



Ed-Tech Industry Report (2025)

| Growth, Challenges, and Trends



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I

Comprehensive Overview Of Indian Ed-tech Industry

Analyzes the current state of Indian Ed-tech Industry, its growth trajectory and the factors driving its expansion.

Overview of Indian Ed-Tech Industry

Unlocking India's Ed-tech Potential

Key Insights:



\$7.5 Bn

Valued at (2024)



27.65%

Expected CAGR



\$29 Bn

Expected Growth (2030)



10,000+

Companies operating in India

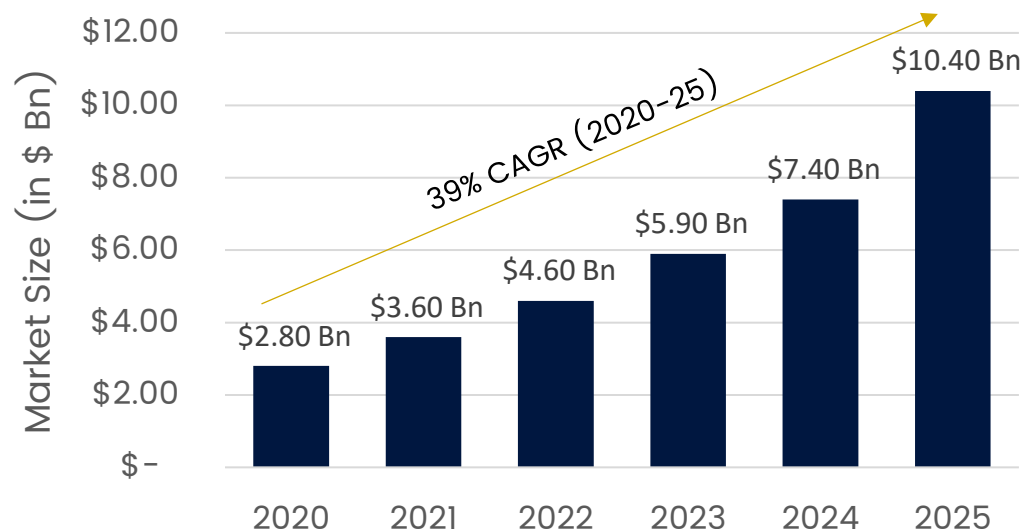
Market Overview:

India's ed-tech sector has seen significant growth, driven by increased demand for online learning solutions and a shift towards **digital education**. The edtech offerings span various segments, including **K-12 education, test preparation, online learning, ed-tech SaaS, skill development, and others**. Among these, K-12 education emerged as the most popular subsector, accounting for more than half of the overall funding in edtech.

The traditional education system in India has governed the way students went about learning in the country for decades, however, the last few years have witnessed the onset of educational technology in the form of **online learning and players** like Byjus, Vedantu, Unacademy, UpGrad, Toppr; etc. dominating the e-learning space with their **innovative offerings and ease of remote learning**.

The **pandemic helped accelerate** the boom of Ed-Tech in India and brought about a paradigm shift to the unconventional mode of online learning for students across categories and age groups. This trend brought about a **huge influx of investments**, acquisitions and the emergence of new players in the ed-tech sector leading to its **meteoric growth**.

Over **Rs. 30,000 crores** have already been invested in this promising industry of educational technology and there is more to come.

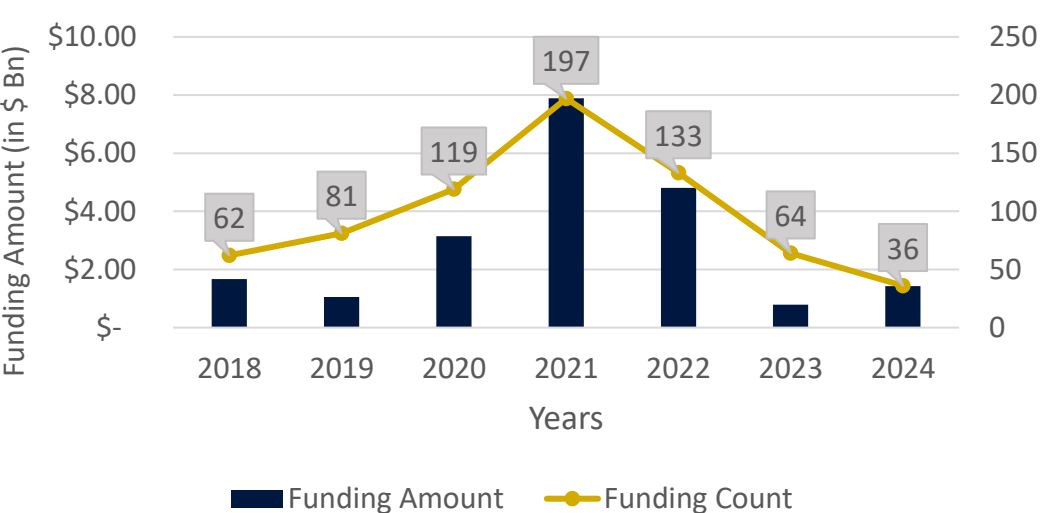
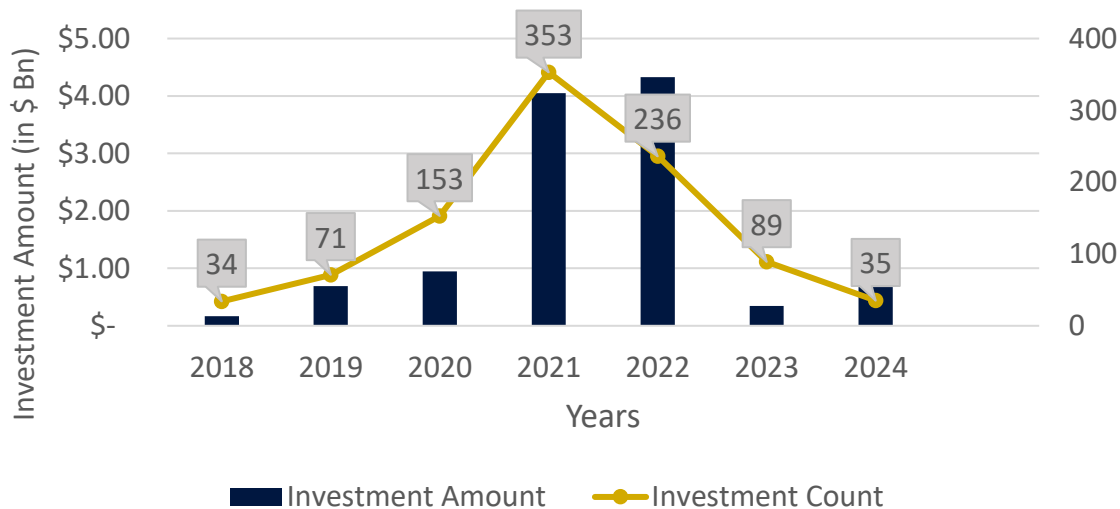


The \$10 Bn Ed-tech Opportunity By 2025

Convenience and low cost will be the driving factors for mass adoption of online education in India

Overview of Indian Ed-Tech Industry

Insights on Investment and Funding



Investment by Ed-tech sector

Insights on investments by Ed-tech companies

Overall, the Ed-tech sector in India experienced **significant volatility**, driven by external factors like the pandemic. The initial growth reflects a response to an urgent educational need, but recent declines highlight **potential market challenges** or shifts in investor strategy.



Funding in Ed-tech sector

Funding insights of companies in Ed-tech sector

The Ed-tech sector in India experienced a dramatic rise in funding driven by the pandemic, followed by a notable decline. It indicates that while the sector remains relevant, it is **facing challenges** in sustaining the explosive growth seen in 2021.





II

Market Segments & Key Players in the Ed-tech Industry

Identifies different segments of the industry and highlights the key companies operating

What are the major segments of Indian Ed-tech Industry ? (1/4)

Breaking Down the Indian Ed-tech Landscape : Key Segments & Leading Players

K-12 Education

The K-12 system of education is about ensuring basic elementary education to students from **Kindergarten to the 12th grade**. Many countries have made the adoption of this system mandatory. In India too, schools are embracing K-12 model of education to align with the concepts of Sarva Shiksha Abhiyan (education for all) and the **Right To Education (RTE)**.

The Government has made primary education free and compulsory. At present, there are around **1.46 million K-12 schools** in the country out of which 54% are run by Central/State Government, 21% managed by local authorities/municipal corporations and 25% by the private sector.

The K-12 Education segment is **valued at \$3.2 Billion in 2024** and is expected to reach \$15 Billion by 2032 with a CAGR of 28.71%.



Test Preparation

The Test Preparation industry consists of companies and organizations that provide educational services, materials, and tutoring to help students prepare for standardized tests, entrance exams, and professional certification assessments. This industry includes test prep centers, private tutoring services, online courses, and study guide publishers.

The industry has grown significantly with the rise of digital learning platforms, adaptive learning technologies, and **personalized coaching**, catering to students and professionals seeking academic or career advancement.

The Test Preparation segment is **valued at \$2.1 Billion in 2024** and is expected to reach \$9 Billion by 2030 with a CAGR of 24.16 %.



What are the major segments of Indian Ed-tech Industry ? (2/4)

Breaking Down the Indian Ed-tech Landscape : Key Segments & Leading Players

Ed-tech SAAS (Software as a Service)

Ed-tech SAAS is changing the way students learn and teachers teach using online platforms. These cloud-based tools make education more accessible and flexible. Key features include virtual classrooms, AI based personalized lessons. This allows students to learn at their own pace from anywhere in the world, while teachers can manage classes automate assessments, and gain insights to improve instruction.

As technology advances, Ed-tech SaaS will continue to grow, **leveraging AI**, virtual reality, and other innovations to enhance the learning experience. As demand for online and hybrid learning grows, these platforms will play a critical role in shaping the future of education worldwide.

The Indian Software-as-a-Service (SaaS) sector is projected to reach **\$5 billion by 2030**, with the potential for further growth due to rapid advancements in artificial intelligence (AI) and its integration into SaaS solutions.

Online Certification

An online certification is a credential awarded after completing a course or training program delivered over the internet. These certifications are increasingly popular due to their flexibility, accessibility, and the variety of subjects they cover. The courses typically range from a few weeks to several months and can be taken at the learner's own pace.

Online certifications are valuable in the job market as they demonstrate a person's commitment to learning and **staying up-to-date** with industry trends. They also offer networking opportunities and exposure to industry experts.

The Test Preparation segment is **valued at \$1.19 Billion in 2024** and is expected to reach \$2.5 Billion by 2030 with a **CAGR of 13.16 %**.



What are the major segments of Indian Ed-tech Industry ? (3/4)

Breaking Down the Indian Ed-tech Landscape : Key Segments & Leading Players

Online Discovery

Online discovery refers to the process by which students, educators, and institutions find new educational tools, resources, and innovative approaches to learning.

Moreover, discovery in Ed-tech involves exploring emerging teaching methods like gamified learning, adaptive learning, and personalized content, which cater to different learning styles and improve outcomes.

The continuous advancement of technology in education makes discovery more **dynamic and accessible**, empowering both learners and educators to find new ways to engage with and optimize the learning experience.

The Online Discovery is projected to reach **\$7 billion by 2030**, with the potential for further growth.



Skill Development

Skill development is taking on new dimensions by integrating technology into learning experiences. EdTech platforms are empowering learners of all ages to acquire and refine a broad range of skills—technical, soft, and life skills—through accessible, engaging, and flexible online tools. This is done by leveraging online platforms, mobile apps, and interactive tools making learning flexible, accessible, and personalized.

