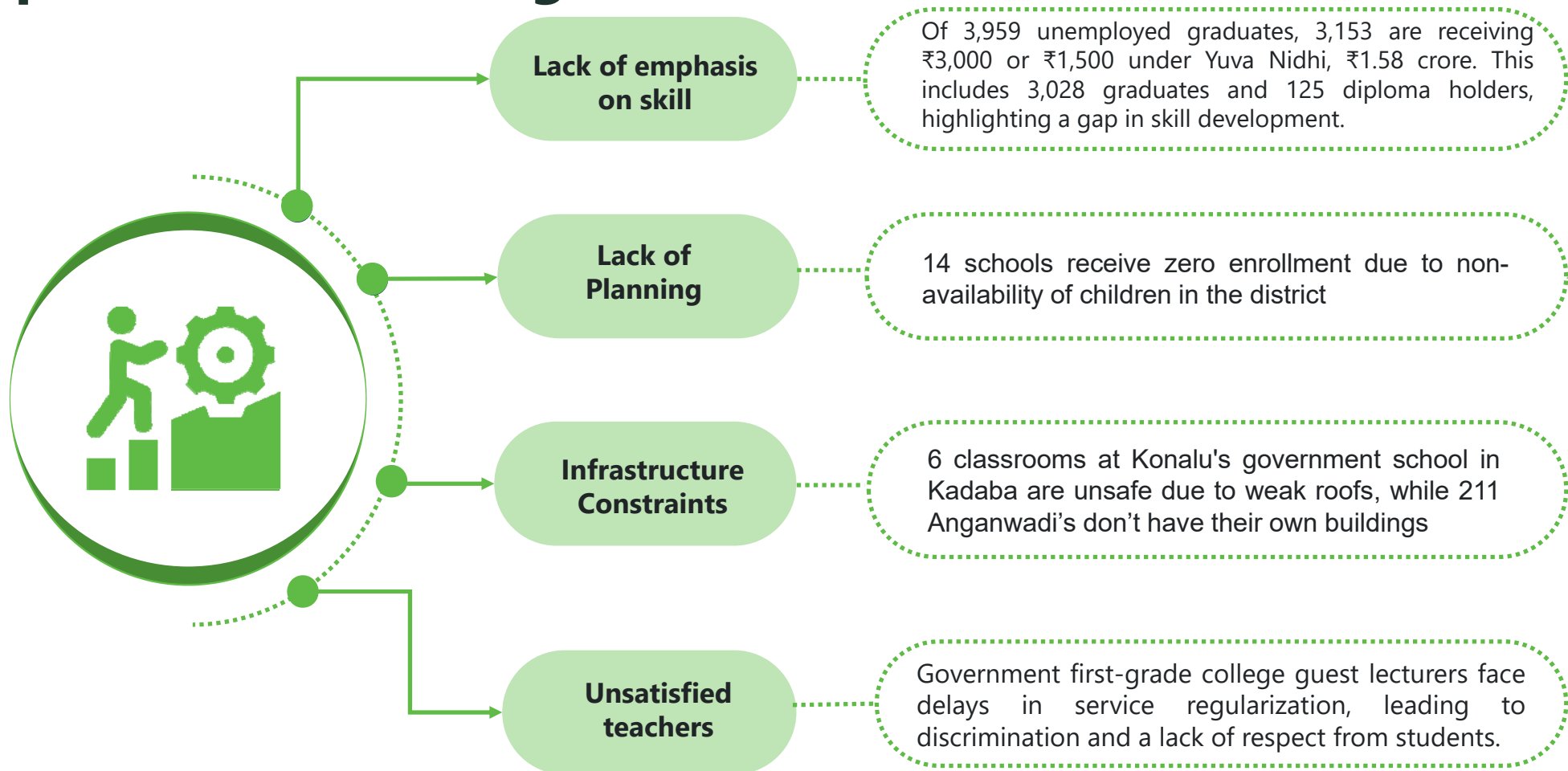
Provide upskilling programs for teachers on modern practices and technology integration to enhance educational quality and address skill gaps.

Professional and Vocational Training Programs

Launch vocational training programs aligned with local industry needs, including technology and healthcare, and partner with businesses to match job market requirements.

