

MODEL DETAILED PROJECT REPORT

ESTABLISHMENT OF ED-TECH BUSINESS

UNDER UTTAR POORVA TRANSFORMATIVE INDUSTRIALIZATION SCHEME (UNNATI), 2024



उद्योग संवर्धन और आंतरिक व्यापार विभाग
**DEPARTMENT FOR
PROMOTION OF INDUSTRY AND
INTERNAL TRADE**

DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
MINISTRY OF COMMERCE & INDUSTRY
GOVERNMENT OF INDIA



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SHAPING A VIBRANT INDIA

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1. Introduction

Technology is revolutionizing every aspect of human lives. The pandemic gave a push to technology related sectors when everything was brought to an online mode. As an inevitable parallel to this, the EdTech revolution has also turned out to be a game-changer in a country like India. The confluence of technology and education has paved the way for innovative solutions, transforming the traditional education landscape in the country. On one hand, this transformation has introduced different forms of learning for the students and educators, such as gamification, virtual reality, adaptive learning, etc. while on the other, it has also provided new ways to **service education as a public good** and build new-age businesses out of it.

Post, as the sector grew in terms of market size, many startups saw potential in this industry and have tried to fill a gap by acting as educators for the youth of the nation. The increasing adoption of online learning by schools, colleges, and corporations, coupled with the rising demand for upskilling and reskilling, has presented a significant growth opportunity for EdTech startups.

a. About the project

The proposed project is for setting up an education tutoring app that runs on a freemium model, with free access to content limited for 15 days after the registration. This unit will be capable to offer educational contents for students from class 4 to 12. Academic subjects and concepts are explained with 12–20 minute digital animation videos through which students learn in a self-paced mode. The Promoter expects to have XX million users overall, XX million annual paid subscribers and an annual retention rate of about 85%. In October 2025, the app will expand to the North East India, North India and other states of the country. The company announced that it would launch its app in regional Indian languages also. It also planned to launch an international version of the app for English-speaking students.

The proposed business venture entails a total investment of about Rs. XX.XX million. This includes a capital investment of Rs. XX.XX million and a sum of Rs. X.XX million as initial working capital. The project is financed through X% debt and X% equity. The Net Present Value (NPV) of the project is around Rs. XX.XX million with an Internal Rate of Return (IRR) of X% and a payback period of X.XX years. Higher returns on investment and a steady growth of business are expected if the entrepreneur has some prior experience / education in the related field of business. The project will generate direct employment opportunity for XX persons. The legal business status of this project is proposed as 'Sole Proprietorship/Partnership/LLP/Pvt. Ltd.'.

b. Global Scenario

Edtech Market Size was valued at USD 125.2 Billion in 2022. The Edtech market industry is projected to grow from USD 144.60 Billion in 2023 to USD 457.97 Billion by 2032, exhibiting a compound annual growth rate (CAGR) of 15.50% during the forecast period (2023 - 2032). The increasing demand for online learning solutions and the growing adoption of technology in education to enhance accessibility and engagement are the key market drivers fueling the market growth.

c. Indian Scenario

There's a huge opportunity for India's Ed-tech industry to grow to around US\$ 10 billion economy by the year 2025. Numerous factors have been supporting the growth and expansion such as high penetration of the

internet and smart devices, increase in online content consumption, and the demand for young skilled professionals in the workforce.

There has been prominent growth in the ed-tech industry since COVID-19, as the education industry has been negatively impacted during that phase. The need for technological advancement in the existing traditional educational system has contributed to more companies entering this industry with better services. According to the PGA Labs and IVCA report, India's education sector is expected to grow from US\$ 117 billion in 2020 to US\$ 225 billion by 2025.

