**MEMORANDUM(Round-2)**
To: Ms. Priya Sharma, Senior Partner, Apex Ventures
From: Ashutosh Srivastava
Date: 11 July 2025
Subject: Investment Evaluation – EduMentor (Round 2)

**1. Executive Summary**
EduMentor is an AI-powered edtech startup offering personalized mentorship to students preparing for competitive exams. Backed by a strong IIT-founded team and solid early traction, the company shows high growth potential. Based on financial and qualitative analysis, I recommend a **Green Flag** investment decision.

**2. Metrics Table**

| **Metric** | **Calculation** | **Result (₹)** | **Source / Note** |
| --- | --- | --- | --- |
| ARR | ₹11,988 × 5,000 users | ₹5.994 Cr | Pitch deck, Financials.xlsx |
| CAC | ₹15,00,000 ÷ 4,000 new users | ₹375 | Financials.xlsx |
| LTV | ₹11,988 ÷ 0.25 | ₹47,952 | Based on 25% churn (Business Standard clipping) |

**3. Recommendation (100 words)**
We recommend a **Green Flag** investment based on two key factors:

1. EduMentor has an exceptional LTV:CAC ratio (~128x), indicating strong monetization efficiency per customer.
2. The startup is currently valued at just ~1.0x ARR, whereas industry benchmarks for edtech range from 5x to 10x, presenting substantial valuation upside.
Further, the founding team’s background (IIT, ex-Byju’s, Google) and a growing TAM of ₹50,000 Cr create favorable conditions for scalable growth. While churn and CAC may vary post-scale, the current fundamentals support a compelling early-stage investment case.
3. Focus on High Volume Exams like JEE, NEET and UPSC and try to dominate in any one of them (to become the best ed tech coaching for JEE or NEET) by providing quality education, as it will create a brand value of its own.

**Wooble Challenge Summary :**
Evaluated EduMentor’s ARR, CAC, and LTV using projections and market data. Recommended a Green Flag investment based on efficiency, team strength, and market size. Although one thing I would like to add that while the LTV:CAC ratio appears exceptionally high, it could be partially inflated due to early-stage user behavior. Repeat engagement and real churn data post-scale will validate this projection.