Source: [Shrinivas Publication](#)

Operational Challenges



Source: [newskarnataka](#) [TOI](#) [The Hindu](#) Teacher satisfaction survey

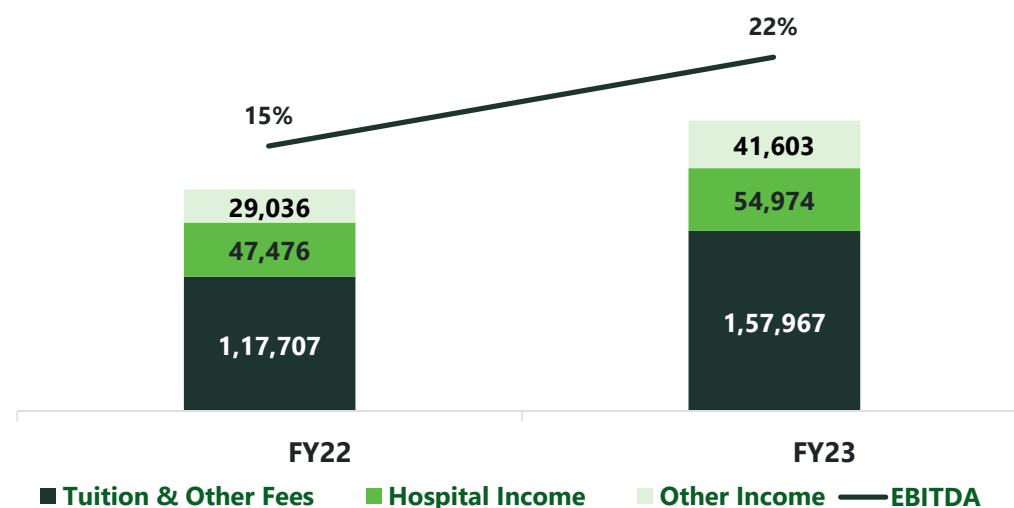
Financial Analysis

Financial Analysis - Manipal Academy of Higher Education

Profit & Loss Snapshot

| Particulars | Actuals | | Common Size | | Variance |
|-------------------------------------|-----------------|-----------------|-------------|-------------|------------|
| In INR Lakhs | FY22 | FY23 | FY22 | FY23 | FY23 |
| Tuition & Other Fees | 1,17,707 | 1,57,967 | 61% | 62% | 34% |
| Hospital Income | 47,476 | 54,974 | 24% | 22% | 16% |
| Other Income | 29,036 | 41,603 | 15% | 16% | 43% |
| Total Revenue From Operation | 1,94,218 | 2,54,544 | 100% | 100% | 31% |
| Expenses | | | | | |
| Employee Benefits Expense | 73,176 | 83,585 | 38% | 33% | 14% |
| Consumables | 19,918 | 21,631 | 10% | 8% | 9% |
| Administrative Expenses | 69,202 | 90,020 | 36% | 35% | 30% |
| Other Expenses | 2,978 | 3,838 | 2% | 2% | 29% |
| Total Expenses | 1,65,275 | 1,99,074 | 85% | 78% | 20% |
| EBITDA | 28,943 | 55,470 | 15% | 22% | 92% |

Revenue – EBITDA Comparison



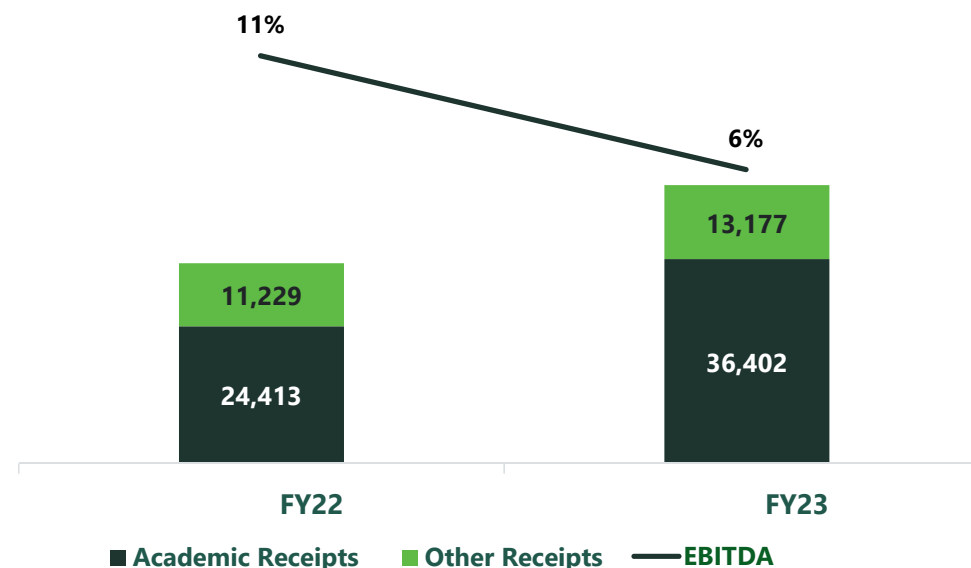
- In FY23, Revenue from operations was primarily consisting of tuition fees, Hospital income, other income. Tuition fees increased by 34%, from INR 1,17,707 Lakhs to INR 1,57,967 Lakhs, and accounting for 62% of the total revenue. Meanwhile, hospital income saw a 16% growth, from INR 47,476 Lakhs to INR 54,974 Lakhs, contributing 22% of total revenue. Other income stood at INR 41,603 Lakh and contributed for 16% of revenue.
- Employee benefit expense increased from INR 73,176 lakhs in FY22 to INR 83,585 Lakhs however the same as a % to revenue dropped from 38% to 33%.
- Administrative expense primarily comprises of Utilities and Services, Academic expenses and office & general expense. The same has grown in line with revenue growth at 30% and stood at INR 90,020 Lakhs.
- In FY23, EBITDA increased from INR 28,943 Lakhs to INR 55,470 Lakhs leading to an increase in EBITDA margin from 15% to 22%. The primary drivers for this growth were increase in revenue and reduction in employee expenses.

