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redseer
Strategy Consultants

3rd September 2025

To

The Board of Directors

PHYSICSWALLAH Limited
Plot No. B-8, Tower A, 101-119, Noida One, Sector – 62
Gautam Buddha Nagar, Dadri, Noida 201 309
Uttar Pradesh, India

Kotak Mahindra Capital Company Limited
27BKC, 1st Floor, Plot No. C-27,
"G" Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051
Maharashtra, India

Axis Capital Limited
Axis House, 1st Floor,
Pandurang Budhkar Marg,
Worli, Mumbai 400 025
Maharashtra, India

Goldman Sachs (India) Securities Private Limited ("GS")
9th and 10th Floor, Ascent-Worli
Sudam Kalu Ahire Marg
Worli, Mumbai – 400 025
Maharashtra, India

J.P. Morgan India Private Limited
J.P. Morgan Towers, Off C.S.T Road
Kalina, Santacruz East
Mumbai 400 098
Maharashtra, India

(Kotak Mahindra Capital Company Limited, Axis Capital Limited, Goldman Sachs India Private Limited, and J.P. Morgan India Private Limited, are collectively referred to as the "**Book Running Lead Managers**" or the "**BRLMs**")

Ladies and Gentlemen

Subject: Proposed initial public offering of equity shares of face value of Rs. 1 each ("Equity Shares") by PHYSICSWALLAH Limited (the "Company") and such offering (the "Offer")

With reference to the captioned matter, we Redseer Strategy Consultants Private Limited **("We/ Redseer"),** hereby accord our no-objection and our consent to: (i) use of and references to our names to the extent of the information provided by us in our report titled "Education Market in India" dated 3rd September 2025 and enclosed herewith as **Annexure A (the "Report")** (ii) quoting of information or reproduction of content in relation to our Report including its contents or any extract thereof, being included in the Updated Draft Red Herring Prospectus ("**UDRHP-I**")/ Updated Draft Red Herring

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Prospectus -II ("**UDRHP-II**"), that the company intends to file with Securities and Exchange Board of India **(the "SEBI")** and the relevant stock exchanges where the Equity Shares of the Company are proposed to be listed (the "**Stock Exchanges**") and/or any other regulatory authority, as applicable, the red herring prospectus ("**RHP**") and the prospectus ("**Prospectus**") intended to be filed by the Company with the Registrar of Companies, Uttar Pradesh at Kanpur and thereafter with SEBI and the Stock Exchanges and in any addenda, corrigenda, supplements or notices to the UDRHP-I, UDRHP-II, RHP or Prospectus and any international supplement(s) of the foregoing ,preliminary international wrap and/or final international wrap for distribution to investors outside India) (collectively, the **"Offer Documents"**), and in roadshow/investor presentations, research reports or other marketing/publicity material prepared by the Company or the BRLMs in connection with the Offer and in accordance with applicable law (collectively with the Offering Documents ("**Offer Materials**")

We also confirm that we are independent consultants and we do not have any relation with the Company, its subsidiaries, its associates, its promoters, members of the promoter group, directors, key managerial personnel, the senior management personnel and the promoter selling shareholdings, as listed out in **Annexure B**, and the BRLMS to the Offer

We confirm that we are not, and have not in the past, been engaged or interested in the formation, or promotion, or management, of the Company. We also confirm that we do not have any other business relationship with the Company other than as set out in the engagement letter dated 30th October 2024. We confirm that as per our records, none of the Company, its directors, its promoter(s), members of the promoter group, subsidiaries, its key managerial personnel, and its senior management personnel, the promoter selling shareholders, as listed out in **Annexure B**, or the BRLMs to the Offer, is a related party with respect to us, as per definition of "related party" provided under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015, each as amended, as on date of this letter. Further, we are not related or have any kind of economic interest in the Company, promoter, Promoter group, KMPs, directly or indirectly.

We also give our consent to include the Report and this letter as part of the section titled "*Material Contracts and Documents for Inspection*" in the UDRHP-I, UDRHP-II, RHP and Prospectus which will be available for public inspection from the date of filing of the RHP until the Bid/Offer Closing Date and have no objection with you sharing/uploading the Report and this consent letter with any governmental, regulatory or judicial authority as required by applicable laws and/or regulations in relation to the Offer. Further, we consent to the Report and this letter being made available on the Company's website including a weblink to the Report and this letter in the Offer Documents in order to enable access thereto on the website of the Company. We also consent to disclose the date of our appointment pursuant to engagement letter dated 30th October 2024 for the purpose of preparing/commissioning this Report, in the Offer Documents

We also agree that such disclosures would be made only as deemed fit by the Company and the BRLMs and this letter does not impose any obligation on the Company to include in any Offer Materials all or any part of the information with respect to which consent for disclosure is being granted pursuant to this letter.

Subject to compliance with the terms hereof, we further confirm that there are no further consents, permissions, approvals or intimation required for reproducing the information contained in the Report in any Offer Materials. This consent will remain valid unless withdrawn in writing by us.

The Report represents a fair and true view basis available information; We have taken reasonable care to ensure that the same is neither exaggerated nor any underlying assumptions have or will be wilfully omitted.

The "Industry Overview" section has been updated with recent information, as applicable. We confirm that all statements that are not verifiable and substantiated with figures are deleted.

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We confirm that we and our associate company/ies (as defined under the Companies Act, 2013) do not hold any Equity Shares of the Company.

We confirm that all information contained in the Report has been obtained by us from sources believed by us to be true and reliable and after exercise of due care and diligence by us. We further confirm that we have, where required, obtained requisite consent that may be required from any authority or any other person (including any entity) in relation to any information used by us in the Report. We further confirm that the above information in relation to us is true, fair and correct and there is no untrue statement or omission which would render the contents of this consent letter misleading in its form or context. The Report is not a recommendation to invest/disinvest in any entity covered in the Report and the Report should not be construed as investment advice within the meaning of any law or regulation. RedSeer has prepared this report in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness.

We further consent to this letter being included for the records to be maintained by the BRLMs in connection with the Offer and in accordance with applicable law.

We represent that our execution, delivery and performance of this consent letter have been duly authorized by all necessary actions (corporate or otherwise).

We confirm that we will immediately communicate any changes in writing in the above information to the Company, BRLMs until the date when the Equity Shares that are allotted and/ or transferred in the Offer, commence trading on the Stock Exchanges. In the absence of any such communication [from us, BRLMs and the legal counsels, each to the Company and the BRLMs, can assume that there is no change to the above information until the Equity Shares commence trading on the Stock Exchanges pursuant to the Offer.

For the sake of clarity, this consent letter does not provide the right to the Company to name us as an expert on the Offer Materials.

Please ensure that wherever information from the Report is used in the Offer Materials or such other presentations, (i) proper reference of the Report as the source of such information is cited along with; and (ii) the Company should ensure that the information is presented in the same context as that in the Report and should not be selectively extracted and used in a manner that distorts the views expressed by us in the Report.

This consent letter can be relied on by the Company, the BRLMs and the legal advisors to each of the Company and the BRLMs. We hereby consent to the submission and disclosure of this consent letter and the Report as may be necessary to the SEBI, the Stock Exchanges, and any other legal, governmental, regulatory or judicial authorities and/or for any other litigation as may be required or pursuant to an order or request from such authorities.

We agree to keep the information regarding the Offer, your request and this consent letter in relation to the offer are strictly confidential.

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This consent letter, including any annexures hereto, is for information and for inclusion (in part or full) in the Offer Materials or any other Offer-related material, and may be relied upon by the Company, BRLMs and the legal counsel to each of the Company and the BRLMs in relation to the Offer.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Materials, as the case may be.

Yours faithfully,

For Redseer Strategy Consultants Pvt Ltd

Authorised Signatory

Name: Rohan Agarwal

Designation: Partner

CC:

Domestic Legal Counsel to the Book Running Lead Managers

Cyril Amarchand Mangaldas
Level 1 and Level 2, Max towers,
Plot No. C-001 /A/1, Sector 16 B,
Gautam Buddha Nagar, Noida – 201 301,
Uttar Pradesh, India

International Legal Counsel to the Book Running Lead Managers

Latham & Watkins
9 Raffles Place,
#42-02 Republic Plaza,
Singapore 048619

Domestic Legal Counsel to the Company

Shardul Amarchand Mangaldas & Co
Amarchand Towers
216, Okhla Industrial Estate Phase III
New Delhi 110 020, India

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Annexure A

Education Market in India

Section A: India's macro-economic landscape: A growth driven, resilient economy

A.1. Economy of India and its attractiveness

A.1.1. Indian Economy, fastest growing, expected to become world's 3rd largest by 2029

India is the 5th largest economy in the world with a nominal GDP estimated at ~ ₹324 trillion (~US$ 3.9 trillion) in CY2024. India's GDP grew 7% annually between 2019-2024, making it one of the fastest growing economies globally. As per International Monetary Fund (IMF), India is expected to become the 3rd largest economy of ~ ₹510 trillion (~US$ 6.1 trillion) by 2029. India's nominal GDP growth consistently outpaces that of other major economies such as the United States and China with projected CAGR of ~4% and ~5% respectively between 2024 and 2029.

Fig. 1: Real GDP YoY growth – India and global benchmarks
CY2018-CY2029P, in %

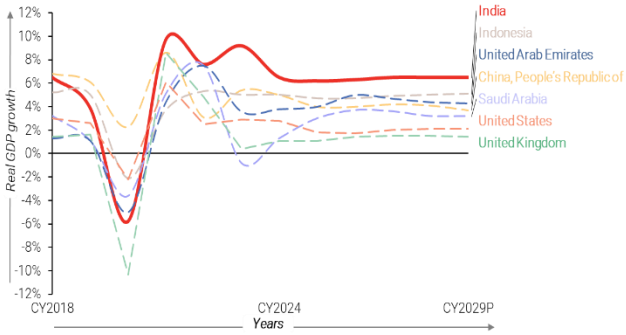
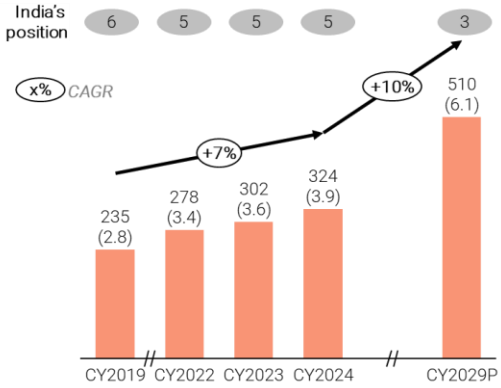


Fig. 2: Nominal GDP – India
CY2019, CY2022-2024, CY2029P, in ₹ trillions (US$ trillions)



Source(s): World Economic Outlook (April 2025)
Note(s): Conversion rate: 1 US$ = ₹ 83

A.1.2. Private Consumption is outpacing GDP growth and is expected to be a key driver of India's economic growth

India is a consumption driven economy, as evident by its large share of PFCE as a proportion of GDP. According to the Ministry of Statistics and Programme Implementation (MoSPI), PFCE comprises ~61% of GDP in FY2025, growing at ~10% between FY2019 and FY2025. With rising incomes and expanding middle-income households, India's private consumption is set to continue growing at a faster pace than GDP, laying a strong foundation for long term economic resilience and development.

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Despite this growth, India's PFCE-to-GDP ratio of ~61% in FY2025 remains lower than that of developed economies, such as the United States where consumption accounts for ~68% as of CY2024 of GDP. This underscores considerable potential for expansion within consumption driven sectors, highlighting India's significant growth prospects.

Fig. 3: PFCE at current prices – India
FY2019[2], FY2025[2], in ₹ trillions (US$ trillions)

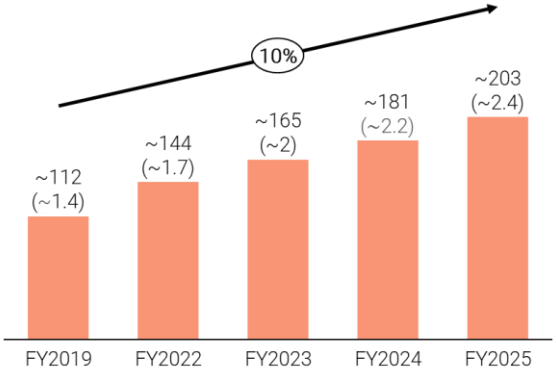
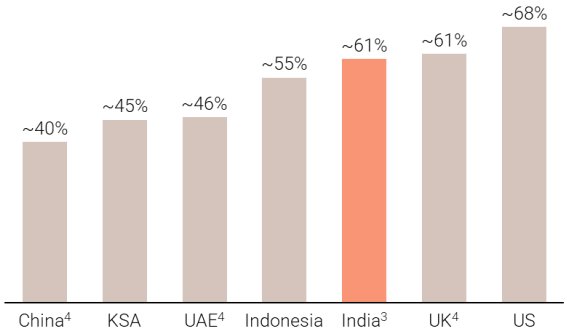


Fig. 4: PFCE as a % of GDP at current prices – India and global benchmarks
CY2024 unless specified, as % of GDP



Source(s): MoSPI, World Bank national accounts data
Note(s): 1. Conversion rate: 1 US$ = ₹83; 2. FY2019: 1st Revised Estimates have been considered, FY2025: Provisional estimates ("PE") have been considered; 3. India: Figures as of FY2025; 4. Figures are as of CY2023

India's economic trajectory is further strengthened by its GDP per capita, which crossed the ₹1,66,000 (US$ 2,000) mark in CY2019. This milestone is historically linked to surges in discretionary spending amid growing consumer demand. A comparable growth pattern was observed in China, which surpassed the threshold GDP per capita of US$ 2000 in CY2006. This led to a ~20% CAGR in Private Final Consumption Expenditure (PFCE) in China between 2007 and 2011, fuelling significant economic expansion. India's consumption growth is projected to accelerate, driven by the rising middle-income households and a young demographic. This dynamic is expected to stimulate demand across various consumer sectors.

Fig. 5: Nominal GDP per capita – India and China
CY1990-2030P, in US$

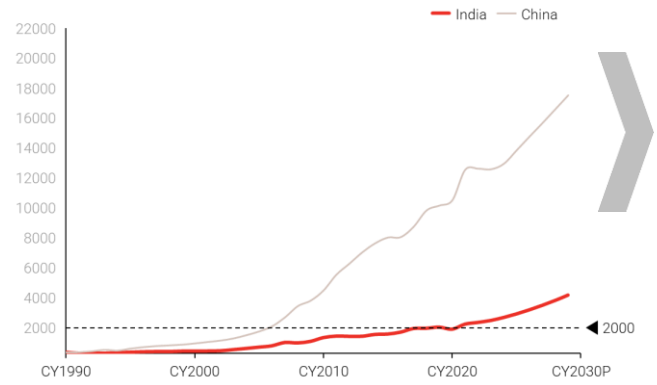
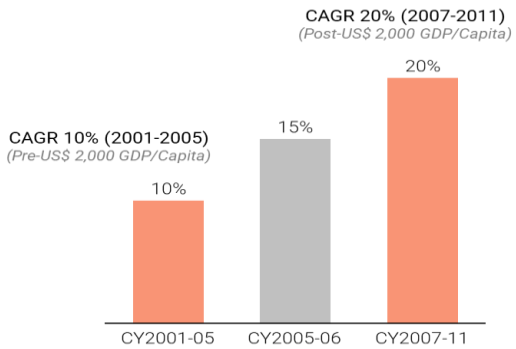


Fig. 6: PFCE (at Current Prices) CAGR[1] – China
CY2001-2011, in %



Source(s): World Bank national accounts data, World Economic Outlook (October 2024), United Nations, Redseer Research and Analysis

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Note(s): 1. CAGR for 5-year period (CY2001-CY2006) leading to milestone year CY2006 (China crossing GDP per capita of $2,000) and following 5 years (CY2007-CY2011) has been considered.

A.1.3. Rising middle-income households and young population is expected to shape the next stage of consumption in India

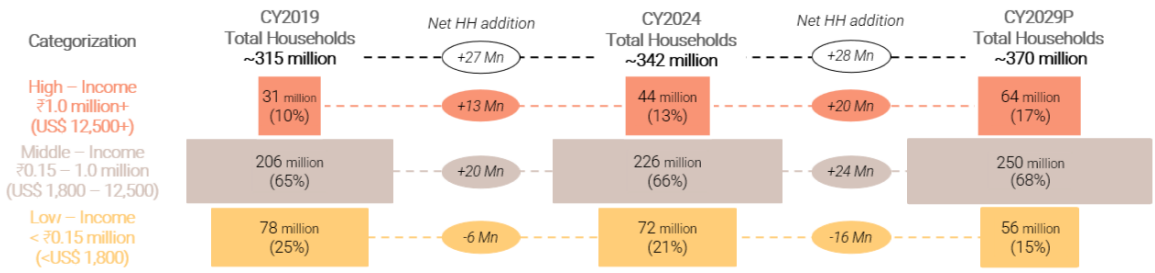
A.1.3.1. By CY2029P, middle-income households are expected to comprise ~68% of India, driven by the upward mobility of low-income households, particularly from Tier 2 and beyond cities

The number of middle-income households in India has increased from ~206 million in CY2019 to ~226 million in CY2024. This expansion is primarily driven by the upward mobility of low-income households, which has led to the addition of ~20 million household in the middle-income category between CY2019 and CY2024. Between CY2024 and CY2029, ~24 million households are projected to be added in the middle-income household category.

Following are the key driving factors for expansion of middle-income households in India:

- **Economic transition from agrarian based economy**: India's economy has experienced a notable structural shift over recent decades. As per MoSPI, aagriculture contribution to India's GDP has declined from about ~29% in 1990s to ~18% in FY2025 (Provisional Estimates), while the services and manufacturing sector contribute~55% and ~14%, respectively to India's GVA (Gross Value Added) in FY2025 (Provisional Estimates).
- **Workforce formalization**: According to the Employees' Provident Fund Organisation (EPFO), the number of new formal jobs in India has increased, from ~8 million in FY2020 to around ~13 million in FY2025, thus providing households with greater financial stability.
- **Rising incomes**: As per MoSPI, India's per capita GNI at current prices has increased from ~₹ 1,12,835 (~US$ 1,359) in FY2018 to ~₹ 2,31,462 (~US$ 2,789) in FY2025(Provisional Estimates)

Fig. 7: Households Split by Income[1] (annual income) category – India
CY2019, CY2024, CY2029P, in ₹ (US$), in millions, in %



Source(s): Redseer Research and Analysis
Note(s): 1. Incomes are calculated based on real wage growth, accounting for wage inflation; 2. Conversion rate: 1 US$ = ₹83

The growth of India's middle-income segment is primarily driven by Tier 2 and beyond cities. 65-70% of net additions to the middle-income segment between CY2024 to CY2029 is projected to come from Tier 2 and beyond cities. This surge is expected to be driven by decentralization of economic opportunities beyond Metro and Tier 1 cities, with businesses shifting operations from Metro and Tier 1 cities to under-penetrated Tier 2 and beyond cities, primarily to capitalize on untapped market potential and / or a more distributed workforce.

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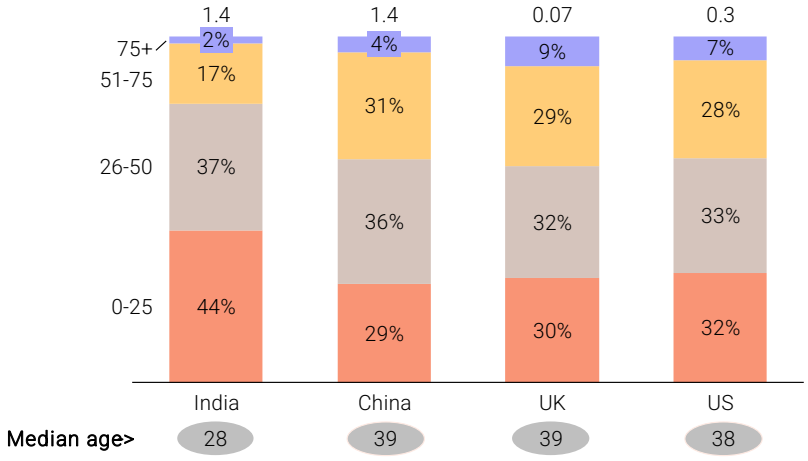
Government investments in infrastructure (initiatives such as the Smart Cities Mission and PM Gatishakti National Master Plan), combined with enhanced connectivity and digital penetration, are further accelerating income growth and consumption in Tier 2 and beyond cities.

A.1.3.2. The large young population within middle-income households to be key driver of India's expanding consumption demand

India's middle-income households, characterized by a young and dynamic demographic, are expected to drive India's consumption growth over the next decade. As per United Nations, as of CY2024, ~44% of India's population is estimated to be under the age of 25, and with the median age at 28 years, lower than that of other leading economies like China, the United Kingdom (UK) and the United States (US), having median ages of 39 years, 39 years and 38 years respectively. This young middle-income segment is increasingly prioritizing investments in essential categories like education and skill development.

Fig. 8: Population split by age – India and global benchmarks
CY2024, age in years, population in billions, in %



Source(s): United Nations, Redseer Analysis

A.2. Indian economy is resilient, driven by essentials category

A.2.1. Essential Categories are primary component of India's consumption basket

As per MoSPI, in FY2024, essential categories dominated India's consumption basket, comprising ~70% of monthly per capita consumption expenditure, a proportion higher than that in developed economies. For example, as per U.S Bureau of labour statistics, essential categories accounted for ~59% of consumption expenditure in the United States in CY2023.

In FY2024, education comprised ~51% of India's essential spending consumption basket (excluding food, healthcare, clothing, and utilities), making it one of the top five essential spending categories, according to MoSPI.

As household income increases, spending on essential categories like education will take precedence over other products and services as the aspiration to provide high quality education to children is of utmost importance, especially in middle income households. This focus on education as a path to economic advancement is expected to strengthen further as India's household income is projected to increase over the next 5 years.