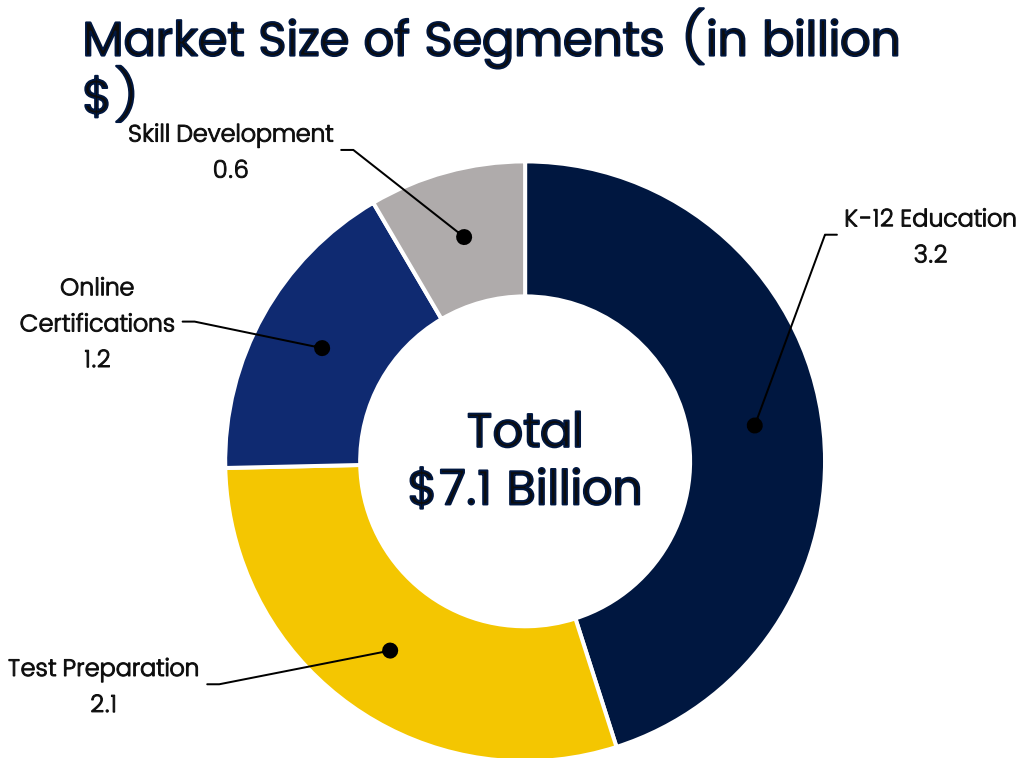
The use of **AI and data analytics** in Ed-tech also enables personalized skill development plans, adapting content to individual learning styles and pacing, ensuring no learner is left behind. As digital learning continues to evolve, EdTech remains at the forefront of preparing learners for the challenges of tomorrow's workforce..

The Test Preparation segment is valued at **\$0.6 Billion in 2024** and is expected to reach **\$2.5 Billion by 2030** with a CAGR of 26.85%.



What are the major segments of Indian Ed-tech Industry ? (4/4)

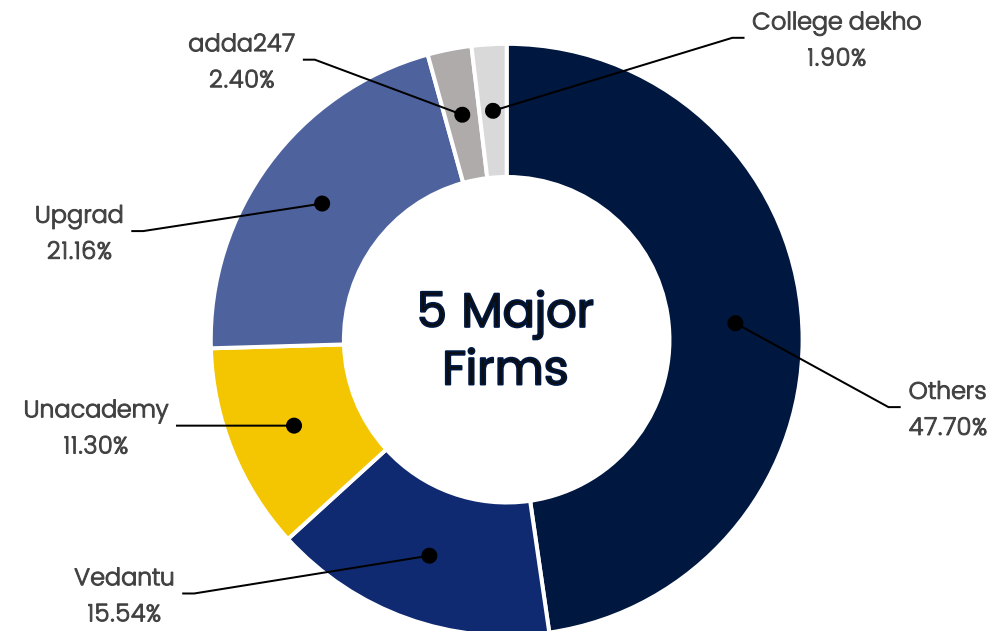
Breaking Down the Indian Ed-tech Landscape : Key Segments & Leading Players



The Market Segment of Indian Ed-tech Industry is shown in the Pie chart according to their Market size in the year 2024 as it explain about the major market segment is K-12 Education followed by the other three segments.

**Not including SAAS and Online Discovery because of current market size which is very low*

Top Leading Firms in the Industry



It Shows the share of Top leading Firm's majorly focusing through the online education and top of them being the Vedantu with the market share of around 15% in the Online Education of the Ed-tech Industry in India. The Other firms are also shown accordingly.

**Not including Physics Wallah as it comprises more of Revenue from offline rather than Ed-tech*



Comparison of India's Ed-tech Industry with Developing Nations

Comparison of India's Ed-tech with Developing nations like Brazil and Indonesia is important in order to know fully about the growth, progress and future opportunities of the industry

Overview of Brazil Ed-Tech Industry

Taking a look at the growth and performance of Brazil EdTech

Market Overview:

The Brazilian EdTech market is considered one of the largest in Latin America, with a substantial number of active EdTech startups.
The Brazil edtech market size was valued at **\$1.8 billion** in 2023.

The Brazil edtech market recorded strong growth in 2023 due to the rise in internet penetration and digital literacy. Several factors such as the availability of reasonably priced online education, increased technology adoption via the use of mobile devices, the availability of high-speed internet, and flexible learning modules have influenced growth in the market. Furthermore, going forward, the market will grow at a CAGR of more than **17% during 2023-2028**.

Revenue in the Online Education market is projected to reach **US\$1,040.00m** in 2025. Revenue is expected to show an annual growth rate (CAGR 2025-2029) of **32.28%**, resulting in a projected market volume of US\$3,184.00m by 2029.

The pre-K-12 and K-12 segment accounted for the market's largest proportion in 2022, with total revenues of **\$1.1 billion**, equivalent to 76.5% of the market's overall value.

The **higher education** technology sector generated \$2.28 billion in revenue in 2023 and is expected to reach \$5.06 billion by 2030, growing at a CAGR of 12.1% from 2024 to 2030

The segment of **Corporate Training** focuses on providing digital learning solutions for businesses to enhance employee skills and competencies.

Source: <https://www.globaldata.com/store/report/brazil-edtech-market-analysis/>



Market Size
\$1.8 Billion



Expected CAGR (2025-29)
32.28%



Proportion of **Pre K12** and **K12** segment
Accounted for **76.5%** of total market

Some Leading Companies:



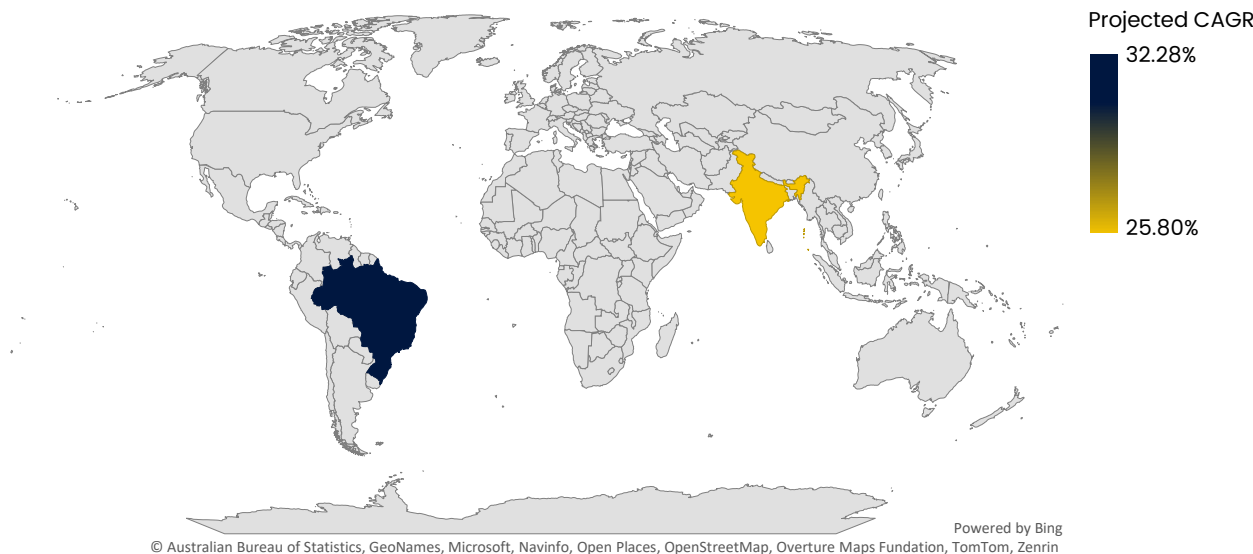
Comparison with Indian Ed-Tech industry

Getting insights by analyzing both the countries

Several factors are driving the rapid growth of India's ed-tech industry. The country's expanding internet user base, which is predominantly mobile-driven, provides a fertile ground for ed-tech businesses. Additionally, India's youthful population fuels the demand for upskilling and reskilling, creating a substantial market for online courses and certificates. These factors, combined with the affordability and accessibility of Indian ed-tech platforms, are propelling the industry's growth.

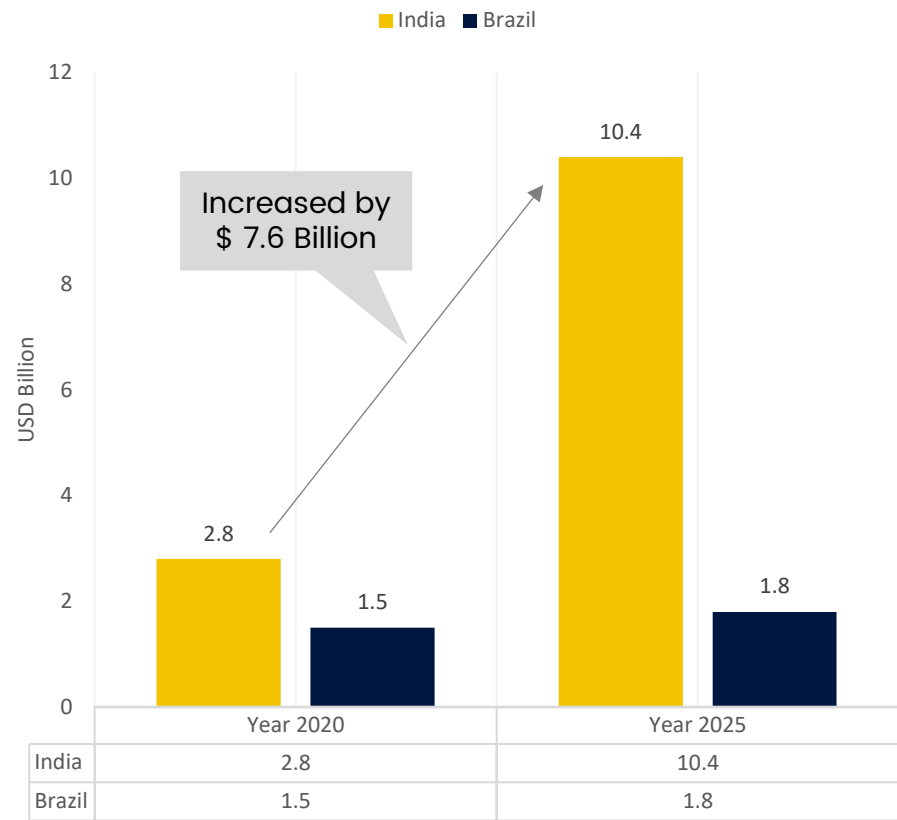
Projected Growth Rates

Estimated CAGR in future



Source: <https://www.investindia.gov.in/blogs/opportunities-indias-edtech-industry-driving-innovation-and-accessibility>