Financial Analysis - Yenepoya (Deemed to be University)

Profit & Loss Snapshot

| In INR Lakhs | Actuals | | Common Size | | Variance |
|--------------------------------------|---------------|---------------|-------------|-------------|-------------|
| Particulars | FY22 | FY23 | FY22 | FY23 | FY23 |
| Academic Receipts | 24,413 | 36,402 | 68% | 73% | 49% |
| Other Receipts | 11,229 | 13,177 | 32% | 27% | 17% |
| Total Revenue from operations | 35,642 | 49,579 | 100% | 100% | 39% |
| Expenses | | | | | |
| Employee benefit expenses | 11,477 | 17,220 | 32% | 35% | 50% |
| Administrative Expenses | 4,032 | 7,421 | 11% | 15% | 84% |
| Repair and Maintenance | 2,317 | 2,488 | 7% | 5% | 7% |
| Research & Innovation Exps | 1,323 | 1,086 | 4% | 2% | -18% |
| Other Expenses | 12,437 | 18,387 | 35% | 37% | 48% |
| Total Expenses | 31,586 | 46,602 | 89% | 94% | 48% |
| EBITDA | 4,056 | 2,977 | 11% | 6% | -27% |

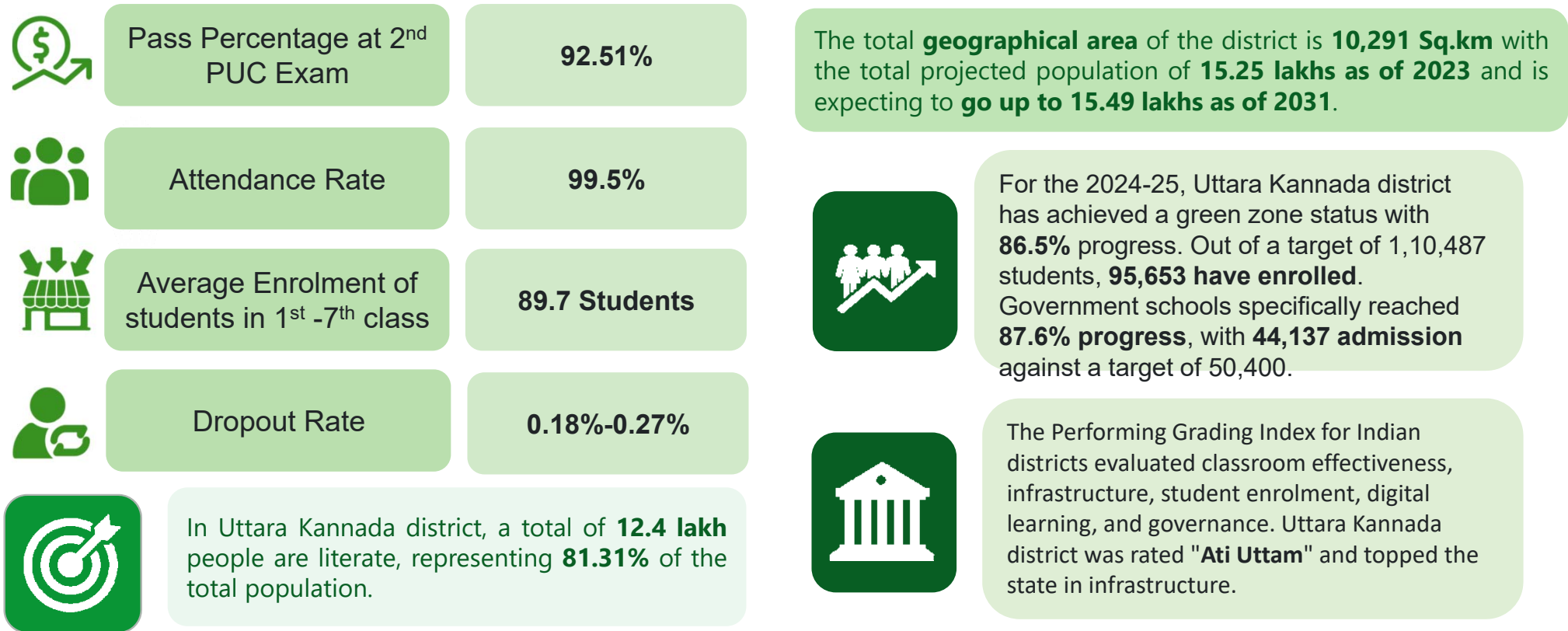
Revenue – EBITDA Comparison



- Revenue from operations majorly comprises of academic receipts and other receipts amounting to INR 24,413 Lakhs and INR 11,229 lakhs respectively which increased to INR 36,402 and INR 13,177 lakhs in FY23 reflecting a growth of 49% and 17% and constituted 73% and 27% of revenue in FY23.
- Employee benefit expenses account for a significant portion of the costs amounting to INR 11,477 Lakhs representing 33% of total revenue, the same increased to INR 17,220 Lakhs an increase of 50% and stood at 35% of revenue. In FY23 Gross profit stood at INR 32,359 lakhs, yielding a gross margin of 65%.
- In FY23, total expenses stood at INR 46,602 Lakhs an increase of 48% over INR 31,586 Lakhs in FY22, this was primarily due to increase in employee, Administrative, Other expenses by 50%, 84%, 48%, respectively. Total expenses as a % to revenue increased from 89% to 94% in FY23.
- Although revenue increased by 39%, EBITDA decreased from INR 4,056 Lakhs to INR 2,977 Lakhs a 27% drop. EBITDA Margin decreased from 11% to 6%.

Exploring Education opportunities in surrounding regions

KPI's of Education Sector in Uttara Kannada

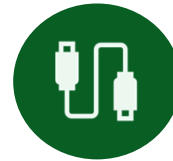


Source: *Fast Result: "Karnataka 2nd PUC topper list"*, *Attendance: "Sarva Shiksha Abhiyan"*, *Enrolment: "Karnataka Minutes"*, *Times of India: "Schools Admissions"*, *Times of India: "Infrastructure"*