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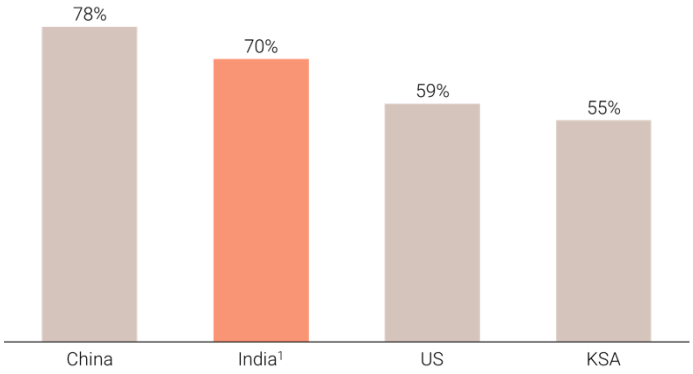
Fig. 9: Consumption expenditure on essential categories[2] – India and global benchmarks
CY2023, in %



Source(s): MoSPI, US Bureau of labour statistics, National Bureau of statistics of China, General Authority of Statistics
Note(s): 1. India: Figures as of FY2024; 2. Essential category coverage: China- Food, Tobacco and liquor, Clothing, Residence, Education, Culture and recreation, Health care and medical services; India- Food, Fuel and light, Education, Medical, Rent, Clothing, Bedding, Footwear, Tax and Cesses; United States (US)- Food, Housing, Apparel and services, Education Healthcare; KSA- Food And Beverages, Fabric, Apparel and Footwear, Education, Housing, Water, Electricity, Gas Fuels, Health

This high allocation of spends toward essential categories in India is driven by several factors:

- **Lower household income levels and limited disposable income**: As of CY2024, ~87% of Indian households are estimated to be classified within the low and middle-income segments, directing the majority of their expenditure towards core essential categories

- **Employment dynamics and income stability:** A large share of India's workforce in the informal sector lacks regular income streams and limited financial security, driving households to prioritize essential spending

- **Consumption patterns in rural areas:** As of 1st April 2025, ~68% of India's population resides in rural areas as per Ministry of Jal Shakti, where limited access to advanced consumer markets and services drives spending primarily on essentials

Alongside these factors, there is a strong cultural emphasis in India on education being an essential, long-term investment. Across income groups, families prioritize spending on education, viewing it as foundational to household well-being and future security.

A.2.2 Spending on essential categories is even more pronounced within the middle-income segment

Essential categories are regarded as fundamental and constitute a large share of middle-income household income, as reflected through various economic indicators:

- **Contribution Structural constraints on disposable income**: Middle-income households in India face limitations on disposable income due to restricted access to affordable credit and a need to prioritize savings for future security. These constraints direct spending primarily toward essential categories, as households focus on securing foundational needs over discretionary spending

- **Contribution of Tier 2 and beyond cities to consumption patterns:** With a significant concentration of middle-income households in Tier 2 and beyond cities, where lifestyle and discretionary spending

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options are more limited than in major metro cities, spending patterns lean heavily toward essential categories

- **Generational spending shifts:** Among India's middle-income households, there is a generational emphasis on essentials as investments in future stability. Increasingly, middle-income households are prioritizing investments in education, recognizing them as key enablers of long-term opportunities for upward income mobility

A.2.3. Anchored on essential spending, India's economy remains resilient against global uncertainties

India's economy has consistently demonstrated resilience in the face of global economic fluctuations, supported by the stability provided by its core essential consumption structure. This emphasis on essential categories sustains steady domestic demand, insulating the economy from sharp declines experienced by more discretionary spend driven markets like United States.

Few global situations illustrating this resilience include:

- **Global financial crisis - 2008:** During the 2008 Global Financial Crisis, India demonstrated resilience in consumer spending compared to many other major economies. According to the World Bank, while countries such as the United Kingdom and the United States saw a decline in PFCE with negative CAGRs of ~ -2% each, India's PFCE continued to grow at a positive CAGR of ~14% during CY2008-2009.

- **COVID-19 pandemic:** In FY2020, as the global economy contracted sharply due to the COVID-19 pandemic, India's consumer spending demonstrated resilience. Post the contraction in FY2020 due to the pandemic, India's PFCE rebounded strongly, with a CAGR of ~19% for the period CY2020-2021. According to the World Bank, India's rebound outpaced other major economies, followed closely by Saudi Arabia (~14%), China (~13%), the United States (~13%), the United Kingdom (~10%) and Indonesia (~4%). This stability in India's essential spending categories during a global crisis reflects the robustness of its domestic consumption base and the essential nature of key consumer categories.

Fig. 10: PFCE (at Current Prices) CAGR – India and global benchmarks
CY2008-2009, in %

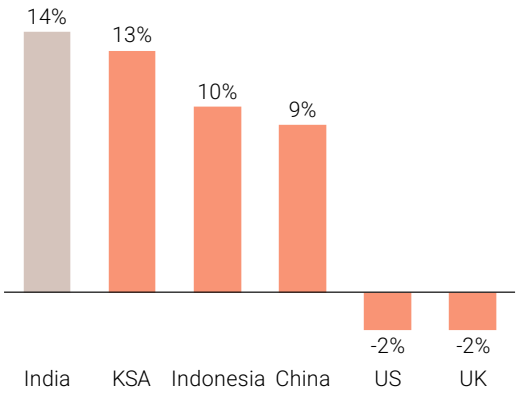
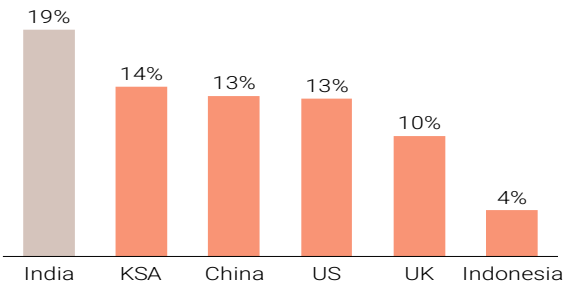


Fig. 11: PFCE (at Current Prices) CAGR – India and global benchmarks
CY2020-2021, in %



Source(s): World Bank national accounts data

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Section B: The internet as a key enabler of India's consumption growth

B.1. India's consumer internet landscape: a rapid digital transformation

B.1.1. India's consumer internet funnel has matured significantly, with a large base of digital transactors

India's digital economy is one of the largest and fastest growing globally, with an estimated internet user base of 810-840 million in CY2024, projected to reach 1,018-1,190 million by CY2030. Internet penetration is projected to increase from ~58% in CY2024 to 68-79% by CY2030, growing at a CAGR of 4-6% between CY2024 and CY2030. This rapid growth in digital user base highlights India's transition toward a digitally inclusive economy.

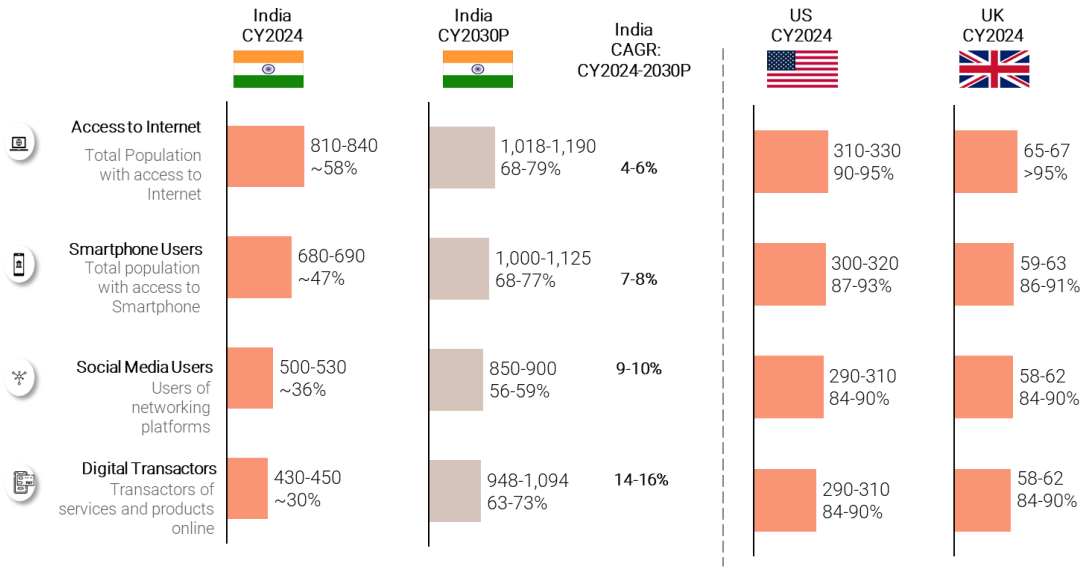
Smartphones are the primary driver of growth in internet users, serving as the primary device for internet access and content consumption. India is estimated to have 680-690 million smartphone users (~47% of the population) in CY2024. Smartphone users are projected to become 1,000-1,125 million (68-77% of the population) by CY2030, growing at a CAGR of 7-8% between CY2024 and CY2030. According to MoSPI, as of FY2023, ~95% of households owned a mobile phone, compared to ~10% of households having a desktop.

Rising digital adoption and growth of social media in India enabled users to connect with other users and create online communities, forming online groups, forums and societies that drive engagement and collaboration. Platforms like YouTube have emerged as key facilitators, serving both as content hubs and entry points. In India, there are an estimated 500–530 million social media users in CY2024. According to Data Reportal, internet users aged 16–64 in India spend an average of ~6.75 hours online daily.

The growing confidence in digital platforms is reflected in online transactions, with 430-450 million users estimated to transact online for banking, payments, e-commerce, and education in CY2024, a figure projected to increase to 948-1,094 million by CY2030.

Despite this rapid growth, India has significant headroom for expansion compared to developed economies. The United States has an internet penetration of 90-95%, while the United Kingdom exceeds 95% estimated as of CY2024, underscoring the untapped potential in India's digital ecosystem.

Fig. 12: Consumer internet funnel – India
CY2024, CY2030P, in million users, as % of total population



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Source(s): Redseer Research and Analysis
Note(s): Digital transactors include individuals who use digital payment platforms and technologies like Google Pay, PhonePe, other mobile and digital payment applications that facilitate electronic financial transactions.

B.1.2. Low data costs, affordable smartphones, regulatory support and evolving consumer behaviour are among the key drivers that have created robust tailwinds for India's digital economy

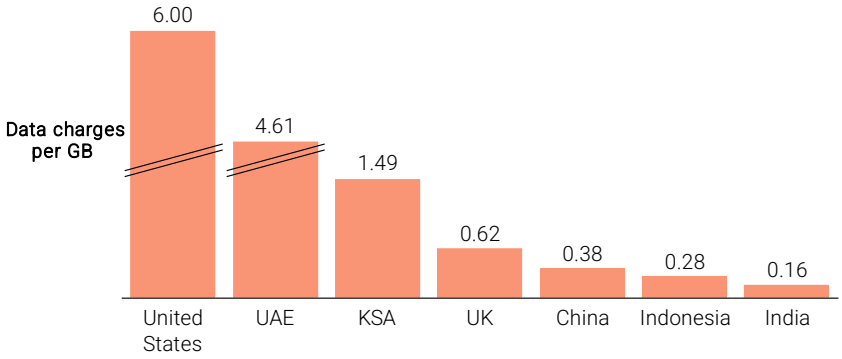
India's digital landscape has seen unprecedented growth, driven by a combination of structural and demographic shifts.

Factors driving the rapid growth of internet adoption in India:

B.1.2.1. Affordable smartphones: In developed economies, users typically transition from Personal Computers (PC) to mobile, while in countries like India, smartphone adoption has leapfrogged PCs.

B.1.2.2. Affordable data costs enabling widespread access: India has one of the most affordable data prices globally, at ~₹13 (~US$ 0.16) per GB, compared to the global average of ~₹217 (~US$ 2.61) per GB. This low cost data has democratized internet access, enabling millions of Indians from diverse income groups, including Tier 2 and beyond cities, to access the internet. In India, data consumption per user averages 24.1 GB per month in 2024, one of the highest in the world, and this high usage, driven by affordable pricing, has been pivotal in sustaining digital engagement.

Fig. 13: Data charges – India and global benchmarks
CY2023, In US$



Source(s): Cable.co.uk

B.1.2.3. Regulatory support and government initiatives: The Government of India has been consistently working towards advancing digital transformation across India, driving initiatives to improve connectivity, expand infrastructure, and promote digital literacy. This push has laid the foundation for a more inclusive digital economy, where accessibility and affordability are prioritized to bridge the urban-rural divide.

Few examples of such initiatives are illustrated below:

B.1.2.3.1. Digital India initiative: Launched in CY2015, this initiative has been instrumental in expanding digital infrastructure, enhancing connectivity, and promoting digital literacy. The initiative encompasses multiple projects aimed at creating a digitally empowered society

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Table. 1: Key initiatives under Digital India

Source(s): Redseer Research

S. No.	Key Initiatives	Description	Impact
i.	**Universal Access to Mobile**	It was launched in 2017 to provide mobile connectivity to over 55,600 villages in India	As of December 2023, over 6 lakh villages were provided with mobile and internet connectivity
ii.	**Pradhan Mantri Gramin Digital Saksharta Abhiyaan (PMGDISHA)**	It was launched in CY2017 to help people in rural areas become digitally literate. The scheme aimed to cover 6 crore rural citizens by March 2020, achieving ~40% rural households by targeting one member from every eligible household	As of March 2024, ~7.42 crores beneficiaries were registered, of these, ~4.83 crores beneficiaries were certified
iii.	**BharatNet**	It was introduced in CY2012 (renamed from National Optical Fibre Network in CY2015) to connect all ~2.5 lakhs Gram Panchayats (GPs) in the country and provide 100 Mbps internet connectivity	As of September 2024, there were ~2.1 lakhs service ready GPs

B.1.2.3.2. The Telecom Regulatory Authority of India (TRAI): TRAI has implemented multiple measures to improve network quality, increase bandwidth availability, and promote fair practices in telecom and internet services. Key initiatives include:

- 5G expansion: According to GSMA's Report "5G Solutions and Opportunities in India 2024", 5G adoption in India is expected to grow rapidly, where~50% of the total mobile connections in India to be 5G connections by 2030, significantly enhancing internet speed and connectivity
- *National Digital Communications Policy (NDCP-2018), "Fibre first initiative":* TRAI's Fibre First initiative under NDCP-2018 focuses on expanding fibre connectivity to homes, enterprises, and key institutions across Tier 1, Tier 2 and beyond cities, further supporting India's digital infrastructure

B.1.2.3.3. Evolving consumer behaviour towards digital consumption: India is witnessing a structural shift toward digital adoption, driven by increasing UPI penetration, evolving consumption habits, and COVID-19 impacts.

- Initiatives like BHIM Aadhaar Pay and Bharat QR Code has boosted digital payments, with UPI transactions value reaching ~₹ 3,659 trillion (~US$ 44 trillion) in FY2024 as per Public information Bureau
- Sustained internet usage has fostered a "digital-first" mindset, driving engagement in digital learning, social media, OTT streaming, online gaming, and shopping
- The COVID-19 accelerated digital adoption, digital payment volumes increased from ~31 billion in FY2019 to ~187 billion in FY2024

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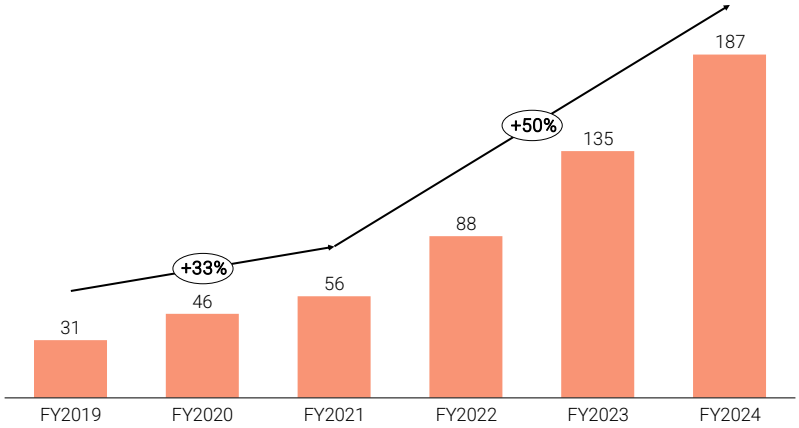
Fig. 14: Volume of digital payment transactions - India
FY2019-2024, In billions, in %



Source(s): Public Information Bureau (PIB) – Ministry of Finance

B.1.3. Consumers in Tier 2 and beyond cities have benefited the most from digital transformation, as the internet has bridged gaps in social infrastructure (e.g., access, affordability, and quality of essential services)

Consumers in Tier 2 and beyond cities, primarily from low and middle-income households, have historically faced challenges in accessing quality essential products and services due to limited infrastructure, high costs, and unorganized supply chains.

For instance, education was constrained by a limited presence of national institutions, teacher shortages, and lower literacy rates of 77% in rural areas compared to 88.9% in urban regions in FY2023, as per MoSPI. Similarly, healthcare access was restricted by a lack of medical facilities and skilled professionals. Retail also faced inefficiencies due to fragmented supply chains, which led to higher costs and limited product availability.

Internet has emerged as a powerful tool in overcoming these barriers, driving growth and accessibility for consumers in Tier 2 and beyond cities.

- **Improved access to essential services:** The internet has enabled remote access to critical services such as education, healthcare, and financial systems. For example, online education has expanded learning opportunities for students in underserved regions, reducing reliance on physical infrastructure
- **Enhanced affordability through digital solutions:** Digital platforms have lowered the cost of accessing essential services by eliminating intermediaries and leveraging economies of scale. Unified Payments Interface (UPI) has made financial transactions seamless and cost effective, while online education platforms provide affordable courses and certification courses that were previously accessible only through costly offline institutions
- **Improved quality of products and services:** Internet connectivity has allowed organized businesses to enter Tier 2 and beyond cities, offering standardized and high-quality products and services. This includes better learning outcomes through structured online education courses and increased trust in financial systems through secure and reliable digital payment platforms
- **Enhanced financial inclusivity**: Access to digital transactions and ease of credit due to digital platforms and UPI has led to increase in availability of retail products in tier 2 and beyond cities, enabling more people to participate in purchasing from a broader suite of products

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B.2. India Consumer Internet market overview

B.2.1. India Consumer Internet market is projected to become ~2x by FY2030, Tier 2 and beyond cities to be a major driver of growth

India consumer internet market is estimated to be ₹11.5-12.5 trillion (US$ 0.14-0.15 trillion) in FY2025. With digital adoption expanding rapidly, the market is projected to grow at a CAGR of ~19% over the next 5 years to reach ₹27-29 trillion (US$ 0.33-0.35 trillion) in FY2030, driven by increased digital engagement, rising consumer demand, and a structural shift towards online transactions across various categories.

Following are the key growth drivers of consumer internet market:

B.2.1.1. Digital adoption and evolving consumer behaviour: Widespread digital adoption, driven by increasing smartphone penetration and affordable data, has enabled deeper internet access across India. Changing consumer preferences towards convenience, personalization, and on demand services is further fuelling growth.

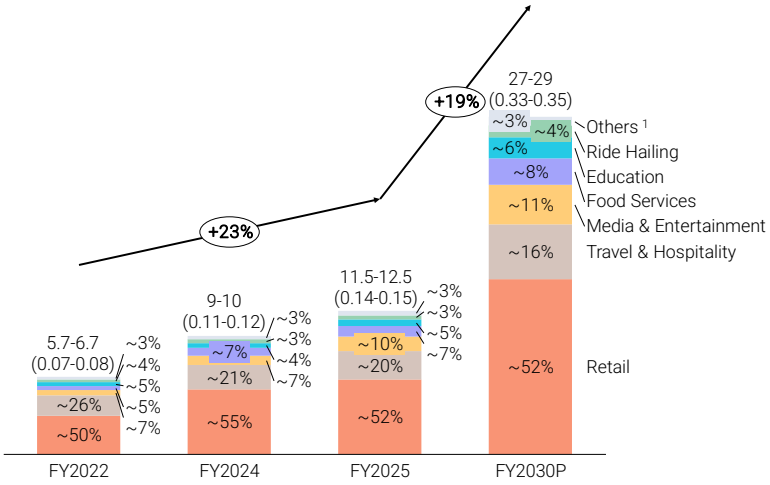
B.2.1.2. Infrastructure and supply chain advancements: Investments in logistics and supply chain infrastructure, including last mile delivery networks and warehousing, have significantly improved service efficiency and scalability. Innovations in technology, such as real time tracking, are further optimizing delivery models.

B.2.1.3. Tier 2 and beyond market expansion: Rising internet penetration digital platforms in Tier 2 and beyond cities are unlocking new customer segments. This expansion is enabling businesses to tap into underserved markets, driving both user base growth and higher transaction volumes.

B.2.1.4. Policy and ecosystem support: Government initiatives, such as the promotion of digital payments through UPI and the "Digital India" campaign, combined with a vibrant start-up ecosystem, are fostering innovation and collaboration across sectors, propelling the consumer internet economy forward.

The consumer internet market is diverse, comprising several core categories, including online retail, online education, online travel & hospitality, online food services, etc. Online retail, encompassing segments like grocery, fashion, and beauty, remains the largest contributor forming ~52% of the overall consumer internet market in FY2025 and will continue to be a majority share until FY2030, reflecting consumer's growing comfort with online purchases for daily essentials.

Fig. 15 (a): India Consumer Internet Market split by category
FY2022, FY2024-25, FY2030P, In ₹ trillions (US$ trillions), in %



Source(s): Redseer research and analysis
Note(s): 1. Others include e-Health & Wellness market, Use car market, Online ticketing market
2. Conversion rate: 1 US$ = ₹ 83

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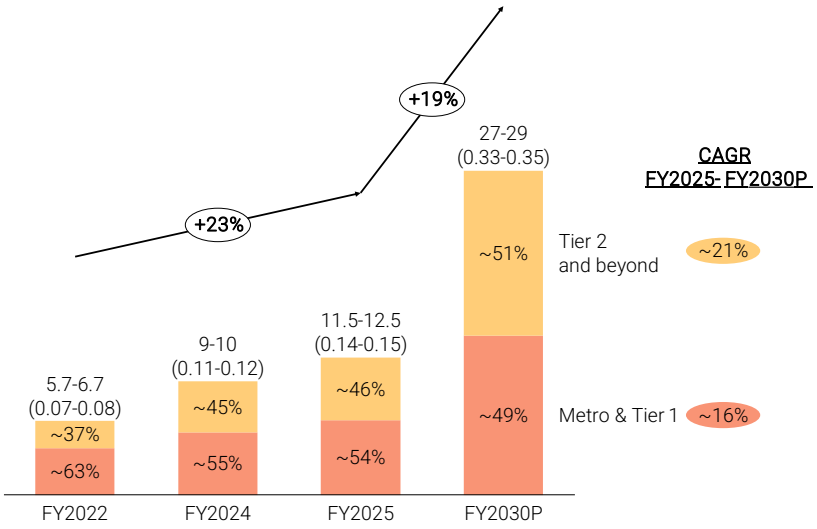
Tier 2 and beyond cities comprise ~46% of the consumer internet market in FY2025 and is projected to increase to ~51% by FY2030. Consumers in these cities, once constrained by limited access to quality products and services, are now increasingly engaging in digital commerce. With rising aspirations, disposable incomes, and demand for convenience, Tier 2 and beyond cities are playing a vital role in driving the scale and resilience of Indian's consumer internet market

Fig. 15 (b): Indian Consumer Internet Market split by city tier
FY2022, FY2024-25, FY2030P, In ₹ trillions (US$ trillions), in %`



Source(s): Redseer research and analysis
Note(s): 1. Conversion rate: 1 US$ = ₹ 83

B.2.2. Amongst consumer internet sectors in India, online education is one of the most underpenetrated and is poised for accelerated growth

India's overall consumption market is estimated at ₹120-140 trillion (US$ 1.5-1.7 trillion) in FY2025, with consumer internet market penetration of 14-15%. Within the consumer internet market, online penetration in key categories such as online travel & hospitality, online food services, and online retail is estimated at 35-40%, 9-12% and 7-10% respectively in FY2025. In contrast, online education, estimated at ~4% of overall education market in FY2025, represents one of the most underpenetrated sectors, underscoring a significant growth opportunity. The online education market is well positioned for rapid expansion, driven by increasing digital adoption, structural shifts towards online learning, and a growing preference for accessible and scalable technology-based education solutions.