Market Size (USD Billion)



Source: <https://www.marketresearch.com/GlobalData-v3648/Brazil-EdTech-Summary-Competitive-Forecast-34908016/>

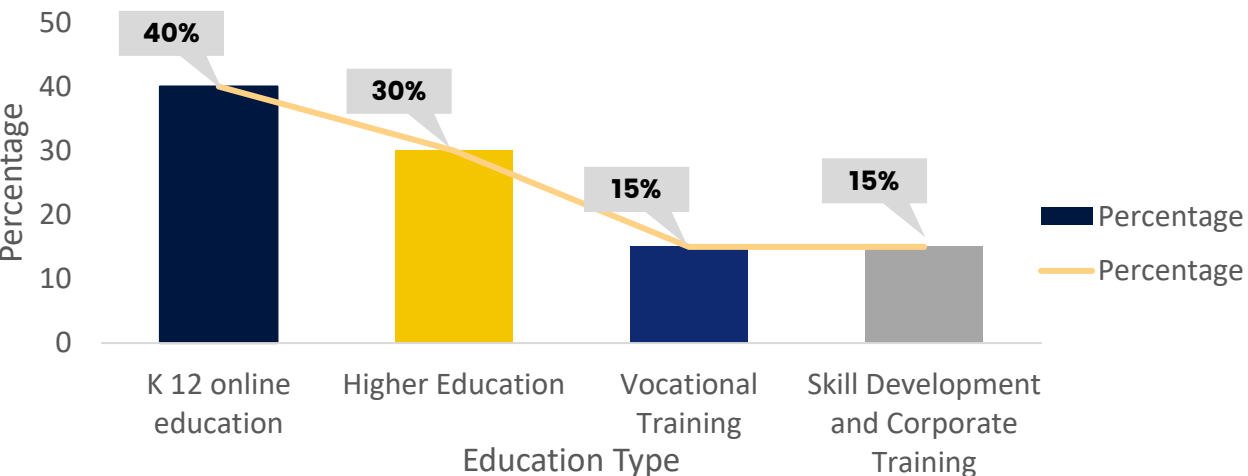
Overview of Indonesia's Ed-Tech Industry

Key insights of Indonesia's Ed-Tech Industry

Market Overview

The Indonesia Online Education Market has shown substantial growth, with the market valued at **USD 1.2 billion**. This growth is driven primarily by the increasing internet penetration across the country and the rise of digital literacy. Dominant regions within the market include **Jakarta, Surabaya, and Bandung**. Jakarta, being the capital, is home to many educational institutions and government initiatives that focus on digital education, further enhancing its role in the dominance of the online education sector.


Market Segmentation by Education Type




Note: We can clearly see **K12 (40%)** and **Higher education (30%)** dominates the education segment in Indonesia

Source: <https://www.kenresearch.com/industry-reports/indonesia-online-education-market>


Key Insights




Projected revenue in 2025
US\$1579.00m



CAGR (2025-2029)
approx. 15%



Population of **267 million**, half under 30 years and **around 60 million** students



User penetration in the Online Education market will be at **7.5%** in 2025.

Some Leading Companies



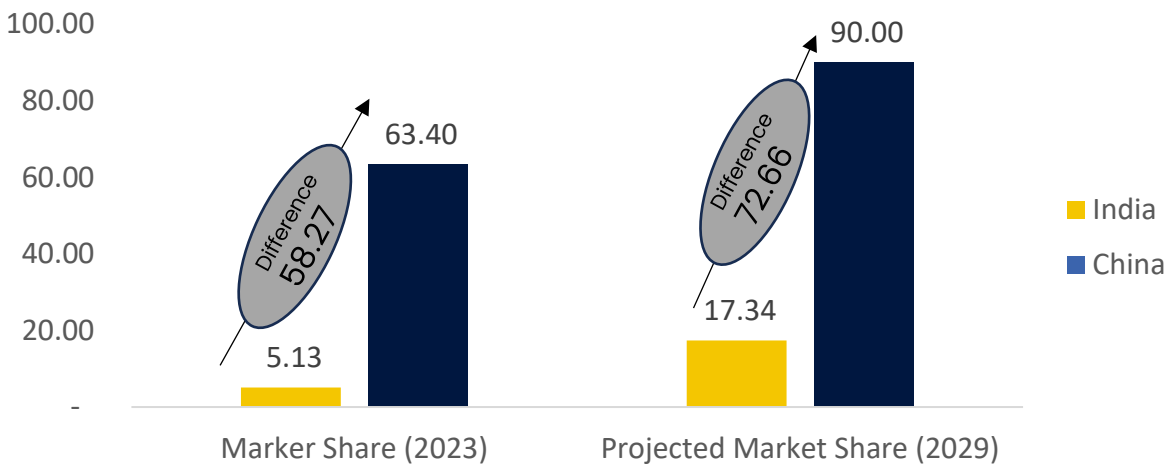




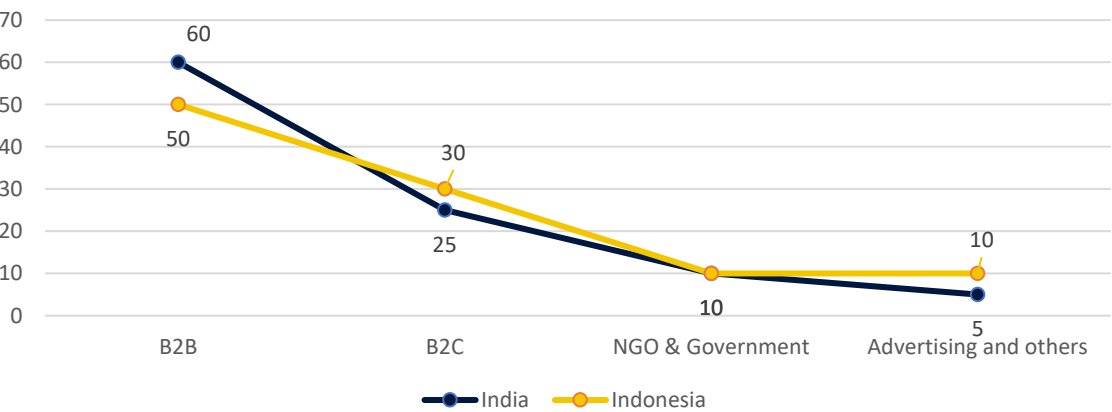
Dominant regions within the market include **Jakarta, Surabaya, and Bandung**. Jakarta, being the capital, is home to many educational institutions and government initiatives that focus on digital education, further enhancing its role in the dominance of the online education sector.

Comparison with Indian Ed-Tech Industry

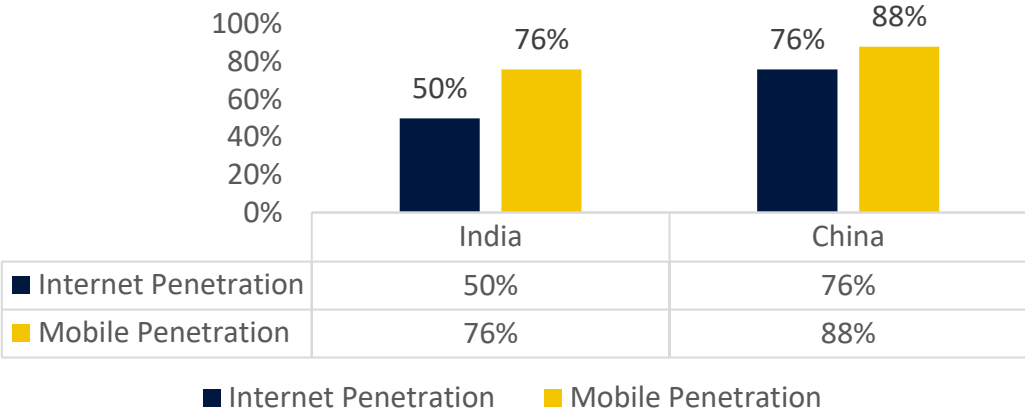
Market Size Comparison (2023 v/s 2029)



Revenue Sources India v/s Indonesia



Internet and Smartphone Penetration (2025)



Note : Internet penetration and Mobile penetration is **greater in China** as compared to India

- ANALYSIS
1. India relies more on B2C (60%) than Indonesia (50%), indicating a stronger **direct-to-student** revenue model.
 2. Indonesia, however, has a higher B2B share (30%) compared to India (25%), showing a greater **dependence on institutional sales**.
 3. Both countries have the same revenue contribution from NGOs & Government (10%), suggesting **similar public sector involvement**.
 4. Indonesia generates more revenue from Advertising & Others (10%) compared to India (5%), highlighting **better monetization through alternative sources**.
 5. Overall, India is more **consumer-driven**, whereas Indonesia has a relatively **balanced approach** between B2C and B2B. The trends indicate that while India benefits from direct student engagement, Indonesia has a more diversified revenue stream.

Source: <https://virtuemarketresearch.com/report/india-edtech-market?>



IV

A Comparative study of Ed-tech Industry of India and China

Comparing the dominators of the industry i.e. China, this will help us to understand what are things that we lack and what more we can do in order to beat China and be the leader

Dominance of China's Ed-Tech Industry

Overview of China Ed-Tech Industry and its trends

Market Overview

The education technology (Edtech) industry in China registered exponential growth, with a focus on the **business-to-consumer (B2C) market model**. In China, for their children to ace the **Gaokao and Zhongkao** exams, which are national college entrance examinations, parents shell out large amounts of money, aiding the popularity of Edtech products and services.

China's educational technology (EdTech) market reached **US\$133.9 billion in 2023**, fuelled by increasing internet penetration and enhanced digital literacy. With a projected compound annual growth rate (CAGR) exceeding **6 percent through 2028**, the sector presents significant growth potential, especially in terms of global expansion.

Additionally, advancements in **artificial intelligence (AI) and language models** are shaping the industry, creating diverse opportunities and growth directions.

Trends shaping future of China's Ed-Tech

- **AI-Powered Learning:** Personalised learning experiences are on the rise through intelligent tutoring systems
- **VR Revolution:** Immersive learning experiences that simulate real-world scenarios.
- **Mobile Learning on the Go:** With over a billion mobile users, China is a mobile-first nation. E-learning platforms are capitalising on this with engaging mobile apps for on-the-go learning.
- **Educational Robotics:** Robots are entering classrooms as companions and personalised learning aids. These robots can provide feedback, enhancing the overall learning experience.
- **Gamification for Engagement:** Educational software is incorporating gaming elements to make learning more interactive and engaging for students.

Leading Companies



Beijing
Yuanli
Education
Technology
Co Ltd



New
Oriental



Zhangmen
Education



Ent study

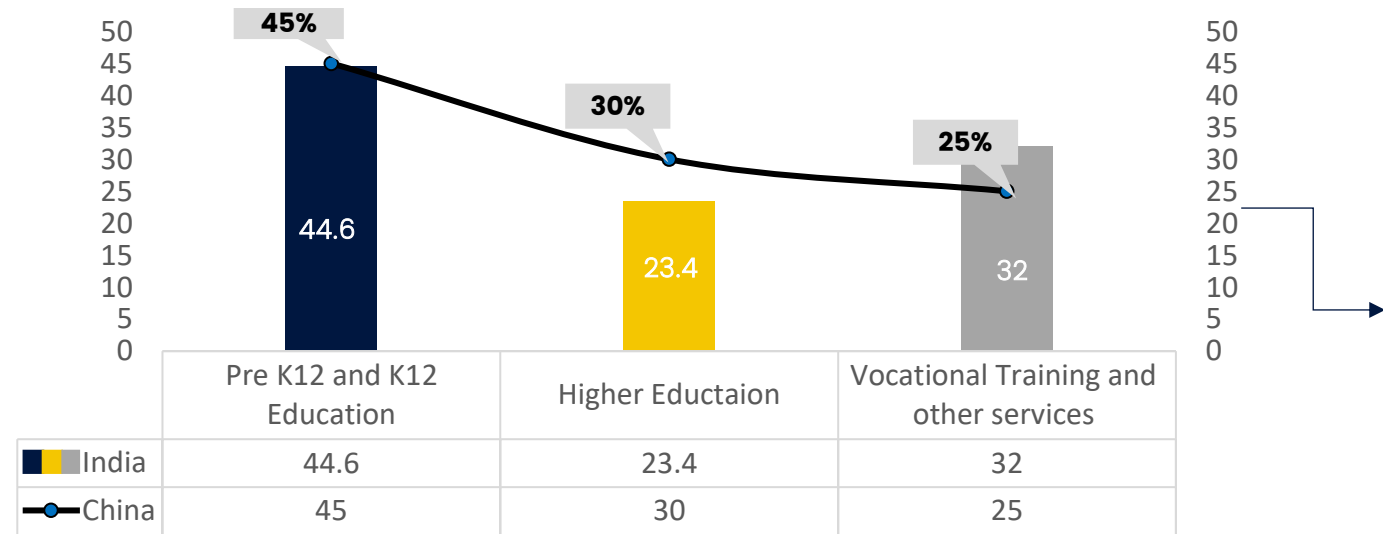
China's EdTech can be generally divided into three categories: online learning platforms, technological learning kits, and study support software. Among these, online learning platforms represent the largest market.

