

Educomp to invest Rs 255 cr in school venture

Ties up with banks for Rs 200-cr debt

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To facilitate the setting up of 100 schools across the country, education company Educomp Solutions Ltd plans to invest Rs 255 crore in the first round.

While Rs 55 crore will be invested by the company via equity in its subsidiaries, Educomp Infrastructure and Educomp School Management Company, the rest of the investment will be arranged through debt.

"We have tied up for a debt of Rs 200 crore from a consortium of banks," said Mr Shantanu Prakash, Managing Director, Educomp Solutions.

The company had earlier announced setting up 100 schools in the country in the next three years. The company is so far engaged in providing digital infrastructure and content to schools, apart from offering professional development and online tutorial services.

REAL ESTATE DEVELOPERS

The company is also entering into partnerships with real estate developers such as with the Delhi-based DLF Ltd that gives Educomp a preference to set up schools in all the townships that the real estate firms develops. The education company will enter into tie-up with other

Investment plans

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real estate companies later.

Most of the Educomp schools would be based on the Central Board of Secondary Education curriculum.

However, the company would run some international boards in some of its schools. "We will have some schools based on International Baccalaureate and American systems. Some may also have Cambridge format which consists of O level and A level system," said Mr Prakash.

Meanwhile, the company is eyeing another revenue stream. "We are also looking at managing operations of other existing schools. There are only a few institutions with trusted brands. So we will help these schools in scaling up," said Mr Prakash.

The company has developed 'Learning Leadership System' that is a framework of intellectual property on how a school runs.

The system, which the company will implement in its own schools, will provide for a consistent standard of education, according to Mr Prakash.