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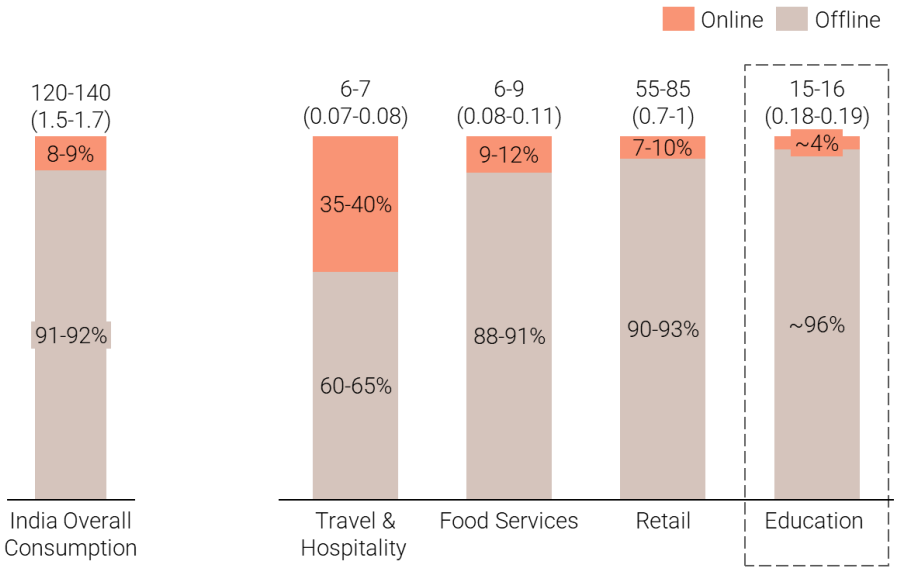
Fig. 16: India Overall Consumption Market and Online Penetration – Overall vs key sectors
FY2025, In ₹ trillions (US$ trillions), in %



Sources(s): Redseer research and analysis
Note(s): 1. Only a few major consumer sectors have been highlighted to illustrate the extent of online penetration; 2. Conversion rate: 1 US$ = ₹ 83

B.2.3. The essential nature of education drives its sustained demand, positioning it as a fundamental household necessity

Online education is categorized as an essential consumer internet category, that addresses the fundamental needs of households and demonstrates greater resilience during economic downturns. Online education has sustained demand as households prioritize spending on essentials, even amidst financial constraints. For instance, during the COVID-19 pandemic, the online education grew at a CAGR of ~63% between FY2020 and FY2022, as households adopted alternative solutions to ensure uninterrupted education, which is viewed as a necessity. Similarly, during the Global Financial Crisis of 2008, the education sector remained resilient with the expenditure of central educational department increasing steadily from ~₹239 billion in FY2007 to ~₹268 billion in FY2008 and ~₹344 billion in FY2009.

In contrast, discretionary categories such as online travel grew at a lower CAGRs of ~4%, during the same time. These segments are closely linked to disposable income, making them more susceptible to economic fluctuations. During periods of economic slowdown, these categories experience reduced demand as households curtail non-essential expenditures highlighting the differentiated growth dynamics between essential and discretionary consumer internet categories.

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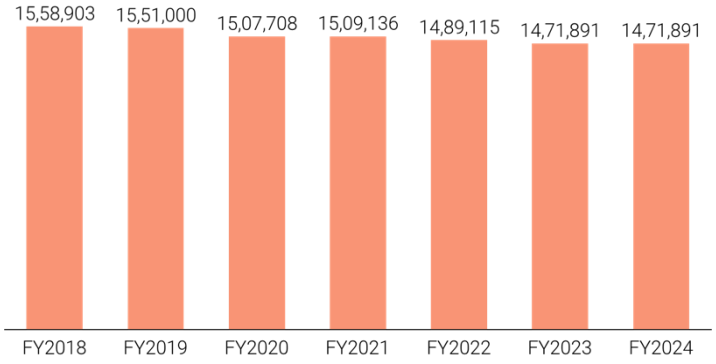
Section C: India's education market

C.1. INDIA EDUCATION MARKET LANDSCAPE

C.1.1. India has a large population under the age of 25 (~44%) that is driving demand for education supported by a vast network of schools, colleges, and universities

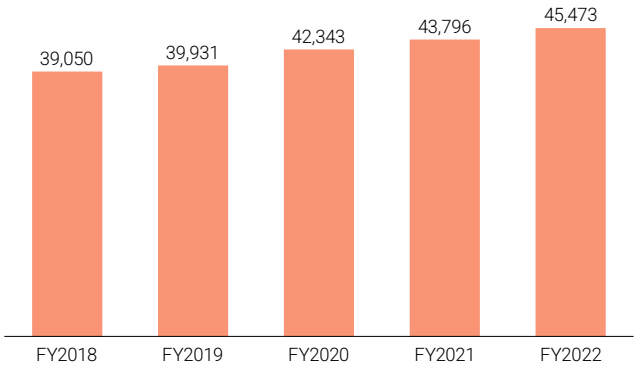
India's education sector ranks among the largest worldwide, driven by its scale and continued investment in infrastructure and quality. As per All India Survey of Higher Education (AISHE), the number of universities increased from 903 in FY2018 to 1,168 in FY2022, while colleges grew from 39,050 to 45,473 during the same period. The number of schools in India stood at 14,71,891 in FY2024 as compared to 15,58,903 in FY2018. This decrease can be largely attributed to the impact of the pandemic that led to the closure of some schools during the nationwide lockdown. Additionally, the consolidation of government schools by various states has contributed to the recent drop in the number of schools. Despite these challenges, the scale of India's young population under 25 underscores the critical role of the Indian education system in meeting the needs of a growing population and its potential for further development and expansion.

Fig. 17 (a): Number of schools in India
FY2018-2024, in numbers



Source(s): Unified District Information System for Education (UDISE) - FY2018-2024

Fig. 17 (b): Number of colleges in India
FY2018-2022, in numbers



Source(s): All India Survey on Higher Education (AISHE)

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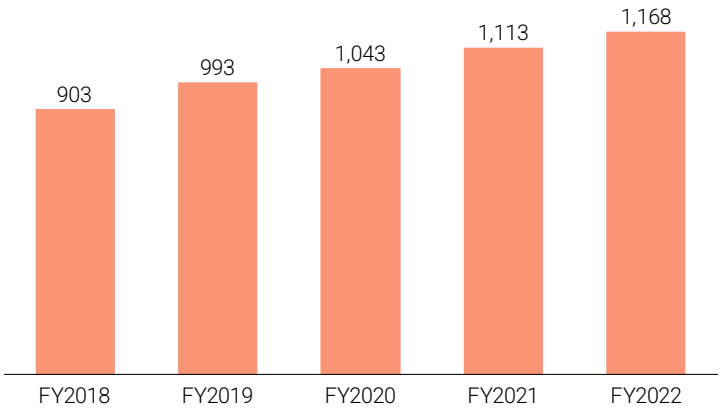
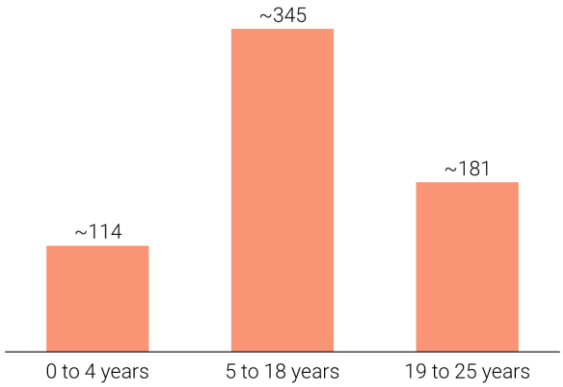
Fig. 17 (c): Number of universities in India
FY2018-2022, in number



Source(s): All India Survey on Higher Education (AISHE)

Population less than 25 years contributes to ~44% of India's population in CY2024. Out of them, ~54% are in school going age of 5-18 years and ~28% are in the college and university going age of 19-25 years. Additionally, there are those who pursue further education post higher education, be it professional courses or upskilling beyond the age of 25 years.

Fig. 18: Population by age group (in 0-25 years)– India
CY2024, population in millions



Source(s): United Nations

C.1.2. India's education sector presents growth opportunities by bridging gaps in access to quality education, teacher supply and infrastructure

C.1.2.1. Improving access to quality secondary education at affordable prices is key to addressing India's dropout challenges

According to UDISE, the dropout rate at the secondary level (Std. 9-10) in India was at 14.1% in FY2024. This highlights systemic challenges, including economic pressures leading to early workforce entry, limited access to quality secondary schools. Addressing these issues by enhancing access to quality secondary education and improving infrastructure presents a significant opportunity to reduce dropout rates in India.

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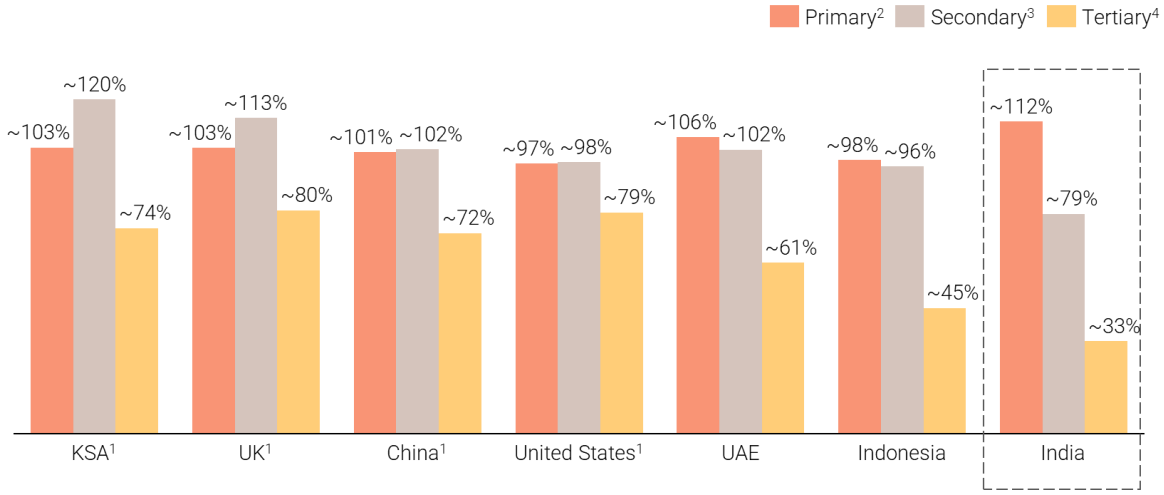
C.1.2.2. India's low Gross Enrolment Ratio (GER) at the secondary and tertiary level highlights a significant opportunity to address gaps in student retention

The United Nations Educational, Scientific and Cultural Organization (UNESCO) defines GER as the total enrolment in a specific level of education, regardless of age, expressed as a percentage of the eligible official school age population corresponding to the same level of education in a given school year. A GER below 100 means a gap in access to education, whereas a GER above 100 means inclusion of over aged or under aged students and standard repetition.

India's school density highlights limited access to secondary education, especially in rural areas presenting opportunities for infrastructure expansion. As per UDISE, India had 5.9 schools per 1,000 children in FY2024, underscoring the limited access to education. This issue is more pronounced in rural areas, where access to secondary education remains limited. Enhancing secondary school infrastructure in rural areas presents a significant opportunity to improve access and reduce educational disparities. Similarly, the AISHE reported 1.05 universities per 1,000 higher education enrolments in FY2022.

Fig. 19: Gross Enrolment Ratio – India and global benchmarks
CY2023, in %



Source(s): World Bank national accounts data and United Nations Educational, Scientific and Cultural Organization (UNESCO)
Note(s): 1. Figures are for CY2022; 2. Primary: Std. 1-8; 3. Secondary: Std. 9-12; 4. Tertiary: Higher education

As per World Bank and UNESCO, in CY2023, India had a lowest GER compared to countries such as KSA, the United Kingdom, the United States, China, Indonesia and UAE at the secondary and tertiary levels.

Despite high primary enrolment in India, many students discontinue education at secondary and tertiary levels, reflecting a notable gap in GER. However, the low GER in India signifies the vast population eligible for formal education, presenting opportunities for industry players.

C.1.2.3. Improved teaching methods and access to supplementary learning resources are key to improving transition rates from secondary to higher secondary education

The transition rate measures the percentage of students progressing from one standard to another. According to UDISE data, the transition rate from primary to upper primary (Std. 5 to 6) stands relatively high at 88.8%. However, this rate declines as student progress, dropping to 83.3% from upper primary to secondary (Std. 8 to 9), and further to 71.5% from secondary to higher secondary (Std. 10 to 11) in FY2024. This relatively low rate highlights challenges such as high dropout rates, shortage of qualified teachers, inadequate teaching methods, and limited access to supplementary learning resources. The industry faces high demand and intense

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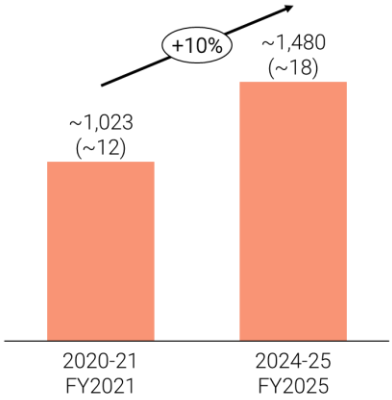
competition for talent, reinforcing the need for targeted interventions and resource enhancements to improve educational outcomes.

These metrics highlight the structural gaps in India's education system, particularly in terms of equitable access and teacher quality. However, they also underscore a substantial opportunity to invest in scaling infrastructure and adopting innovative technology driven education models to improve learning outcomes.

C.1.3. The government spending on education in India is steadily increasing in order to transform the education sector

India's expenditure on education has been increasing steadily over the years. As per Public Information Bureau report in FY2021, the budget allocation for education, employment and upskilling was ~₹1,023 billion (~US$ 12 billion), which increased to ~₹1,480 billion (~US$ 18 billion) in FY2025. The increasing government spending reflects its effort to broaden access to quality education and address emerging needs such infrastructure improvements and digital learning.

Fig. 20: Total budget allocation for education, employment and upskilling - India
FY2021, FY2025, In ₹ billions (US$ billions)



Source(s): Public Information Bureau (PIB) – Ministry of Education, World Bank national accounts data
Note(s): 1. Conversion rate: 1 US$ = ₹ 83

Government spending on education as percentage of GDP in India remains lower as compared to developed economies. According to the World Bank data in CY2022, Government expenditure on education as percentage of GDP in India was ~4.1%, compared to ~5.4% in United States and ~5.0% in UK.

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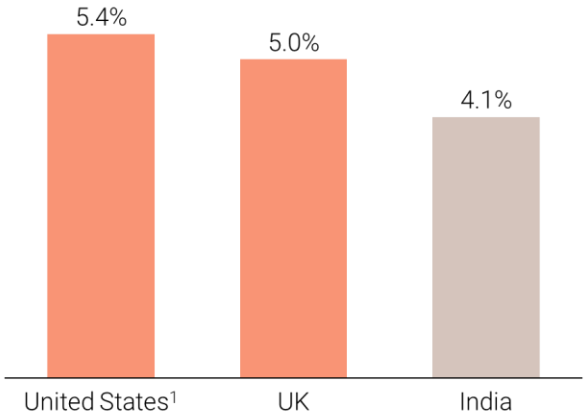
Fig. 21: Government expenditure on education
CY2022, As a % of GDP



Source(s): World Bank national accounts data
Note(s): 1. Figure as of CY2021

According to Ministry of External Affairs - Government of India, ~1.33 million Indian students went to foreign universities for higher education in 2024, highlighting gaps in domestic higher education infrastructure and opportunities. However, strategic investments by Indian Government in competitive institutions aligned with global standards are expected to reverse this trend. As more students choose to study in India, there will be an uptick in the spend towards education that will further fuel the growth of the Indian education market, driving domestic expansion and value creation.

C.1.3.1. The Indian government has introduced several progressive education policies to enhance accessibility, quality, and inclusivity

Some of the key government initiatives include:

- **Rashtriya Uchchatar Shiksha Abhiyan (RUSA):** RUSA has strengthened India's higher education ecosystem by providing strategic funding to state universities and colleges, improving infrastructure, enhancing teaching capacity, and boosting enrolment rates
- **Institutions of Eminence (IoE):** IoE has empowered select universities with autonomy, fostering innovation in teaching and research. As per Public Information Bureau, several Indian institutions like the Indian Institute of Technology Bombay, Indian Institute of Technology Delhi, and University of Delhi, rank among the top 500 globally in the Quacquarelli Symonds (QS) World University Rankings 2025
- **Samagra Shiksha Scheme:** With an approved financial outlay of ~₹2,942 billion (US$ 35.4 billion) from FY2022 to FY2026, this programme spans pre-school to Std. 12, focusing on equitable learning outcomes, improved teacher training, and expanded access to quality education
- **Skill India:** An initiative designed to bridge the gap between workforce skills and industry demands. The program delivers curriculum driven training, equipping participants with certifications endorsed by industry recognized learning centers that aims to create a job ready workforce and enhance employability across key sectors

C.1.3.2. The National Education Policy (NEP) 2020 is revolutionizing education by enhancing accessibility, fostering skill development, and aligning stakeholders with global standards

NEP 2020 is transforming India's education landscape with a focus on expanding access, fostering global competitiveness, and promoting sustainability. India's Gross Enrolment Ratio (GER) in higher education level stood at ~33% in CY2022, according to the World Bank. The NEP aims to bridge this gap, with a target to raise this to 50% by 2035. Initiatives like international collaborations and foreign university partnerships

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position India as a global education hub, while its emphasis on digital literacy, environmental awareness, and 21st century skills align with global sustainable development goals (SDGs), driving a future-ready education system.

Key benefits to stakeholders:

- **Students:**
  - *Holistic skill development* balances cognitive skills like critical thinking, literacy and numeracy with soft skills like teamwork, leadership and cultural awareness to create well-rounded, future-ready learners
  - *Foundational ECCE* ensures universal, high-quality Early Childhood Care and Education (ECCE) for ages 3-6, establishing strong early learning foundations
  - *Multilingual education* leverages mother tongue/local languages to improve comprehension and retention, driving better early-stage outcomes
  - *Flexible pathway* through the advent of online, distance, and traditional degrees democratizes education, unlocking access for diverse demographics
  - *Lifelong learning access* expands opportunities through online and vocational programs, equipping learners with adaptive skills for a rapidly evolving workforce
- **Education Providers:**
  - *Blended and multidisciplinary pedagogy* encourages institutions to adopt multidisciplinary curriculum, technology integration, and blended learning models to enhance engagement and reach
  - *National Research Foundation (NRF)* promotes collaboration among institutions and research bodies to enhance research quality and innovation
  - *Expansion of online education* by equating online and offline degrees, NEP broadens the market for online platforms, creating opportunities to democratize education and deliver at scale
  - *Teacher development* through continuous teacher training and development frameworks ensure teachers are equipped to adopt modern and inclusive pedagogical methods
  - *Technology integration* promotes digital infrastructure development (e.g., National Educational Technology Forum) to facilitate blended learning, personalized education, and content delivery at scale
- **Industry:**
  - *Skilled workforce pipeline* with focus on vocational education, internships, and apprenticeships from school through higher education equips students with job ready skills tailored to industry demands
  - *Public-private partnerships* by enabling collaborations with educational institutions, NEP encourages industries to play a key role in curriculum design, training delivery, and research initiatives
  - *Global competitiveness* through NEP's alignment with global standards ensures a workforce ready to meet global demands, positioning India as a hub for skilled professionals

C.1.3.3. The Indian government is driving flexibility and inclusivity by enabling hybrid models through digital platforms

Recognizing the need for flexible education dissemination, government is integrated digital platforms with traditional learning, driving accessibility and inclusivity.

- **SWAYAM (Study Webs of Active Learning for Young Aspiring Minds):** Over 13,380 courses have been offered to more than 46 million learners as of December 2024 according to their website, bridging the digital divide and providing self-paced, flexible learning options, particularly benefiting students in Tier 2 and beyond cities

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- **DIKSHA (Digital Infrastructure for Knowledge Sharing):** With ~5.56 billion learning sessions as of December 2024, as per their website, DIKSHA provides curated resources to teachers and students, enhancing classroom quality and supporting hybrid education models in underserved regions

C.1.3.4. The government initiated public-private partnerships to enhance education quality and provide upskilling opportunities

- **Skill India initiative:** Under the Government of India's Skill India Mission, the Ministry of Skill Development and Entrepreneurship provides skill, re-skill and up-skill training through a wide network of centres/colleges/institutes etc. under key schemes like Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Jan Sikhshan Sansthan (JSS), National Apprenticeship Promotion Scheme (NAPS) and Craftsman Training Scheme (CTS)
- **National Education Alliance for Technology (NEAT):** Implemented by the All India Council for Technical Education (AICTE), this scheme leverages the public-private partnership model to foster collaboration between online education companies, academic institutions, and students

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C.1.4. Technology is enabling scalable, personalized learning solutions that bridge access and infrastructure challenges

Use of technology and innovative solutions in education is driving a paradigm shift by addressing systemic gaps in India's education system, widening accessibility, enhancing inclusivity, and prioritizing student centric learning. The market is characterized by continual updates in curriculum, teaching, and testing methods. The shift towards digital or virtual has enabled faster adaptation, real-time content updates, and more effective learning models. Below are the keyways in which online education is transforming the Indian education sector:

C.1.4.1. Widening access to education: Online education platforms are scaling access to quality education in underserved Tier 2 and beyond cities by reducing reliance on physical infrastructure. By leveraging digital delivery at scale, these platforms connect students with qualified teachers, addressing gaps in teacher availability and broadening their reach.

C.1.4.2. Affordable and free learning resources: The availability of free educational content on platforms like YouTube has significantly reduced cost barriers. Free content offered by online education platforms allow students to access educational content for free, with the option to upgrade to premium content, democratizing access to quality education.

C.1.4.3. Student centric and flexible learning: Online education platforms prioritize individual learner needs through personalized content, flexible schedules, and adaptive assessments powered by Artificial Intelligence (AI). Students can progress at their own pace, ensuring a tailored and effective learning experience. On-demand access to teachers through live classes, recorded sessions, and AI-driven doubt resolution tools provide continuous support, enhancing learning outcomes and convenience.