Source <https://www.china-briefing.com/news/chinas-edtech-market-growth-trajectories-and-future-prospects/>

Comparison with Indian Ed-Tech Industry

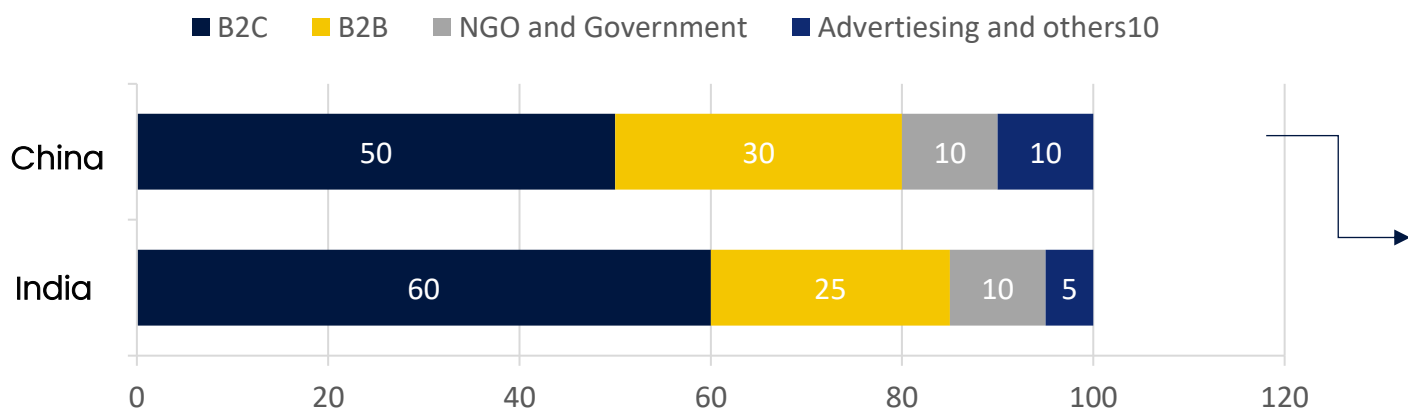
A closer look at the market segment and revenue sources of both the companies

Market Segment Distribution India v/s China



The graph compares India's \$5.13 billion and China's \$133.9 billion EdTech markets in 2023, highlighting significant differences in scale and segment focus. K-12 dominates both markets, contributing 45% (\$60.3B) in China and 44.6% (\$2.3B) in India. China's Higher Education (30%) and Vocational Training (25%) segments are stronger, reflecting a broader approach to lifelong learning. India's Corporate Training (32%) is a key growth driver, emphasizing skill development. The data showcases China's massive market size and diverse EdTech ecosystem, while India's market is expanding across school, higher education, and workforce training segments.

Revenue Sources India v/s China



The graph compares the EdTech revenue models of India and China, highlighting key differences. B2C (Direct-to-Students) is the dominant model in both countries, with India (60%) relying more on individual learners than China (50%). China (30%) has a stronger B2B (Schools & Universities) segment compared to India (25%), reflecting its structured institutional collaborations. Both countries have equal revenue (10%) from NGO & Government sources, while China (10%) generates more from Advertising & Others than India (5%). This suggests that India's EdTech is more consumer-driven, whereas China has a more diversified revenue mix.

Source: <https://www.globaldata.com/>



V

Consumer Needs & Industry Response – Insights from L.E.K. Survey

Based on an L.E.K. & DC Advisory survey, this report analyzes consumer needs in India's EdTech sector, highlighting key concerns like doubt resolution, pricing, and engagement, along with industry efforts to address them.

Insights into India's Ed-tech Industry: Trends, Challenges etc.

Survey respondents cited concerns about pricing, outcomes, motivation, and access.

The survey respondents were

- 1) **Supplemental K-12:** Parents of school-going children using K-12 EdTech providers for tutoring, enrichment, supplemental content, etc.
- 2) **JEE/NEET/other UG test prep:** Parents of school-going children using online test prep for competitive exams like JEE, NEET, The Common Law Admission Test (CLAT), The Common University Entrance Test (CUET), etc.
- 3) **Adult test prep:** Adults (aged 18-34 years) using EdTech providers for preparing for exams like UPSC, Staff Selection Commission (SSC), The Graduate Aptitude Test in Engineering (GATE), Common Admission Test (CAT), Graduate Management Admission Test (GMAT), etc.
- 4) **Upskilling:** Working professionals (age 21+).

Source: L.E.K. parents survey for supplemental K-12 users, N=263

Key Concerns

Offering/outcome-related issues
Pricing-related issues
High prices or low perceived value for money

Pricing-related issues
High prices or low perceived value for money.

Motivation, discipline, support-related issues
Distractions, Low Focus & Need for Peer Study

Access-related issues
Lack of high-speed internet and device access

Retention & Engagement

Self-paced learning requires discipline, which many students struggle with.

1. Supplemental K-12

Online K-12 faces challenges due to doubt resolution, pricing, and motivation.

Background

India's offline supplemental K-12 learning is largely unorganized, relying on stand-alone tutors. COVID-19 disrupted these operations, pushing learners online, with 60% citing accessibility as the key driver. Parents also prioritized academic quality and product experience.

Key Issues

Dissatisfaction Factors: Poor Doubt Resolution, High Fees (3K-4K), & Low Motivation (45% in K-2 vs. 17% in G9-12)

NPS & Renewal Intent

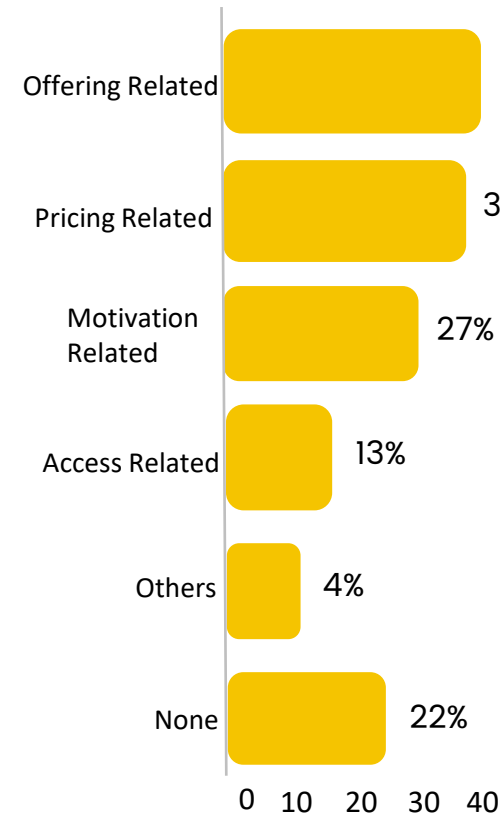
Online K-12 providers received a negative NPS of -4%, with only ~30% likely to renew. COVID-19 drove 69% to online classes, but just 13% would continue post-pandemic.

Recommendations

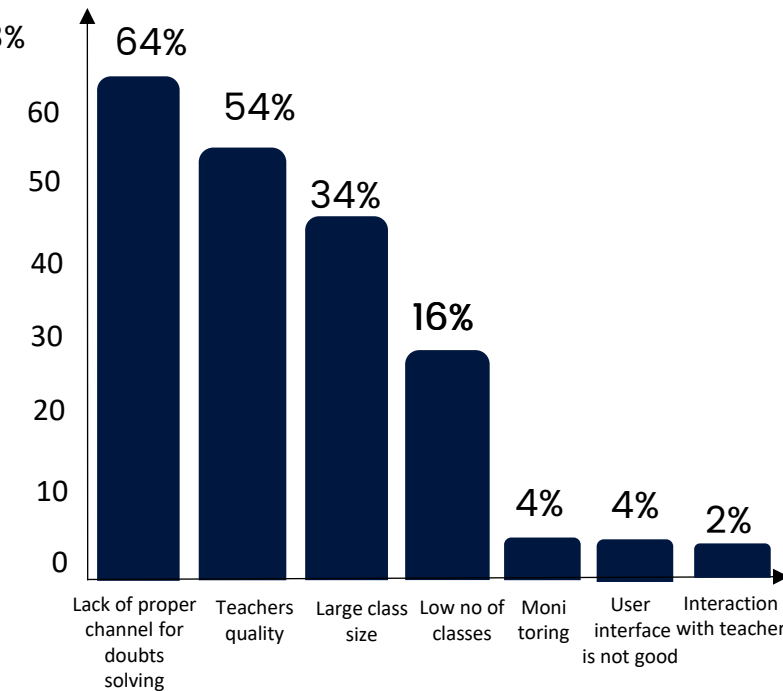
To improve satisfaction, platforms should enhance doubt resolution through faster response rates and dedicated tutor support. Better offerings can also improve perceived value, addressing pricing concerns. Lower-cost plans could help price-sensitive users. Motivation can be boosted through engagement tracking, gamification for younger learners, and a stronger focus on learning outcomes.

Source: L.E.K. parents survey for supplemental K-12 users, N=263

Reasons for dissatisfaction, online K-12 supplemental learning (2022) Percentage of respondents, N=132



Offering-related dissatisfaction, online K-12 supplemental learning (2022) Percentage of respondents with offering-related issues, N=50



2. JEE/NEET/other UG test prep

Online Test Prep: Improve Doubt Resolution, Peer Interaction & Affordability for Higher Satisfaction

Background

Online test prep services support students preparing for exams like JEE and NEET. While traditionally supplemental, COVID-19 pushed online learning to become a primary mode. Accessibility (26%) and product experience (29%) were key selection factors, with features like a rich material repository (11%), detailed solutions (11%), and an updated curriculum (16%) driving preference.