New-age technologies such as machine learning, artificial intelligence, blockchain, augmented/virtual reality, and natural language processing have already contributed to millions of jobs in India. But these domains need people with specific skill sets often missing in Indian graduates. That in turn means it is essential for graduates and professionals to upskill by unlocking the potential of online learning platforms. With around 280 Mn individuals expected to enter the jobs market by 2050, the demand for reskilling and acquiring new skills is poised to become the need of the hour for working professionals.

d. State Profile

As history has witnessed, education is the foundation stone of all future growth and success. Alongside the same thought, the education sector in the Northeast India has seen an immense spurt in recent years and is ultimately providing the right set of circumstances to enhance, enrich and increase the growth of the region. Highlighting the future fortuity, the region has a large pool of talented young individuals who have the potential to make a mark globally. With good educational institutions and adequate support from the government, they will rise high to their full potential and contribute towards developing north-east India.

e. Sector Overview

The broad field of EdTech encompasses not only the hardware and software programs used in what is commonly known as "remote learning," "distance learning," or "online education," but also theories of learning and increasing research into what are the most effective means of teaching people new knowledge and skills

2. Investor's Background

Details of all Investors in below format

Name	To be filled by the applicant
DOB	To be filled by the applicant
PAN	To be filled by the applicant
Address	To be filled by the applicant
Academic Qualification	To be filled by the applicant
Experience in business	To be filled by the applicant
Functional Responsibility in Unit	To be filled by the applicant
Name of associate concern (if any)	To be filled by the applicant
Nature of association (if any)	To be filled by the applicant
Net Worth	To be filled by the applicant

3. Company Profile

Name of the Unit	To be filled by the applicant
Constitution	To be filled by the applicant
PAN	To be filled by the applicant
Registered Office address	To be filled by the applicant
Activity	To be filled by the applicant
Loan details	To be filled by the applicant
Director	To be filled by the applicant
Unit Registration	To be filled by the applicant
Unit Location	To be filled by the applicant
Category of Project (Manufacturing/Service)	To be filled by the applicant
Zone	To be filled by the applicant
District	To be filled by the applicant
State	To be filled by the applicant

4. Details of product to be manufactured and its marketing potential

EdTech platforms play a vital role in the online education ecosystem. Initially these platforms worked on a B2C model wherein they provided a platform for content providers to connect with prospective students (consumers). Now, most of the platforms have themselves started generating content by hiring instructors to teach various courses and subjects. A smaller chunk of platforms also works on the C2C model through which they connect prospective students and teachers. These models vary from company to company depending upon the type of operations undertaken. A B2C model is more prevalent in platforms providing test preparation and primary/secondary supplemental education while a B2B model is prevalent in platforms catering to the higher education needs where institutions offer degree/diploma courses to students through third-party content providers. Some content providers also tie-up with corporates to provide industry-specific training to the users, in order to improve the general popularity of the platforms by offering much more meaningful courses

Learning Management Systems (Includes Remote Learning)

This provides online course management tools. Also known as Virtual Learning Environments these are cloud-based portals which staff and students can use to access and share learning resources. Significant players include Blackboard, Moodle, Google Classroom and Microsoft Teams. This category can also incorporate access to educational content such as videos, interactive quizzes and lessons.

Management Information Systems

One of the most important pieces of software for any educational institution is its database. Usually, these platforms are cloud based and modular and store student information, timetables and assessment data, amongst other data. Some offer parent portals and alumni data. Product vendors often tend to align with the region they operate in. There are a lot of companies in the US market and popular providers include PowerSchool and Alma. Other regions such as the UK also have competitive markets in this space.

Online Tutoring

This category has witnessed significant growth in recent years and particularly in Asia. Students are connected with tutors that can assist with homework and studying. Examples include Yuanfudao, Byju's and Zuoyebang.

5. Details of Raw Materials with required quantity

Supplier	Raw material	Quantity	Year	Cost
To be filled by the applicant	Virtual Classroom Set-up	To be filled by the applicant	To be filled by the applicant	To be filled by the applicant
	Computers	To be filled by the applicant	To be filled by the applicant	To be filled by the applicant
	Software	To be filled by the applicant	To be filled by the applicant	To be filled by the applicant
	Office Furniture	To be filled by the applicant	To be filled by the applicant	To be filled by the applicant
	Stationary Items	To be filled by the applicant	To be filled by the applicant	To be filled by the applicant
	Faculty	To be filled by the applicant	To be filled by the applicant	To be filled by the applicant
	Internet	To be filled by the applicant	To be filled by the applicant	To be filled by the applicant