C.1.4.4. Regional inclusivity through vernacular content: The integration of regional languages into online education platforms is bridging linguistic barrier, making education inclusive for non-English-speaking students, especially in Tier 2 and beyond cities.

C.1.4.5. Support for students with disabilities: Online education platforms are increasingly incorporating assistive technologies such as screen readers, subtitles, voice-to-text features, and customizable interfaces, enabling students with disabilities to access quality learning resources, ensuring inclusivity and equal opportunities in education.

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C.2. INDIA EDUCATION MARKET

C.2.1. India's education market is poised for growth, driving accessibility and affordability, particularly in Tier 2 and beyond cities

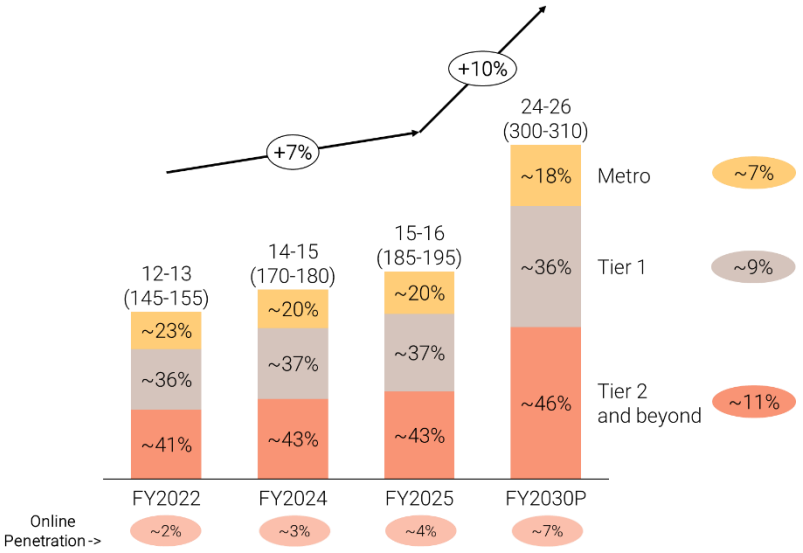
The Indian education market is at ₹15-16 trillion (US$ 185-195 billion) in FY2025, accounting for ~5% of the India's GDP at current prices. It is projected to grow at a CAGR of ~10% over the next 5 years to reach ₹24-26 trillion (US$ 300-310 billion) in FY2030.

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

Tier 2 and beyond cities constitute a large share of India's education market, comprises ~43% of the total education market in FY2025 and this share is projected to increase to ~46% by FY2030. These cities and urban centres are experiencing a structural shift fuelled by better infrastructure development and rising aspirations among students and parents.

Fig. 22: India's education market split by city tier
FY2022, FY2024, FY2025, FY2030P, In ₹ trillions (US$ billions), in %



Source(s): UDISE, MoSPI, AISHE, NTA (National Testing Agency), Redseer research and analysis
Note(s): 1. Conversion rate: 1 US$ = ₹ 83

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The demand in Tier 2 and beyond cities extends beyond schooling, with a significant uptick in the adoption of supplemental coaching and skill building programs. Enhanced internet connectivity, increased access to smartphones, and the proliferation of education contents in regional language are further enabling students in these cities to bridge historical gaps in educational access and quality.

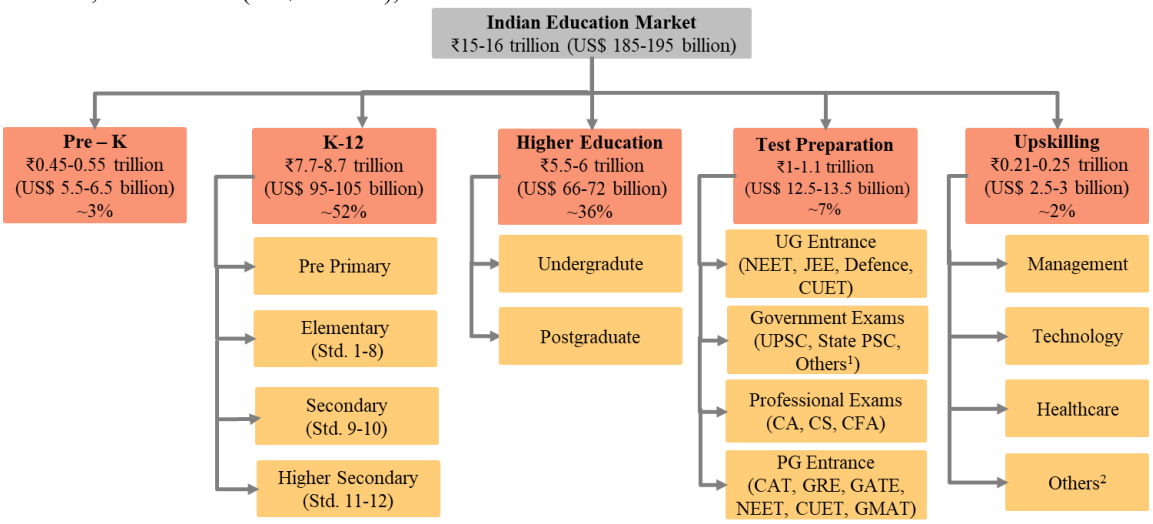
The online education market in India is witnessing steady growth, with online penetration increased from ~2% in FY2022 to ~4% in FY2025 and projected to reach ~7% in FY2030. India's online education market is a fast-growing opportunity which grew at a CAGR of ~24% from FY2022 to FY2025 as compared to the overall education market with a CAGR of ~7% during the same period.

₹550-600 billion (US$ 6.8-7.3 billion) in FY2025, India's online education market is projected to grow at a CAGR of ~26% to reach ₹1,700-1,900 billion (US$ 21-23 billion) by FY2030. 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

C.2.2. India's education market is diverse, comprising five key segments that together shape India's education ecosystem

Fig. 23: Indian Education Market – by segments (non-exhaustive)
FY2025, in ₹ trillions (US$ billions), in %



Source(s): Redseer research and analysis
Note(s): 1. Other Government Exams include Banking, Railways, SSC etc.; 2. Others in Upskilling category includes Banking and Financial Services, Social Science, Personal Development, Arts and Humanities etc.; 3. Conversion rate: 1 US$ = ₹ 83

Indian education market has shown steady growth across segments, with CAGR of ~9%, ~7%, ~7%, ~11% and ~19% for Pre-K, K-12, Higher Education, Test Preparation and Upskilling respectively between FY2022 and FY2025.

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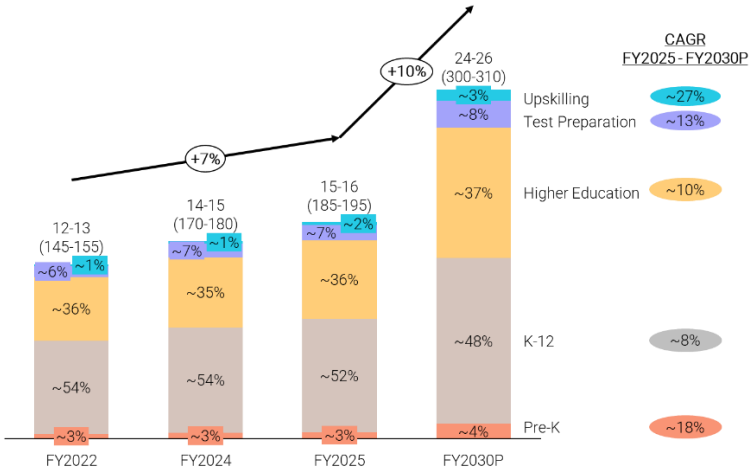
Indian education market is primarily dominated by the K-12 and higher education segments, which constitute ~52% and ~36% of the total market respectively in FY2025. As more students progress through K-12 and higher education, they create a base for supplementary segments such as test preparation, professional exams, and upskilling.

Fig. 24: Segmentation[1] of India's education market
FY2022, FY2024-25, FY2030P, in ₹ trillions (US$ billions), in %



Source(s): UDISE, MoSPI, AISHE, NTA, Redseer research and analysis
Note(s):1. Pre-K includes pre-primary sections in government and private schools, along with standalone and franchise Pre-K schools; K-12 covers the supplemental market, including organized and unorganized tutoring for core curriculum across standards; Upskilling includes online upskilling certification programs for white collar professionals (B2B and B2C segment) and students; 2. Conversion rate: 1 US$ = ₹ 83 3.

C.2.2.1. Pre-K: Building early foundations

Pre-K education prepares children under the age of 4 years for formal schooling. It includes preschool programs designed to enhance cognitive, emotional, and social skills during critical formative years. The number of children enrolled in Pre-K is projected to increase from 11-13 million in FY2025 to 20-22 million by FY2030.

Historically, the Pre-K education operated informally, relying on unstructured home-based learning. In recent years, parents have increasingly recognized the importance of early childhood education, driving demand for structured preschool programs. Pre-K education market in India is currently dominated by Metro and Tier 1 cities. The segment is evolving rapidly with organized players entering the space through franchise model, offering standardized programs and curriculum.

The Pre-K market in India, which is at ₹450-550 billion (US$ 5.5-6.5 billion) in FY2025, is projected to reach ₹1,000-1,200 billion (US$ 13-14 billion) by FY2030.

Key factors driving the growth in Pre-K segment:

- **National Education Policy (NEP) 2020:** It has introduced the concept of Universal Early Childhood Care and Education (ECCE), which includes 3 years of Pre-K, establishing Pre-K as an integral part of formal education. This initiative aims to make early childhood education more accessible and affordable, particularly in Tier 2 and beyond cities
- **Increasing urbanization and rise of nuclear families:** Urbanization and the decline of joint family systems have prompted parents to seek professional "early-learning" solutions to ensure smooth development for their children
- **Growing disposable income:** Rising disposable incomes and the growth of middle-income households are enabling families to invest in preschool programs

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C.2.2.2. K-12: The foundation of India's education market

The K-12 market comprises ~52% of the India's education market in FY2025. It includes schooling from kindergarten to Std. 12, and the K-12 supplemental education market, which encompasses coaching services for school students. The market is at ₹7.7-8.7 trillion (US$ 95-105 billion) in FY2025, the K-12 market is projected to grow at a CAGR of ~8% to reach ₹11.5-12.5 trillion (US$ 140-150 billion) by FY2030.

C.2.2.2.1. The K-12 core market is at ₹6-7 trillion (US$ 75-85 billion) in FY2025 and projected to grow at a CAGR of ~8% to reach ₹9.5-10.5 trillion (US$ 115-125 billion) by FY2030

India's K-12 core comprises 250-280 million student enrolments in FY2025, underscoring the scale of this market. The student enrolments are projected to reach 290-320 million by FY2030. The market is primarily concentrated at the elementary level (Std. 1-8) forming 57%, followed by higher secondary (Std. 11-12) at 21% and secondary (Std. 9-10) at 19%, as of FY2025. Dropout rates rise significantly at the secondary level, presenting a challenge for secondary and higher secondary participation. This is mainly due to financial constraints and students being pulled out of education to start earning for the household or help in family business, etc.

The Tier 2 and beyond cities comprises ~54% of this market in FY2025, driven by improving infrastructure and rising aspirations among parents. These cities emphasize regional needs, including vernacular content and regional academic board curriculum alignment.

C.2.2.2.2. The K-12 supplemental market is at ₹1.5-1.6 trillion (US$ 18.5-19.5 billion) in FY2025 and projected to grow at a CAGR of ~8% to reach ₹2.2-2.3 billion (US$ 27-28 billion) by FY2030

The growing demand for K-12 supplemental education complements formal schooling, addressing learning gaps and enhancing academic achievement. The market has 70-75 million enrolments in FY2025 and is projected to reach 78-85 million enrolments by FY2030. Tier 2 and beyond cities are driving this growth, with their share in the market projected to be ~39% by FY2030, driven by rising aspirations and demand for personalized and flexible learning solutions.

The online K-12 supplemental education market comprises ~11% of the total K-12 supplemental market in FY2025 and is projected to increase to ~21% by FY2030. While traditional offline K-12 supplemental education continues to dominate this space, the growing demand for flexibility is driving a shift towards hybrid mode of operation, with offline K-12 supplemental education projected to lose 10 percentage points to the online supplemental market by FY2030.

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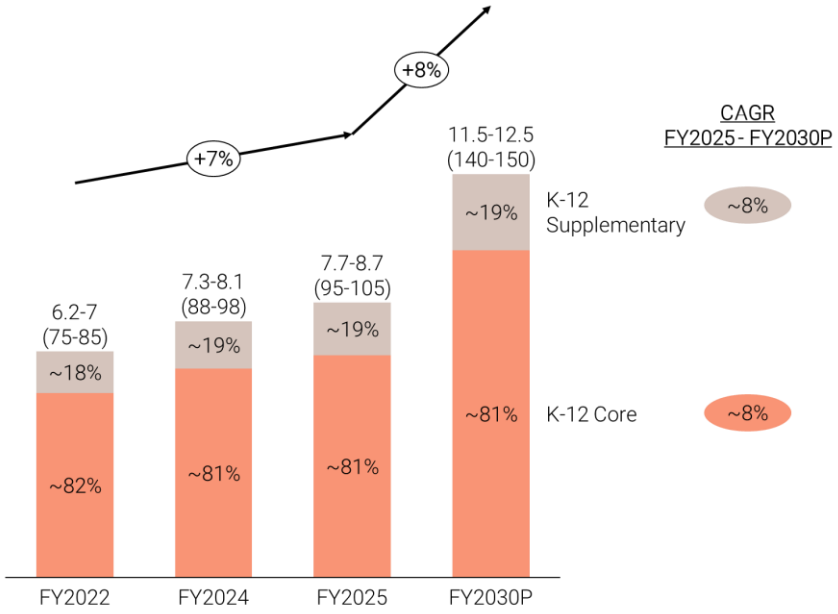
Fig. 25: Segmentation of India's K-12 education market
FY2022, FY2024, FY2025, FY2030P, in ₹ trillions (US$ billions), in %



Source(s): UDISE, MoSPI, Redseer research and analysis
Note(s):1. K-12 supplemental market, includes organized and unorganized coaching and tutoring for core curriculum across standards;2. Conversion rate: 1 US$ = ₹ 83

Key factors driving the growth in K-12 segment:

- **Demographic advantage:** As per United Nations, India has a school going population of ~365 million children aged 3 to 17 years as of CY2024, driving sustained demand for primary and secondary education
- **Government school growth:** Government schools comprised ~49% of total K-12 enrolments in FY2020 and are projected to increase to ~56% by FY2030, driven by investments in expanding school infrastructure and improving accessibility
- **Policy support:** Government initiatives such as the Right to Education (RTE) Act, 2009, have been instrumental in improving access to education. RTE Act, mandates free and compulsory education for children aged 6 to 14, leading to a ~5% increase in government school enrolments from FY2020 to FY2024 as per UDISE
- **Smartphone adoption and mobile connectivity**: Affordable smartphones, low cost data, and 5G expansion are driving greater access to online K-12 supplemental education, particularly in Tier 2 and beyond cities
- **Rising enrolment rates at secondary level:** This growth is driven by implementation of National Education Policy (NEP) 2020, increasing digitalization of education delivery, and improving Student-Teacher Ratio (STR) in schools

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C.2.2.3. Higher education: Building foundations for professional excellence

The segment has diverse range of disciplines, from traditional fields such as engineering and medicine to emerging areas like data science and AI. According to NASSCOM projections, the demand for AI and data science professionals is estimated to exceed 1 million by CY2026. This growing demand is also reflected in premier institutions offering specialized programs, such as IIT Madras offering Computational Mathematics and Data Science, Deployable AI, IIT Delhi's School of Artificial Intelligence, and IIT Bombay's Centre for Machine Intelligence and Data Science (C-MInDS).

Additionally, online education platforms, in collaboration with national and global universities like O.P. Jindal, IIT Roorkee, HEC Paris, Illinois Institute of Technology etc. offer accredited online degrees. These programs enhance accessibility, allowing students from Tier 2 and beyond cities to pursue higher education. The enrolments in online MBA/PGDM degrees are projected to increase from 0.18-0.26 million in FY2025 to 0.4-0.5 million in FY2030.

Currently at ₹5.5-6 trillion (US$ 66-72 billion) in FY2025, the higher education market is projected to grow at a CAGR of ~10% to reach ₹9-10 trillion (US$ 108-118 billion) by FY2030. India has 48-53 million estimated student enrolments in higher education in FY2025.

Tier 2 and beyond cities are projected to comprise ~39% of the higher education market by FY2030, driven by infrastructure development, increasing awareness about higher education opportunities, and the expansion of private institutions in these cities. Leading universities like IIT Madras, IIT Kanpur, Narsee Monjee Institute of Management Studies, O.P. Jindal Global University and Jawaharlal Nehru University are now increasingly offering online degrees to students, expanding their reach.

The higher education market in India is segmented into 2 major categories. These have been detailed below:

C.2.2.3.1. Undergraduate (UG)

Currently at ₹ 4.3-4.8 trillion (US$ 52-57 billion) in FY2025, the undergraduate market is projected to grow at a CAGR of ~10% to reach ₹ 7.3-7.8 trillion (US$ 88-93 billion) by FY2030. Undergraduate programs dominate the Indian higher education landscape, comprising majority of enrolments. The number of students enrolled in undergraduate programs is projected to increase from 35-40 million in FY2025 to 52-57 million by FY2030. This dominance is attributed to the widespread availability of UG programs in traditional disciplines such as arts, science, and commerce, alongside emerging fields like engineering, data science, and AI.

C.2.2.3.2. Postgraduate (PG)

PG programs include MBA, MTech., M.A., M.Sc., M.Com., M.C.A. and others which focus on advanced learning and specialization, catering to professionals and researchers in fields such as medicine, engineering, and business. While historically limited by capacity and accessibility, the segment is gradually expanding, driven by accredited online degree programs and increasing awareness of the value of postgraduate education. At ₹ 700-800 billion (US$ 8.5-9.5 billion) in FY2025, the postgraduate market is projected to grow at a CAGR of ~13% to reach ₹ 1,300-1, 450 billion (US$ 16-17 billion) by FY2030.

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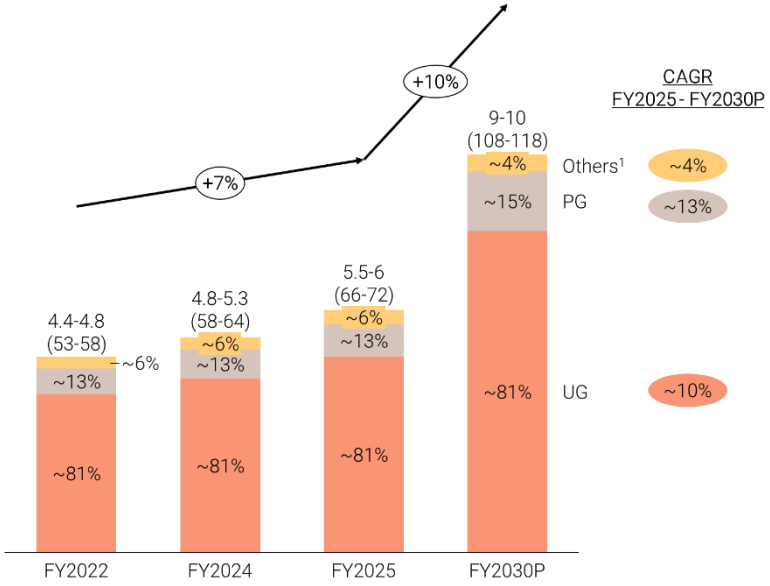
Fig. 26: India's higher education market split by category
FY2022, FY2024, FY2025, FY2030P, in ₹ trillions (US$ billions), In %



Source(s): AISHE, Redseer research and analysis
Notes(s): 1. Others include M.Phil., PG Diploma, PhD, Integrated etc.; 2. Conversion rate: 1 US$ = ₹ 83

Key growth drivers:

- **Government investments infrastructure:** Initiatives like Rashtriya Uchchatar Shiksha Abhiyan (RUSA) and National Education Policy (NEP) 2020 aim to upgrade university infrastructure, enhance research capabilities, and increase funding to address growing demand and align with global standards
- **Expansion of institutions in Tier 2 and beyond cities:** Institutions are establishing new campuses in Tier 2 and beyond cities. In the last decade, many new IIMs (Indian Institutes of Management) have been established across India in Tier 2 cities like Bodh Gaya and Jammu, improving access to higher education for students in these cities
- **Proliferation of online degrees:** Indian universities, in collaboration with global institutions, are offering globally recognized programmes. These initiatives provide students with access to world class education at more affordable costs without the need to study abroad

C.2.2.4. 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 FY2025 to 80-90 million students in FY2030.

There is a growing demand for test preparatory courses in India which grew at a CAGR of ~11% from FY2022 to FY2025. India's test preparation market, which is at ₹1-1.1 trillion (US$ 12.5-13.5 billion) in FY2025, is projected to grow at a CAGR of ~13% to reach ₹1.9-2.1 trillion (US$ 23-25 billion) by FY2030.

Tier 2 and beyond cities contribute ~37% to the test preparation market in FY2025 and is projected to become the largest market segment at ~44% by FY2030. 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 ₹130-150 billion (US$ 1.6-1.8 billion) in FY2025, accounts for ~13% of the overall test preparation market and is projected to grow at a CAGR of 29% between FY2025-FY2030. Online contribution to overall test preparation market is projected to become ~26% by FY2030, with a market size of ₹500-550 billion (US$ 6-6.5 billion).