Key Issues

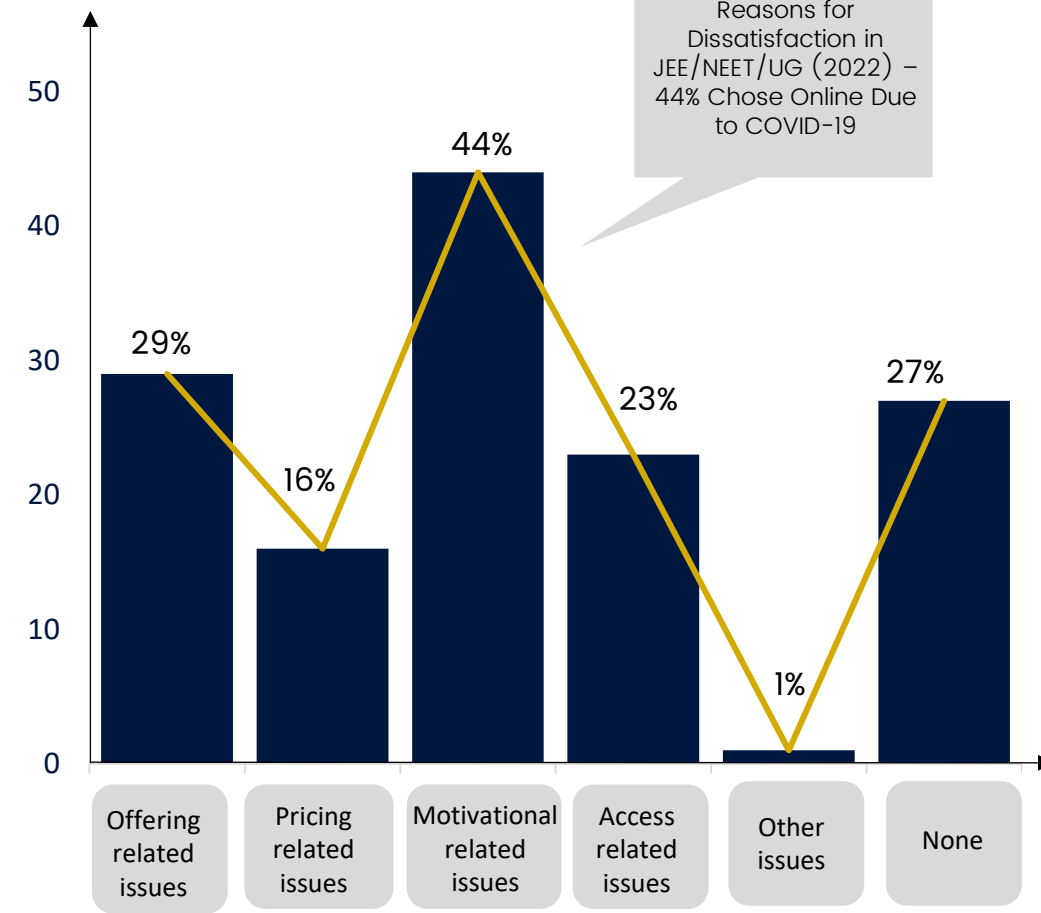
Motivation and offering issues drove dissatisfaction, with 62% preferring peer interaction over self-learning. Offline providers excelled in engagement and teaching quality, while online test prep faced concerns over teacher/material quality, doubt resolution, and large class sizes. Supplementary users reported higher satisfaction than primary users, citing a lack of rigor. Pricing dissatisfaction was higher among those paying over INR 45,000 (27%) than lower-paying users (11%), with key concerns being poor materials (7%) and lack of rigor (8%).

NPS & Renewal Intent

The segment had a negative NPS (-3%) and a low renewal likelihood (~14%). COVID-19 influenced 58% to choose online test prep, but only 24% would renew post-pandemic. Lower-cost supplemental resources like test series and crash courses (under INR 45,000 per year) had higher NPS and renewal rates than full courses.

Source: L.E.K. parents survey for supplemental K-12 users, N=263

Reasons for dissatisfaction JEE / NEET / other UG test prep (2022) Percentage of respondents



3. Adult test prep

Adult test prep excels in flexibility but needs better doubt resolution, teacher interaction, and engagement for growth.

Background

Adult test prep (18-34 years) for exams like UPSC, SSC, GATE, and CAT/GMAT moved online during the pandemic, driven by flexibility (18%), access to top educators, and structured material repositories (12%).

Key Issues

Dissatisfaction stems from large class sizes, weak teacher interaction, and lack of rigor. Motivation issues persist due to online distractions and limited peer interaction. Longer courses (>24 months) had more dissatisfaction with doubt resolution (~8%). Higher-priced courses (INR 45,000+) increased expectations for better doubt-solving (21% to 25%).

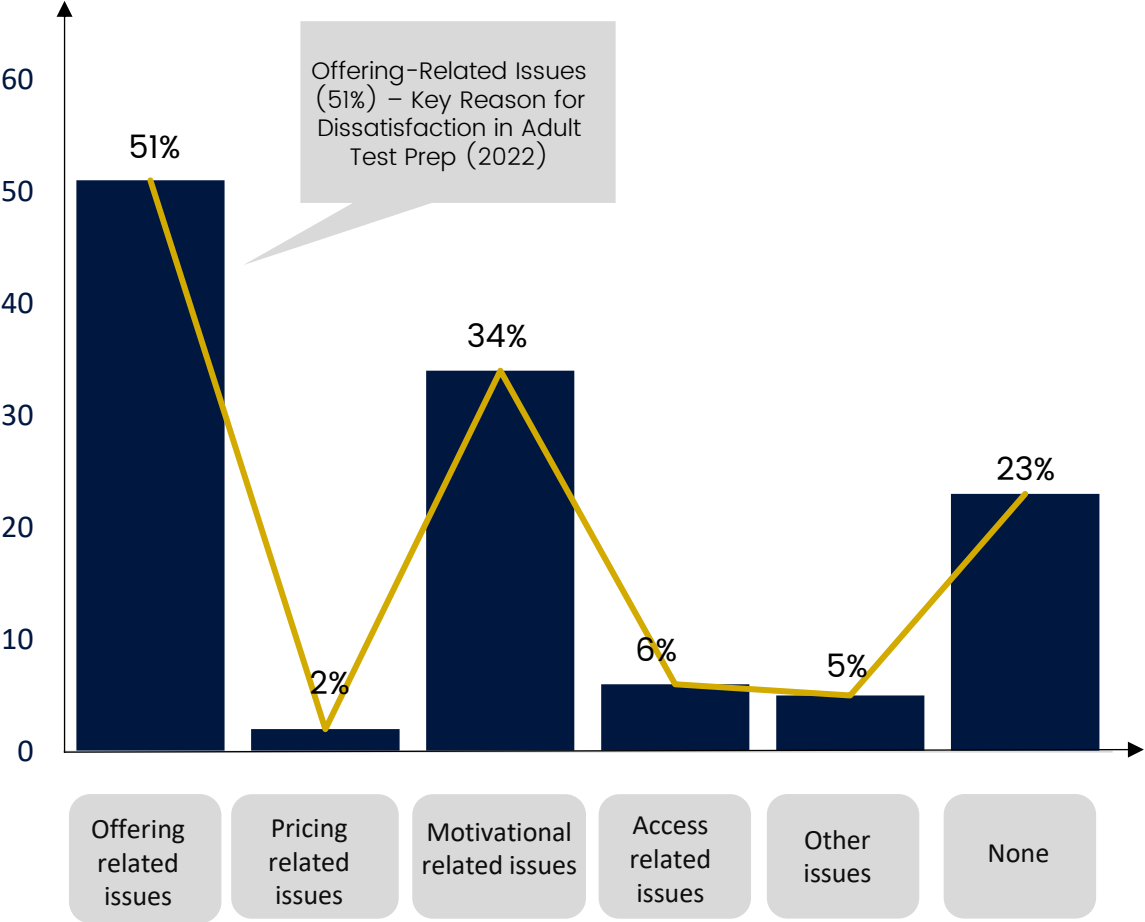
NPS & Renewal Intent

Adult test prep had a positive NPS (9%) but a low renewal rate (20%) due to short course durations. Shorter courses (<13 months) had the highest NPS (16-33%), while longer ones (>24 months) scored poorly (-28%).

Recommendations

Providers should enhance doubt resolution, teacher interaction, and engagement through gamification and virtual assistants. Better teaching quality and interactive learning can improve satisfaction and long-term adoption.

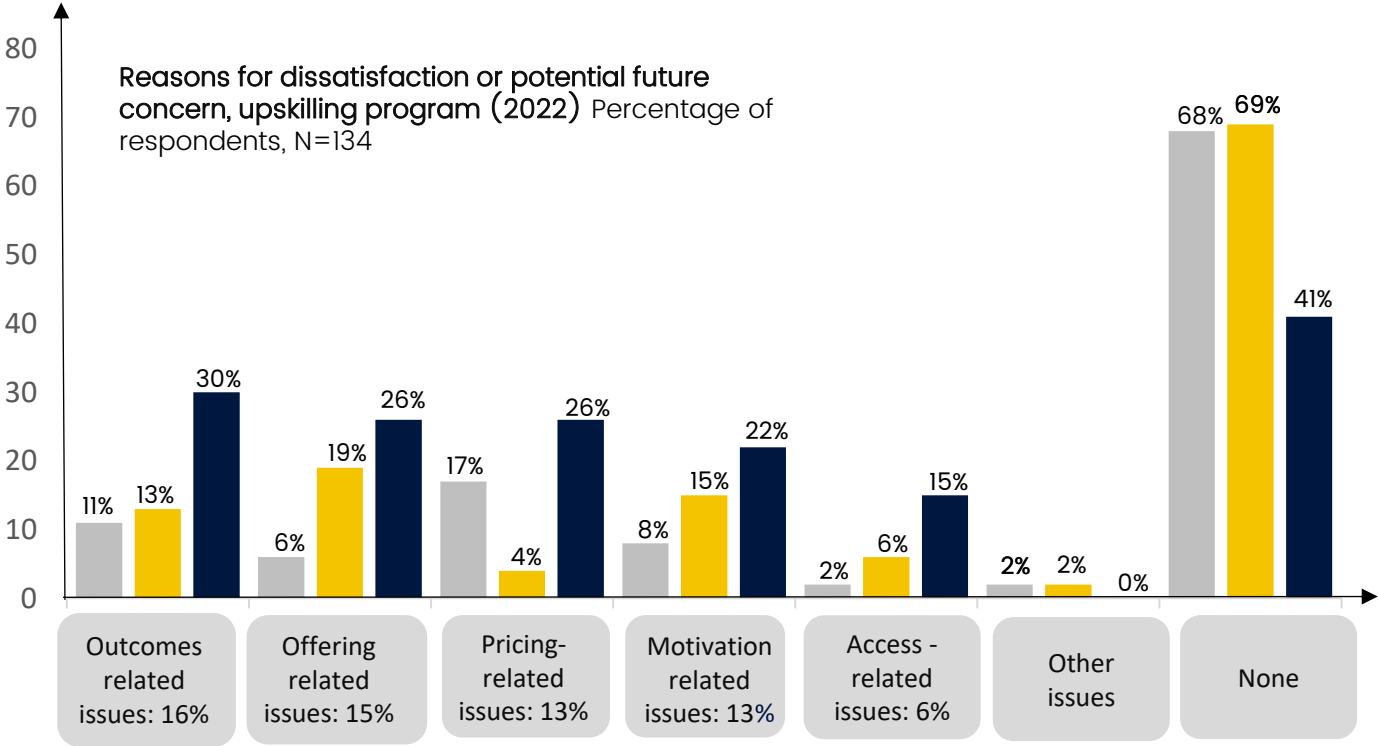
Reasons for dissatisfaction, adult test prep (2022) Percentage of respondents



Source: L.E.K. parents survey for supplemental K-12 users, N=263

4. Upskilling

Upskilling programs drive career growth but must balance affordability, credibility, and employer recognition to sustain trust and long-term enrollment.



Background

Upskilling courses serve **working professionals (21+)** seeking career growth through online learning. Content quality and **experienced instructors (~24%)** are key selection factors. Around 60% of alumni reported career advancement, but satisfaction is higher among older cohorts with specialized programs. Newer cohorts face a wider range, including lower-value courses, leading to concerns about scalability and future outcomes.

NPS & Renewal Intent

Upskilling courses have high NPS among both **current (49%)** and **past (34%)** users. Around 37% of users are willing to enroll in another course within five years, driven by 63% believing job competency requirements will evolve. Higher-priced programs have stronger recommendations, but **36% of past and 19% of current users** found them “extremely overpriced.”

Recommendations

Credibility and recognition are critical. Providers should leverage past placements to **boost employer advocacy** and offer accredited or cobranded courses with reputed global universities. National-level accreditation (e.g., NSQF) can enhance trust. Interest in income-sharing agreements exists but remains untested at scale in India.

Source: L.E.K. parents survey for supplemental K-12 users, N=263



VI

Investment Outlay in Ed-tech Sector

How are changing investment trends, including AI driven portfolios and ESG investing, reshaping investor strategies?

Investment Trends Reshaping the Future of Indian Ed-Tech

How are Investment Trends Transforming the Indian Ed-tech Industry ?

