

IPO Note

November 10, 2025

PhysicsWallah Limited



**Issue Snapshot:**

Issue Open: November 11 – November 13, 2025

Price Band: Rs. 103-109 (Employee Discount Rs 10/unit)

*Issue Size: Up to Rs 3480 cr (Fresh issue of upto Rs 3100 cr + Offer for sale of upto 34,862,385 eq sh)

Reservation for:

QIB	atleast	75% eq sh
Non-Institutional	upto	15% eq sh
((including 1/3 rd for applications between Rs.2 lakhs to Rs.10 lakhs))		
Retail	upto	10% eq sh

Face Value: Rs 1

Book value: Rs 7.19 (June 30, 2025)

Bid size: - 137 eq sh and in multiples thereof

100% Book built Issue

Capital Structure:

Pre Issue Equity: Rs. 260.80 cr

*Post issue Equity: Rs. 289.24 cr

Listing: BSE & NSE

Book Running Lead Manager: Kotak Mahindra Capital Company Ltd, J.P. Morgan India Pvt Ltd, Goldman Sachs (India) Securities Pvt Ltd, and Axis Capital Ltd,

Sponsor Bank: Kotak Mahindra Bank Ltd, HDFC Bank Ltd and Axis Bank Ltd

Registrar to issue: MUFG Intime India Pvt Ltd.

Shareholding Pattern

Shareholding Pattern	Pre issue %	Post issue %
Promoter and Promoter Group	81.64	72.3
Public	18.36	27.7
Total	100.0	100.0

*assuming issue subscribed at higher band

Source for this Note: RHP

Background & Operations:

PhysicsWallah offers comprehensive test preparation courses for competitive examinations alongside upskilling programs through multiple delivery channels. The company operates through three primary models: online delivery via social media platforms, website, and mobile applications; tech-enabled offline centers where faculty conduct live classes in physical locations; and hybrid centers featuring an innovative two-teacher model where students attend live online classes at physical centers while benefiting from an on-site faculty member who resolves queries and conducts revision sessions.

Among India's top five education companies by revenue, PhysicsWallah holds the distinction of having the largest student community in the country. The company's main YouTube channel, "Physics Wallah-Alakh Pandey," boasts approximately 13.7 million subscribers as of July 15, 2025, according to the Redseer Report. The entire YouTube community reached 98.80 million subscribers by June 30, 2025, demonstrating impressive growth at a compound annual growth rate of 41.80% between Fiscal Years 2023 and 2025. Additionally, PhysicsWallah maintains a substantial offline presence and ranks among the leading education companies in India in terms of offline revenue. The company is also recognized as one of the fastest-growing education enterprises regarding revenue growth during the period spanning Fiscal 2023 to 2025.

The company has successfully cultivated its student community by prioritizing quality education delivery. PhysicsWallah provides educational content through engaging and technology-enabled pedagogy, which refers to innovative teaching methodologies designed to enhance learning experiences. A distinguishing feature of the platform is that a substantial portion of materials and courses remains freely accessible through 207 YouTube channels as of June 30, 2025. Students can explore this open-access content and subsequently choose to enroll in either free or paid courses available on the company's website and mobile applications.

PhysicsWallah's commitment to affordability sets it apart in the competitive test preparation market. Among the top five test preparation companies by revenue in Fiscal 2024, several of the company's paid courses focusing on major competitive examinations offer the most affordable pricing in India as of July 2025. These examinations include the Joint Entrance Examination (JEE) for engineering colleges, the National Eligibility cum Entrance Test (NEET) for medical colleges, and civil service examinations such as the Union Public Service Commission (UPSC) tests.

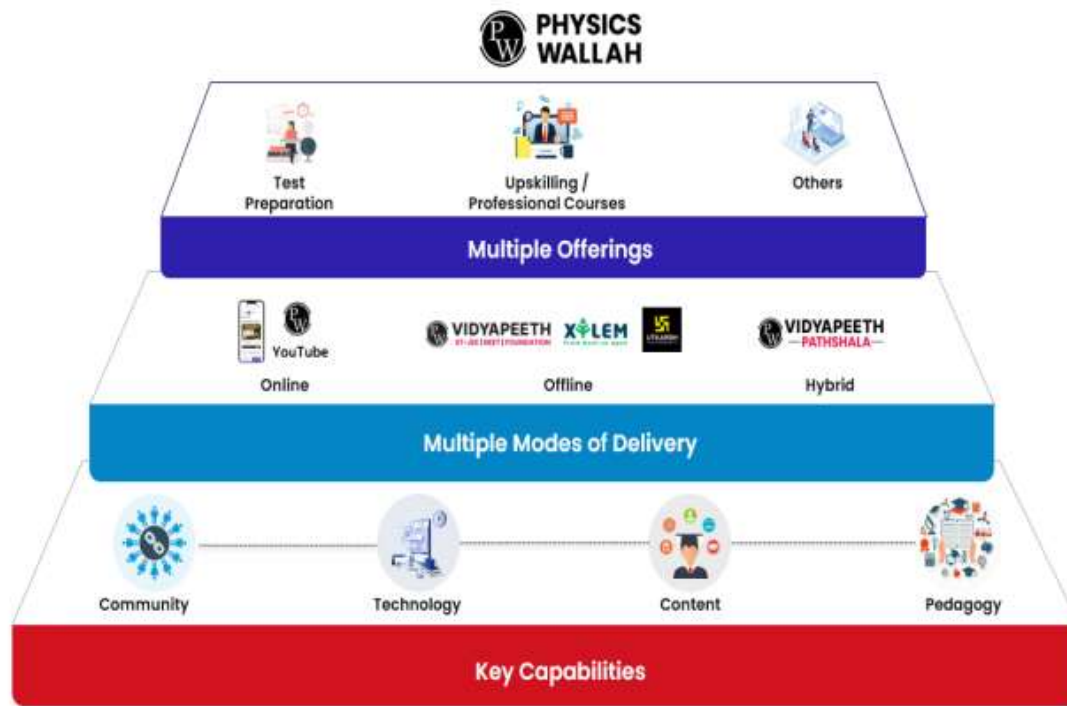
The company's flagship offerings, basic online "Batches" for JEE and NEET preparation, exemplify this affordability approach. Programs including "Arjuna JEE 3.0 2025," "Prayas JEE 2025," "Lakshya NEET 2025," "Arjuna NEET 3.0 2025," "Yakeen NEET Hindi 3.0 2025," and "Lakshya JEE 2.0 2025" are each structured as one-year batches. These comprehensive programs are priced within an accessible range of ₹2,199 to ₹4,800 per batch, making quality test preparation education available to a broader demographic of students across India.