Key Development in Education Industry



Increased Enrolment in Schools: The district has experienced consistent rise in student enrolment across pre-primary, primary and secondary schools due to various government initiatives and programs aimed at promoting education.



Digital Learning Initiatives: The introduction of Learning Management System (LMS) scheme, a digital programme plan implemented by the Karnataka government. It is a digital platform that provides lessons in variety of languages.



Skill Development Programs: A range of skill development programs and vocational training centres have been set up to boost employability for students and youth in the district, including the Chief Minister Kaushalya Yojana (CMKKY).



Scholarship and Financial Assistance :Various scholarship schemes and financial aid programs have been introduced to support students from economically disadvantaged backgrounds, ensuring better access to education .



Introduction of New Curricula: Updating and introducing new curricula that align with contemporary educational standards and requirements.

Market Drivers

1

GOVERNMENT INITIATIVES & POLICIES

• The government has introduced various initiatives and programs, such as the Post Matric Scholarship for minorities and the Merit-Cum-Means Scholarship for minorities in Karnataka, to boost student enrolment in schools and colleges. These efforts are driving growth in the education sector in Uttara Kannada.

2

TEACHERS TRAINING & PROFESSIONAL DEVELOPMENT

• The Karnataka government's implementation of the Public-Private Partnership (PPP) model to enhance the demand for high-quality education, programs in rural areas, The organization of Project Approval Board (PAB) approved training programs focusing on English language proficiency

3

DEMAND FOR QUALITY EDUCATION

As the population of Uttara Kannada increasingly shifts from rural to urban areas and per capita income rises significantly from INR 61,015 in FY12 to INR 1,95,665 in FY22, there is a growing demand for quality education.

Source: *Government of Karnataka: "Directorate of Minorities", Times of India: "Karnataka Govt.", Karnataka Govt.: "Teachers Training"*



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