

Byju's was valued at \$22 billion. Its delayed accounts told another story

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Maxim: *The company story must eventually show up in the numbers.* — Peter Lynch, in substance

A great story can carry a company for years. Sooner or later, though, revenue, profit and cash have to confirm it, and the accounts are where you find out first.

A story tells you what a company could become. The numbers tell you whether it is becoming it.

The story everyone believed

Few Indian companies have had a better story than Byju's. Online learning for every child, a pandemic that moved classrooms onto screens, marquee investors and a string of acquisitions. At its peak, roughly two years before June 2024, the company was valued at \$22 billion, [Gulf News reported](#), making it India's most valuable startup.

The numbers arrived late. Byju's results for the year to March 2021 came out in September 2022, after a delay of more than 18 months, [Business Standard reported](#). The auditor, Deloitte, had asked for two changes, the paper said. Fees for a two-year course could no longer be counted in full in the year of sale; they had to be spread over the course. And interest on loans that partners gave to customers was moved out of finance costs.

When the accounts finally appeared, they showed revenue of ₹2,428 crore for FY21, slightly below the ₹2,511 crore of the year before, and a loss of ₹4,588 crore, about 19 times the previous year's, [according to Deccan Herald](#). This was the year of lockdowns, the story's best possible setting. The founder acknowledged it plainly: "When you take a look at the financials, you will see there is no growth from FY20 to FY21."

The rest unfolded over the next two years. BlackRock cut its valuation of the company to about \$1 billion in October 2023, and Byju's fell short of its revenue projections by more than half, [TechCrunch reported](#), as its auditor and board members resigned abruptly. In June 2024, Prosus wrote its 9.6% stake down to zero, saying it lacked enough information about the company's financial health. The story had not changed. The numbers had finally caught up with it.

What Lynch meant

Peter Lynch loved stories; *One Up on Wall Street* (1989) is full of them. But he insisted that a story was only the starting point. "If you can follow only one bit of data, follow the earnings," he wrote, adding a pointed qualifier: "[assuming the company in question has earnings.](#)" A company can grow on hope for a while. Over time, the price follows what the business actually earns.

The maxim is not a case against young or loss-making companies. It is a case for checking that the story and the numbers are moving in the same direction, even if the profits are still ahead.

Amazon is the classic example of a story that did show up. In his letter for 2000, Jeff Bezos opened with one word, "Ouch," and admitted that the company's shares were "down more than 80%" in a

year, [the Seattle Times reprinted](#). But the letter pointed to the numbers underneath: sales had grown to \$2.76 billion from \$1.64 billion, and customers to 20 million from 14 million. It also set a dated, checkable goal, a pro forma operating profit in the fourth quarter. In January 2002 Amazon reported that quarter: sales of \$1.12 billion and a net profit of \$5 million, against a loss of \$545 million a year earlier, [its press release showed](#). The stock had collapsed, but the story was showing up in the accounts on time.

The contrast is the lesson. Both companies sold investors on the future. One reported numbers that confirmed its story while its share price was in ruins. The other delayed its numbers, and when they came, they contradicted the story at its peak.

Why this matters this month

October is results season, and 2026 has been a hard year for stories. By late May the Nifty was heading for its first calendar-year loss since 2015 and the IT index was down more than a third from December 2024, [Invezz reported](#). In a market like this, narratives get tested faster. Every quarterly filing is a chance to ask whether the reasons you bought are visible in what the company reports.

Checking the story against the numbers

Before you buy a story, or while you hold one, look for these five signs in the filings:

1. **Does revenue growth match the story?** If the pitch is rapid expansion, revenue should be rising in line with it, not just bookings, users or downloads.
2. **Does cash follow profit?** Compare operating cash flow with reported profit over several years. Profits that never turn into cash deserve a hard look at receivables and how revenue is counted.
3. **Are results on time, and is the auditor staying?** Delayed accounts, a change in how revenue is recognised, or an auditor's resignation are among the loudest warnings a company can give.
4. **Is the path to profit visible?** For a loss-making company, losses should be narrowing as a share of revenue, with milestones that management sets and then meets.
5. **Are the promises dated and checkable?** Prefer managements that commit to specific targets, as Bezos did, and judge them on whether they hit them.

A simple decision rule. Write down the two or three numbers that must improve if the story is true, and check them every quarter. If they move the right way, give the story time even when the price disagrees. If they stall for several quarters, or the company makes them harder to see, believe the numbers.

Stories are how companies raise money and how investors fall in love. Numbers are how both find out whether the love was justified. The good news is that the numbers are published, usually every quarter, for anyone willing to read them.

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