The strategic combination of open-access quality educational content and affordable pricing for premium courses has enabled PhysicsWallah to build strong brand affinity among students. This approach encourages organic conversion, where students who initially access free content naturally transition to becoming paid users as they recognize the value and quality of the educational experience provided by the platform.

PhysicsWallah employs 6,267 total faculty members (including employees and consultants) as of June 30, 2025, comprising teachers, doubt resolution specialists, and content developers across multiple disciplines. The company has built an extensive content library featuring 4,382 published books and over 8.66 million questions, alongside digital



resources including micro-videos, video classes, and tests. PhysicsWallah leverages artificial intelligence, big data, and machine learning to create personalized learning tools that support students during live sessions and self-study. The platform's AI-powered tool, "AI Guru," enables instant resolution of academic queries without teacher intervention, ensuring students receive appropriate content in optimal formats for effective learning outcomes.



Objects of Issue:

The Offer comprises a Fresh Issue aggregating up to Rs 31,000 million by PhysicsWallah and an Offer for Sale of 34,862,385 Equity Shares by the Selling Shareholders.

**Offer for Sale**

Each of the Selling Shareholders shall be entitled to its respective portion of the proceeds of the Offer for Sale after deducting its proportion of the Offer expenses and relevant taxes thereon. The Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

Requirements of funds

The Company proposes to utilize the Net Proceeds from the fresh issue towards the following (collectively, referred to herein as the "Objects"):

- Capital expenditure for fit-outs of new offline and hybrid centers of the Company;
- Expenditure towards lease payments of existing identified offline and hybrid centers operated by the Company;
- Investment in Subsidiary, Xylem Learning Private Limited for expenditure towards:
- Capex for fit-outs of new offline centers of Xylem; lease payments for Xylem's existing identified offline centers and hostels
- Investment in Subsidiary, Utkarsh Classes & Edutech Private Limited for expenditure towards lease payments for Utkarsh Classes' existing identified offline centers;
- Expenditure towards server and cloud related infrastructure costs,
- Expenditure towards marketing initiatives;
- Acquisition of additional shareholding in Subsidiary, Utkarsh Classes & Edutech Private Limited and
- Funding inorganic growth through unidentified acquisitions and general corporate purposes.

Utilisation of Net Proceeds

S.N	Particulars	Total estimated amount (in Rs mn)
1	Capital expenditure for fit-outs of new offline and hybrid centers of the Company;	4,606
2	Expenditure towards lease payments of existing identified offline and hybrid centers operated by the Company;	5,483
3	Investment in Subsidiary, Xylem Learning Private Limited for expenditure towards:	472
(I)	Capex for fit-outs of new offline centers of Xylem;	317
(II)	lease payments for Xylem's existing identified offline centers and hostels	155
4	Investment in Subsidiary, Utkarsh Classes & Edutech Private Limited for expenditure towards lease payments for Utkarsh Classes' existing identified offline centers;	280
5	Expenditure towards server and cloud related infrastructure costs,	2,001
6	Expenditure towards marketing initiatives;	7,100
7	Acquisition of additional shareholding in Subsidiary, Utkarsh Classes & Edutech Private Ltd and	265
8	Funding inorganic growth through unidentified acquisitions and general corporate purposes.	[•]
	Net Proceeds*	[•]

Proposed schedule of implementation and deployment of Net Proceeds

S.N	Particulars	Total estimated amount	Amount to be funded from Net Proceeds	Estimated deployment in 2026	Estimated deployment in Fiscal 2027	Estimated deployment in Fiscal 2027	Estimated deployment in Fiscal 2027
1	Capital expenditure for fit-outs of new offline and hybrid centers of the Company;	4,606	4,606	1,404	1,226	1,219	756
2	Expenditure towards lease payments of existing identified offline and hybrid centers operated by the Company;	5,483	5,483	493	2,010	1,974	1,006
3	Investment in Subsidiary, Xylem Learning Private Limited for expenditure towards:	472	472	63	179	149	81
(I)	Capex for fit-outs of new offline centers of Xylem;	316	316	-	116	123	78
(II)	lease payments for Xylem's existing identified offline centers and hostels	155	155	63	63	26	3
4	Investment in Subsidiary, Utkarsh Classes & Edutech Private Limited for expenditure towards lease payments for Utkarsh Classes' existing identified offline centers;	280	280	23	92	93	72
5	Expenditure towards server and cloud related infrastructure costs,	2,001	2,001	154	616	616	616



6	Expenditure towards marketing initiatives;	7,100	7,100	645	2,580	2,580	1,295
7	Acquisition of additional shareholding in Subsidiary, Utkarsh Classes & Edutech Private Limited and	265	265	265	-	-	-
8	Funding inorganic growth through unidentified acquisitions and general corporate purposes.	[●]	[●]	[●]	[●]	[●]	[●]
	Net Proceeds*	[●]	[●]	[●]	[●]	[●]	[●]