6. Proposed location and Site Plan

Sl. No.	Particulars	Details
1	Land Area	To be filled by applicant
2	Status of Legal title & Possession	To be filled by applicant
3	if leased, Period of lease	To be filled by applicant
4	Coordinates of location	To be filled by applicant
5	Details of CLU	To be filled by applicant
6	Connectivity to roads	
	i) State Highway (in Km.)	To be filled by applicant

	ii) National Highway (in Km.)	
7	Availability of Internet	To be filled by applicant
8	Availability of Power	To be filled by applicant

a. Electrical Power

Electricity (20 M/C running 300 Days with 1 Shift i.e. Effective Hr. 12 hr. Total unit consumption -8000 KW.
Present rate- Rs8.92/Unit

i. Steady Phase

KW	Quarter of the Year
To be filled by the applicant	To be filled by the applicant

ii. Peak Phase

KW	Quarter of the Year
To be filled by the applicant	To be filled by the applicant

b. Internet Requirement

i. Steady Phase

Quantity	Quarter of the Year
In GB	To be filled by the applicant

ii. Peak Phase

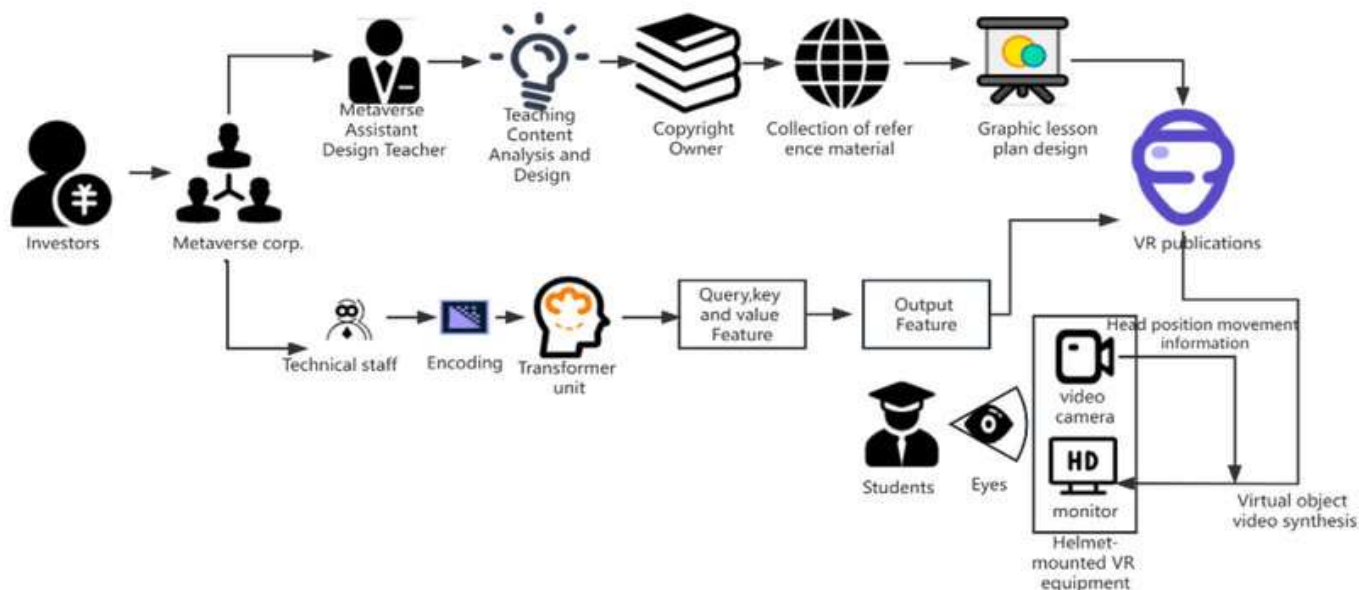
Quantity	Quarter of the Year
In GB	To be filled by the applicant

c. Transportation System

d. Local Infrastructure

e. Raw material procurement

7. Product Process Flow



8. Cost of the Project

Particulars	Amount (Rs. In Lacs)
Virtual Classroom Setup	20.00
Plant & Machinery & Other Equipment	13.65
Preliminary & Pre-Operative Expenses	6.00
Misc. Fixed Assets	3.00
Margin Money for Working Capital	63.25
Total	105.90

a. Land details

The required area for setting up the Office & Virtual Classroom is approx. 2000 Sq.Ft. The rent for the Office is- Rs.25/Sq.ft.