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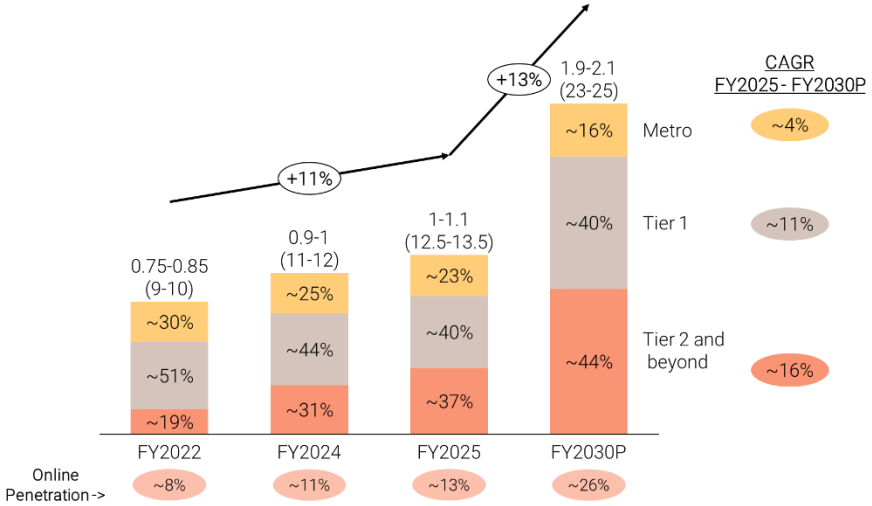
Fig. 27: India's Test preparation market split by city tier
FY2022, FY2024, FY2025, FY2030P, in ₹ trillions (US$ billions), In %



Source(s): NTA, Redseer research and analysis
Notes(s):1. Conversion rate: 1 US$ = ₹ 83

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 FY2025 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

The test preparation market in India is segmented into four major categories, each catering to specific academic and professional aspirations. These include:

- **Government test preparation:** Focuses on competitive exams for public sector roles
- **Undergraduate (UG) entrance:** Prepares students for admission to leading undergraduate courses like engineering, medicine, etc. in colleges across India
- **Postgraduate (PG) entrance:** Enables access to advanced degrees in management, engineering, and other disciplines
- **Professional exams:** Offers certifications in specialized fields like finance and accountancy

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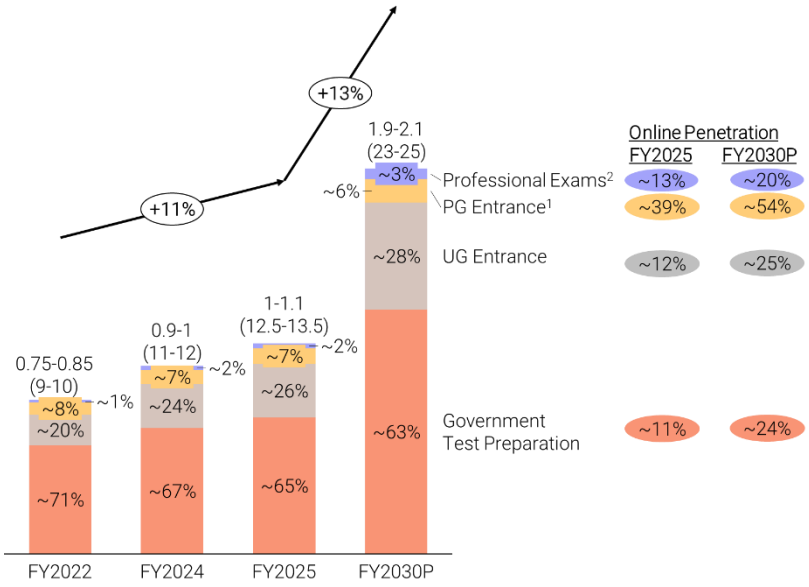
Fig. 28: India's test preparation market split by categories
FY2022, FY2024, FY2025, FY2030P, in ₹ trillions (US$ billions), in %



Source(s): NTA, Redseer research and analysis
Note(s): 1. Includes CAT, GRE, GMAT, GATE, NEET PG, etc.; 2. Includes CA, CFA, CS etc.; 3. Conversion rate: 1 US$ = ₹ 83

Each of these categories have been detailed below:

C.2.2.4.1. Undergraduate (UG) entrance

Entrance exams prepare students for competitive admissions into undergraduate programmes in fields like engineering, medicine, art, humanities, etc. Examples include:

- *National Eligibility cum Entrance Test (NEET)* - NEET UG is the mandatory entrance exam for securing admissions in undergraduate medical courses in India for both government and private colleges, including Bachelor of Medicine, Bachelor of Surgery (MBBS), Bachelor of Dental Surgery (BDS), and Ayurveda, Yoga, and Naturopathy, Unani, Siddha, and Homeopathy (AYUSH) programmes
- *Joint Entrance Examination (JEE)* - JEE is India's flagship entrance exam for admissions to engineering institutions like the Indian Institutes of Technology (IITs), National Institutes of Technology (NITs), etc. Most engineering institutions in India admit students in their UG programmes based on JEE scores
- *Common University Entrance Test (CUET)* - CUET is a standardized national-level exam conducted by the National Testing Agency (NTA) that serves as a single gateway for admission to undergraduate programs in participating central, state, private, and deemed universities. CUET aims to provide equal opportunities to students across the country and reduce dependency on varying board exam scores for university admissions
- *National Defence Academy (NDA)* - NDA exam is a competitive entrance test conducted for admission into the Indian Army, Navy, and Air Force academies

The test preparation market for UG entrance exams, which is at ₹250-300 billion (US$ 3-3.5 billion) in FY2025, is projected to grow at a CAGR of ~15%, reaching ₹530-580 billion (US$ 6.5-7 billion) by FY2030. As of FY2025, 6.5-7 million students are estimated to register for UG entrance exams, a number projected to grow to 9-11 million by FY2030.

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NEET and JEE UG entrance test preparation is the biggest segments forming ~70% of this market in FY2025, are projected to contribute ~74% of the test preparation market by FY2030. JEE and NEET are one of the most competitive exams in India.

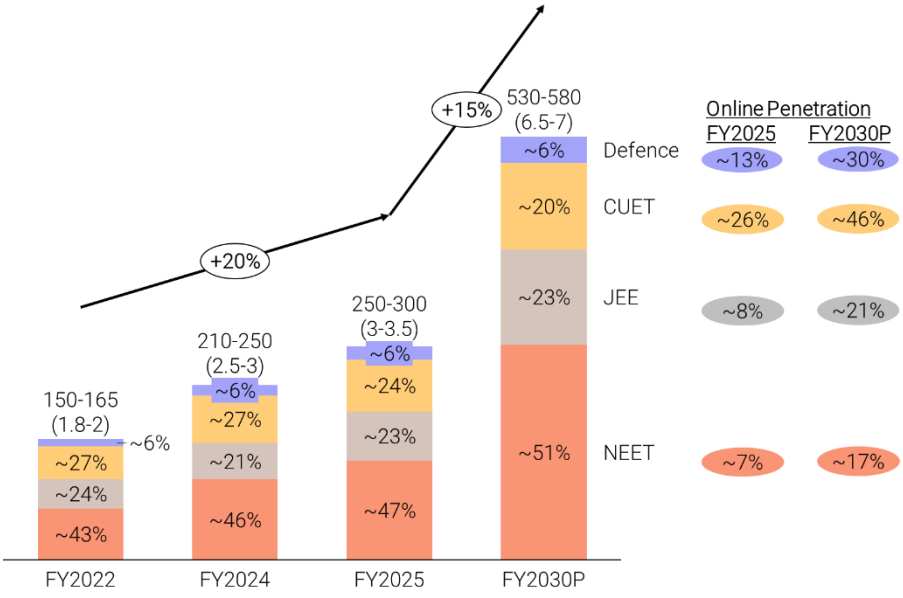
Some of the key players operating in NEET and JEE entrance test preparation are highlighted in the table below:

Table 2: NEET and JEE entrance test preparation players[1] – Revenue from operations
FY2024, in ₹ millions

#	Legal Entity Name	Brand Name	Revenue (FY2024)
1	Allen Career Institute Pvt. Ltd.	Allen	32,447.2
2	Aakash Educational Services Ltd.[2]	Aakash	23,858.2[3]
3	Physicswallah Ltd.	Physics Wallah	19,407.1
4	Sorting Hat Technologies Pvt. Ltd.	Unacademy	8,398.0
5	Veranda Learning Solutions Ltd.	Veranda Learning	3,617.3

Source(s): Company Consolidated financial information for Physicswallah Limited have been derived from restated financial statements for the financial year ended March 31, 2024, Ministry of Corporate Affairs (MCA), Annual Report of Companies
Notes(s): 1. These players include those that majorly provide test preparation courses for JEE and NEET entrance exams in India. Additionally, they also provide courses for other competitive exams. The revenue figures, unless mentioned otherwise, are reported on consolidated basis and represent revenue from operations. The elements and definition for Income may vary across companies. Financials are based on data available in public domain basis ROC filings only and does not include revenue (if any) booked in trusts, sister concerns outside India, etc. which are not reported in ROC filings in India; 2. Figures are on standalone basis; 3. Latest revenue available publicly for FY2023

Fig 29: India's UG entrance test preparation market split by categories
FY2022, FY2024, FY2025, FY2030P, in ₹ billions (US$ billions), in %



Source(s): NTA, Redseer research and analysis
Notes(s):1. Conversion rate: 1 US$ = ₹ 83

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Key growth drivers:

- **High ROI from premier institutions:** Admission to top institutions through UG entrance exams offers access to high quality education, leading to better career opportunities and upward socio-economic mobility. The strong placement records of these institutions make them highly sought after by both students and parents

- **Rising participation from Tier 2 and beyond cities:** Increasing awareness and aspirations among students in Tier 2 and beyond cities have significantly increased participation in UG entrance exams. The expansion of coaching infrastructure and availability of online education platforms have made these exams more accessible

- **Expanding online test preparation platforms:** The growth of online test preparation platforms has enabled students across socio-economic backgrounds to prepare for UG entrance exams. Personalized, flexible, and cost-effective options are attracting a broader base of aspirants annually

- **Rising awareness and accessibility**: The proliferation of affordable smartphones and improving mobile network penetration, including Tier 2 and beyond cities, has enabled the easier dissemination of information about UG entrance exams opportunities

C.2.2.4.1.1. NEET UG: Gateway to medical education in India

A student aspiring to study medical science in India has to appear for NEET UG exam. NEET UG is one of the most competitive entrance exams in India. 2.3-2.5 million students have registered for 0.1-0.12 million seats in FY2025 across private and government medical colleges such as AIIMS, Indira Gandhi Institute of Medical Sciences, Jawaharlal Institute of Postgraduate Medical Education and Research, etc. for MBBS, BDS, AYUSH and BVSc & AH programs. With the number of seats significantly limited compared to the students registering for the exam, this drives intense competition. The competition is even more intense for premier institutions like AIIMS, which offers only ~2,200 seats. Every year, ~1090 students compete for every seat across disciplines of medical science in AIIMS.

NEET UG is a high-stake exam for students aspiring a career in medical sciences, where securing a seat in a government medical college can significantly reduce the financial burden of pursuing a medical degree. NEET allows students to take multiple attempts to try their chances to secure the seats making the competition even more intense.

With limited seats in government colleges and high tuition fees in private institutions, preparation for NEET UG test becomes a key focus for students, particularly from middle-income households seeking affordable, high quality medical education.

NEET UG test preparation market is at ₹120-140 billion (US$1.5-1.6 billion) in FY2025 and projected to grow at a CAGR of ~17% to reach ₹270-290 billion (US$3.3-3.5 billion) by FY2030.

In India, students start aspiring for NEET from foundational years. Starting from class 9, 50-55 million students in FY2025 are potential NEET UG aspirants. These include all students enrolled in foundational years (std. 9 & 10), those who opt for physics, chemistry and biology (PCB) in std. 11 and 12, and those students who have cleared their 12th board examination with PCB scoring more than 50% marks. ~30% of potential NEET UG aspirants, at 15-17 million in FY2025, aspires to appear for NEET UG in current or future years.

In FY2025, 3.5-3.8 million students (~23% of NEET UG aspirants for FY2025, up from ~17% in FY2022) enrolled in NEET UG test preparation. This number is projected to grow at a CAGR of ~15% between FY2025 and FY2030, reaching 7-8 million (~35% of NEET UG aspirants) by 2030. Growing student aspirations towards medical science as career, low success rate in the NEET UG exam and focus on securing a seat in government medical college drives the demand for test preparation.

Of the students enrolling for NEET UG test preparation in FY2025, ~9% of them are from foundation (aspirants in std. 9-10), ~67% from std. 11 and 12 and ~24% dropouts reflecting that aspirers in Std. 11 and 12 are the major share who opt for formal coaching.

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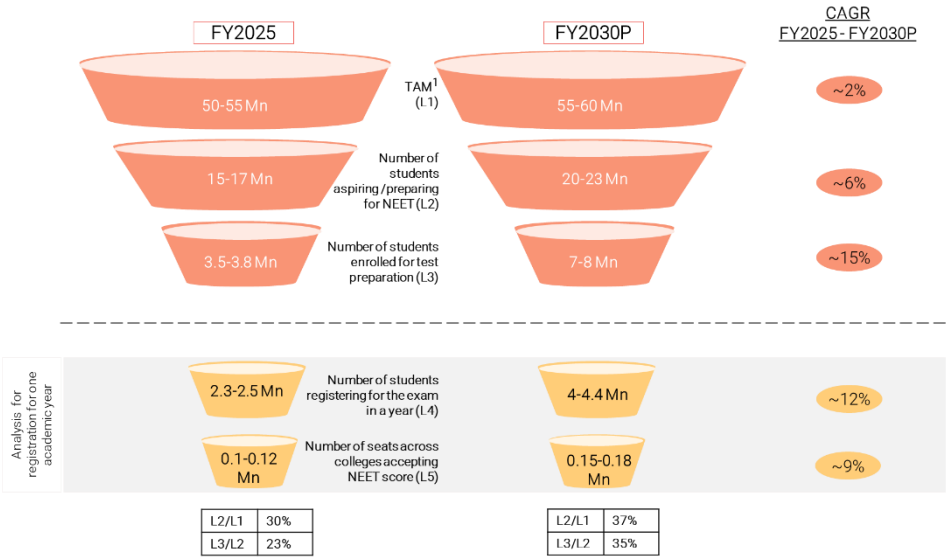
The number of registrations for NEET exam is projected to grow from 2.3-2.5 million students in FY2025 to 4-4.4 million students in FY2030. With the increasing Government focus towards medical seats in India, the number of seats across colleges is also projected to grow from 0.1-0.12Mn in FY2025 to 0.15-0.18Mn by FY2030.

Fig. 31 (a): India's NEET UG student conversion funnel
FY2025, FY2030P



Source(s): UDISE+, NTA, Medical Council of India, Ministry of Health and Family Welfare, Redseer research and analysis
Note(s): 1. NEET TAM includes all enrolments in std. 9 and 10, students enrolled in Physics, chemistry, Biology (PCB) in Std. 11 and 12, dropout estimates up to 5th attempt for students who have passed Std. 12 with PCB with more than 50% marks 2. The overlap between PCM and PCB streams is not considered for this analysis

Table 3: Key growth drivers at each stage of the NEET student conversion funnel:

Stage	CAGR (FY2025-2030P)	Key growth drivers
TAM (L1)	~2%	• **Increase in secondary and high secondary level enrolments** ○ As per UDISE, secondary GER increased from 76.9% in FY2019 to 77.4% in FY2024, while higher secondary GER saw a growth from 50.1% to 56.2% in the same period
Number of students aspiring/preparing for NEET (L2)	~6%	• **Enhanced awareness about opportunities** ○ Increased awareness about career opportunities in healthcare owing to affordable internet access • **Government initiatives to boost medical seats** ○ In August 2025, the Indian government announced plans to create ~75,000 new medical seats (for both UG and PG) over

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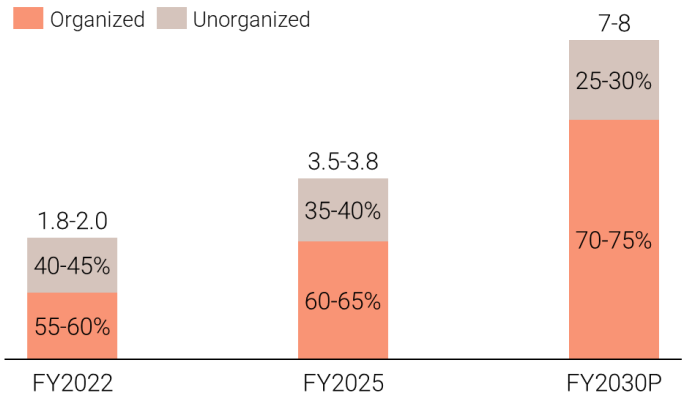
		the next five years to meet growing healthcare demands and cater to increasing NEET aspirants

Number of students enrolled for test preparation (L3)	~15%	• **Hybrid education and online learning platforms**
		  ○ Expanded access to high-quality resources for students in remote areas, making competitive exam preparation more inclusive
		• **Flexible Pricing Models**
		  ○ Reduction of the financial burden and enabling students from varied economic backgrounds to access test prep coaching

About 60-65% of students taking NEET UG test preparation in FY2025 enrolled in courses offered by organized players. This is projected to grow to 70-75% by FY2030. The growth in adoption of organized players for test preparation for NEET UG entrance test is driven by increasing demand for standardized and quality education and a shift in preference toward reputed institutions offering comprehensive test preparation solutions.

Fig. 31 (b): Fragmentation in student enrolments for NEET test prep
In Millions, %, by organized and unorganized players



Source(s): Redseer research and analysis
Notes(s):1. Conversion rate: 1 US$ = ₹ 83

C.2.2.4.1.2. JEE: Gateway to engineering education in India

JEE is one of the most popular competitive entrance examinations in India. In FY2025, 1.4-1.6 million students registered for JEE for 0.05-0.07 million seats across IITS, NITS, IIITs and GFTIs. Among these, premier institutes like IITs offer only ~17,800 seats, underscoring the limited availability relative to the volume of applicants. An estimated ~84 students compete for every seat across IITs in India, driving intense competition.

Securing a seat in leading engineering colleges in India opens multiple avenues for students for a successful career, hence many students start preparing early to increase their chances to secure a seat. Students aspiring for career in engineering start planning their preparation from foundational years before std. 10 to maximize their chance to secure a seat.

In India, students start aspiring for JEE from foundational years. Starting from class 9, 47-52 million students in FY2025 are potential JEE aspirants. These include students enrolled in foundational years (std. 9 & 10), those who opt for physics, chemistry and mathematics (PCM) in std. 11 and 12, and PCM students who have cleared their 12th board examination with more than 75% marks in the past 2

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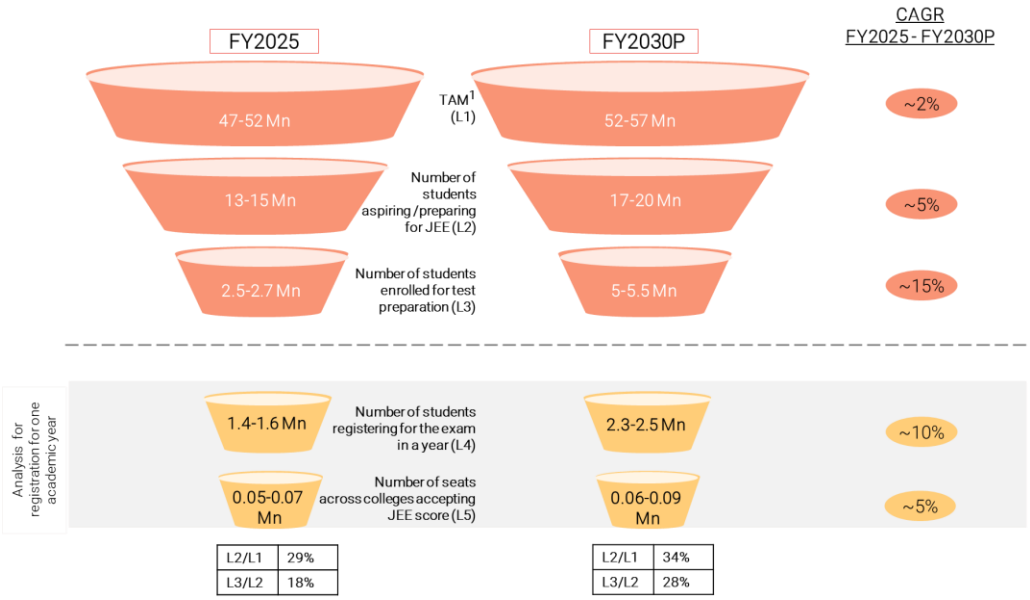
years. ~29% of these students, estimated at 13-15 million, aspire to appear for JEE in current or future years.

In FY2025, 2.5-2.7 million students (~18% of JEE aspirants for FY2025E, up from ~15% in FY2022) enrolled in JEE test preparation. This number is projected to grow at a CAGR of ~15% between FY2025 and FY2030, reaching 5-5.5 million (~28% of JEE aspirants) by 2030.

JEE test preparation market in India is at ₹62-67 billion (US$ 0.75-0.8 billion) in FY2025 and projected to grow at a CAGR of ~14% to reach ₹115-135 billion (US$ 1.4-1.6 billion) by FY2030.

Of the students enrolling for JEE coaching in FY2025, ~16% of them are from foundation (aspirants in std. 9-10), ~79% from std. 11 and 12, and 5% dropouts reflecting that aspirants in Std. 11 and 12 are the major share who opt for formal coaching for JEE.

Fig. 32 (a): India's JEE student conversion funnel
FY2025, FY2030P



Source(s): UDISE+, NTA, Joint Seat Allocation Authority, Redseer research and analysis
Note(s): 1. JEE TAM includes all enrolments in std. 9 and 10, students enrolled in Physics, chemistry, Mathematics (PCM) in Std. 11 and 12, dropout estimates for 2 consecutive attempts after passing Std 12 with 75%+ marks; 2. The overlap between PCM and PCB streams is not considered for this analysis

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Table 4: Key growth drivers at each stage of the JEE student conversion funnel:

Stage	CAGR (FY2025-2030P)	Key growth drivers
TAM (L1)	~2%	• **Rising secondary and higher secondary enrolments** o As per UDISE, secondary GER increased from 76.9% in FY2019 to 77.4% in FY2024, while higher secondary GER saw a growth from 50.1% to 56.2% in the same period
Number of students aspiring/preparing for JEE (L2)	~5%	• **Enhanced access to information** o Affordable internet and digital literacy have empowered students with better access to information about engineering career paths, driving aspirations for JEE participation • **Increased availability of BTech seats** o The All India Council for Technical Education (AICTE) has reported an eight-year high in BTech seat capacity across institutions, encouraging more students to pursue engineering and attempt JEE as of November, 2024
Number of students enrolled for test preparation (L3)	~15%	• **Broader Reach through Hybrid Education** o Hybrid education models and online platforms have made JEE preparation accessible to students in remote regions, fostering inclusivity • **Affordable and Flexible Coaching Options** o Online test prep platforms with diverse pricing models have reduced financial barriers, enabling students from varying economic backgrounds to access quality coaching for JEE

Around 40-45% of students taking JEE test preparation in FY2025 enrolled in courses offered by organized players. This is projected to grow to 55-60% by FY2030. Growth in enrolment in organized test preparation for JEE is expected to be fuelled by the growing awareness of competitive exam preparation, preference for structured learning programs, offering innovative learning models, and rising popularity of integrated preparation strategies.