Competitive Strengths

Building India's largest student community through affordable quality education: PhysicsWallah achieved 4.46 million paid users in Fiscal 2025, growing at an impressive 59.19% CAGR between Fiscals 2023 and 2025. The three months ended June 30, 2025, recorded 2.43 million paid users, up from 1.87 million in the same period of 2024. Founded to democratize education through technology and affordability, the company has built India's largest online student community among top five education companies by revenue. The flagship YouTube channel "Physics Wallah-Alakh Pandey" boasts 13.7 million subscribers. With 207 active YouTube channels totaling 98.80 million subscribers as of June 30, 2025 (41.80% CAGR between Fiscals 2023-2025), PhysicsWallah offers India's most affordable test preparation courses for JEE, NEET, and UPSC examinations as of July 2025.

Comprehensive learning ecosystem across multiple channels: PhysicsWallah has established a strong presence across 13 education categories as of June 30, 2025, expanding from just six categories in March 2023. The company supports students throughout their entire learning journey, from early education through competitive examinations to professional skill development. The platform offers courses for engineering and medical entrance exams (JEE, NEET) through online, offline, and hybrid channels. Students can begin preparation as early as classes 6-10 through Foundation courses, progressing to undergraduate and postgraduate entrance exams (GATE, CUET, CAT), public administration jobs (civil services, railways), and professional qualifications like chartered accountancy.

PhysicsWallah operates India's largest online student community among the top 5 education companies, with its main YouTube channel having 13.7 million subscribers and a total network of 206 channels reaching 98.9 million subscribers. The company's offline presence grew at 165.92% CAGR between Fiscals 2023-2025, operating 303 centers by June 2025, providing students flexibility in choosing their preferred learning mode.

Advanced technology stack powering personalized learning: PhysicsWallah has developed a proprietary, flexible, and scalable Learning Management System (LMS) supported by a 548-member technology and product team as of June 30, 2025. This technology stack enhances student learning experiences while maintaining pedagogical quality and system stability across multiple channels, handling large student batches efficiently.

The company leverages AI, big data, and machine learning to generate insights for continuous innovation. Key AI-powered tools include "AI Guru" (launched January 2024), answering 2.82 million monthly queries through text, image, and audio responses for JEE and NEET courses; "Smart Doubt Engine" (May 2024), providing instant responses during live classes while identifying focus areas for teachers; and "AI Grader" (August 2024), which evaluated 304,202 written responses autonomously, delivering faster feedback and reducing operational costs.

Expert faculty & comprehensive content ecosystem: PhysicsWallah maintains a team of 6,267 Total Faculty Members (including employees and consultants) as of June 30, 2025, comprising teachers, doubt resolution experts, and content developers. The company employs a structured approach with faculty assigned to specific functions—study material creation, classroom teaching, question solving, and exam paper preparation—ensuring effective student support and quality control.

The robust hiring program recruits graduates and experienced teachers through rigorous selection involving subject tests, lecture demonstrations, interviews, and management reviews. New faculty members undergo an extensive Faculty Training Program (FTP) spanning several months, guided by experienced instructors, covering pedagogy, platform navigation, and teaching methodologies. PhysicsWallah has built an extensive content library featuring 4,382 books and over 8.66 million question banks as of June 30, 2025. Content development follows a centralized process aligned with government curricula and testing agency syllabi. The engaging content includes interactive presentations, activity-based learning, 3D models, quizzes, and summary videos, enhancing learning outcomes across online and offline sessions.

Business Strategy:

Increase student engagement leading to enhanced brand recall: PhysicsWallah is focused on improving learning outcomes for students by increasing accessibility to quality education at affordable prices through technology. The company aims to build its student community by providing engaging content for free on social media channels, websites, and apps, while offering attractive options for paid subscriptions. The platform plans to expand its reach through enhanced technology, targeted marketing, and quality content prepared by

subject matter specialists. The company continues investing in tech-backed tools to support students' educational journeys. Notable developments include "AI NCERT," a tool converting National Council of Educational Research and Training textbooks into interactive formats for school students preparing for JEE and NEET examinations. An AI-powered personalized study path is being developed to help students plan their studies, analyze results, and track progress. These initiatives are expected to grow the student community and strengthen brand trust.

PhysicsWallah intends to expand its cloud architecture capacity to accommodate more students, teachers, and content while innovating its technology stack to enhance student experience and operational efficiency.

Expand and enhance its offerings across multiple Education Categories: PhysicsWallah is positioned to capitalize on India's growing test preparation market, which expanded at an 11% CAGR from Fiscal 2022 to 2025, according to the Redseer Report. Education remains a non-discretionary, recession-resistant sector driven by rising parental aspirations, an expanding middle class, and India's large young population. The company plans to expand its course network across new education categories and multiple languages to reach a broader student base. Following the Fiscal 2024 acquisition of Xylem, PhysicsWallah entered South India, now offering courses in seven languages as of June 30, 2025. The company's vision encompasses supporting students throughout their educational journey—from early schooling to competitive examinations and post-profession skill development. Through backward integration, PhysicsWallah launched Curious Junior in 2023 for grades three to eight, achieving 3.61 million app downloads by June 30, 2025. Forward integration includes skills development and institutional courses. Future expansion targets State board examinations and law entrance preparation. The company also plans premium offerings, including small cohort classes with fewer than 300 students, enabling enhanced student-teacher interaction.