So, the Rent of office- Rs. 2000x 25= Rs.50,000/-=Approx

b. Plant and machinery details

Sl. No.	Particulars	Qty	Rate (Rs.)	Amount (Rs.)
2	Computers and accessories	15	46,666.67	7,00,000
4	Software			6,65,000
	Total			13,65,000/-

c. Pre-operative expenses details

Approx-6.00 Lacs

d. Working Capital details

I) Raw Material Requirement: - (Annual)

Sl. No.	Item	Qty	Rate (Rs.)	Total
1	Office Rent	2000 Sq.Ft.	25	6,00,000
2	Stationary			6,00,000
3	Software (License renewal)			70,000
4	Internet			1,00,000
5				
	GRAND TOTAL			13,70,000/-

II) Utilities (Per Annum)

Sl. No.	Item	Total (Rs.)
1	Electricity (20 M/C running 300 Days with 2 Shift i.e. Effective Hr. 12 hr. Total unit consumption - 8000 KW. Present rate- Rs8.92/Unit	71,360
2	Water & Misc	1,00,000
	GRAND TOTAL	1,71,360/-

iii) Salary & Wages (Per Annum)

Sl. No.	Designation	No.	Wages/Month (Rs.)	Total/Annum (Rs.)
1	Accountant cum Manager	1	30,000	3,60,000
2	Faculty	4	30,000	14,40,000
3	IT Technician	2	23,000	5,52,000
4	Office Staff	2	12,000	2,88,000
GRAND TOTAL				26,40,000/-

Note: Every year increment @ 5% has been considered towards financial calculation.

iv) Selling & General Administration (Annum)

Sl. No.	Designation	No.	/Month (Rs.)	Total/Annum (Rs.)
1	Digital Media Handler	1	10,000	1,20,000
1	Salesperson	2	20,000	4,80,000
GRAND TOTAL				6,00,000/-

v) Advertisement & General Stores

Sl. No.	Items	Cost (Rs.)
1	Advertisement per Annum	1,00,000/-
2	General Stores & Inventory	1,85,500/-
Total		2,85,500/-

WORKING CAPITAL= I+II+III= 13,70,000 +1,71,360 +26,40,000/-= Rs. 41,81,360/-

9. Proposed Means of Finance

Particulars	Amount (Rs. In Lacs)
Promoter's Capital	39.90
Unsecured Loans	26.00

Term Loan form Bank/ Financial Institution	40.00
Total	105.90

a. **Working Capital limit:** Rs. 63.25

10. Implementation Schedule with time chart

Activities	Starting Month	Ending Month
Arrangement of Office space	To be filled by applicant	To be filled by applicant
Order and delivery of P&M	To be filled by applicant	To be filled by applicant
Power arrangement	To be filled by applicant	To be filled by applicant
Manpower arrangement	To be filled by applicant	To be filled by applicant
Procurement of raw materials	To be filled by applicant	To be filled by applicant
Trial Operation	To be filled by applicant	To be filled by applicant
Commercial Operation	To be filled by applicant	To be filled by applicant

11. Projected Financial Analysis

a.Installed Production Capacity		Hrs/Year			
LMS		5000			
MIS		900			
Online Tutoring					
Production Capacity Per Annum		5,900			
b. SCHEDULE OF PRODUCTION AND SALES					
RAW MATERIAL MIX AND CONSUMABLES REQUIRED					
Item	Quantity	Unit	Rate	Amount	
Raw Material					
Office Rent	2000 Sq.Ft.		50,000		6,00,000