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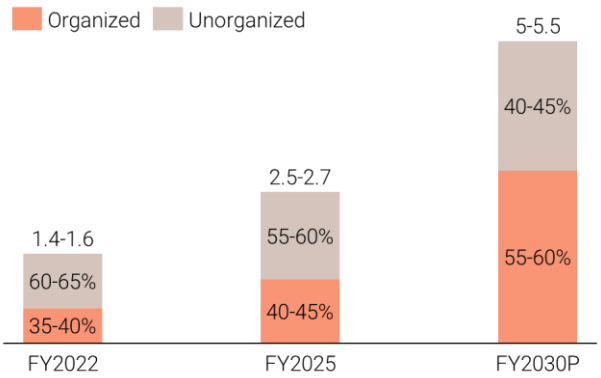
Fig. 32 (b): Fragmentation in student enrolment for JEE test prep
In Millions, %, by organized and unorganized players



Source(s): Redseer research and analysis
Notes(s):1. Conversion rate: 1 US$ = ₹ 83

C.2.2.4.1.3. CUET UG: Unlocking access to higher education in India

The CUET test preparation market is estimated is at ₹55-75 billion (US$ 0.7-0.9 billion) in FY2025 and is projected to grow at a CAGR of ~11% to reach ₹100-125 billion (US$ 1.2-1.5 billion) by FY2030. Registrations for the exam are projected to rise from 1.5-1.7 million students in FY2025 to 2-2.2 million students in FY2030.

It serves as a unified gateway to undergraduate programs in central and state universities across India. It standardizes admissions by reducing reliance on board exam scores, providing equal opportunities for students from diverse academic backgrounds.

Key growth drivers:

- **Rising integration of CUET into University Admission Policies:** CUET scores are becoming mandatory or preferred criterion for admission in growing number of institutions
- **Improved accessibility:** Increasing number of exam centers across urban and rural areas, coupled with online exam formats, leading to broader participation from diverse demographics
- **Government support providing impetus:** Increased credibility and acceptance of CUET due to government policies promoting CUET as a national-level exam
- **Increased awareness:** Extensive outreach efforts by universities and government agencies have enhanced awareness of CUET, encouraging more students to participate

C.2.2.4.1.4. Defence exams: Pathway to serving the nation

Defence exams in India, such as the National Defence Academy (NDA), Combined Defence Services (CDS), and Air Force Common Admission Test (AFCAT), serve as key entry points to stable and respected careers in the armed forces. These exams are highly aspirational, offering students the opportunity to secure financially stable roles while gaining the respect and honour associated with serving the nation. The number of registrations in defence test preparation is projected to grow from 1-1.2 million students in FY2025 to 1.9-2.1 million students in FY2030.

Defence test preparation market is at ₹ 15-20 billion (US$ 0.19-0.21 billion) in FY2025, and is projected to increase at a CAGR of ~16% to reach ₹ 33-38 billion (US$ 0.4-0.45 billion) by FY2030. The provision of government funded education and training for qualified students further enhances the appeal of defence careers, particularly for middle-income households seeking economic security and upward mobility through careers in defence.

Key growth drivers:

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- **Prestigious career prospect with job security and benefits:** Career in defence seen as a symbol of honor that offers a stable employment, pensions and benefits like housing, healthcare, etc.
- **Rise of coaching ecosystem:** The growth of specialized coaching centers and online platforms catering to defence exam preparation has made it more accessible
- **Technological integration in recruitment:** Rise of online registrations, streamlined processes and access to digital study resources has made applying more convenient
- **Government initiatives and policies:** Schemes like "Agnipath" and recruitment quotas for women have broadened participation
- **Increased awareness and outreach:** Awareness campaigns and recruitment drives in schools and colleges along with media coverage of defence achievements have broadened pool of enrolments

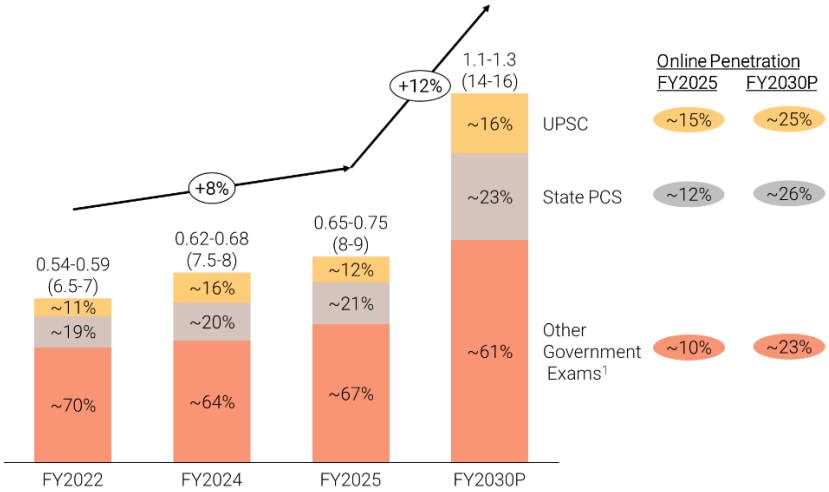
C.2.2.4.2. Government test preparation market

The government test preparation market in India, is at ₹0.65-0.75 trillion (US$ 8-9 billion) in FY2025, and is projected to increase at a CAGR of ~12% to reach ₹1.1-1.3 trillion (US$ 14-16 billion) by FY2030. This market caters to students preparing for competitive exams like Union Public Service Commission (UPSC), Staff Selection Commission (SSC), Provincial Civil Service (PCS), banking exams, etc. which leads to secure and socially prestigious government roles. The number of registrations in government test preparation is projected to grow from 60-65 million students in FY2025 to 70-75 million students in FY2030.

The online segment, which currently comprises ~11% of the market in FY2025, is projected to grow to ~24% by FY2030, fueled by the increasing availability of affordable online education platforms. These platforms provide cost effective and flexible options for students in these cities, reducing the need for relocation and making quality preparation more accessible.

The growth of government test preparation market is driven by contributions from both offline and online segments. While the overall market is projected to grow at a CAGR of ~12% from FY2025 to FY2030, the online test preparation market is expected to outpace this growth, with a higher CAGR of ~32% during the same period. This accelerated growth in the online segment highlights the increasing shift toward digital learning solutions.

Fig 33: India's government test preparation market split by categories
FY2022, FY2024, FY2025, FY2030P, in ₹ trillions (US$ billions), in %



Source(s): NTA, Redseer research and analysis
Note(s): 1. Includes Banking, Railways, SSC, etc.; 2. Conversion rate: 1 US$ = ₹ 83

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Key growth drivers:

- **Pathways to security and social status:** Government jobs are highly valued in India for their job security, steady income, and associated social status. Exams like UPSC and PCS are seen as pathways to influential roles in administration and governance, making them aspirational across income segments
- **Growing competition and aspirations:** With India's large young population, competition for limited government roles has increased, leading to increased enrolment in preparation programmes. Students see these exams as a means to achieve upward mobility, particularly in Tier 2 and beyond cities with fewer private sector opportunities
- **Expansion of digital learning:** The proliferation of online test preparation platforms has made preparation more accessible, even in Tier 2 and beyond cities. These platforms cater to diverse student needs, providing structured content and test series, driving higher enrolments
- **Policy push:** Policy reforms like the introduction of Rozgar Mela, have increased transparency in recruitment processes further encouraging aspirants to consider government exams

C.2.2.4.2.1. UPSC and PCS: India's premier examination for civil services

India's government test preparation market is primarily driven by exams such as UPSC and PCS. These exams represent prestigious opportunities for students aspiring to build stable and socially esteemed careers in public administration, governance, and policymaking.

C.2.2.4.2.1.1. The UPSC test preparation market

UPSC is one of India's most prominent and competitive examination, serving as the entry point to key administrative roles such as the Indian Administrative Service (IAS), Indian Police Service (IPS), Indian Foreign Service (IFS), Indian Forest Services (IFoS), etc. These roles are critical to the functioning of governance and policymaking in India, making UPSC examination highly sought after by graduating students across India.

Some of the key players operating in UPSC entrance test preparation are:

Table 5: UPSC entrance test preparation players[1] – Revenue from operations
FY2024, in ₹ millions

#	Legal Entity Name	Brand Name	Revenue (FY2024)
1	VDK Eduventures Pvt. Ltd.	Drishti IAS	4,054.2
2	Ajayvision Education Pvt. Ltd.	Vision IAS	2,446.2[2]
3	Veranda Learning Solutions Ltd.	Veranda Learning	3,617.3
4	Mahendra Educational Pvt. Ltd.	Mahendra's	1,087.9
5	Made Easy Education Pvt. Ltd.	Next IAS	555.1

Source(s): Ministry of Corporate Affairs (MCA), Annual Report of Companies
Notes(s): 1. These players include those that majorly provide test preparation courses for UPSC exams in India. Additionally, they also provide courses for other government exams like State PCS. The revenue figures, unless mentioned otherwise, are reported on consolidated basis and represent revenue from operations. The elements and definition for Income may vary across companies. Financials are based on data available in public domain basis ROC filings only and does not include revenue (if any) booked in trusts, sister concerns outside India, etc. which are not reported in ROC filings in India;2. Latest revenue available publicly for FY2023

Key characteristics of UPSC entrance exams and test preparation are as following:

- UPSC entrance exam attracts aspirants from diverse academic backgrounds and career stages. Its challenging syllabus, multiple attempt opportunities, and low vacancy ratio create significant demand for test preparation.

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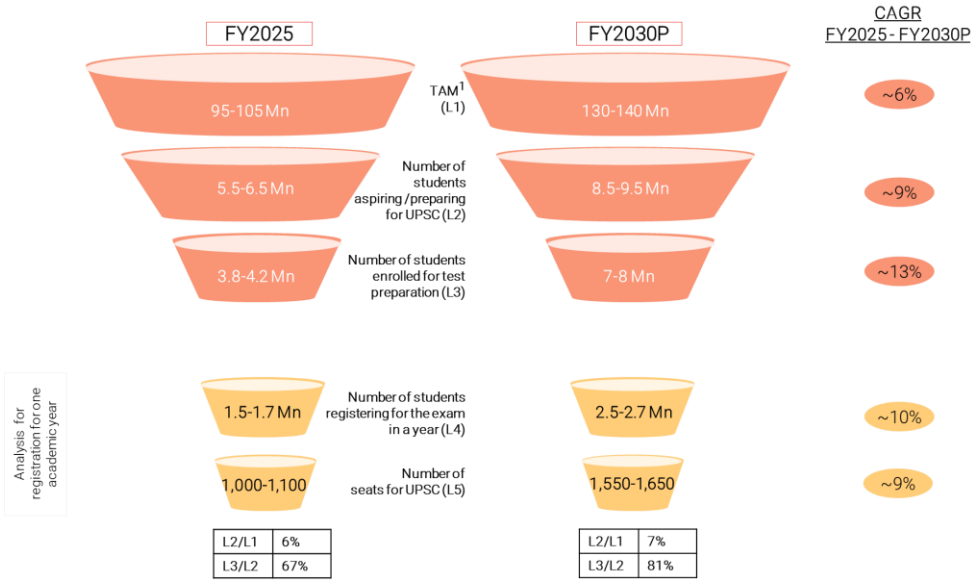
- Securing a position in one of the leading administrative offices in India opens a lot of avenues for graduating students for a respectful career. Many aspiring students start preparing early in their undergraduate (UG) education to increase their chances to secure a seat.
- In FY2025, 1.5-1.7 million students registered for UPSC for 1,000-1,100 vacancies across IAS, IPS, and other central services, approximately 1,400-1,600 students competing for every vacancy across disciplines.
- UPSC allows multiple attempts to candidates to increase their chances of success; with General category candidates getting 6 attempts upto 32 years of age, OBC candidates getting 9 attempts upto age of 35 while SC/ST candidates get unlimited attempts upto 37 years of age. This further makes this a very high stakes exams with very intense competition.

The UPSC test preparation market in India, which is at ₹80-95 billion (US$ 1.0-1.1 billion) in FY2025, is projected to increase at a CAGR of ~19% to reach ₹190-215 billion (US$ 2.3-2.6 billion) by FY2030. The number of registrations in UPSC market is projected to grow from 1.5-1.7 million students in FY2025 to 2.5-2.7 million students in FY2030.

Fig. 34: India's UPSC student conversion funnel
FY2025, FY2030P



Source(s): AISHE, Redseer research and analysis
Note(s): 1. UPSC TAM includes total addressable students (UG enrolments and UG graduates estimates for the last 7 years); 2. There is significant overlap among UPSC aspirants with other govt. recruitment exams like State PCS

In India, students usually start aspiring for UPSC when they begin their UG courses. Around 95-105 million as of FY2025 are potential UPSC aspirants. These include all students enrolled in various UG courses across the full duration of their respective program as well as students who have completed their UG programs in the past 7 years. This is projected to become 130-140 million students by FY2030. ~6% of these candidates, that is, 5.5-6.5 million are aspiring or preparing for UPSC in FY2025.

Out of these aspirants, ~67% enrolled for test preparation in FY2025, up from ~58% in FY2022. Number of students enrolling for test preparation is projected to grow at a CAGR of ~13% between FY2025 and FY2030 and become 7-8 million (~81% of UPSC aspirants) in 2030. The growth in student enrolments in test preparation is expected to be driven by the breadth and complexity of the UPSC syllabus, the rise of optional subject specific coaching, and the increasing popularity of online and hybrid formats catering to aspirants from Tier 2 and beyond cities and working professionals.

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Majority of these candidates aspiring and preparing for UPSC exams also parallelly prepare for other Government exams like State PCS, Banking, Railways, etc. in order to secure a position in any central or state administrative jobs which is considered highly respected in Indian society and also gives stability to families, mostly from the low- and middle-income households.

Table 6: Key growth drivers at each stage of the UPSC student conversion funnel:

Stage	CAGR (FY2025-2030P)	Key growth drivers

TAM (L1)	~6%	• **Increase in undergraduate enrolments**
		  ○ As per AISHE, enrolment in undergraduate courses has increased from 29 million in FY2019 to 34 million in FY2022
		• **Increasing Aspirations for Public Service**
		  ○ With rising awareness of the prestige and career stability associated with civil services, more candidates aspire to join government roles

Number of students aspiring/preparing for UPSC (L2)	~9%	• **Growing Awareness of Career Opportunities** ○ Improved access to information about career prospects in civil services through online platforms and coaching institutes has motivated a wider audience to attempt the UPSC exams

Number of students enrolled for test preparation (L3)	~13%	• **Widening Reach of Digital Resources**
		  ○ The availability of free and affordable online resources, including e-books, video lectures, and test series, has democratized access to UPSC preparation materials, attracting a larger and more diverse group of aspirants
		• **Hybrid Education Models**
		  ○ The combination of online and offline preparation methods has enabled students from remote areas to access high-quality coaching, making the process more inclusive and efficient
		• **Flexible and Affordable Pricing Structures**
		  ○ A variety of pricing models offered by online platforms and coaching institutes has lowered the financial barriers for UPSC preparation, allowing students from various economic backgrounds to participate

C.2.2.4.2.1.2. The PCS test preparation market

The PCS exams are conducted by individual states in India to recruit candidates for administrative and allied services within their respective state governments. The PCS test preparation market in India, which is at ₹130-160 billion (US$ 1.6-1.9 billion) in FY2025, is projected to increase at a CAGR of ~15% to reach ₹280-315 billion (US$ 3.4-3.8 billion) by FY2030. In FY2025, 4-4.5 million students registered for PCS exams, driven by increasing awareness and the growing demand for government jobs at the state level. This number is projected to increase to 5.5-6 million by FY2030, fuelled by

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expanding participation from Tier 2 and beyond cities and the increasing accessibility of preparatory resources, both online and offline.

C.2.2.4.3. Professional exams market

The professional exams market in India, including coaching for professional exams, is at ₹20-30 billion (US$ 0.25-0.35 billion) in FY2025, and projected to increase at a CAGR of ~17% to reach ₹50-60 billion (US$ 0.6-0.7 billion) by FY2030. This segment caters to students pursuing specialized certifications in finance, accountancy, and corporate governance, including but not limited to Chartered Accountancy (CA), Chartered Financial Analyst (CFA), and Company Secretary (CS). Professional exams have a unique appeal among fresh graduates and working professionals alike, providing flexible career pathways and access to high paying jobs. The number of registrations in professional exams preparation is projected to grow from 0.5-0.7 million students in FY2025 to 0.9-1.2 million students in FY2030.

The online segment is playing a pivotal role, comprising ~13% of the market in FY2025, with this share projected to increase to ~20% by FY2030. Digital platforms offer flexibility and affordable learning solutions, catering to students balancing work commitments or residing in underserved areas.

Key growth drivers:

- **Increasing demand for compliance and specialized expertise:** Increasing regulatory requirements, coupled with the growing complexity of financial regulations, corporate governance, and investment management, has driven the demand for professionals with specialized qualifications such as CA, CFA, and CS
- **Global recognition of certifications:** Globally recognized certifications like CFA and globally benchmarked CA programmes attract students aiming for careers with multinational corporations and opportunities abroad
- **Flexible career options:** Professional exams offer diverse career trajectories, enabling individuals to work independently, start their own practices, or pursue roles in large organizations, appealing to a broad range of students

C.2.2.4.4. Postgraduate (PG) entrance

The PG entrance exams market in India, which is at ₹75-85 billion (US$ 0.9-1 billion) in FY2025, is projected to grow at a CAGR of ~9% to reach ₹110-130 billion (US$ 1.3-1.6 billion) by FY2030. Exams like the Common Admission Test (CAT), Graduate Aptitude Test in Engineering (GATE), and Graduate Record Examination (GRE) play a pivotal role in facilitating access to advanced degrees in management, engineering, and global academic programmes. These qualifications are essential for career specialization, leadership roles, and global career opportunities. The number of registrations in PG entrance test preparation is projected to grow from 1.5-2 million students in FY2025 to 2-2.5 million students in FY2030. The online segment is estimated to comprise ~39% of the market in FY2025, with this share projected to increase to ~54% by FY2030.

Key growth drivers:

- **Rising demand for advanced degrees:** With increasing competition in the job market, postgraduate degrees in management, engineering, and specialized fields have become essential for career advancement and higher earning potential
- **Globalization of education and careers:** Exams like GRE (Graduate Record Examinations) and Graduate Management Admission Test (GMAT) enable access to global universities, aligning with the growing aspirations of Indian students for global exposure and career opportunities abroad
- **Increased access to test preparation resources:** The growth of online test prep platforms and personalized learning solutions has made PG exam preparation more accessible, driving participation from Tier 2 and beyond cities
- **Policy support for higher education:** Government initiatives promoting research funding, scholarships, and partnerships with global institutions have increased interest in pursuing advanced degrees, boosting demand for PG entrance exams

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C.2.2.5. Upskilling market

Upskilling and certification are emerging as growing segments of India's education market, addressing the growing demand for job ready skills. The need for specialized skills in areas such as AI, machine learning, and digital marketing is driving adoption, particularly among recent graduates and young professionals. Additionally, employers are increasingly investing in workforce upskilling to meet industry standards.

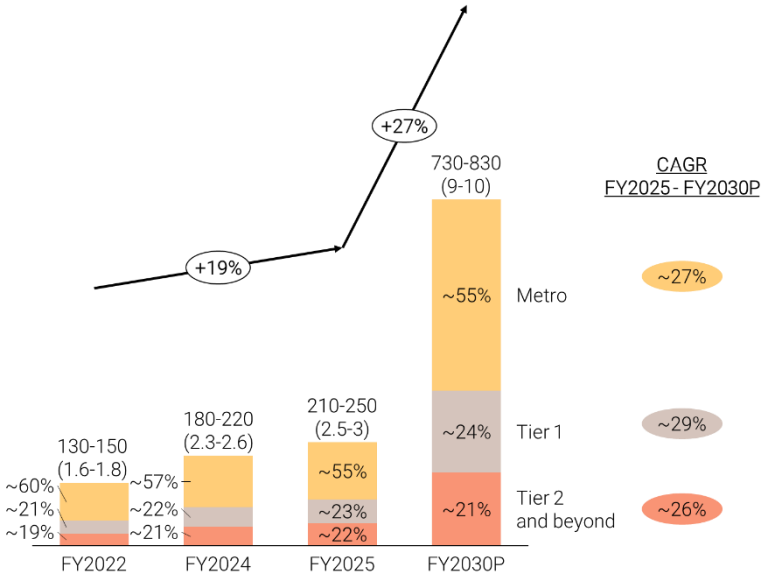
The online upskilling market is at ₹210-250 billion (US$ 2.5-3 billion) in FY2025 and is projected to grow at a CAGR of ~27%, to reach ₹730-830 billion (US$ 9-10 billion) by FY2030. The number of enrolments in upskilling market is projected to grow from 2.6-2.9 million students in FY2025 to 7-7.5 million students in FY2030.

The upskilling market is divided into two key user segments, white collar professionals and students. The white-collar segment is outpacing the student segment, as companies prioritize workforce development to remain competitive. The white-collar professionals market is valued at ₹155–175 billion (US$1.9–2.1 billion) in FY2025, it is projected to grow at a CAGR of ~29% to ₹540–620 billion (US$6.5-7.5 billion) by FY2030, with premium pricing. In comparison, the student upskilling market is projected to grow from ₹65-85 billion (US$0.8–1 billion) in FY2025 at a CAGR of ~24% to ₹200-225 billion (US$2.4-2.7 billion) by FY2030.

Upskilling market can be categorized into four primary categories:

- **Technology upskilling** caters to professionals seeking expertise in high demand technology related areas such as AI, machine learning, data analytics, cloud computing, cybersecurity, etc. These courses address the rapid evolution of technology and equip learners with the skills needed for new industry roles
- **Management upskilling** focuses on enhancing leadership, strategic thinking, and operational skills for mid to senior level professionals. Popular courses include certifications in project management and leadership development programmes tailored to advance career progression
- **Healthcare upskilling** is designed for medical practitioners, nurses, and allied health workers focusing on advancements in medical technologies and practices. Courses in telemedicine, medical research, and specialized certifications help healthcare professionals stay aligned with evolving industry standards
- **Others** include a wide range of university-led courses, short-term certifications, and industry-specific training, including programs in Banking and Financial Services, Social Science, Personal Development, Arts and Humanities etc.