The Indian Ed-tech sector, once a powerhouse of growth and innovation, is now navigating a complex landscape shaped by macroeconomic challenges and a return to traditional learning methods. Despite an **87% decline in funding** since its 2021 peak, the sector remains a pivotal force in addressing India's educational challenges. **With 96% growth in funding recorded in the first half of 2024 compared to the latter half of 2023**, the industry demonstrates resilience and a promising future underpinned by emerging trends and adaptability. Below is a detailed breakdown of the investor's canvas for the Indian EdTech sector.

Market Position: India's Ed-tech ecosystem holds its position as the third-highest-funded globally, showcasing immense potential despite current funding challenges.

Emerging Optimism: The sector is showing signs of recovery with \$164 million raised in H1 2024, indicating cautious optimism among investors.

Evolving Consumer Demand: As the digital landscape grows, there is a notable shift toward skill-based learning, vocational training, and regional language content, reflecting the diverse needs of India's population.

Digital Transformation:

Internet Penetration: Over 800 million internet users, with rural penetration growing at 13% annually.

Smartphone Adoption: Affordable smartphones reaching rural areas, with over 760 million smartphone users.

Government Initiatives: Programs like Digital India and PM e-Vidya driving online education adoption.

Hot Market Trend:

Funding surged from \$2.3B in 2020 to \$4.1B in 2021, with a peak of 357 funding rounds in 2021

Funding dropped significantly to \$2.4B in 2022 and further declined to \$321M in 2023. As of 2024 data, funding is \$215M across only 44 rounds.



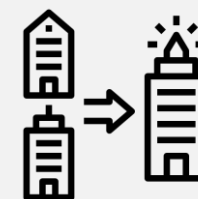
16028+
Companies



1213+
Funded Companies



\$12B
Total Funding



111+
Acquisitions

Evolving Investment Trends: Shaping New Strategies

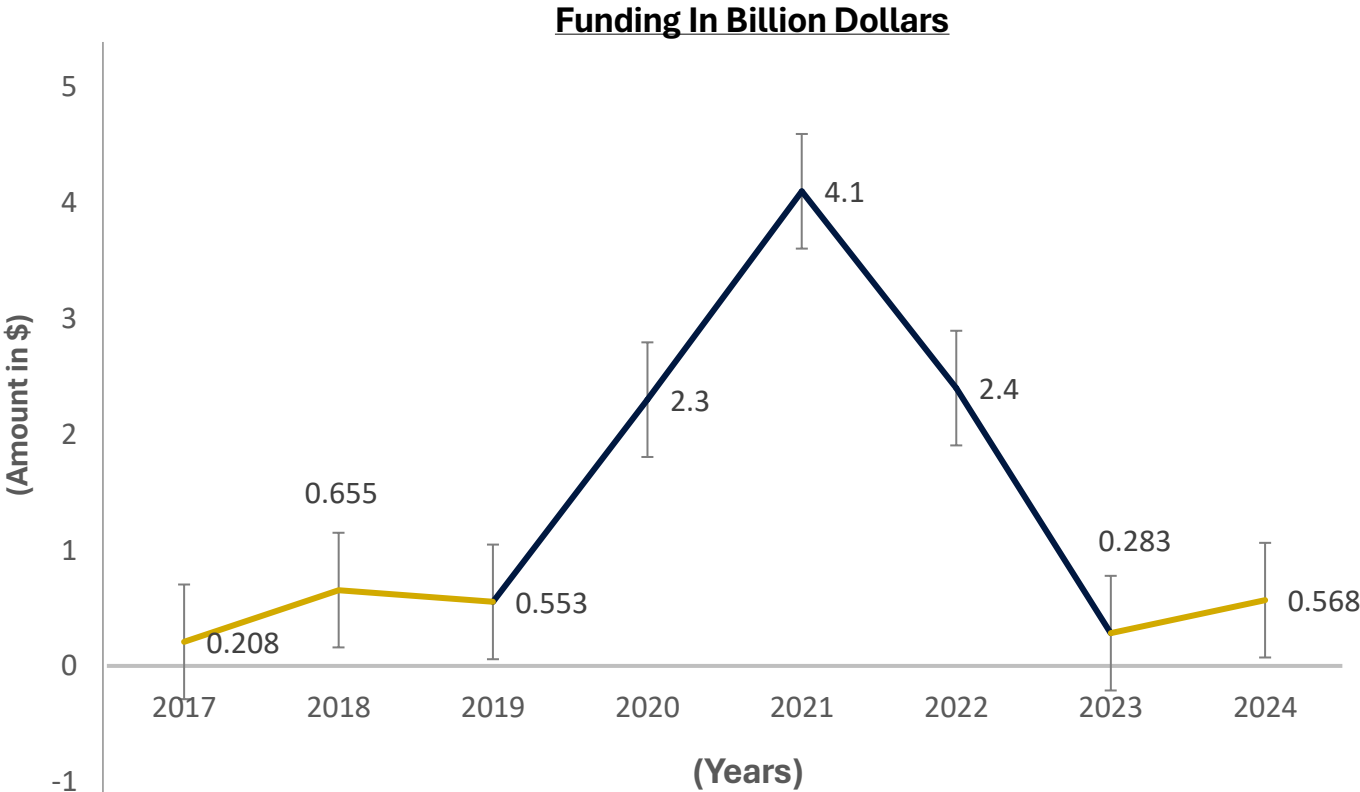
How are changing investment trends, including AI driven portfolios and ESG investing, reshaping investor strategies?

The Indian Ed-tech sector has experienced a significant transformation in investment trends over the past few years. In 2021, the industry witnessed an all-time high in funding, reaching a **staggering \$4.1 billion** as investors eagerly backed online education platforms fueled by the pandemic-driven digital learning boom. However, this momentum did not sustain, and by 2023, funding had dropped sharply by **92%**, **plummeting to just \$283 million**. This dramatic decline was primarily driven by macroeconomic uncertainties, a shift in investor sentiment towards cautious spending, and the global return to traditional offline learning methods as schools and universities reopened.

Despite this downturn, 2024 has shown early signs of recovery. So far, the sector has managed to secure **\$215 million in funding**, with a remarkable **96% surge in the first half of the year**. This surge is evident when comparing the \$3.8 billion raised in 2024. However, while these numbers indicate positive movement, they remain significantly lower than the peak levels of 2021, when a single quarter, Q3, saw an **impressive \$2.48 billion in funding**.

Late-Stage Funding:
Dropped from \$3.9 billion in 2021 to \$166 million in 2024 (YTD).

Early-Stage Funding:
Declined from \$654 million in 2022 to \$96.4 million in 2023, marking an 85% fall.



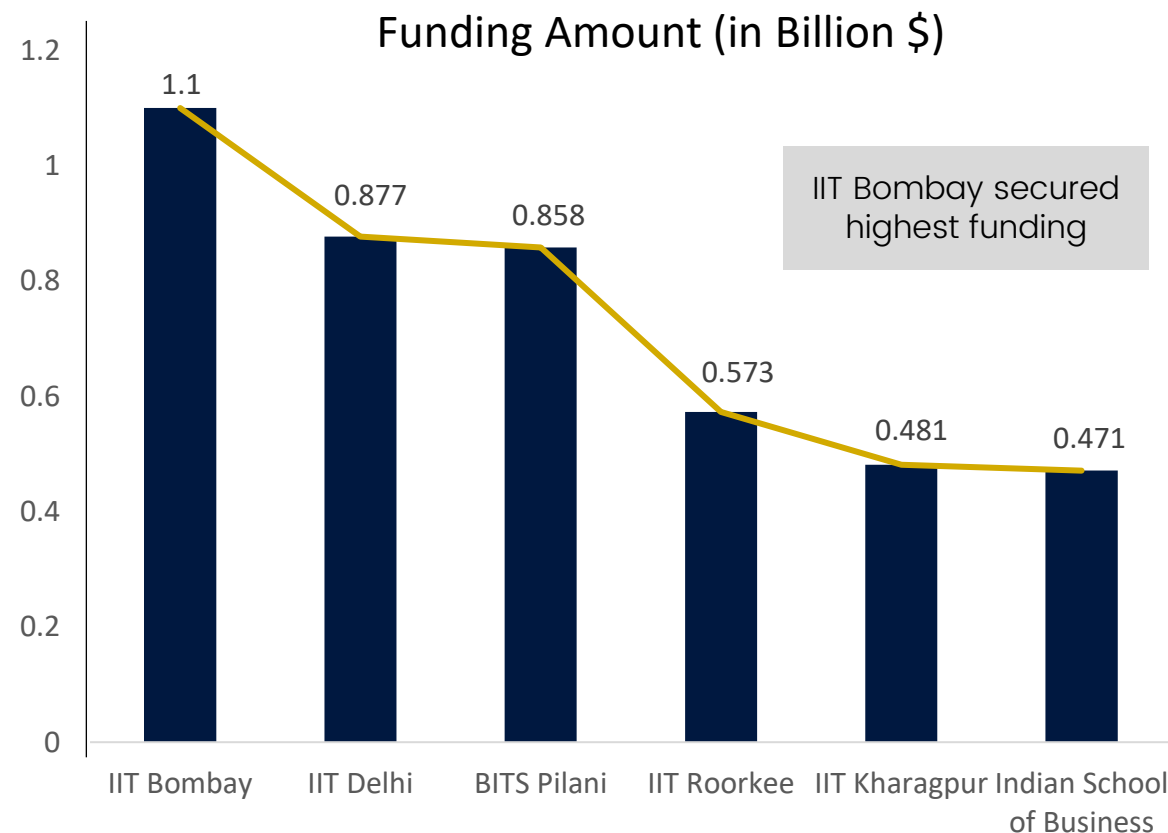
Boom & Bust Cycle in Ed-Tech Funding – The sector saw an explosive **\$4.1B peak in 2021**, driven by pandemic-driven digital learning. However, funding **collapsed by 92% to \$283M in 2023** as investor sentiment shifted due to economic uncertainty and the return to offline learning.

2024 Signs of Recovery – The industry rebounded with **\$568Mn in early 2024** signaling renewed investor confidence. However, the long-term sustainability of this surge remains uncertain.

Source: Tracxn Report on EdTech

Analyzing How Founder Backgrounds Influence Startup Trends

























Getting insights by analyzing how much Investors value the Background of the Founders



IIT Graduates Attract the Most Funding – Founders from IIT Bombay, Delhi, and BITS Pilani secure the highest investments, showing investor trust in tech backgrounds.

Sharp Drop After Top 3 – Funding falls significantly after BITS Pilani, highlighting a strong preference for top-tier IITs.

Startup Names and Their Founders' Alma Mater: (Impact on Funding Success)

 Vedantu \$326M	 Teachmint \$118M	 Toppr \$116M
 upGrad \$269M	 Cuemath \$127M	 Teachmint \$118M
 Eruditus \$811M	 Questt \$8.4M	 Exly \$7.9M
 Eruditus \$811M	 Camp K12 \$18.9M	 AvantiLC \$10.5M
 Eruditus \$811M	 Imarticus \$11.7M	 Univariety \$6.5M
 Vedantu \$326M	 Classplus \$171M	 Newton School \$31.1M
 Leap \$153M	 Next Education \$79.4M	 Leverage Edu \$58.3M
 upGrad \$269M	 CollegeDekho \$90.0M	 Leverage Edu \$58.3M

A conceptual image for an education-themed presentation. It features a black graduation cap resting on a stack of books. A glowing lightbulb is positioned next to the books, and a bright blue particle effect, resembling a spark or a burst of light, emanates from the cap. The background is dark with out-of-focus orange and yellow bokeh lights.

VII

Ed-tech Unicorns: Stating the Future of Learning

Analysing how are India's EdTech giants transforming into billion-dollar knowledge hubs, and what factors drive their rapid growth and investor confidence

Decoding India's Ed-tech Unicorn Trends

How are India's Ed-tech giants transforming into billion-dollar knowledge hubs, and what factors drive their rapid growth and investor confidence?



