

Title: Round 1 – Metric Validation: EduMentor

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1. ARR – Annual Recurring Revenue

Formula:

ARR = Paying Users × Annual Subscription Price

ARR = 5,000 users × ₹11,988/year

ARR = ₹5,99,40,000 = ₹5.994 Cr

Assumption: All 5,000 users are paying the full ₹999/month (i.e. ₹11,988/year)

2. CAC – Customer Acquisition Cost

Formula:

CAC = Marketing Spend ÷ New Paying Users

CAC = ₹15,00,000 ÷ 4,000

CAC = ₹375

Assumption: CAC is based on *new users only*, not total users.

3. LTV – Lifetime Value

Formula:

LTV = Annual Revenue per User ÷ Churn Rate

LTV = ₹11,988 ÷ 0.25

LTV = ₹47,952

Assumption: 25% churn rate based on industry standard (from clipping)