

# Physicswallah Ltd.

## IPO Note



## Not Rated

### Revolutionizing the EdTech Landscape

**PhysicsWallah Limited (Incorporated on June 6, 2020). Promoters: Alakh Pandey (CEO) and Prateek Boob. The company provides test preparation and upskilling courses through an integrated model comprising Online, Offline (Vidyapeeth), and Hybrid (Pathshala) channels, focusing on affordability and scalability. It achieved a substantial base of 4.46 million total paid users in Fiscal 2025 and operated 198 offline centers as of March 31, 2025. By leveraging its flexible technology infrastructure and large-scale operations, the company maintains highly competitive and affordable course fees (for instance, the lowest one-year online JEE course was priced at approximately ₹4,500 in July 2025), thereby expanding its Total Addressable Market (TAM).**

**PhysicsWallah has developed AI-based tools such as AI Shashank and PW Drona to offer personalized learning support, monitor student progress, and enhance operational efficiency. The company has also pursued acquisitions including Xylem and Utkarsh Classes to strengthen its content capabilities, diversify offerings across multilingual and government exam categories, and expand into new regions such as South India and the Middle East.**

**The company has demonstrated strong revenue growth, with revenue from operations increasing from ₹772 crore in FY23 to ₹3,039 crore in FY25. However, it has reported restated losses in all three fiscal years. The FY24 loss of ₹1,131 crore was primarily due to a non-cash remeasurement loss on CCPs. Net worth, which was negative ₹861 crore in FY24, recovered to positive ₹1,945 crore in FY25. Key risks include heavy dependence on the founders, the need to generate sufficient revenue to offset accumulated losses, intense competitive pressures, and exposure to pending material approvals and litigations. Financial risks persist due to sustained losses and negative operating metrics, indicating potential continuation of losses if revenue growth and cost control do not align.**

#### Key Consolidated Financial Data (INR Cr, unless specified):

	Net Revenue	EBITDA	Adj. Net Profit	EBITDA (%)	Adj. Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY23	744.3	-14.4	-81.4	-1.9	-10.9	-0.3	-0.6	44.6	-253.2	-386.8	-2,207.8
FY24	1,940.7	-975.2	-1,040.4	-50.2	-53.6	-3.6	-4.3	83.5	-595.1	-30.3	-33.8
FY25	2,886.6	73.5	-215.9	2.5	-7.5	-0.7	0.7	-1.1	-57.4	-145.9	411.9

Source: Ventura Research & Company update

Industry	Edutech
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#### Script Details

Listing	BSE & NSE
Open Date	Nov 11, 2025
Close Date	Nov 13, 2025
Price Band	INR 103 -109
Face Value	INR 1
Market Lot	137 Shares
Minimum Lot	1
Employee discount	10

#### Issue Structure

Issue Size (INR cr)	INR 3,480
Issue Size (Shares)	31,92,66,054
QIB Share (%)	≥ 75%
Non-Inst Share (%)	≤ 15%
Retail Share (%)	≤ 10%
Pre-Issue sh. (in cr.)	26.1
Post Issue sh. (in cr.)	28.9
Post Issue Market Cap (in cr)	31,501
Employee quota(INR Cr)	INR 70

Shareholding (%)	Pre (%)	Post (%)
Promoter	81.64	72.15
Public	18.36	27.85
TOTAL	100	100

### Issue Structure and Offer Details:

Physics wallah IPO is a book build issue of INR 3,480 cr. The issue includes fresh issue INR 3,100cr and OFS of INR 380cr.

Issue Structure	
Investor Category	Allocation
QIB	Not less than 75.00% of the Offer
NII (HNI)	Not more than 15.00% of the Net issue
Retail	Not more than 10.00% of the Offer

*Number of shares based on a higher price band of INR 109*

*Source: Company Reports*

### Objects of the Issue: -

1. **Capital expenditure for fit-outs of new offline and hybrid centers of our Company- INR 460.55 cr.**
2. **Expenditure towards lease payments of existing identified offline and hybrid centers operated by our Company- INR 548.31 cr.**
3. **Capital expenditure for fit-outs of new offline centers of Xylem- INR 31.65 cr.**
4. **Lease payments for Xylem's existing identified offline centers and hostels- INR 15.52 cr.**
5. **Investment in our Subsidiary, Utkarsh Classes & Edutech Private Limited for expenditure towards lease payments for Utkarsh Classes' existing identified offline centers- INR 33.70 cr.**
6. **Expenditure towards server and cloud related infrastructure costs- INR 200.11 cr.**
7. **Expenditure towards marketing initiatives- INR 710.00 cr.**
8. **Acquisition of additional shareholding in our Subsidiary, Utkarsh Classes & Edutech Private Limited- INR 26.50 cr.**
9. **Funding inorganic growth through unidentified acquisitions and general corporate purposes.**

## Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	Fig in INR Cr (unless specified)	FY23	FY24	FY25
<b>Income Statement</b>				<b>Per share data &amp; Yields</b>			
Revenue	744.3	1,940.7	2,886.6	Adjusted EPS (INR)	(0.3)	(3.6)	(0.7)
<i>YoY Growth (%)</i>		<i>160.7</i>	<i>48.7</i>	Adjusted Cash EPS (INR)	0.0	(2.6)	0.5
Raw Material Cost	38.1	90.4	122.7	Adjusted BVPS (INR)	(0.6)	(4.3)	0.7
<i>RM Cost to Sales (%)</i>	<i>5.1</i>	<i>4.7</i>	<i>4.3</i>	Adjusted CFO per share (INR)	0.9	0.7	1.8
Employee Cost	412.6	1,159.2	1,401.2	CFO Yield (%)	0.9	0.7	1.6
<i>Employee Cost to Sales (%)</i>	<i>55.4</i>	<i>59.7</i>	<i>48.5</i>	Adjusted FCF per share (INR)	0.5	0.2	1.5
Other Expenses	308.0	1,666.4	1,289.2	FCF Yield (%)	0.5	0.2	1.4
<i>Other Exp to Sales (%)</i>	<i>41.4</i>	<i>85.9</i>	<i>44.7</i>	<b>Solvency Ratio (X)</b>			
EBITDA	(14.4)	(975.2)	73.5	Total Debt to Equity	(5.2)	(1.4)	1.6
<i>Margin (%)</i>	<i>(1.9)</i>	<i>(50.2)</i>	<i>2.5</i>	Net Debt to Equity	(1.2)	(1.2)	(6.0)
<i>YoY Growth (%)</i>		<i>6,687.3</i>	<i>(107.5)</i>	Net Debt to EBITDA	(15.4)	(1.5)	(16.4)
Depreciation & Amortization	82.6	298.3	366.4	<b>Return Ratios (%)</b>			
EBIT	(97.0)	(1,273.5)	(292.9)	Return on Equity	44.6	83.5	(1.1)
<i>Margin (%)</i>	<i>(13.0)</i>	<i>(65.6)</i>	<i>(10.1)</i>	Return on Capital Employed	(11.8)	(273.9)	(54.0)
<i>YoY Growth (%)</i>		<i>1,213.5</i>	<i>(77.0)</i>	Return on Invested Capital	(253.2)	(595.1)	(57.4)
Other Income	28.2	74.6	152.4	<b>Working Capital Ratios</b>			
Finance costs	20.7	65.1	85.3	Payable Days (Nos)	25	24	7
Fin Charges Coverage (X)	(4.7)	(19.6)	(3.4)	Inventory Days (Nos)	11	10	0
Exceptional Item	0.0	71.2	(32.7)	Receivable Days (Nos)	6	5	11
PBT	(89.4)	(1,192.7)	(258.4)	Net Working Capital Days (Nos)	(8)	(9)	4
<i>Margin (%)</i>	<i>(12.0)</i>	<i>(61.5)</i>	<i>(9.0)</i>	Net Working Capital to Sales (%)	(2.2)	(2.5)	(2.4)
<i>YoY Growth (%)</i>		<i>1,233.4</i>	<i>(78.3)</i>	<b>Valuation (X)</b>			
Tax Expense	(5.4)	(61.6)	(15.3)	P/E	(386.8)	(30.3)	(145.9)
<i>Tax Rate (%)</i>	<i>6.0</i>	<i>5.2</i>	<i>5.9</i>	P/BV	(172.5)	(25.3)	157.7
PAT	(84.1)	(1,131.1)	(243.1)	EV/EBITDA	(2,207.8)	(33.8)	411.9
<i>Margin (%)</i>	<i>(11.3)</i>	<i>(58.3)</i>	<i>(8.4)</i>	EV/Sales	42.6	17.0	10.5
<i>YoY Growth (%)</i>		<i>1,245.4</i>	<i>(78.5)</i>	<b>Cash Flow Statement</b>			
Min Int/Sh of Assoc	2.6	90.7	27.2	PBT	(89.4)	(1,192.7)	(258.4)
Net Profit	(81.4)	(1,040.4)	(215.9)	Adjustments	354.1	1,311.7	729.6
<i>Margin (%)</i>	<i>(10.9)</i>	<i>(53.6)</i>	<i>(7.5)</i>	Change in Working Capital	0.0	31.5	20.4
<i>YoY Growth (%)</i>		<i>1,177.4</i>	<i>(79.2)</i>	Less: Tax Paid	5.4	61.6	15.3
<b>Balance Sheet</b>				Cash Flow from Operations	270.0	212.0	506.9
Share Capital	6.0	6.0	134.0	Net Capital Expenditure	(145.9)	(211.0)	(166.8)
Total Reserves	(188.6)	(1,252.5)	65.7	Change in Investments	(929.6)	168.1	(1,346.4)
Shareholders Fund	(182.6)	(1,246.5)	199.7	Cash Flow from Investing	(1,075.5)	(42.9)	(1,513.2)
Long Term Borrowings	925.0	1,648.8	209.5	Change in Borrowings	77.2	(99.6)	(175.1)
Deferred Tax Assets / Liabilities	(18.2)	(79.5)	0.0	Less: Finance Cost	(20.7)	(65.1)	(85.3)
Other Long Term Liabilities	692.1	911.3	3,580.3	Proceeds from Equity	791.1	0.0	1,267.2
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	17.8	25.5	8.7	Dividend Paid	0.0	0.0	0.0
Total Liabilities	1,434.1	1,259.7	3,998.2	Cash flow from Financing	847.6	(164.7)	1,006.8
Net Block	1,123.9	1,567.5	4,312.8	Net Cash Flow	42.1	4.4	0.4
Capital Work in Progress	4.8	0.0	33.7	Forex Effect	0.0	0.0	0.0
Intangible assets under development	0.5	0.3	0.0	Opening Balance of Cash	6.7	48.8	53.3
Non Current Investments	0.0	24.9	10.7	Closing Balance of Cash	48.8	53.3	53.7
Long Term Loans & Advances	81.1	109.4	217.4				
Other Non Current Assets	56.6	102.3	355.9				
Net Current Assets	167.3	(544.7)	(932.3)				
Total Assets	1,434.1	1,259.7	3,998.2				

Source: Ventura Research

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