06

Total Unicorns



3.7

Avg Years from Series A to Unicorn Round



7.2

Avg Funding Rounds before Unicorn Round



\$162Mn

Avg \$ Funding before Unicorn Round

Top Early Age Investors



Peak XV Partners



Accel



Blume Ventures



Elevar Equity



Nexus Venture Partners

Top Late Age Investors



Peak XV Partners



Tiger Global Management



Alteria Capital



General Atlantic



Konark Trust

Top Cities



Mumbai (3)



Bengaluru (2)









Noida (1)

Startups in India, on average, take **3.7 years** and **7.2 funding rounds**, raising around **\$162 million**, to achieve unicorn status, with major contributions from investors like **Peak XV Partners** and key startup hubs in **Mumbai, Bengaluru, and Noida** driving this growth

From Startup to Unicorn: Identifying India's Latest Billion-Dollar Venture

Identifying a company in India that have recently achieved unicorn status

Company	Description	Unicorn Event Date	Time from Series A ¹	Funding ²	Rounds ²
 Physics Wallah (2020, Noida, \$102M)	Online platform offering live courses for JEE, NEET, and classes	Jun 2022	-	-	0
 LEAD School (2012, Mumbai, \$172M)	Provider of integrated school system	Jan 2022	4.4	\$69M	5
 Vedantu (2011, Bengaluru, \$326M)	Provider of an online courses and personalized tutoring platform	Sep 2021	6.4	\$220M	15
 Eruditus (2010, Mumbai, \$811M)	Provider of executive-level programs for professionals	Aug 2021	-	\$163M	4
 upGrad (2015, Mumbai, \$269M)	Platform offering higher education programs for working professionals	Aug 2021	0.3	\$156M	3
 Unacademy (2015, Bengaluru, \$880M)	SaaS-based platform providing multi-disciplinary learning resources and test preparation solutions	Sep 2020	3.6	\$201M	9

Reason behind taking Eruditus into list:

Origin: Founded in India.

Planned domicile shift: Eruditus is currently looking to move its headquarters from Singapore back to India.

1 – Time taken from First funding to the Unicorn Event Date.

2 – Before Unicorn Round

Industry Implications:

Sustainability Over Valuation – Profitability is now a key focus..

Future of Edtech – AI-powered learning and hybrid education models will dominate.



VIII

Case Study: The Rise of Physics Wallah as an Ed-tech Unicorn

Presenting the Ed-tech platform which is becoming the most loved among students in India

Physics Wallah – Revolutionizing Affordable EdTech in India

Presenting the Ed-tech platform which is becoming the most loved among students in India



**PHYSICS
WALLAH**

Founders

**Alakh Pandey**

**Prateek Maheshwari**

Physics Wallah (PW): Revolutionizing Affordable Education in India
Physics Wallah (PW) is a rapidly growing Indian ed-tech platform that provides affordable and high-quality education to students preparing for competitive exams such as JEE, NEET, and other academic courses. Initially launched as a YouTube channel by Alakh Pandey.

PW’s Learning Ecosystem:

Online & Offline Learning: PW offers structured courses through its app and Vidyapeeth centers, ensuring accessibility for students across India.

Comprehensive Study Materials: The platform provides live and recorded lectures, mock tests, and doubt-solving sessions, creating an effective learning experience.

Affordable Pricing Model: Unlike many edtech platforms, PW focuses on low-cost education, making quality learning accessible to students from diverse economic backgrounds.

2020
Founding Year

\$100Mn
Last Financial Year Revenue (2023-2024)

30Mn+
Mobile Downloads

15k+
Employee Count

13.2Mn
Total YouTube Subscribers on main Channel

11Mn+
Monthly Online Users

Funding Rounds

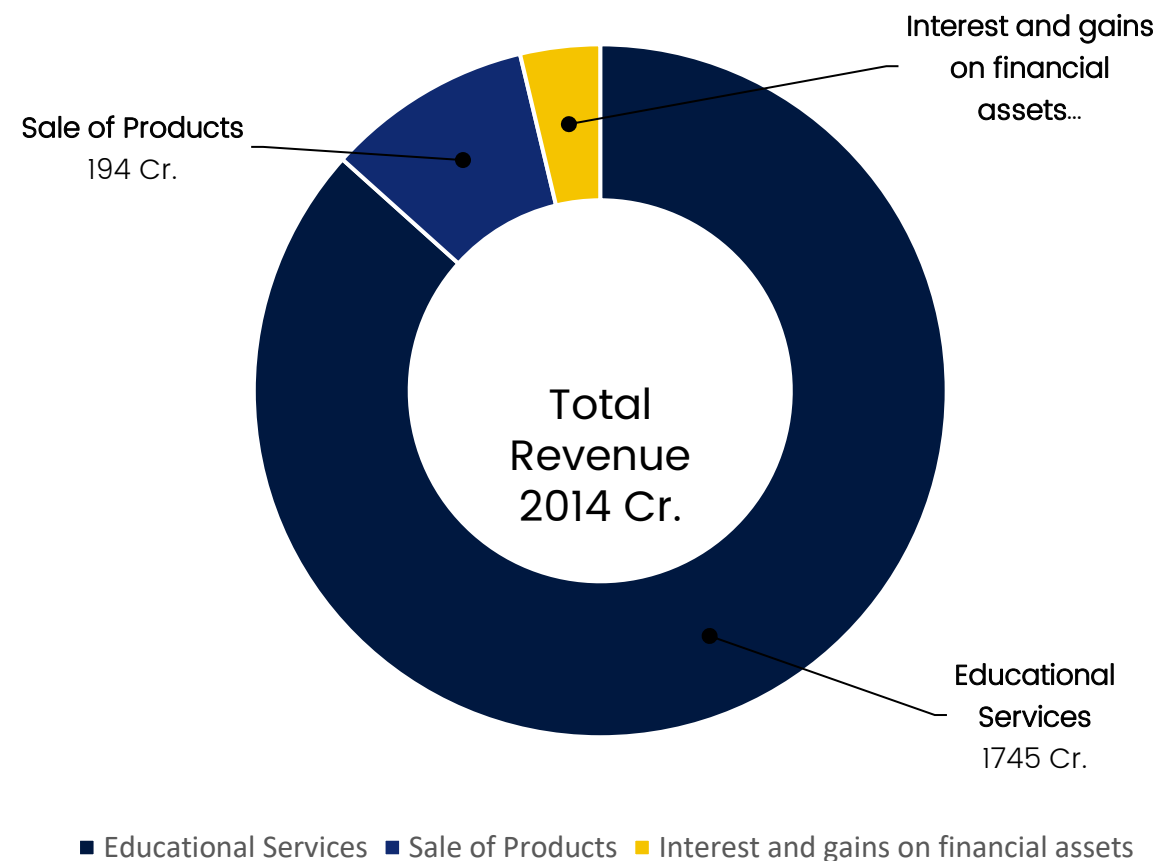
Valuation	Year	Amount	Round	Major Investors
\$1.1 billion	Jun 2022	\$100M	Series A	WestBridge GSV Ventures
\$2.8 billion	Sep 2024	\$210M	Series B	Hornbill Capital Light Speed Venture Partners

Source: thecompnycheck.com , pitchbook.com Source for Employee Count: Datanyze.com

The Revenue Engine of Physics Wallah

How Does Physics Wallah Drive Its Revenue?

Total Revenue (FY 24) - 2015.04Cr Rs.



Sources: www.entrackr.com ; thekredible.com

Inside Physics Wallah's Revenue Streams: A Data-Driven Breakdown

Physics Wallah (PW) has witnessed a remarkable surge in revenue, reflecting its strong growth trajectory in the Indian Ed-tech sector. The company's **revenue from operations increased significantly to ₹1,940.4 crore in FY24**, marking a **160.7% growth** from ₹744.3 crore in FY23, according to its **consolidated financial statements** filed with the Registrar of Companies (RoC).

Breakdown of Revenue Streams:

Educational Services: Over **90% of the total revenue** was generated from PW's **core business of providing educational services**, including online courses, coaching, and other learning solutions.

Product Sales: The remaining portion of the revenue was derived from the sale of educational products such as books, study materials, and merchandise.

Financial Gains: The company also **earned ₹74.64 crore** from interest and financial asset gains, further contributing to its overall revenue.

Total Revenue Reaches ₹2,015 Crore in FY24

With additional income from financial assets, PW's total revenue **reached ₹2,015 crore in FY24**, highlighting its rapid expansion and strong financial standing despite challenges in the EdTech industry.

Assessing the Unit Economics of the Company

Comprehensive Analysis of the Company's Unit Economics and Profitability

Between FY23 and FY24, EBITDA Margin dropped significantly from 0.82% to -44.70%, indicating a sharp decline in profitability. The expense per ₹ of operating revenue increased from ₹1.16 to ₹1.69, suggesting rising costs relative to revenue. Additionally, ROCE (Return on Capital Employed) worsened drastically from -4.38% to -85.84%, reflecting declining efficiency in capital utilization and a significant deterioration in financial performance

FY23- FY24	FY23	FY24
EBITDA Margin	0.82%	-44.7%
Expense/₹ of Op Revenue	₹ 1.16	₹ 1.69
ROCE	-4.38%	-85.84%

Terminologies:
EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization
ROCE: Return on Capital Employed

Sources: www.entrackr.com ; thekredible.com

- Possible Areas for Improvement:
- Optimizing Operational Expenses – Identifying high-cost areas and streamlining operations.
 - Revenue Diversification – Exploring new monetization channels beyond traditional offerings.
 - Technology & Automation – Leveraging AI-driven solutions to reduce operational inefficiencies.
 - Sustainable Growth Strategies – Balancing aggressive expansion with financial prudence.

The background image features a dark blue graduation cap resting on a stack of old, leather-bound books. A lightbulb is positioned in front of the books, with its base connected to the cap by a thin wire. A bright, glowing burst of light particles emanates from the cap, suggesting an idea or knowledge. The background is a blurred library with warm, orange bokeh lights.

IX

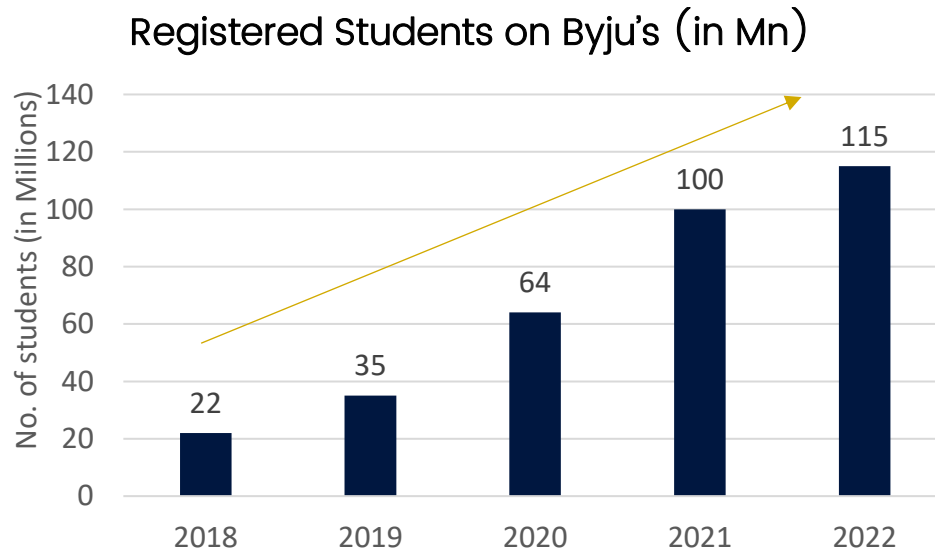
Case Study : An Ed-Tech giant Byju's

Explores Byju's Journey, expansion strategies and challenges faced in its growth.



What about the one of the major Ed-tech company Byju's ?

Byju's: Revolutionizing Ed-tech in India



BYJU'S key Highlights

Highlights of BYJU'S and a snapshot of its key metrics



Sector
Edtech



Founded Year
2011



Headquarter City
Bengaluru



Founder
Byju Raveendran



Total Funding Amount
\$5.97 Bn+



Current Stage
Last Stage

The Goal of Byju's

The primary goal of Byju's is **to bridge the gap** between the Indian education system and help the students **fall in love with what they learn**. The teaching content is delivered to the students in various forms such as **quizzes, exercises, visualizations and much more** than just the theoretical knowledge. Byju's motive doesn't only focus on the students who are interested and motivated to learn, instead **focuses on everyone, being unbiased**. It is trying to create a situation where **students take the initiative of learning** instead of content being spoon-fed to them in order to gain more score which happens in 99 percent of the cases in the country.