Fig. 35 (a): India's upskilling market split by city tier
FY2022, FY2024, FY2025, FY2030P, In ₹ billions (US$ billions), in %



Source(s): AISHE, Redseer research and analysis
Notes(s): 1. Conversion rate: 1 US$ = ₹ 83

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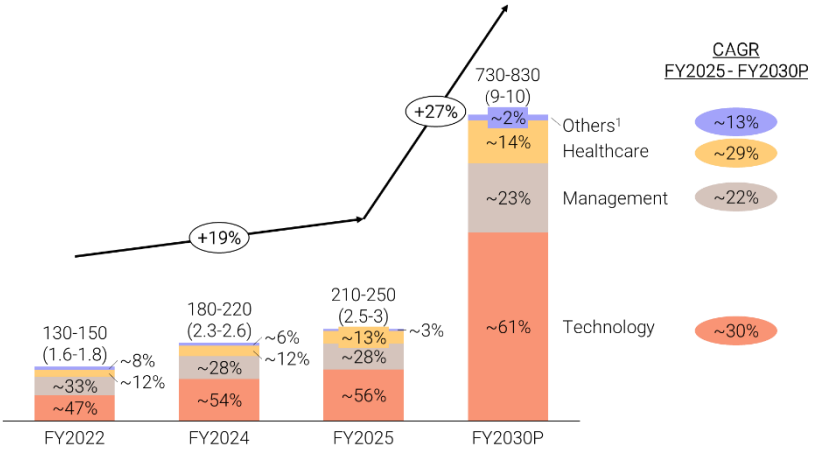
Fig. 35 (b): India's upskilling market split by category
FY2022, FY2024, FY2025, FY2030P, In ₹ billions (US$ billions), in %



Source(s): AISHE, Redseer research and analysis
Note(s): 1. Others in Upskilling category include Banking and Financial Services, Social Science, Personal Development, Arts and Humanities etc.; 2. Conversion rate: 1 US$ = ₹ 83

Key growth drivers:

- **Affordability and accessibility:** Digital platforms provide cost effective, modular learning programmes, allowing professionals to upskill at their convenience. The affordability of these programmes, coupled with the flexibility of self-paced learning, has significantly widened the market's reach
- **Rising demand for skilled professionals:** As per Public Information Bureau, service sector, which contributes ~55% of India's GVA in FY2024, increasingly depends on skilled workers to meet the needs of a knowledge driven economy. Additionally, as per the India Skills Report CY2022, only ~49% of educated youth in India are employable. Furthermore, the World Economic Forum estimates that over ~50% of the global workforce will require reskilling by CY2025 to stay relevant in emerging job roles
- **Demand for upskilling:** According to the Economic Survey 2023-2024, only 51.25% of the youth is deemed employable. In other words, one in two are not yet readily employable, straight out of college as industry faces skill shortages.

C.2.2.6. Academic and educational book publishing market

India's book publishing market is primarily driven by growing demand for academic and educational books, supported by a large K-12 and higher education student base. The market is highly fragmented, comprising over ~9,000 publishers and ~21,000 retailers.

At ₹660-750 billion (US$8–9 billion) in FY2025, the academic and educational publishing market is projected to grow at a CAGR of ~10% to reach ₹1,050-1,250 billion (US$ 13-15 billion) by FY2030. Print formats continue to dominate the market, the digital segment is rapidly gaining traction. This shift is fuelled by the increasing adoption of technology and growing investments in solutions designed to enhance learning outcomes.

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Key growth drivers:

- **Increasing enrolments:** Increasing enrolments is driving demand for core publishing materials across K-12 and higher education
- **Policy and curriculum reforms:** National policy changes and comprehensive curriculum updates are driving demand for multilingual and diverse content. Government has also launched many schemes and initiatives to encourage readership, publishing output, and use of digital formats
- **Adoption of hybrid formats:** Publishers are expanding offerings by combining traditional print materials with digital content to cater to evolving needs of schools and institutions, enhancing accessibility and engagement

C.2.3. Education is a high-stakes investment, driving economic upliftment, poverty reduction, and intergenerational mobility

The resilience of education lies in its high-stakes nature, as it is widely regarded as a critical long-term investment by Indian households. Education serves as the most effective means to break the cycle of poverty, equipping individuals with the skills and knowledge needed to improve employability, and secure upward economic mobility.

Further, with education being a non-discretionary sector that is resilient to cyclicity of markets, and a rapidly growing education market driven by change in parents' aspirations, expanding middle class with an increasing propensity to spend, large young population in India have propelled demand for education.

Key indicators underscore the critical role of education in fostering economic and social progress:

C.2.3.1. Income disparity by education level: Education is a key driver of economic mobility, with individuals attaining higher levels of education earning considerably more than those with only primary education or no formal education. Higher learning opens pathways to better job opportunities, higher salaries and career growth.

For instance, individuals without undergraduate degree, who are employed in blue-collar jobs like construction, masonry, driving, etc., typically earn around ₹2-3 lakhs per annum. In contrast, obtaining a basic undergraduate degree significantly increases one's earning potential. For example, as per latest NIRF (National Institutional Ranking Framework) rankings of CY2023, top undergraduate colleges like IITs, Delhi University etc., report average job offers of ₹5-10 lakhs per annum. Furthermore, students pursuing master's degrees or professional certifications see a substantial salary increase, with premier postgraduate management institutions like IIMs offer average job offers of ₹15-25 lakhs per annum for MBA graduates.

C.2.3.2. Poverty reduction and intergeneration mobility: According to a report by NITI Aayog for CY2021, India's Multidimensional Poverty Index (MPI) comprises three equally weighted dimensions education, health, and standard of living. Among these, education plays a pivotal role in breaking the cycle of poverty by improving employability, income levels, and overall quality of life.

Improving access to education has a far greater impact on shifting economic mobility across generations and creating long-term societal benefits. A report on Inequality and Education in India by the IMF in 2024 highlights the role of social protection programs in reducing financial stress for households that have lost income or employment, particularly during large crises.

C.2.4. Fragmented schooling landscape in India: A case for consolidation

India's education market remains highly fragmented, particularly in the Pre-K, K-12, and test preparation segments, which are dominated by standalone, unaffiliated institutions with limited franchise networks. In FY2025, ~44% of the total enrolments are estimated to come from private schools in India, with a majority operating as fragmented entities.

In contrast, the upskilling market, driven by demand for professional development and company-led training, is more consolidated. Similarly, higher education in India is less fragmented, with ~59% of institutions being government universities in FY2022, as reported by AISHE.

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Unlike India, markets such as the US demonstrate a more consolidated educational ecosystem, where public schools account for ~76% of the K-12 sector as of FY2020. Globally, significant consolidation in the K-12 segment has driven operational efficiency and scale, highlighted by transactions such as the acquisition of IMG Academy for ₹104 billion (US$1.3 billion) and Outcome First Group for ₹83 billion (US$1 billion) in the US and UK markets respectively.

India education market is witnessing consolidation, with more than 13 mergers and acquisitions having occurred in CY2024. These developments signal the initial consolidation within India's fragmented test preparation and K-12 segments, aligning with global trends and highlighting the opportunity for further consolidation and scalability.

Table 7: Indian education market – Level of fragmentation

○ Low ● High

Segment	Enrolments FY2025 (in millions)	Degree of market fragmentation	Recent mergers and acquisitions[3] *(Select examples)*	Financial year of M&A
Pre-K	11-13	◕	• Kido International, a UK based preschool and daycare provider, acquired Amelio Early Education to strengthen its footprint in India	2024
K-12[1]	250-280	◕	• Adda247 acquired Veeksha to integrate 3D learning capabilities, enhancing its offerings for K-12 and JEE/NEET aspirants	2024
Higher education	48-53	◔	• Toprankers acquired Chinar Law Institute to bolster its law coaching capabilities and expand its offerings for judiciary aspirants	2024
Test preparation	65-75	◕	• Adda247 acquired Ekagrata to expand into the CA test preparation market	2024
Upskilling[2]	2.6-2.9	◔	• Open English acquired Enguru, India's leading mobile language learning platform, to drive its entry and expansion into the Indian market	2023

Source(s): Redseer Research and Analysis
Note(s): 1. K-12 enrolments denote K-12 core enrolments; 2. Upskilling enrolments include only online enrolments, 3. The M&A examples have been taken where either the acquirer or the target in the belongs to the respective segment

C.2.5. Artificial Intelligence (AI) to act as an enabler in the India education sector, enhancing efficiency, scalability, and personalization

The education sector is anchored on six key consideration factors that determine its effectiveness and impact on student outcomes. AI impacts each of these pillars differently, acting as a tool to enhance operational efficiency, scalability and personalization. While AI improves several aspects of education, it serves as an enabler rather than a replacement for teachers. Human teachers provide essential value through mentorship, emotional intelligence, and foster creativity bring a unique approach that cannot be replicated.

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Table 8: Key consideration factors and AI impact

○ Least impactful ● Most impactful

S. No.	Key consideration factors	Role of AI	AI Impact
1	**Content delivery and quality**	Leveraging AI to create, curate, and deliver standardized, high quality educational content consistently across digital platforms	◔
2	**Content update**	Using AI to analyze curriculum trends and automate updates to ensure educational content remains relevant and up-to-date	◕
3	**Engagement and retention**	Using AI powered adaptive learning and personalization to sustain student interest and participation in the learning process over time	◑
4	**Doubt resolution and support**	Empowering AI based virtual assistants to provide immediate, accurate responses to student queries, ensuring continuity in learning	◕
5	**Assessment and feedback**	AI analytics evaluates student performance, provides actionable feedback, and creates tailored quizzes and assessments, saving teachers time	◕
6	**Personalization**	Using AI to tailor learning experiences to individual student needs, preferences, and progress, enhancing engagement and learning outcomes	◕

Source(s): Redseer research and analysis

Below is an overview of how AI is currently being leveraged by education platforms across consideration factors:

- **Content delivery and quality**: AI breaks down complex topics into simpler, easy to understand formats while adapting content delivery (e.g., video, text, or interactive modules) based on student preferences. Additionally, AI helps localize content by translating and contextualizing material to cater to regional needs and linguistic diversity
- **Content updates**: AI continuously analyses exam patterns, and student performance data to identify outdated content and replace with updated material with minimum intervention. This ensures alignment with evolving curricula, competitive exams, and industry standards
- **Engagement and retention:** AI creates interactive and immersive learning environments that encourage participation by using gamification with adaptive difficulty levels, where tasks become progressively challenging based on the student's performance, making learning more engaging. Additionally, it facilitates online group learning through shared e-books and interactive games
- **Doubt resolution and support:** AI powered virtual chatbots provide real time doubt resolution at scale, ensuring students receive instant support. AI assistants help handle routine queries, freeing up teachers to focus on more complex needs
- **Assessment and feedback:** AI leverages data analytics to automate grading, deliver personalized feedback, and create quizzes and assessments aligned with evolving patterns. By analysing student data, it helps teachers quickly identify learning gaps and tailor interventions to individual needs
- **Personalization**: AI uses predictive analytics to anticipate a student's future challenges based on their historical performance and recommends tailored study plans or modules to address these gaps. For instance, AI might flag a lack of proficiency in foundational math skills and suggest additional modules before students advance to higher level topics

Leading players across various consumer sectors are using AI to achieve scale and operational efficiency. By integrating AI driven solutions, these players manage vast user bases, provide real time support, and personalize experiences at scale.

- **Global language learning platform:** A leading language learning platform uses AI to personalize lessons for millions of users. By processing data from over 500 million exercises completed daily, advanced algorithms adapt content to individual learning styles. For example, exercises that are too difficult (e.g., <30% probability of success) or too easy (e.g., >100% probability of success) are avoided to minimize frustration and disengagement
- **Large scale educational platforms:** Top education players deploy AI to manage live classes with 2-5 lakh students. Real time doubt resolution, personalized feedback ensures quality and engagement, even at massive scales, democratizing access to education
- **Conversations cloud platforms:** Emergence of various conversational cloud platforms are adopting AI solutions to scale up the volume of one-way or two-way conversations to tackle large scale solutions of B2B players

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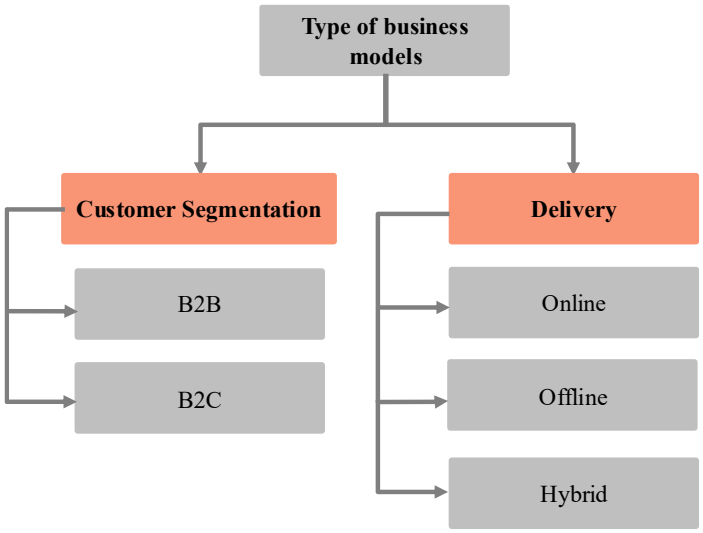
Section D: Business models and success factors

D.1. The Indian education market has witnessed the emergence of multiple business models, each tailored to address specific market segments, user needs, and operational dynamics

The education market is undergoing a structural shift, moving from traditional classroom-based learning to diverse, innovative approaches driven by technology, community engagement, and hybrid learning ecosystems. To provide a comprehensive overview of the business models prevalent in the Indian education market, we have categorized them across two key dimensions:

Fig 36. Types of business models in education market
Descriptive (non-exhaustive)



D.1.1. Customer Segmentation - Business models are defined by their target customers, broadly categorized into Business to Consumer (B2C) and Business to Business (B2B)

- *B2B Players* operate through institutional partnerships with schools, colleges, and corporates providing customized solutions such as curriculum integration, teacher training, and corporate upskilling programs. Players enter multi-year contracts, ensuring scalability and stable income streams
- *B2C Players* deliver educational content and services directly to students through both digital platforms and brick-and-mortar setups. These businesses focus on personalized learning experiences to engage learners and deliver measurable outcomes. Revenue models span from standard tuition fees to flexible digital options including subscriptions, one-time purchases etc.

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Table 9: Comparative Analysis -B2B and B2C model

Metric	B2B	B2C
Key offerings	• *Pre-K and K-12:* Curriculum aligned learning content tailored for schools and institutions • *Higher education:* Institutional partnerships for e-learning content or technical integration • *Upskilling:* Enterprise level training programs or workforce development aligned with corporate needs	• *K-12 and test preparation:* Classroom education for K-12 core, supplemented by additional learning support for K-12 and competitive exam preparation • *Higher education & upskilling:* Comprehensive classroom education for colleges and universities**,** along with **c**areer focused programs, certifications, and skill development tailored for individual needs
Value Proposition	• High customer retention driven by long term contract • Provides customized, curriculum-aligned solutions for institutions • Strong institutional relationships creating a competitive moat • Delivers predictable revenue with stable contractual terms	• Large addressable market • Delivers engaging, exam focused content tailored to individual learners • Offline setup allows proximity to educators for personalized learning options • Online setup garners rapid scaling through digital platforms • Strong brand visibility through social media, fostering an engaged student community
Challenges	• Long sales cycles involving extended negotiations and onboarding • High customization costs to meet diverse client requirements	• High customer acquisition costs (CAC) in a competitive market • Retention and engagement challenges due to low switching cost

D.1.2. Delivery – Business models as defined by how learning content is accessed by end users. These models can be categorized into offline, online and hybrid models

- *Offline model* offers in-person learning experiences facilitated through physical infrastructure, such as classrooms and training centers. Revenue comes primarily from tuition fees and service charges
- *Online model* leverages digital platforms to deliver educational content through apps, websites, and virtual classrooms. Revenue is generated through subscriptions, pay-per-course fees, and bundled packages, with low delivery costs enabling rapid scalability
- *Hybrid model* bridges the gap between online and offline delivery, offering flexibility through a mix of in-person learning experience and digital platforms. Revenue streams include tuition fees, subscriptions, and blended learning packages including cross selling opportunities between online and offline formats

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Table 10: Comparative Analysis -Offline, Online, and Hybrid model

Metric	Offline	Online	Hybrid
Key Offerings	• *K-12 & Test preparation:* In-person classes and coaching, face-to face mentoring • *Higher education:* Colleges and universities offering courses to students in classroom setups	• *Test preparation:* Live and recorded classes, digital mock tests, doubt solving • *Upskilling:* Digital certifications	• *Test preparation:* Blend of in-person coaching with online test series and personalized learning support • *Higher education:* Colleges and universities offering hybrid and distance learning courses
Value proposition	• Builds trust through physical presence and personal interaction • Creates a disciplined learning environment • High perceived value in local communities	• Offers maximum accessibility with anytime, anywhere learning • Highly scalable at low incremental costs • Delivers personalized experiences using data driven insights and adaptive technologies	• Provides combination of flexibility and engagement • Caters to a broad userbase by offering diverse learning formats • Offers convenience of self-paced learning while integrating the benefits of offline engagement
Challenges	• High fixed and operational costs from maintaining physical infrastructure and staff • Scalability restricted by geographic and capacity limitations • Vulnerable to economic downturns like pandemics, local market volatility, etc. • Intense competition requires continuous innovation • Requires digital literacy	• Lower course flexibility than offline and hybrid • Lower teacher touchpoints than other modes for complex topics • Strong tech stack investment for maintaining quality and results	• Complex to manage and integrate both delivery modes • Higher operational costs compared to online only models • Requires robust systems to ensure seamless offline online transitions

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D.2. The success of these models hinges on several key factors, each playing a pivotal role in driving scalability, operational efficiency, and sustainable growth

D.2.1. Leverage advanced technology to drive cost efficiency through scalable operations, resulting in strong margins

Technology has transformed the education landscape by improving access and allowing more collaborative ways to learn. Technology enables a seamless blend of in-person and online education, catering to diverse learning preferences. Online platforms allow students from remote or underserved regions to access high-quality educational resources and instructors. Furthermore, assistive technologies like text-to-speech, screen readers, and real-time captions support students with disabilities, promoting inclusive education.

Advanced technology drives scalability by enabling platforms to teach large student volumes efficiently. AI enhances scale management through automated doubt resolution, personalized feedback, and progress tracking, reducing churn and maintaining engagement. Single teacher can cater to students across the country at the same time allowing for uniform content dissemination.

AI lowers costs by automating high volume tasks such as doubt resolution, personalized feedback, and progress tracking, reducing the need for extensive human intervention. From the student's perspective, this scalability significantly improves affordability, as the cost per student decreases, making high quality education accessible to a broader audience.

D.2.2. Lower CAC acts as an impetus to control operating expenses for players resulting in organic growth through highly engaged communities

Building engaged student communities creates a strong cycle of organic growth and platform loyalty. Platforms increasingly adopt an omnichannel approach, leveraging a combination of online and offline channels such as YouTube, social media, mobile apps to foster trust. This omnichannel engagement encourages interaction, builds deeper connections with students, and enhances brand credibility.

This strategy not only drives engagement but also converts active users into paid users, thereby reducing CAC by relying more on organic referrals and less on paid advertising. The industry has transitioned from a push-based approach to a pull-based model, wherein students are attracted to platforms driven by the quality of content and peer recommendations, rather than through traditional, aggressive marketing strategies. This is more prevalent in test preparation and higher education segments, where peer influence and collaborative learning environments have a significant impact.

D.2.3. Highly trained teachers to enhance learner engagement, driving stickiness and improving retention rates

Teacher quality is a critical driver of learner engagement, retention, and platform success. Average attrition rate[1] of online-heavy education players in India is in the range of 25-35%. Despite this high attrition[1], education platforms tackle this challenge by investing in faculty development program that includes structured training, continuous learning and development initiatives, and regular performance assessments to ensure teachers are aligned with expectation and are able to deliver high quality education. Platforms also conduct regular workshops and review curriculum with teachers to involve them more in the delivery execution which in turn, helps in making content richer and more relevant for students. Feedback mechanisms further enhance teaching effectiveness, fostering better academic outcomes, stronger platform loyalty.

[1] *Attrition rate is estimated as the number of employees (faculty) that left the company over a given period as a percentage of the number of employees in the company in the same period*

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D.2.4. Offering solutions across multiple price points allows platforms to unlock a larger total addressable market (TAM)

By providing affordable entry level options, including free access, platforms can attract low and middle-income households, driving initial user acquisition. These diverse pricing models not only expand the TAM but also create a pathway for organic conversion of paid users with more affordable options.

D.2.5. Strong learning outcomes and results are fundamental to sustainable success across all business models

The long-term viability of education platforms, regardless of their business model or delivery method, fundamentally depends on their ability to deliver measurable learning outcomes and student results. Platforms that fail to demonstrate tangible improvement in student performance through metrics like test scores, placement rates, or skill acquisition typically struggle to maintain growth beyond initial phases.

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Section E: Competitive landscape

The Indian education market is fragmented, encompassing a diverse range of players across organized and unorganized segments. This fragmentation reflects the wide range of educational needs of the geographically and economically diverse population in India. While the unorganized segment continues to dominate in terms of volume, the organized segment has rapidly gained share by addressing critical gaps in scalability, quality, and outcomes. Both segments play a significant role, driven by distinct dynamics and market forces.

The unorganized education market is fuelled by local coaching centers, private tutors, and small-scale institutions that cater primarily to specific city or regions. Proximity, affordability, and familiarity are key drivers for students enrolling for these centers. Flexibility in content delivery, informal teaching styles, and personalized attention also contribute to its prevalence. However, the lack of standardization and scalability limits its ability to meet the evolving expectations of students and parents seeking measurable outcomes and advanced learning methodologies.

In contrast, the organized education market is driven by innovation and scalability. Rising internet penetration and digital adoption has enabled organized players to expand their reach and deliver consistent quality across India. Hybrid delivery models that combine the accessibility of online education with the personalized support of offline centers further enhance the appeal of the organized education market.

Community led growth through online channels drive high organic engagement at reduced marketing costs. This strategy maintains balance of affordability with high quality content to ensure access to quality education across the country. Additionally, the integration of AI enables personalized, efficient delivery, enhancing user retention and operational scalability.

To provide a comprehensive analysis, we have studied the performance of the top six players in the Indian education market based on their consolidated revenue from operations in FY2024. Online test preparation market is the fastest growth segment, with an estimated CAGR of ~29% between FY2025 and FY2030, hence we have also studied the performance of the top 6 players in the test preparation market, based on their consolidated revenue from operations in FY2024.