Stationary						6,00,000
Software (License renewal)						70,000
Internet						1,00,000
c. Cost of Raw Material Consumed/Annum						13,70,000/-
Parameters		1st Year	2nd Year	3rd Year	4th Year	5th Year
Capacity Utilization		70%	75%	80%	85%	90%
		5900	5900	5900	5900	5900
Production (In Hours) as per Capacity Utilized		4130	4425	4720	5015	5310
d. BREAK UP PRODUCTION AS PER UTILIZED CAPACITY						
ITEMS		1st Year	2nd Year	3rd Year	4th Year	5th Year
Capacity Utilization		70%	75%	80%	85%	90%
LMS		1750	1875	2000	2125	2250
MIS		630	675	720	765	810
Online Tutoring		1750	1875	2000	2125	2250
Production Capacity Per Annum		4130	4425	4720	5015	5310
Sales Details						
Items		1st Year	2nd Year	3rd Year	4th Year	5th Year
LMS		8750000	9375000	10000000	10625000	11250000
MIS		9450000	10125000	10800000	11475000	12150000
Online Tutoring		8750000	9375000	10000000	10625000	11250000
NET Sales Price		26950000	28875000	30800000	32725000	34650000
GST RATE@18%		4851000	5197500	5544000	5890500	6237000

GROSS Sales Price		31801000	34072500	36344000	38615500	40887000
e. COST OF PRODUCTION						
Items		1st Year	2nd year	3rd Year	4th Year	5th Year
		70%	75%	80%	85%	90%
Raw Materials Consumed		959000	1027500	1096000	1164500	1233000
Power & Fuel		49952	53520	57088	60656	64224
Direct Labor & Wages		1848000	1980000	2112000	2244000	2376000
Consumable Stores		199850	214125	228400	242675	256950
Repairs & Maintenance		70000	75000	80000	85000	90000
Other Manufacturing Exp.		17500	18750	20000	21250	22500
COST OF PRODUCTION		3144302	3368895	3593488	3818081	4042674

f. PROJECTED PROFITABILITY STATEMENT						
		1st Year	2nd year	3rd Year	4th Year	5th Year
Capacity Utilized		70%	75%	80%	90%	95%
A. Sales						
Gross Sales		31801000	34072500	36344000	38615500	40887000
Less: GST		4851000	5197500	5544000	5890500	6237000
NET SALES		26950000	28875000	30800000	32725000	34650000
B. Cost of Production						
Raw Materials Consumed		959000	1027500	1096000	1164500	1233000
Power & Fuel		49952	53520	57088	60656	64224

Direct Labour & Wages		1848000	1980000	2112000	2244000	2376000
Consumable Stores		199850	214125	228400	242675	256950
Repairs & Maintenance		70000	75000	80000	85000	90000
Other Manufacturing Exp.		17500	18750	20000	21250	22500
Total Cost of Production (C)		3144302	3368895	3593488	3818081	4042674
g. Gross Profit (A-C)		28656698	30703605	32750512	34797419	36844326
Interest Expenses						
Interest Expenses (Term Loan) @7.65% /Annum for 5 yr.		408617	335134	253147	161672	59612
Interest Expenses (WC Loan) @11% /Annum		708400	708400	708400	708400	708400
Selling, General & Administrative Exp.		420000	450000	480000	540000	570000
Profit before Taxation		27119681	29210071	31308965	33387347	35506314
Provision for Taxation		8135904.3	8763021	9392690	10016204	10651894.2
Profit After Taxation		18983776.7	20447050	21916276	23371143	24854419.8

h. DEBT SERVICE COVERAGE RATIO (COMPANY AS A WHOLE)						
		1st Year	2nd year	3rd Year	4th Year	5th Year
Profit After Tax		18983776.7	20447050	21916276	23371143	24854419.8
Add: - Interest Expenses (Term Loan) @7.65% /Annum for 7yrs		408617	335134	253147	161672	59612
Interest Expenses (WC Loan) @11% /Annum for 7 yrs		708400	708400	708400	708400	708400
Depreciation		259800	259800	259800	259800	259800

