



HARYANA REGISTRATION AND REGULATION OF PRIVATE COACHING INSTITUTES BILL 2024 – IMPLICATIONS FOR EDTECH

The Haryana Registration and Regulation of Private Coaching Institutes Bill 2024 ("**Haryana PCI Bill 2024**") has reportedly been passed by the Haryana Vidhan Sabha today morning i.e. on 29 February 2024. This follows the publication of the Haryana Coaching Institutes (Control and Regulation) Bill, 2024 ("**Bill for Public Consultation**") on 24 January 2024 for public consultation. In the interim period between the publication of the Bill for Public Consultation and the Haryana PCI Bill 2024, the Bill for Public Consultation was criticised for attempting to over-regulate the Edtech sector, as a knee-jerk reaction to the spate of student suicides reported across cities; and for failing to appreciate the legal and practical challenges of a State Government regulating online coaching centres, including those operating from outside the State.

The Haryana PCI Bill 2024 requires private coaching institutes to seek registration from a district authority appointed by the State of Haryana in order to be established/function, seeks information from applicants about the proposed curriculum, tuition, test schedules, staff, facilities and other terms of prospectus; provides for scrutiny of the information by the district authority, inspection of records suo moto or upon a complaint; and requires re-registration by the applicant every three years. The Haryana PCI Bill 2024 prohibits the malpractice of misleading advertisements and false claims about coaching; and provides for a grievance redressal cell. Significantly, the Haryana PCI Bill 2024 requires every private coaching institute to engage at least one full-time counsellor to address mental health and stress related issues among the students. To ensure compliance, the Haryana PCI Bill 2024 provides for a penalty of twenty-five thousand rupees for the first violation; one lakh rupees for the subsequent violation; and in case the violation still continues, cancellation of the registration of the private coaching institute.

While the draft Bill for Public Consultation had prohibited both residential and online coaching institutes/tuition centres from being established or run without obtaining a valid registration, the Haryana PCI Bill 2024 regulates a private coaching institute, such as a tuition centre, that is in a 'single premises' and which provides study programmes for competitive examinations, including programmes for higher studies, jobs and professional programmes (exempting individual home tuitions with up to fifty students per day and other regular courses conducted by government regulated educational institutions).



Given that the Haryana PCI Bill 2024 makes no specific reference to regulating online coaching institutes; and seeks information such as "*details of the coaching area with ratio to the number of students*", "*number of maximum students for each batch*" and details of furniture, first aid, fire safety, reading room at the premises etc, a view may be taken that, pursuant to public comments on the Bill for Public Consultation, the Haryana Government has walked back on its perceived attempt at micro-managing the Edtech sector by avoiding regulation of online coaching institutes and regulating only private coaching institutes operating from a specific premises i.e. brick and mortar institutes.

However, recent reports about corporate governance issues in Byju's have also attracted public attention to the need for better regulation of Edtech companies. Further, the Haryana PCI Bill 2024 remains a welfare measure that has the object of safeguarding the interest of students and their guardians, reducing stress among students enrolled in the coaching institutes and providing better academic support to them. Thus, it is possible that future directions/guidelines/rules/provisions formulated under the Haryana PCI Bill 2024 (refer to sections 12, 15, 16 and 17 respectively of the Haryana PCI Bill 2024) may regulate companies/societies/trusts/other body corporates registered in the State of Haryana or having a corporate office in Haryana either as a 'single premise' or a 'branch' (refer the requirement as per Section 5(3) of the Haryana PCI Bill 2024 for a private coaching institute operating a branch within the State of Haryana to register such a branch) that is operating student programmes for competitive examinations, even if the institute is operating only via online means (neither premises nor branch has been defined in the Haryana PCI Bill 2024). However, it does not appear that entities operating online programmes from outside the State of Haryana will be regulated under the Haryana PCI Bill 2024, unless they are deemed to have a premises or branch within the State.

Accordingly, Edtech players should track the assent and notification of the Haryana PCI Bill 2024 and any further directions, rules, guidelines and procedures thereunder to ensure that they are prepared to meet any compliance requirements under the Haryana PCI Bill 2024 and its related rules.



KEY CONTACTS



SIDHARTHA JATAR

Senior Associate

Email: sjatar@luthra.com

OFFICES



NEW DELHI

1st and 9th Floors, Ashoka Estate,
24 Barakhamba Road, New Delhi - 110 001
T: +91 11 4121 5100 F: +91 11 2372 3909
E: delhi@luthra.com



MUMBAI

20th Floor, Indiabulls Finance Center,
Tower 2 Unit A2, Elphinstone Road,
Senapati Bapat Marg, Mumbai - 400 013
T: +91 22 4354 7000 / +91 22 6630 3600,
F: +91 22 6630 3700
E: mumbai@luthra.com



BENGALURU

3rd Floor, Onyx Centre, No. 5, Museum Road,
Bengaluru - 560 001
T: +91 80 4112 2800 / +91 80 4165 9245
F: +91 80 4112 2332
E: bengaluru@luthra.com



HYDERABAD

1st Floor, Plot No. 8-2-619/1, Road No. 11,
Banjara Hills, Hyderabad – 500 034,
Telangana
T: +91 40 7969 6162
E: hyderabad@luthra.com