Develop multi-channel presence by growing its offline and hybrid channels of delivery: PhysicsWallah operated 303 total offline centers as of June 30, 2025, achieving an impressive CAGR of 165.92% between Fiscals 2023 and 2025. To sustain this growth trajectory, the company plans strategic expansion by opening new centers in high-demand areas, ensuring healthy enrollment levels. The platform leverages data insights from its online student community to identify demand patterns and determine the appropriate course offerings for each location. The expansion strategy varies based on strategic considerations, utilizing organic growth, acquisitions, or franchisee partnerships. In regions with high online student density, PhysicsWallah typically establishes company-owned centers, while strategic acquisitions or franchisee relationships are pursued in areas with limited presence. The brand aims to strengthen its position in existing cities while expanding into new markets. Supporting this multi-channel growth, PhysicsWallah's technology stack ensures seamless integration across platforms. Students benefit from standardized content accessible through all channels, with offline students having access to online lecture recordings and notes, providing flexibility in their preferred learning method.

Scale operations and introducing new value added services to improve margins: PhysicsWallah's ecosystem benefits from network effects driven by its student-led community approach. The company optimizes costs for new offerings, courses, and centers by leveraging a flexible technology stack and standardized delivery across channels. Strong student performance and additional services drive higher enrollments, creating economies of scale that enable competitive pricing. Tech-backed tools reduce faculty requirements while maintaining quality.

The platform continues innovating with value-added services for upselling at minimal additional costs. For example, "Batch Infinity" bundles multiple services available separately, while "Batch Infinity Pro" offers enhanced packages. The company's system stability and interactive tools like live polls enable optimized batch sizes without compromising pedagogy quality across online and offline channels. Recent investments include preference shares and debentures in Lord Krishna Financial Services Limited (LKFSL), which provides student loans. Subsidiary Finz Fintech Private Limited earns commissions for lead generation and collection services. Additionally, Finz Finance Private Limited received RBI certification in September 2025 to operate as an NBFC, potentially offering direct student loans for PhysicsWallah courses in the future.

Strategically pursuing inorganic opportunities to strengthen capabilities and broaden its market reach: PhysicsWallah pursues strategic acquisitions to support growth through rigorous target selection driven by deep industry insights, identifying unique and synergistic opportunities. The company expanded into South India and introduced multi-lingual courses through the Xylem acquisition in Fiscal 2024. Knowledge Planet's acquisition in 2023 enabled Middle East expansion, establishing 16 offline centers by June 30, 2025. The Utkarsh Classes acquisition strengthened the company's presence in government competitive examinations. To expand civil services exam offerings, PhysicsWallah entered a shareholders' agreement on September 2, 2025, to acquire 40% equity in Guiding Light Education Technologies Private Limited, which operates "Sarrthi IAS" brand, with plans to acquire an additional 45% by Fiscal 2031.

The company demonstrates a strong track record of integrating acquisitions into its ecosystem while leveraging its technology stack to drive synergies. The flexible technology platform enables standardization of offerings, quality maintenance, performance monitoring across channels, data insights generation, reduced time-to-market, and study continuity for students. By acquiring fundamentally robust



businesses with student-focused founders, PhysicsWallah accelerates market entry for new offerings, education categories, tech-backed tools, and geographic expansion.

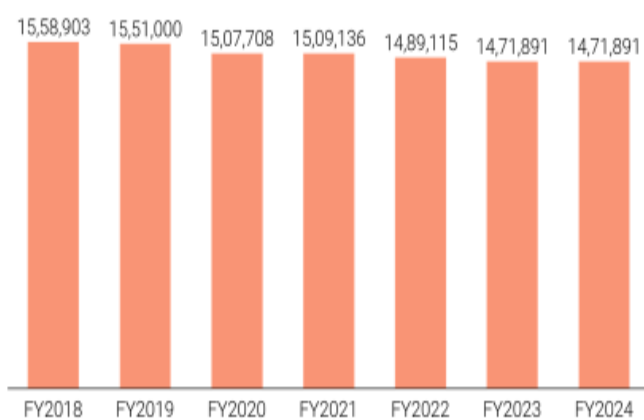
Industry Overview

India's education market: India's education sector is among the largest globally, driven by its scale and continued investment in infrastructure and quality. According to the All India Survey of Higher Education (AISHE), universities increased from 903 in Fiscal 2018 to 1,168 in Fiscal 2022, while colleges expanded from 39,050 to 45,473 during the same period.

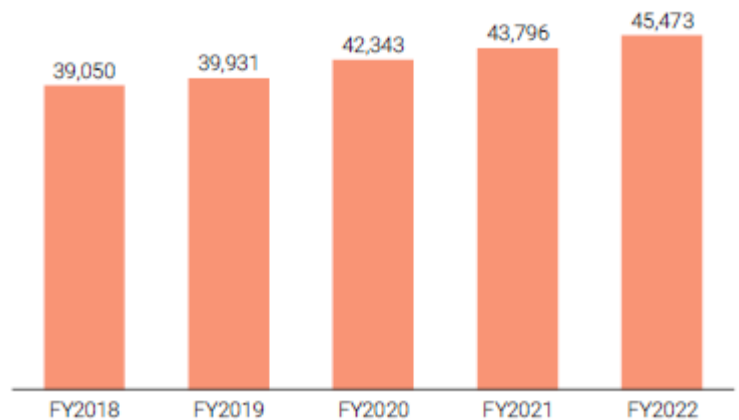
However, the number of schools decreased from 15,58,903 in Fiscal 2018 to 14,71,891 in Fiscal 2024. This decline is primarily attributed to pandemic-related closures during the nationwide lockdown and the consolidation of government schools by various states.

Despite these challenges, India's substantial young population under 25 years highlights the education system's critical importance in serving a growing demographic. The sector continues to demonstrate significant potential for further development and expansion, positioning itself as a key pillar in addressing the educational needs of millions of students across the country.

