

India's 101st unicorn: Edtech startup PW raises \$100 mn in Series-A funding

Firm valued at \$1.1 billion in funding round led by Westbridge and GSV Ventures

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Representative image

At a time when educational technology (edtech) start-ups have begun to feel the pressure of raising funds and are looking to lay off employees to manage costs, edtech platform PhysicsWallah (popularly known as PW) has become India's 101st unicorn by raising \$100 million in Series A funding from WestBridge Capital and GSV Ventures.

The company was valued at \$1.1 billion after closing the transaction. So far, the company has been bootstrapped, which means Series A funding is the first instance of external investors coming on board. It is also the second bootstrapped company to raise a substantial amount in Series A after Kota-based Allen Career institute bagged \$600 million from Bodhi Tree Systems.

PW will use the funds for business expansion, branding, opening more learning centres, and introducing extra courses.

PW currently has 5.2-million Google Play downloads with a 4.7 rating and 6.9 million subscribers on YouTube.

Unlike several edtech platforms like Byju's and Vedantu, who have now started to also create offline presence, PW has established more than 20 centres across 18 cities, with more than 10,000 students enrolled for the 2022-23 (FY23) session.

PW provides educational content in the form of lectures, videos, and notes. Over 10,000 students have cracked competitive exams like the National Eligibility Entrance Test and Joint Entrance Examination in 2020 and 2021. The platform also claims that at least one in six medical students and one in 10 engineering students in India are from PW.

Says WestBridge Capital Managing Director Sandeep Singhal: "The Indian edtech ecosystem has grown considerably in the past two years. However, recent developments have demonstrated the first-hand importance of an efficient edtech infrastructure. PW creates long-tail value for learners by delivering high-quality education at a reasonable price. PW is a rare start-up with a profound understanding of education that India today needs."

Founded in 2020 by Alakh Pandey and Prateek Maheshwari, PW focuses on competitive exam preparation (prep). It started off as a YouTube channel in 2016, with the two co-founders developing the application and website in 2020.

Unlike several edtech players, PW is also profitable. According to regulatory filings, its revenue for 2020-21 was Rs 24.52 crore and profit Rs 6.93 crore.

Says Alakh Pandey, founder and chief executive officer, PW: "Since inception, we have focused on delivering high-quality education with affordability at the forefront, ensuring learners from all walks of life continue their higher education and boost their career trajectory without any hassles."

Says GSV Ventures Managing Partner Deborah Quazzo: "Extraordinary entrepreneurs are democratising learning and skills delivery for 90 per cent of India still untouched by the edtech revolution. One such company is PW. Led by renowned YouTube STEM educator Pandey and tech executive Maheshwari, the company is disrupting the test prep market, delivering low-cost solutions of the highest quality with extraordinary learning outcomes for over 6 million students and growing."

The firm currently has 1,900 employees, including 500 teachers and 90-100 technology experts. It also has 200 associate professors available to answer student queries and another 200 professionals to create exam questions and term papers.

"The company has been profitable since inception, with positive cash flows and reserves," says Pandey, adding, "Our revenue saw a ninefold jump in 2021-22 over a year ago. Our current run rate for FY23 is \$65 million."

As part of its upcoming growth plans, PW is gearing up to launch educational content in nine vernacular languages, including Bengali, Marathi, Tamil, Telugu, Gujarati, Odia, Malayalam, and Kannada.

The core idea behind this step is to reach every nook and cranny of the country and connect with over 250 million students by 2025. The firm looks to bridge the accessibility gap by opening 20 offline coaching classrooms, called 'Paathshala', across India.