Total (A)		17606959.7	19143716	20694929	22241271	23826607.8
Interest Expenses (Term Loan) @7.65% /Annum for 7yrs		408617.00	335134.00	253147.00	161672.00	59612.00
Interest Expenses (WC Loan) @11% /Annum for 7 yrs		708400.00	708400.00	708400.00	708400.00	708400.00
Depreciation		259800.00	259800.00	259800.00	259800.00	259800.00
Total (A)		17606959.7	19143716	20694929	22241271	23826607.8
Interest Expenses (Term Loan) @7.65% /Annum for 7yrs		408617.00	335134.00	253147.00	161672.00	59612.00
Interest Expenses (WC Loan) @11% /Annum for 7 yrs		708400.00	708400.00	708400.00	708400.00	708400.00
Term Loan Repayment		635019.00	708503.00	790490.00	881964.00	984024.00
Total Debt Payment (B)		1752036.00	1752037.00	1752037.00	1752036.00	1752036.00
DSCR (A/B)		9.69	10.52	11.36	12.19	13.04
Cash Inflow		16971940.7	18435213	19904439	21359307	22842583.8
i.BREAK EVEN ANALYSIS		1st year	2nd year	3rd Year	4th Year	5th Year
A. Net Sales		26950000	28875000	30800000	32725000	34650000
B. Variable Expenses						
Raw Materials Consumed		959000	1027500	1096000	1164500	1233000
Power & Fuel		49952	53520	57088	60656	64224
Consumable Stores		199850	214125	228400	242675	256950
Repairs & Maintenance		70000	75000	80000	85000	90000
Other Manufacturing Exp.		17500	18750	20000	21250	22500
		1296302	1388895	1481488	1574081	1666674

C. Contribution (A-B)		25653698	27486105	29318512	31150919	32983326
D. Fixed Expenses						
Direct Labour & Wages		1848000	1980000	2112000	2244000	2376000
Selling, General & Administration		420000	450000	480000	540000	570000
		2268000	2430000	2592000	2784000	2946000
Breakeven Sales at Operating Capacity		0.95	0.95	0.95	0.95	0.95

j. Projected Balance Sheet					
	1st Year	2nd Year	3rd Year	4th Year	5th Year
Liabilities					
Capital	13734302	3368895	3593488	3818081	4042674
Revenue Reserves	31801000	34072500	36344000	38615500	40887000
Net Worth	45535302	37441395	39937488	42433581	44929674
Term Loan	800000	800000	800000	800000	800000
Working Capital Limit	2000000	2000000	2000000	2000000	2000000
Current Liabilities					
Creditors	1684448	1796744	1909041	2021337	2021337
Liability for expenses	1752036	1752037	1752037	1752036	1752036
Total	51771786	43790176	46398566	49006954	51503047
Assets					
Fixed Assets					
Gross block	20000000	22000000	24200000	26620000	29282000
Depreciation	259800	259800	259800	259800	259800
Net Fixed Assets	19740200	21740200	23940200	26360200	29022200
Non-Current asset/investments	0	0	0	0	15000000
Current assets					
Inventory	5390000	6737500	8085000	9432500	10780000
Debtors					
Security Deposits					
Loans and Advances					

j. Projected Balance Sheet					
	1st Year	2nd Year	3rd Year	4th Year	5th Year
Cash & Bank Balance	18983777	20447050	21916276	23371143	24854420
Total	44113977	48924750	53941476	59163843	79656620

k. CALCULATION OF PAYBACK PERIOD					
Investment	106	Lacs			
Cash In Flow	16.97	Lacs			
(PAT- Depreciation- Interest)					
PAY BACK PERIOD	6				

12. Projected Employment Details

Type of Employment	Number of Employees	Projected Cost
Skilled Manpower	9	2832000
Semi-skilled Manpower	1	120000
Unskilled Manpower	2	288000
TOTAL		3240000

13. Requirement of Statutory clearances

Item	Status
Partnership Deed	
Lease deed registration	
PAN	
GST Registration	
UDYAM	
Trade License	
NOC form local authority	

SPECIMEN