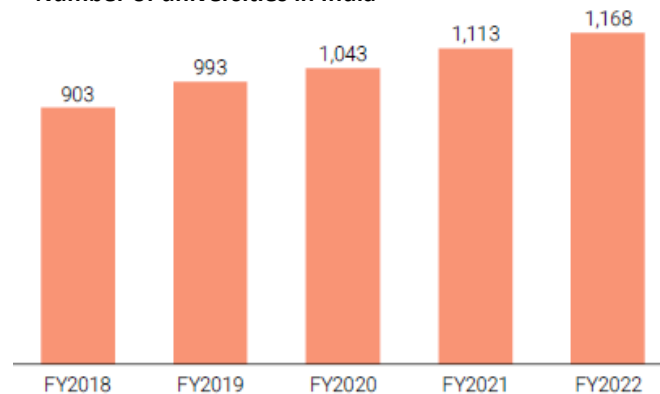
Number of schools in India,



Number of colleges in India



Number of universities in India



Source: RHP, All India Survey on Higher Education (AISHE)

India's education market is poised for growth, driving accessibility and affordability, particularly in Tier 2 and beyond cities. The Indian education market is at ₹15-16 trillion (US\$ 185-195 billion) in Fiscal 2025, accounting for ~5% of the India's GDP at current prices. It is projected to grow at a CAGR of ~10% over the next 5 years to reach ₹24-26 trillion (US\$ 300-310 billion) in Fiscal 2030.

Key factors driving the Indian education market

Demographic dividend: India has a young demographic, with ~44% of the population under the age of 25 in CY2024 as per UN, driving sustained and structural demand for education services

Rising enrolment rates: GER in secondary and tertiary education represents a substantial growth opportunity, underpinned by improvements in infrastructure, increased awareness, and evolving aspirations among students and parents. Initiatives such as NEP 2020 and enhanced affordability measures are contributing to steady advancements



Digital penetration: Affordable smartphones and expanding internet connectivity are unlocking access to education at scale in Tier 2 and beyond cities, enabling students across India to benefit from high quality learning resources

Evolving parental and student aspirations: In Tier 2 and beyond cities, the rising middle-income households are increasingly prioritizing education as a way to improve their income. This is creating demand for not just formal education but also supplementary learning platforms that cater to competitive exams, skill enhancement, and employability

Policy support: Recent government initiatives including implementation of NEP are addressing gaps in education infrastructure by enhancing accessibility and raising educational standards. Region specific policies are increasingly focused on fostering holistic educational ecosystems, enabling formal schooling, vocational training, and supplementary learning opportunities

The online education market in India is witnessing steady growth, with online penetration increased from ~2% in Fiscal 2022 to ~4% in Fiscal 2025 and projected to reach ~7% in Fiscal 2030. India's online education market is a fast-growing opportunity which grew at a CAGR of ~24% from Fiscal 2022 to Fiscal 2025 as compared to the overall education market with a CAGR of ~7% during the same period.

Rs 550-600 billion (US\$ 6.8-7.3 billion) in Fiscal 2025, India's online education market is projected to grow at a CAGR of ~26% to reach Rs 1,700-1,900 billion (US\$ 21-23 billion) by Fiscal 2030. This growth is supported by several key drivers such as:

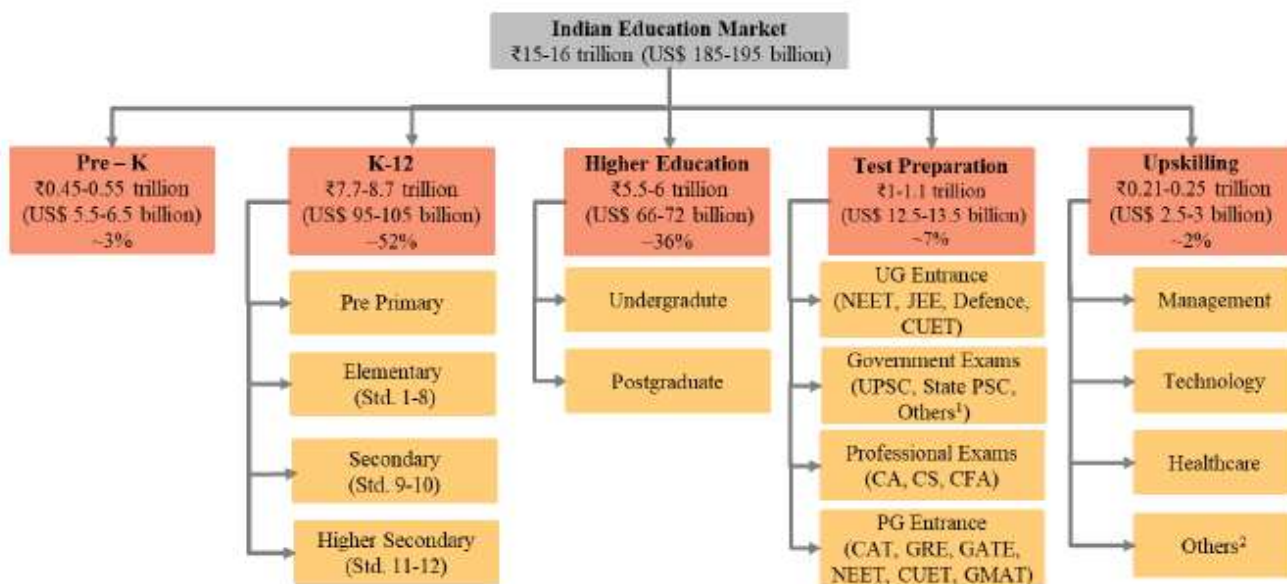
Enhanced internet accessibility: The affordability of data and growing internet penetration have facilitated broader adoption of online education, particularly in Tier 2 and beyond cities.

