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# India: A Rising Academic Haven for Foreign Universities Amid Western Uncertainty

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*With liberalised UGC regulations and a booming education market, India is positioning itself as a stable and cost-efficient destination for global universities seeking long-term growth*

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## India: A Rising Academic Haven for Foreign Universities Amid Western Uncertainty



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As economic uncertainties and geopolitical conditions continue to disrupt academic ecosystems for foreign students looking to move to the west for higher education, India is emerging as an attractive destination for global higher education institutions seeking stability, growth, and relevance.

The recent uncertainty surrounding student visas and immigration in the United States of America has raised concerns about the long-term sustainability of traditional Western education hubs. At the same time, India, with its youthful demographics, rapidly digitizing economy, and growing demand for global credentials, is repositioning itself as a fertile ground for foreign universities to establish a presence.

### Strategic Factors and Economic Rationale for Foreign Universities to Setup in India

India offers compelling factors for foreign universities to set up campuses. First, it has the world's largest population of youth, many of whom seek international degrees but are constrained by cost, visa policies, or sociopolitical climate abroad. Second, India's growing middle class is increasingly willing to invest in globally recognized education at home. Third, by setting up in India, foreign universities can diversify their global exposure while hedging against risk in Western markets. This is particularly relevant for UK and Australian institutions, which have historically relied heavily on Chinese and Indian student inflows. From an economic perspective, India is a cost efficient expansion opportunities for such FHEI, offering lower operational costs and autonomy to price programs at competitive margins.

Australia's Deakin University and the University of Wollongong have already announced plans to establish campuses in GIFT City, Gujarat, under a special dispensation that allows full capital convertibility and operational flexibility. These pilot projects are being closely watched, both by Indian regulators and by other international universities evaluating the market.

### A Liberalised Framework in India

The University Grants Commission (UGC) has responded to this opportunity with a landmark regulatory push. In November 2023, it notified the University Grants Commission (Setting up and Operation of Campuses of Foreign Higher Educational Institutions in India) Regulations, 2023 (**2023 Regulations**), allowing foreign higher education institutions (FHEI) in the top 500 of global rankings to set up independent campuses in India. The 2023 Regulations enable these institutions to determine their own admission criteria, fee structure, and curriculum, free from India's otherwise tightly regulated higher education framework.

This is a notable shift from past models of collaboration, which were largely limited to twinning or franchise arrangements. The new framework envisages *autonomous* campuses with degrees recognized as equivalent to those offered overseas. It also includes safeguards against repatriation of funds without adequate academic delivery, balancing autonomy with accountability. The liberalisation of the education sector in India is driven by the need for expanding our infrastructure to accommodate 43 million more students over the next decade. The Indian education market is reported to be value at USD 55 billion and is expected have a robust growth trajectory, reaching USD 180 billion by 2035.

Following is a brief summary of the 2023 Regulations:

<b>Eligibility</b>	<ul style="list-style-type: none"> <li>■ Must rank within the top 500 in the overall category of global rankings or should have secured a position within the top 500 in the subject-wise category of global rankings or should possess outstanding expertise in a particular area as determined by the UGC.</li> </ul>
<b>Entity Form</b>	<ul style="list-style-type: none"> <li>■ The types of legal entities allowed to set up campuses in India shall be as per the Foreign Exchange Management Act (FEMA), 1999 and The Foreign Contribution (Regulation) Act (FCRA), 2010 and the rules and regulation thereunder. These typically include private companies set up either as a wholly owned subsidiary or a joint venture, limited liability partnerships <i>etc.</i></li> <li>■ FHEIs can collaborate with existing Indian education institutions or Indian companies or set up joint ventures with them or establish a new Indian company to set up their campuses in India.</li> <li>■ 100% FDI is permitted in the education sector.</li> </ul>
<b>Process for approval</b>	<ul style="list-style-type: none"> <li>■ An FHEI must file a separate <b>online</b> application for each campus that they intend to set up, along with a non-refundable processing fee.</li> <li>■ The application must include supporting documents as prescribed under the 2023 Regulation. A detailed checklist of the supporting documents is available <b>here</b>.</li> <li>■ UGC's Standing Committee will assess the application within 60 days, including credibility of the FHEI, proposed academic infrastructure and programs, contribution to Indian education opportunities, <i>etc.</i> and accordingly make a recommendation to the UGC.</li> <li>■ UGC issues a Letter of Intent to a successful applicant, granting up to 2 years to operationalize the campus.</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>■ Autonomy in setting admissions, fees, faculty recruitment (with parity to home campus), and curricula.</li> <li>■ Must maintain physical presence and infrastructure. Not more than 10% of lectures can be conducted online.</li> <li>■ Autonomy to recruit faculty and staff from India and abroad as per its recruitment norms, however (i) qualifications of faculty must be at par with the main campus; and (ii) international faculty must stay in India for atleast a semester.</li> </ul>

### Opportunities for JVs and Strategic Tie-ups

While the regulatory intent is clear, the implementation of the 2023 Regulations remains a work in progress. FHEIs entering India might face regulatory uncertainties and practical issues such as land acquisition, treatment of tax, parity of degrees and accreditation and establishing trust within the Indian students who are used to assessing universities based on their foreign campuses. Past experiences in countries like Malaysia and the UAE show that foreign campuses can also struggle with enrolment shortfalls, cultural adaptation, and sustaining academic standards across geographies. FHEIs with foreign campuses such as in UAE and Malaysia have struggled with enrolment shortfall, cultural adaptation, and maintaining academic standards across campuses.

Having said that, the liberalised framework in India opens doors to joint venture opportunities and encourages strategic tie ups. As the West grapples with internal tumult, India's education sector is quietly scripting its own global story. For foreign universities willing to commit to long-term engagement and local relevance, India offers not just an alternative market but is a strategic opportunity with a widely intellectual audience.

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