

Templeton to invest Rs 50 cr in Career Point

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BANGALORE: Franklin Templeton private equity is investing Rs 50 crore for a minority stake in education solutions provider Career Point, which is setting up a private university.

A part of the funding is likely to flow into the private varsity project for which Career Point is believed to have received necessary regulatory clearances, sources said. The proposed university is likely to have two campuses in Rajasthan and Himachal Pradesh.

Franklin Templeton will take around 15% stake in Career Point following the transaction. The investment banking firm o3 Capital was sole advisor to the transaction.

Career Point operates a chain of over 40 coaching centres mainly for engineering entrance aspirants — it provides coaching for IIT-JEE, AIEEE and AIPMT exams — with an annual intake of over 30,000 students. The firm has a national preparation hub at Kota in Rajasthan for engineering entrance aspirants.

Education sector has been high on the radar of private equity investors given its huge growth potential and very robust operating margins.

Earlier this year, UK-based Pearson poured investments into Educomp and TutorVista. “India’s Private Education spending is projected to grow to \$ 70 billion by 2012 at a CAGR of 16%,” said Deepesh Garg, Director, o3 Capital.

The latest capital raising will also see Career Point strengthening its existing coaching business where it has launched VSAT satellite enabled Syncho School and Knowledge lab offerings.

“This infusion of equity will allow us to make long term investments for our foray into secondary and higher education”, Career Point MD Pramod Maheshwari said. The reconstituted board along with Franklin Templeton Private Equity would provide guidance as we move into new business segments and geographies, he added.