Increasing demand for flexible learning: The rising need for skill based and flexible learning options, catering to both working professionals and students, has significantly driven the adoption of online courses.

Adoption of hybrid models: Hybrid learning models, blending the scalability of online platforms with the engagement of offline centers is enabling broader access, deeper market penetration, and sustained student participation

Affordability: Online education offers a cost-efficient alternative to offline education, enhancing accessibility for a wider audience and driving growth across diverse income segments.

Indian Education Market – by segments (non-exhaustive)



The Indian education market is primarily dominated by two key segments: K-12 and higher education, which account for approximately 52% and 36% of the total market respectively in Fiscal 2025. These segments form the foundation of the education ecosystem across Pre-K, K-12, Higher Education, Test Preparation, and Upskilling categories between Fiscal 2022 and Fiscal 2025. As students' progress through K-12 and higher education levels, they create a substantial base for supplementary educational segments including test preparation courses, professional examination coaching, and skill development programs, driving growth across the entire education value chain.



Test preparation: Enabling career progression and upward income mobility

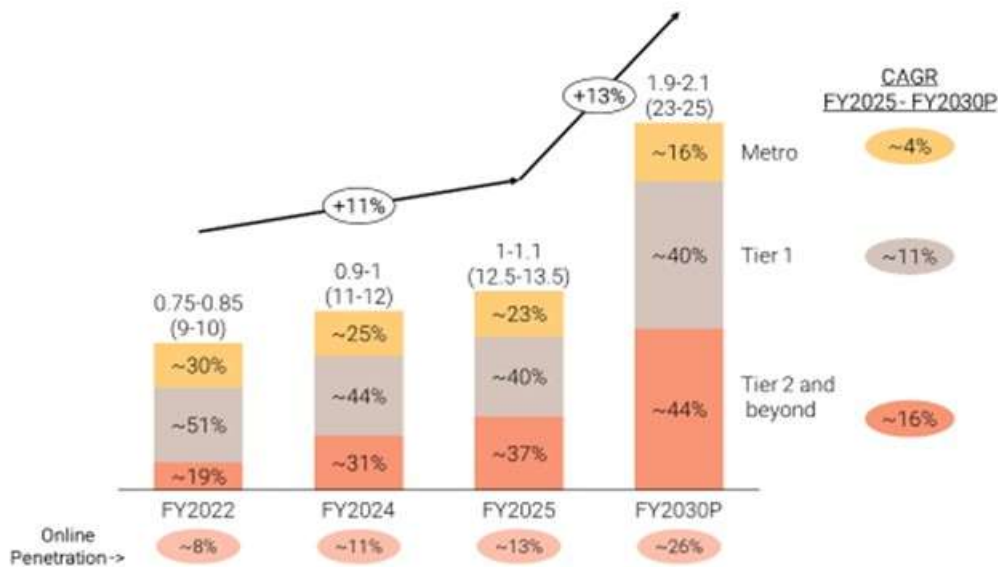
Test preparation caters to students aspiring to secure admission to competitive academic programmes like engineering, medical, etc. or government jobs like IAS (Indian Administrative Service), IPS (Indian Police Service), etc. The number of exam registrations is projected to grow from 65-75 million students in Fiscal 2025 to 80-90 million students in Fiscal 2030.

There is a growing demand for test preparatory courses in India which grew at a CAGR of ~11% from Fiscal 2022 to Fiscal 2025. India's test preparation market, which is at Rs1-1.1 trillion (US\$ 12.5-13.5 billion) in Fiscal 2025, is projected to grow at a CAGR of ~13% to reach Rs1.9-2.1 trillion (US\$ 23-25 billion) by Fiscal 2030.

Tier 2 and beyond cities contributes ~37% to the test preparation market in Fiscal 2025 and is projected to become the largest market segment at ~44% by Fiscal 2030. The rising demand in these cities is due to aspirational parents and students seeking affordable and accessible solutions to enhance career opportunities.

Online test preparation market, which is at Rs130-150 billion (US\$ 1.6-1.8 billion) in Fiscal 2025, accounts for ~13% of the overall test preparation market and is projected to grow at a CAGR of 29% between Fiscal 2025-Fiscal 2030. Online contribution to overall test preparation market is projected to become ~26% by Fiscal 2030, with a market size of Rs500-550 billion (US\$ 6-6.5 billion).

India's Test preparation market split by city tier



Key factors driving growth in the Test preparation segment

Increased competition for limited seats: Institutions such as IITs (Indian Institute of Technology), AIIMS (All India Institute of Medical Sciences), and top government roles admit only a small percentage of students. This intense competition has led to a surge in demand for specialized test preparation courses to improve exam readiness

Adoption of hybrid models: These models offer affordable pricing with online batches and access to nearby centers for in person support, addressing affordability and accessibility challenges. Additionally, AI-driven tools enhance learning through personalized support. Tier 2 and beyond cities contribute ~35% to online test preparation in Fiscal 2025 given social infrastructure constraints