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Table 11 (a): Key players[1] – Overall education market, Financial metrics
FY2024, in ₹ millions, in %

#	Key players - Overall education market	Time period (CAGR)	CAGR – Revenue	Latest revenue
1	Physics Wallah	FY2022-2024	189%	19,407.1[4]
2	Upgrad Education	FY2022-2024	48%	14,876.2[4]
3	Eruditus Learning Solutions[6]	FY2022-2024	35%	37,172.07[6]
4	Aakash Educational Services[3]	FY2021-2023	56%	23,858.2[5]
5	Allen Career Institute[7]	FY2023-2024	42%	32,447.2[4]
6	Unacademy[2]	FY2022-2024	8%	8,398.0[4]

Table 11 (b): Key players[1] – Test preparation market, Financial metrics
FY2024, in ₹ millions, in %

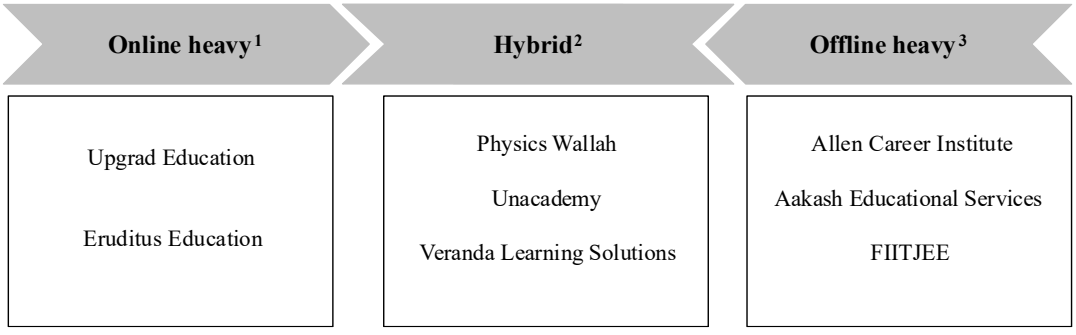
#	Key players - Test preparation market	Time period (CAGR)	CAGR – Revenue	Latest revenue
1	Physics Wallah	FY2022-2024	189%	19,407.1[4]
2	Veranda Learning Solutions	FY2022-2024	120%	3,617.3[4]
3	Aakash Educational Services[3]	FY2021-2023	56%	23,858.2[5]
4	Allen Career Institute[7]	FY2023-2024	42%	32,447.2[4]
5	Unacademy[2]	FY2022-2024	8%	8,398.0[4]
6	FIITJEE	FY2021-2023	8%	5,416.8[5]

Source(s): Company Consolidated financial information for Physicswallah Limited have been derived from restated financial statements for the financial year ended March 31, 2024, Ministry of Corporate Affairs (MCA), Annual Report of Companies, ACRA (Accounting and Corporate Regulatory Authority)
Notes(s): 1. Players who have been downscaling operations in the last two financial years have not been considered in the analysis. Companies in the peer set are players in Indian education market that provide K-12 supplemental education, test preparation and upskilling. Players with significant revenue from school education have not been considered in the peer set. The revenue figures, unless mentioned otherwise, are reported on consolidated basis and represent revenue from operations. The elements and definition for Income may vary across companies. Financials are based on data available in public domain basis ROC filings only and does not include revenue (if any) booked in trusts, sister concerns outside India, etc. which are not reported in ROC filings in India; 2. Unacademy is registered under the name Sorting Hat Technologies Pvt. Ltd. and the name Unacademy has been used consistently throughout the report for ease of reference; 3. Figures are on standalone basis; 4. Latest revenue available publicly for FY2024; 5. Latest revenue available publicly for FY2023; 6. Eruditus Learning Solutions *is registered in Singapore, Latest revenue is the revenue reported for year ending June 2024. Eruditus revenue has been converted from US$ to ₹ using an exchange rate of ₹83 per US$; 7. Figures are on standalone basis for the company registered as Allen Career Institute Pvt. Ltd.*

Among the top 5 education companies in terms of revenue in India, PW is one of the fastest-growing companies in terms of revenue growth during FY2022–24.

Education players in India operated both in online and offline modes. For example, Allen Career Institute and Aakash Educational Services has an offline heavy presence, while players like Eruditus Education and Upgrad Education operate predominantly as online platforms.

Fig. 37: Mode of Operations



Source(s): Company websites as of November 30, 2024

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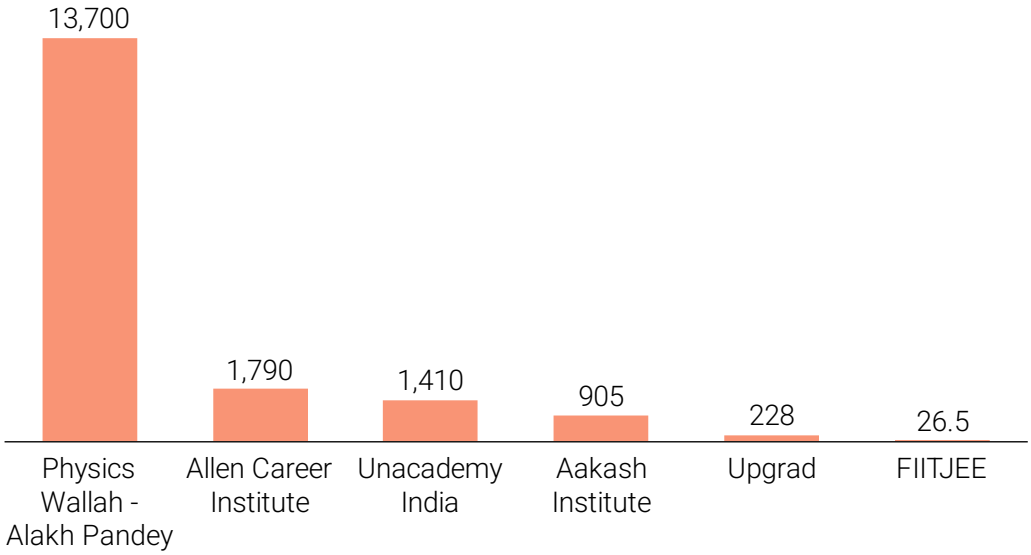
Notes(s): 1. Players primarily operating through online platforms with minimal or no offline presence, with over 75% of their revenue coming from online channel; 2. Players maintaining a balanced presence across both offline centers and online platforms, integrating both channels to deliver their offerings; 3. Players primarily operating through offline centers with a limited presence on online platforms, with over 75% of their revenue coming from offline channel

Key players in India are increasingly adopting hybrid models that integrate both online and offline channels to enhance accessibility and create more personalized learning experiences. This approach enables players to combine the scalability of digital platforms with the trust and effectiveness of in-person interactions.

PW has significant offline presence among education companies in India with offline revenue of ₹1,500–1,700 crore and 3–3.5 lakh paid offline enrolments. PW opened 155-165 centres during CY2022 and CY2023, with the total reaching ~175 by the end of CY2024.

Among the top 5 education companies in terms of revenue in India, PW is the largest in India in terms of student community, with its main YouTube channel, “Physics Wallah-Alakh Pandey" having ~13.7 million subscribers as of 15th July 2025.

Fig. 39: Social media engagement for key education players
Subscribers[1] on select YouTube channel as of 15th July 2025, in thousands



Source (s): YouTube.com
Note (s): 1. Subscribers data for the channels have been manually taken from YouTube.com. For the data where numbers were provided in Millions (M), we have converted them in thousand.

PW has a strong and growing community which is supported by its ability to convert an engaged digital community into paying users. Apart from its main YouTube channel, PW has a total of 206[2] channels with a total of 98.8 Mn subscribers as on 30th June, 2025.

As per Google trends, amongst top 5 education players in India, "Physics Wallah" has the highest search interests in FY2025.

[2] *Number of channels include those of PW and related entities (i.e., Xylem, Utkarsh classes, etc.)*

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As a result of its strong community, PW's marketing spends, at ~10% of revenue, is lower than the average marketing spends of top education players (~18%) in FY2024.

Table 12: Marketing spend[1,2] analysis of top education companies
FY2024, in ₹ millions, in %

Company name	Marketing spends	Marketing spend[1] as a % of revenue
Physics Wallah	1,956.5	10.1%
Eruditus Education[5,6]	10,318.6	27.8%
Allen Career Institute[4]	1,178.7	3.6%
Aakash Educational Services[3,4]	1,584.9	6.6%
Unacademy	2,443.0	29.1%
Upgrad Education	3,400.8	22.9%
FIITJEE[3]	1,027.3	19.0%
Veranda Learning	486.7	13.5%

Source(s): Annual Report of Companies, Ministry of Corporate Affairs (MCA), ACRA (Accounting and Corporate Regulatory Authority)
Note(s): 1. Marketing spend refers to advertising and promotional expenses expressed as a % of revenue from operations as reported in the Statement of Profit and Loss; 2. The figures are presented on a consolidated basis; 3. Figures refer to FY2023; 4. The figures are presented on standalone basis 5. Marketing expense and revenue are taken for the financial year ended June 2024 6. Eruditus' marketing spends figures have been converted from US$ to ₹ using an exchange rate of ₹83 per US$

Each key education player exhibits a distinct focus area, catering to specific segments. For instance, players such as Allen Career Institute, Aakash Educational Services, and FIITJEE primarily focus on test preparation, while players like Upgrad Education and Eruditus Education emphasize on higher education and upskilling. Only a few players, such as Physics Wallah (PW), Veranda Learning, and Unacademy, operate as a full-stack provider, offering services across multiple segments, addressing diverse student needs.

PW offers a wide range of education offerings alongside other leading education companies.

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Table 13: Range of categories

Key players	Pre-K	K-12[1]	Higher Education	Test Preparation	Upskilling
Physics Wallah	×	✓	✓	✓	✓
Eruditus Education	×	×	✓	×	✓
Allen Career Institute	×	✓	×	✓	×
Aakash Educational Services	×	✓	×	✓	×
Unacademy	×	✓	×	✓	✓
Upgrad Education	×	×	✓	✓	✓
FIITJEE	×	✓	×	✓	×
Veranda Learning Solutions	×	✓	✓	✓	✓

Source(s): Company websites as of July 15, 2025
Note(s): 1. Refers to K-12 supplemental education/K-12 services and not core K-12 offering

With the advent of online education, advanced technology and consequently hybrid test preparation model, education players in the market are introducing disruptive pricing for courses thus democratizing access to high quality education content for students across different test categories like JEE, NEET, UPSC, etc.

Among the top 5 test preparation companies in terms of revenue as of FY2024, PW offers the most competitive pricing for paid online courses as of July 2025. Its one-year courses are priced at ₹4,000–5,000 for JEE and NEET, and ₹18,000 for UPSC, making them one of the most affordable offerings in the segment.

The table below highlights the pricing gap between PW's most affordable one-year courses for JEE, NEET, and UPSC, and the average prices offered by the other top five organized players (excluding PW) as of July 2025.

Table 14: Course prices[1,2] – Test preparation market players
As of July 2025

Courses	PW	Top five organized players (excluding PW)
JEE (Class 12)	₹4,500	₹75,000-₹80,000
NEET (Class 12)	₹4,800	₹63,000-₹67,000
UPSC	₹18,000	₹110,000

Source(s): Company data, Redseer Research and Analysis
Note(s): 1. Average pricing for the most affordable one-year online course for JEE, NEET and UPSC for top 5 organized players (excluding PW) in each category. Top 5 players (excluding PW) in each category by revenue considered are as below:
JEE: Aakash Educational Services, Allen Career Institute, FIITJEE, Vidyamandir Classes and Unacademy in an alphabetical order,
NEET: Aakash Educational Services, Adda247, Allen Career Institute, Vidyamandir Classes and Unacademy in alphabetical order,
UPSC: Drishti IAS, Vajiram and Ravi, Veranda Learning, Vision IAS and Unacademy in an alphabetical order;

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2. Lowest prices of full-length online courses of one- year duration (for Class 12) have been considered for JEE and NEET and one-year course for UPSC (including a combination of prelims, mains and interview preparation courses) have been considered

Disruptive pricing by leaders and focus on offering hybrid education models in India is driving rapid adoption of test preparation across city-tier and household income thereby democratizing education at scale.

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Section F: Threats and challenges

While the education sector in India is expected to see significant growth as outlined in the previous sections, players may face several threats and challenges that could impede their growth trajectory and stability as outlined below:

- 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. For example,
    - In October 2024, the National Testing Agency ("NTA"), reduced the number of questions in a section of JEE Main 2025, reversing a temporary measure introduced during the onset of the COVID-19 pandemic, which required test preparation players to incur costs to update existing content such as practice tests and other materials and inform students
    - In November 2023, the NTA also removed certain chapters from the JEE Main syllabus, which required test preparation players to update lecture content and notify faculty to ensure changes in lecture delivery schedules
    - The National Testing Agency (NTA) currently regulates the NEET and JEE examinations for admission to undergraduate courses in medicine and engineering, respectively. These national-level exams were introduced to replace various state-level entrance tests, standardizing the admission process across India. The Ministry of Human Resource Development (now the Ministry of Education) announced that the JEE Main examination would be held twice a year in a computer-based format, enhancing flexibility for engineering aspirants. States have implemented, and may continue to implement, changes regarding the use of entrance examinations for college admissions. To align with such changes, educational institutions and test preparation players may need to adjust their course structures and schedules accordingly
- Scaling technological solutions to deliver education effectively across diverse regions requires substantial investment, particularly in areas with poor connectivity or limited device access
- Negative publicity stemming from mental health issues or suicides among students presents a big challenge for education players, subjecting them to more scrutiny and regulations
- The sector faces intense competition from domestic and global players, compelling continuous innovation
- The cyclical nature of the academic calendar impacts revenue generation, with peaks during enrolment periods and dips during exam or vacation seasons. This creates operational inefficiencies and financial variability for education providers

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Section G: Conclusion

India's education market is poised for significant growth, driven by a young population, growing middle-income households that prioritize education as essential spending, and the rapid expansion of digital infrastructure. With a projected market size of ₹24-26 trillion (US$ 300-310 billion) by FY2030, the sector remains one of the fastest growing segments of the economy. Tier 2 and beyond cities, comprising ~43% of the market in FY2025, with their share projected to increase to ~46% by FY2030 are the key drivers of this growth. These cities are experiencing a structural shift fuelled by better infrastructure development and rising aspirations among students and parents.

India has one of the world's largest education systems with ~1.5 million schools as of FY2024 and ~45,000 colleges, and ~1,100 universities as of FY2022. Government initiatives such as NEP 2020, the Samagra Shiksha Scheme, PMKVY, NEAT, RUSA, and Skill India, supported by an education budget of ₹1,240 billion in FY2025 (~2.6% of the total budget), are encouraging hybrid education models, inclusivity, and public-private partnerships.

The market is shaped by five key segments—Pre-K, K-12, higher education, test preparation, and upskilling. Among these, K-12 and higher education dominate in scale, while test preparation and upskilling are witnessing rapid growth. Intense competition for limited seats drives demand for test preparation, with hybrid models enhancing affordability, access, and personalized learning. Upskilling demand is propelled by service sector growth, talent shortages, and rapid industrial changes, with affordability and self-paced flexibility widening market reach.

Online penetration in education remains low but is expanding, with penetration increased from ~2% in FY2022 to ~4% in FY2025, and projected to reach ~7% by FY2030, driven by increasing internet penetration, affordable data plans, and the adoption of hybrid models. Online education is breaking geographical barriers, enabling students in Tier 2 and beyond cities to access high quality resources and experienced educators. Personalized learning solutions powered by AI and adaptive technologies ensure tailored instruction, enhancing learning outcomes. Evolution of hybrid mode of education is also creating great impact on the education landscape by democratizing access, increasing flexibility of choice and customization for students, addressing teacher shortage by allowing remote access to teachers seamlessly.

As India's education ecosystem evolves, it not only serves as a catalyst for socio-economic mobility but also positions the country as a global hub for skilled talent. Success in this space requires scalable technology, omni-channel strategies, and models that integrate affordability, personalization, and accessibility. India's education sector's growth offers significant investment opportunities, with potential for both domestic and international expansion. Stakeholders who leverage scalable technology, omni-channel approaches, and affordability-focused models will be well-positioned to capitalize on this dynamic and evolving market.

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Glossary

S.No.	Term	Definition
1	GDP	Gross Domestic Product
2	CY	Calendar Year
3	WEF	World Economic Forum
4	FY	Financial Year ending March
5	CAGR	Computed annual growth rate
6	PFCE	Private final consumption expenditure
7	MoSPI	Ministry of Statistics and Programme Implementation
8	WB	World Bank
9	EPFO	Employees' Provident Fund Organisation
10	IMF	International Monetary Fund
11	UPI	United Payments Interface
12	GVA	Gross Value Added
13	PCs	Personal computers
14	GPs	Gram Panchayats
15	TRAI	The Telecom Regulatory Authority of India
16	NDCP	National Digital Communications Policy
17	YoY	Year on Year
18	BHIM	Bharat Interface for Money
19	NEET	National Eligibility cum Entrance Test
20	OTT	Over the top
21	AYUSH	Ayurveda, Yoga, and Naturopathy, Unani, Siddha, and Homeopathy
22	MBBS	Bachelor of Medicine, Bachelor of Surgery
23	JEE	Joint Entrance Examination
24	UPSC	Union Public Service Commission
25	SSC	State Provincial Civil Service
26	CA	Chartered Accountant
27	CS	Company Secretary
28	CFA	Chartered Financial Analyst
29	CAT	Common Admission Test
30	GRE	Graduate Record Examinations
31	GMAT	Graduate Management Admission Test
32	BDS	Bachelor of Dental Surgery
33	UDISE	Unified District Information System for Education
34	AISHE	All India Survey on Higher Education
35	NTA	The National Testing Agency
36	CUET	Central Universities Entrance Test
37	NDA	National Defence Academy
38	CDS	Combined defence services
39	UG	Undergraduate
40	IIT	Indian Institutes of Technology
41	NIT	National Institute of Technology
42	AFCAT	Air Force Common Admission Test
43	IAS	Indian Administrative Service
44	IPS	Indian Police Service
45	IFS	Indian Foreign Service
46	IFoS	Indian Forest Services
47	PCS	Public Service Commission
48	NASSCOM	National Association of Software and Services Companies
49	AI	Artificial intelligence
50	ML	Machine learning
51	PIB	Press Information Bureau
52	MPI	Multidimensional Poverty Index
53	GER	Gross Enrolment Ratio

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54	PTR	Pupil teacher ratio
55	UNESCO	United Nations Educational, Scientific and Cultural Organization
56	STEM	Science, technology, engineering, and mathematics
57	RUSA	Rashtriya Uchchatar Shiksha Abhiyan
58	IoE	Institutions of Eminence
59	Std	Standard
60	SWAYAM	Study Webs of Active Learning for Young Aspiring Minds
61	GCC	Gulf Corporation Council
62	Metros	Cities with a population of more than 10 million people as per Census of India 2011 (Mumbai, Chennai, Bangalore, Kolkata, Delhi, Pune, Hyderabad, Ahmedabad, Faridabad, Gurgaon, Noida)
63	Tier1	Cities with a population of more than 1 million but less than 10 million people as per Census of India 2011 (Surat, Jaipur, Indore, Agra, Kochi etc.)
64	Tier 2 and beyond	Cities with a population of less than 1 million people as per Census of India 2011 (Bhubaneshwar, Salem, Sonipat, Kullu etc.)
65	NPCI	National Payments Corporation of India
66	MBA	Master of Business Administration
67	M.Tech.	Master of Technology
68	M.A.	Master of Arts
69	M.Sc.	Master of Science
70	M.Com.	Master of Commerce
71	M.C.A	Master of Computer Applications
72	KSA	Kingdom of Saudi Arabia
73	CAGR	Compounded annual growth rate
74	GPay	Google pay
75	GB	Gigabyte
76	GSMC	Global System for Mobile Communications
77	NDCP	National Digitals Communication Policy
78	QR	Quick response code
79	DEL	Departmental expenditure limit
80	AME	Annually managed expenditure
81	YTD	Year to date
82	QS	Quacquarelli Symonds
83	SDG	Sustainable development goals
84	NEP	National education policy
85	NIRF	National research foundation
86	DIKSHA	Digital infrastructure for knowledge sharing
87	ECCE	Early Childhood Care and Education
88	PMKVY	Pradhan Mantri Kaushal Vikas Yojana
89	NAPS	National Apprenticeship Promotion Scheme
90	JSS	Jan Sikhshan Sansthan
91	CTS	Craftsman Training Scheme
92	NEAT	National Education Alliance for Technology
93	AICTE	All India Council for Technical Education
94	NTA	National Testing Agency
95	CMIE	Centre for monitoring Indian Economy
96	GATE	Graduate Aptitude Test in Engineering
97	RTE	Right to education
98	CI-MInDS	Centre for Machine Intelligence and Data Science
99	PGDM	Post Graduate Diploma in Management
100	PG	Postgraduate
101	IIM	Indian Institute of Management
102	NIRF	National institutional ranking framework
103	B2B	Business to business
104	B2C	Business to consumer
105	CAC	Customer acquisition cost
106	TAM	Total addressable market

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107	EBIDTA	Earnings Before Interest, Taxes, Depreciation, and Amortization
108	GST	Goods and services tax

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Annexure B

Directors:

- Alakh Pandey;
- Prateek Boob;
- Deepak Amitabh;
- Nitin Savara;
- Rachna Dikshit; and
- Sandeep Singhal

Promoters:

- Alakh Pandey; and
- Prateek Boob

Promoter Selling Shareholders:

- Alakh Pandey; and
- Prateek Boob

Key Managerial Personnel:

- Alakh Pandey;
- Prateek Boob;
- Amit Sachdeva; and
- Ajinkya Jain

Senior Management Personnel

- Amit Sachdeva;
- Ajinkya Jain;
- Gopal Sharma;
- Ananthu Sasikumar
- Pulkit Swarup and
- Satish Sharma

Members of Promoter Group

Promoter Group

Natural persons forming part of the Promoter Group

Name of Promoter	Name of relative	Relationship
Alakh Pandey	Satish Pandey	Father
	Rajat Pandey	Mother
	Shivani Dubey	Spouse
	Aditi Pandey	Sister
	Pragyan Dubey	Spouse's Father
	Jina Dubey	Spouse's Mother
	Suyash	Spouse's Brother
	Himani Dubey	Spouse's Sister

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Name of Promoter	Name of relative	Relationship
	Pallavi Dubey	Spouse's Sister
	Avantika Dubey	Spouse's Sister
Prateek Boob	Harish Kumar Boob	Father
	Damayanti Boob	Mother
	Ekta Shankarbhai Kabra	Spouse
	Sonal Mundhra	Sister
	Neha Boob	Sister
	Purvansh Maheshwari	Son
	Shanker Lal Kabra	Spouse's Father
	Sangitaben Shankarlal Kabra	Spouse's Mother
	Sayam Shankar Kabra	Spouse's Brother

Entities forming part of the Promoter Group:

Proprietorship

S.No	Proprietorship	Relative name	Relationship
Parteek Boob			
1.	Gujrat Kangan Store	Shanker Lal Kabra	Spouse's Father
2.	H.K Plastics;	Harish Kumar Boob	Father
3.	Kabras Jewellery;	Sangitaben Shankarlal Kabra	Spouse's Mother
4.	Kabra Silver Jeweller	Sayam Kabra	Spouse's Brother
Alakh Pandey			
1.	Pragyan Cool Tech Industries	Pragyan Dubey	Spouse's Father

Trust

1. Pragyan Trust;
2. Prem Ekta Trust;
3. Prem Kripa Trust;
4. Prem Seva Trust;
5. Prem Sneh Trust; and
6. Rajat Satish Family Trust