Target Audience

Byju's has chosen the **students** as its target audience. Whether it is a student of grade one or a student who is trying to clear entrance examinations such as IAS, CAT, **Byju's has it all**. BYJU'S has chosen its target audience very wisely as it **covers every exam** which is crucial and trending these days such as the **JEE, NEET or BITS**.



What about the one of the major Ed-tech company Byju's ?

Byju's: Revolutionizing Ed-tech in India

How it works

Initially, the student has to provide all the personal details. Then a **free trial period of 15 days** is given to the users in order to try the services. After the trial period, if the payment is done, the students get access to **more advanced levels of learning**.



Stage 1 :

Students are asked to attend the classes they have enrolled in using the app and are asked to take up multiple tests with a personalized feedback.

Stage 2 :

Classroom sessions are conducted by IIT/IIM graduates at the center near them. Currently, this service is being provided in Gurgaon, Pitampura, etc.

Stage 3 :

One-to-one mentoring & doubt clearing by experts is done.

Stage 4 :

Access to in-depth analysis and a real time feedback is given to the parents using the parent app.

Stage 5 :

After the completion of the above stages, a complete revision of the whole content is done again in-order to gain better understanding.

Why is it Successful?

The company is successful because it has exactly targeted the **perfect audience—students** and has provided them the support for **better clarity** on the topics which will be helpful to them clear the entrance examinations in a **simpler and interesting way** by a single click of the mouse along with a **travel free experience** and has given them the **freedom to learn at their own pace**.

We've created students who are addicted to learning, and therein lies the secret to our success.



How is it different from the rest?

Apart from providing the content to the user in the form of **videos, tutorials, etc**; Byju's offers a **personalized experience** using their '**knowledge graph**' feature and can **proceed with their own pace**. Also, the platform provides a **free counselling session** at the doorstep and then the student can understand and select the **course of one's interest more confidently**.

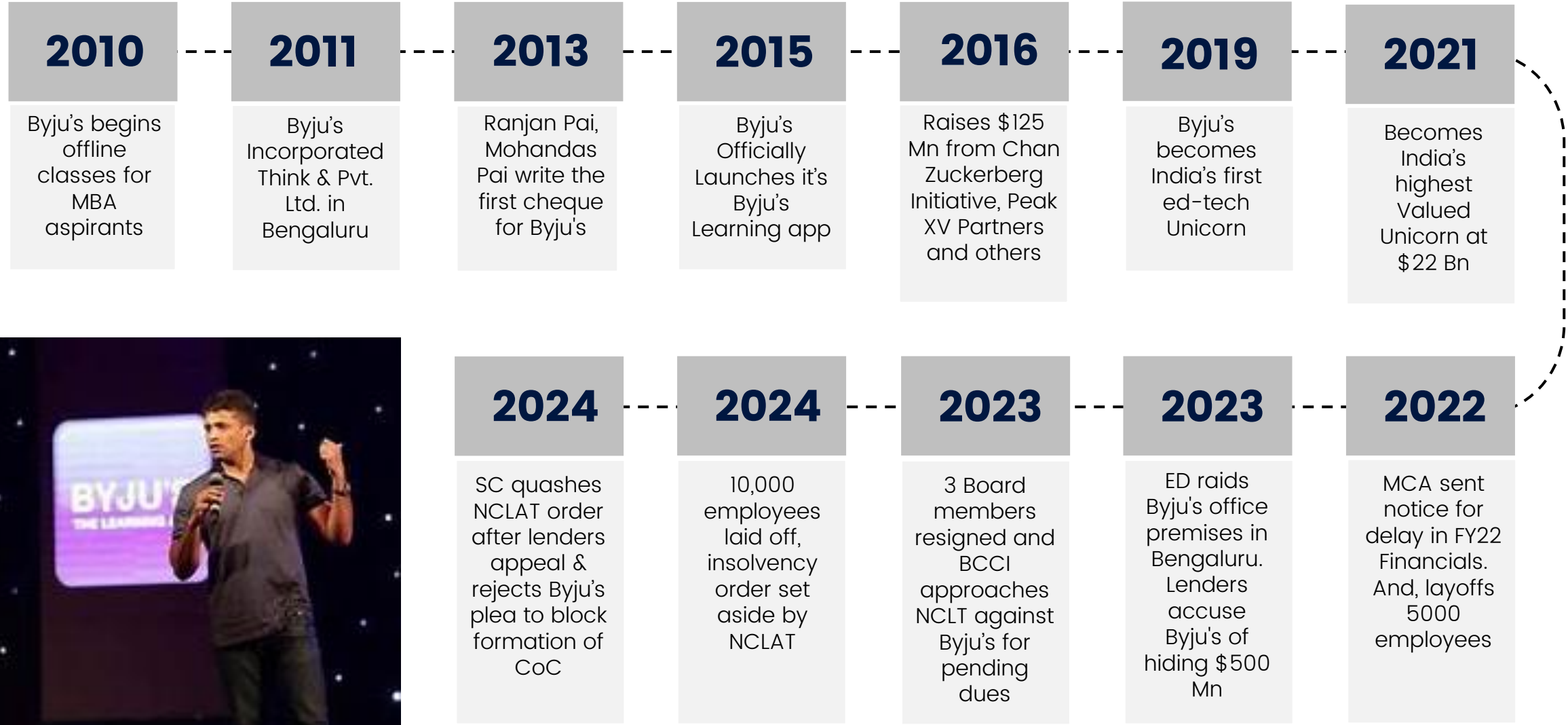
The business model of BYJUS is a **freemium business model** where the communication is done from **business-to-consumer (B2C)**.





What Key Highs and Lows Define Byju's Journey ?

From Local to Global: Byju's Ed-tech Journey

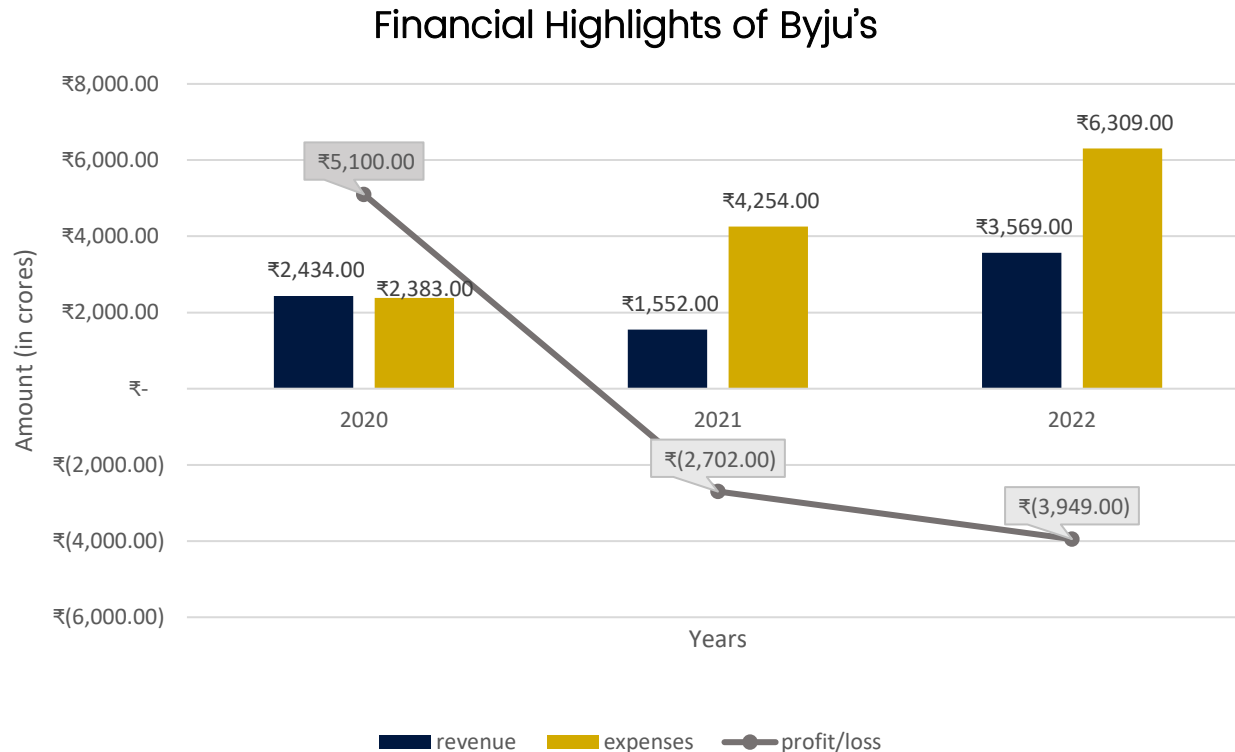




Byju's Case Study:

Financial Highlights

The provided graph offers a clear overview of the financial performance of a company in the Ed-tech industry over the years 2020 to 2022, focusing on total revenue, total expenses, and profit/loss metrics.



1. Revenue Growth:

Total revenue shows **an upward trend**, increasing each year from 2020 through 2022. Specifically, **revenue rose significantly in 2021**. This growth indicates a **potential strengthening of market demand** for EdTech services and products.

2. Expense Trends:

Total expenses appear to follow a similar **upward trajectory**, suggesting that the company **is investing in growth**. However, expense increases should be monitored to ensure they **do not outpace revenue growth**, which could lead to financial instability.

3. Profit/Loss Situation:

The graph indicates a **notable loss of Rs. 2700 Cr in 2021**. This suggests that despite increased revenues, expenditures were significantly high, leading to a **substantial overall loss**. The trend indicates the need for operational efficiencies to turn losses into profits.

Overall, while the Ed-tech company demonstrates the potential for growth in a rapidly evolving market, careful attention to managing expenses will be crucial. Continued innovation and efficient operations may be key drivers in turning around the profit/loss situation in future financial assessments.



X

Conclusion

Summarizing key insights and discusses the future prospects of the Indian Ed-tech industry

Conclusion

Introduction

The **Indian EdTech industry** has undergone a remarkable transformation, evolving from being a supplementary learning tool to becoming a **mainstream education platform**. The sector witnessed unprecedented growth, particularly during the COVID-19 pandemic, when digital adoption surged, leading to the rapid expansion of major platforms like **BYJU'S, Unacademy, and Vedantu**. This period also saw increased investor confidence and a shift in student learning preferences toward digital and hybrid education models.

Key Market Segments and Growth

1.K-12 Education – This segment, which includes school-level learning solutions, is currently valued at **\$3.2 billion (2024)** and is forecasted to grow significantly, reaching **\$15 billion by 2032**.

2.Test Preparation – The demand for coaching for competitive exams like JEE, NEET, UPSC, and CAT has fueled this segment, which is valued at **\$2.1 billion (2024)** and is projected to hit **\$9 billion by 2030**.

3.Skill Development & Upskilling – With rising competition in the job market, learners are increasingly turning to platforms offering certification courses, coding boot camps, and soft skills training.

4.Online Certifications & Higher Education – Universities and institutions are partnering with EdTech platforms to offer online degrees and executive education programs, making quality education more accessible

Market Growth and Projections

As of **2024**, the Indian EdTech market is valued at **\$7.5 billion**, with over **10,000 companies** operating in the sector. With an expected compound annual growth rate (CAGR) of **27.65%**, the industry is projected to reach **\$29 billion by 2030**. The key growth drivers include rising internet penetration, affordability of smartphones, increased adoption of AI-driven learning, and the demand for upskilling and test preparation courses.

Funding Trends and Challenges

Despite the rapid growth, the Indian EdTech sector has witnessed fluctuations in funding.

- In **2021**, EdTech funding peaked at **\$4.1 billion**, driven by large investments in unicorns like BYJU'S, Eruditus, and upGrad.
- However, funding saw a drastic **87% decline**, dropping to **\$321 million in 2023**, primarily due to macroeconomic uncertainties, a shift back to offline learning, and concerns over business models.
- The sector showed signs of recovery in **early 2024**, witnessing **96%** growth, raising **\$164 million** in the first half of the year.



Management Interaction Cell SSCBS



Management Interaction Cell SSCBS



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