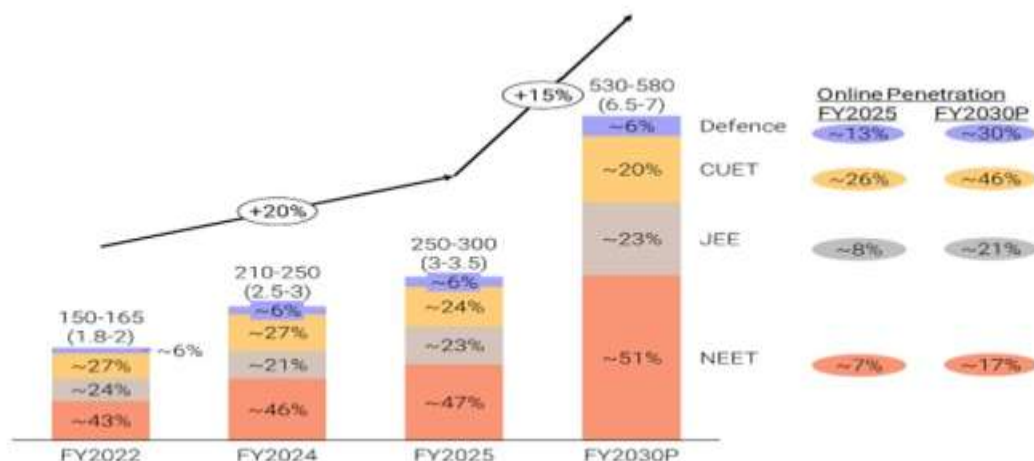
A means to secure future: Middle-income households view test preparation as an essential investment for achieving upward economic mobility through access to government or private sector jobs

Enhanced accessibility through technology: Widespread smartphone and internet penetration enable seamless online learning

Online penetration bridging the Urban-Rural Gap: Students in tier 2 and beyond cities now have access to top teachers and quality content



India's UG entrance test preparation market split by categories



Source: NTA, Redseer research and analysis

Threats and challenges:

- Economic downturns and inflationary pressures can affect the affordability of educational services, particularly in price sensitive segments
- Shifts in government policies regarding funding for public education, changes in curriculum frameworks, accreditation requirements, can disrupt existing operations and necessitate compliance adjustments
- Regulatory changes, such as the introduction of mandatory registration requirements for test preparation players, can increase compliance burdens and operational costs
- Changes in the formats and frequency of exams like JEE and NEET may require test preparation players to revise their delivery content and course completion plan to cater to updated timelines, which may lead to higher operating expenses

Key Concerns

- PhysicsWallah incurred restated losses and negative net worth as of March 31, 2024, risking continued financial instability if revenue growth and expense management do not improve.
- Expansion in offline and online education channels increased expenses, including employee benefits, professional fees, and technology costs, which contributed to significant net losses in recent fiscal years.
- Revenue from operations may decline due to reduced student enrolments, slowing demand, increased competition, technological failures, faculty shortages, regulatory costs, or exam format changes.
- Failure to attract and retain students could severely impact PhysicsWallah's business reputation, revenue, and cash flows.
- Inability to attract or retain quality faculty members may disrupt course delivery, negatively impacting reputation, operations, and financial conditions.
- Faculty attrition, driven by competition and personal reasons, could reduce quality of education and disrupt ongoing operations.
- Leadership dependency on founders Alakh Pandey and Prateek Boob creates risk; their departure could adversely affect brand, strategy, and business health.
- Updates to curricula, exam patterns, or syllabi by regulatory bodies may require costly and timely content modifications, impacting revenue and student outcomes.
- Heavy dependency on NEET, JEE, and government exam courses could cause revenue risks if enrolments in these categories decline.
- Offline revenue is concentrated in few Indian cities, exposing PhysicsWallah to regional geopolitical risks and competition threats.
- Failure to cost-effectively open and operate new offline centers may negatively affect profitability and operational efficiency.
- Related party transactions could involve conflicts of interest, which may affect business fairness and minority shareholders' interests.
- Locations and costs for new offline centers remain unfinalized; any delay or cost escalation could adversely impact expansion plans.
- Subsidiaries like Xylem and Utkarsh Classes have historical losses and negative net worth, potentially requiring continued financial support from PhysicsWallah.
- Negative publicity, including social media incidents involving staff or students, could damage PhysicsWallah's brand and reduce student enrolments.
- Rapid business growth demands operational scaling; failure to manage growth effectively could impair operations, finances, and future prospects.



- Failure to successfully integrate acquisitions or strategic alliances could divert management attention and resources, harming business results and reputation.
- Instances of procedural non-compliance in subsidiaries raise regulatory risks which may attract penalties or affect corporate governance.
- Expansion plans for offline centers face risks of cost overruns, delays, and regulatory approvals, which may hamper growth objectives.
- Inadequate safety and security measures at centers risk student safety incidents, causing reputational harm and possible regulatory action.
- Potential classification as a passive foreign investment company (PFIC) may cause adverse U.S. tax consequences for investors.
- Franchise-operated offline centers could suffer from lack of control, mismanagement, or non-compliance, harming brand reputation and revenue.
- System failures or outages to website and apps due to technology errors or third-party services impact student experience and business continuity.
- Failure to attract or retain skilled employees, including senior management or faculty, may affect operational and financial performance.
- Reliance on third-party service providers introduces risks of delays, service disruptions, or contractual non-compliance adversely impacting operations.
- Inability to collect trade receivables from third parties or late payments could strain working capital and cash flow.
- Fraudulent transactions by students, employees, or third parties pose risks to business reputation, financial health, and legal liabilities.
- Revenue and enrolment seasonality linked to exam timetables could cause fluctuations in financial performance and cash flows.
- Changes in government regulations and compliance requirements may increase operational costs and restrict expansion plans.
- Requirement to obtain and renew multiple licenses and approvals on time presents operational risks if delays or rejections occur.
- Legal proceedings and litigations involving PhysicsWallah and subsidiaries may incur costs, reputational harm, and operational distractions.
- Dependence on investments in affiliated non-banking financial companies involves risks if loan defaults or delays occur.
- Cybersecurity and data privacy breaches could interrupt operations, damage brand reputation, and result in regulatory penalties.
- Risks of plagiarism or unauthorized use of course materials could lead to revenue loss, competitive disadvantage, and costly litigation.
- Inadequate insurance coverage may expose PhysicsWallah to uninsured liabilities resulting from accidents, damages, or operational disruptions.

Profit & Loss

Particulars (Rs in million)	Q1FY26	FY25	FY24	FY23
Income				
Revenue from operations	8470.9	28866.4	19407.1	7443.2
Other Income	583.2	1524.5	746.4	282.3
Total Income	9054.1	30390.9	20153.5	7725.4
Expenses	9266.7	28131.0	29159.1	7586.9
Direct expenses	1535.4	5133.4	3796.4	749.0
Purchases of stock-in-trade	500.0	1410.0	1051.3	515.2
Changes in inventories of stock-in-trade	41.0	-182.9	-147.5	-134.3
Employee benefits expense	4597.5	14012.4	11591.7	4126.4
Other expenses	2592.9	7758.1	12867.3	2330.6
PBIDT	-212.6	2259.9	-9005.7	138.6
Finance costs	331.8	853.2	650.6	207.2
PBDT	-544.5	1406.7	-9656.2	-68.6
Depreciation and amortisation expenses	976.3	3664.3	2982.9	825.9
Impairment of non-current assets	0.0	0.0	0.0	0.0
Impairment losses on financial assets and contract assets	0.0	0.0	0.0	0.0
Loss before share of loss of associate, exceptional items and tax	-1520.7	-2257.6	-12639.1	-894.5
Share in net loss of an associate	0.4	-1.2		
Loss before exceptional items and tax	-1520.3	-2258.8	-12639.1	-894.5
Exceptional item		326.7	-712.2	0.0
Loss before tax	-1520.3	-2585.5	-11926.9	-894.5
Tax (incl. DT & FBT)	-250.2	-152.9	-615.6	-53.7
Current tax	2.1	15.3	0.0	145.2
Deferred Tax Charge/(Benefit)	-252.3	-168.3	-615.6	-198.9



PAT	-1270.1	-2432.6	-11311.3	-840.8
EPS (Rs.)	-0.5	-0.9	-4.8	-0.4
Face Value	1.0	1.0	1.0	1.0
OPM (%)	-9.4	2.5	-50.2	-1.9
PATM (%)	-15.0	-8.4	-58.3	-11.3

Balance Sheet

Particulars (Rs in million) As at	Q1FY26	FY25	FY24	FY23
Non-current assets				
Property, plant and equipment	3,137.2	2,860.9	2,775.1	1,746.5
Capital work-in-progress	58.0	65.6	-	47.6
Right-of-use assets	9,103.7	9,175.9	7,272.3	4,642.5
Goodwill	2,246.9	2,232.5	2,538.0	2,839.8
Other intangible assets	1,513.3	1,590.8	2,050.8	1,982.0
Intangible assets under development	-	27.6	3.2	4.7
Investments accounted for using the equity method	49.2	48.8	-	-
Financial assets				
Investments	2,229.9	551.6	249.1	0.0
Loans	328.6	303.9	132.9	1.2
Other Financial Assets	744.5	1,005.6	1,481.4	858.9
Deferred tax assets (net)	1,203.8	955.5	794.9	202.8
Non- current tax assets (net)	241.1	228.9	225.6	215.4
Other non-current assets	24.1	148.9	131.8	156.2
Total non-current assets	20,880.3	19,196.6	17,655.1	12,697.6
Current assets				
Inventories	741.6	770.3	533.3	227.0
Financial assets	21,778.2	13,407.2	1,478.4	2,054.6
Trade receivables	428.4	415.4	274.7	126.7
Cash and cash equivalents	359.1	537.1	532.7	489.8
Bank balances other than (iii) above	1,341.3	1,215.7	258.3	4,807.7
Loans	100.2	65.5	21.8	8.3
Other financial assets	4,196.4	5,313.0	3,751.3	213.8
Current tax assets	931.3	643.0	301.9	196.3
Contract assets				
Other current assets				
Total current assets	29,876.5	22,367.3	7,152.3	8,124.2
Assets classified as held for sale				
Total assets	50,756.7	41,563.8	24,807.4	20,821.8
EQUITY & LIABILITIES				
Equity				
Equity share capital	2,186.3	2,183.9	60.0	60.0
Instruments entirely equity in nature	8,344.5	8,344.5	-	-
Instruments entirely equity in nature pending issuance				
Other equity	3,939.6	4,717.2	-12,524.8	-1,886.4
Reserves and surplus				
Non controlling interest	239.5	289.6	742.5	1,324.7
Total equity	14,709.9	15,535.1	-11,722.2	-501.7
Liabilities				
Borrowings	2.5	2.4	16,488.3	9,250.0
Lease liabilities	8,211.1	8,327.0	6,584.2	4,037.7
Other financial liabilities	2,916.6	2,867.3	2,529.3	2,865.2
Deferred tax liabilities (net)	-	-	-	20.8
Other non-current liabilities	785.6	294.0	0.0	18.4
Provisions	254.0	222.0	110.1	32.6
Total non-current liabilities	12,169.8	11,712.7	25,711.8	16,224.7
Borrowings	13.0	0.9	385.7	311.5
Lease liabilities	1,773.7	1,636.3	1,155.3	682.9
Trade payables	2,719.7	1,869.4	1,287.6	518.6



Liabilities towards prepaid cards				
Other financial liabilities	1,527.3	1,423.8	1,373.9	380.2
Provisions	205.3	201.1	107.7	43.8
Other current liabilities	17,638.1	9,184.6	6,507.7	3,161.8
Total current liabilities	23,877.1	14,316.0	10,817.8	5,098.8
Total liabilities	36,046.9	26,028.7	36,529.6	21,323.4
Total equity and liabilities	50,756.7	41,563.8	24,807.4	20,821.8

Source: Company, RHP

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