Value Proposition (including Financial Impact)

**For Store Owners :**

* SaaS model - @ Rs. 1.50 lakhs / month (average) per store
* Higher customer footfalls due to seamless and automated billing
* No upfront Capital expenditure
* Inventory data (real-time) available
* Automated Physical inventory – savings on Audit costs
* Automated procurement planning – based on Economic order quantity and other inventory control levels
* Data on customer preferences / ordering pattern / insights on spending etc.
* And more …..

**For B2C Customers**

* Zero-cost (discounts and coupons would exceed ₹200 / annum charge) utilisation of the card
* Seamless billing – no waiting time for billing at the counters

6. Cost Structure and Revenue Streams

**The Major Costs :**

* UV based sensors
* Software Platform
* Ink & consumables
* Royalty to patent holder
* Back-office coding space & Billing bay etc. to be provided by the store

**Two Main Revenue Streams :**

* Monthly Revenue from Store Owners
* Annual subscription (upfront) from customers

**Allied Streams (not considered in the Financial projections)**

* Co-Marketing Revenue [ with Store owners & Merchandisers]
* Revenue share from Payment Gateway
* Out-licensing Fees

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Financial SNAPSHOT - 3 YEARS** |  |  |  |  |
|  |  |  |  |  |
| **UNIT ECONOMICS** |  | **2022** | **2023** | **2024** |
| **REVENUE STREAM - 1 - STORES SUBSCRIPTION - SaaS MODEL** |  |  |  |  |
|  |  |  |  |  |
| **No. of Stores** |  | **7** | **13** | **22** |
|  |  |  |  |  |
| **REVENUE per STORE @ ₹ 1.50 lakhs per month (Subscription)** |  | 12600000 | 23400000 | 39600000 |
|  |  |  |  |  |
| **Costs of Goods Sold (Direct COSTS) - includes UV Sensors, codes, back-end Data Management software etc. @ 40% of revenue** |  | 5040000 | 9360000 | 15840000 |
|  |  |  |  |  |
| **GROSS MARGIN** |  | 7560000 | 14040000 | 23760000 |
|  |  |  |  |  |
| **GM % age** |  | 60.00 | 60.00 | 60.00 |
|  |  |  |  |  |
| **OVERHEADS + SG&A + Promoters' Time Spent @ 40% of Gross Margin** |  | 3024000 | 5616000 | 9504000 |
|  |  |  |  |  |
| **DEPRECIATION [ No Borrowing - No Interest] @ 8% of Revenue** |  | 1008000 | 1872000 | 3168000 |
|  |  |  |  |  |
| **Net Profit / Loss - Stores Software revenue stream** |  | 3528000 | 6552000 | 11088000 |
|  |  |  |  |  |
| **Net Profit / Loss % age** |  | **28.00** | **28.00** | **28.00** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **UNIT ECONOMICS** |  | **2022** | **2023** | **2024** |
| **REVENUE STREAM - 2 - Subscribers (customers) of Platform - SaaS MODEL** |  |  |  |  |
|  |  |  |  |  |
| **No. of Subscribers** |  | **140000** | **260000** | **440000** |
|  |  |  |  |  |
| **REVENUE per customer @ ₹200 / year - from Ads, sponsorship, promotions etc. with 5% esc.** |  | 28000000 | 54600000 | 96800000 |
|  |  |  |  |  |
| **Costs of Social Marketing, goodies, promotions, Advertisements etc. @ ₹80/ customer/yr** |  | 11200000 | 21840000 | 38720000 |
|  |  |  |  |  |
| **Development & Maintenance of platform, apps etc. @ 30% of revenue (2)** |  | 8400000 | 16380000 | 29040000 |
|  |  |  |  |  |
| **GROSS MARGIN** |  | 8400000 | 16380000 | 29040000 |
|  |  |  |  |  |
| **GM % age** |  | 30.00 | 30.00 | 30.00 |
|  |  |  |  |  |
| **DEPRECIATION [ No Borrowing - No Interest] @ 8% of Revenue** |  | 2240000 | 4368000 | 7744000 |
|  |  |  |  |  |
| **Net Profit / Loss - Customer platform subscription stream (2)** |  | 6160000 | 12012000 | 21296000 |
|  |  |  |  |  |
| **Net Profit / Loss % age** |  | **22.00** | **22.00** | **22.00** |
|  |  |  |  |  |
| **Net Profit / Loss of the Enterprise** |  | 9688000 | 18564000 | 32384000 |
|  |  |  |  |  |
| **Corporate Income Tax @ 36% of PBT** |  | **3487680** | **6683040** | **11658240** |
|  |  |  |  |  |
| **Profit After Tax** |  | **6200320** | **11880960** | **20725760** |
| **TOTAL REVENUE From both streams** |  | **40600000** | **78000000** | **136400000** |
|  |  | **41** | **78** | **136** |
|  |  |  |  |  |
| **Net (after TAX) Profit / Loss % age** |  | **15** | **15** | **15** |
|  |  |  |  |  |
| **CAC / year with escalation of 5 % YoY** |  | **80** | **84** | **88** |
| **Net income per customer / year** |  | **200** | **210** | **220** |
| **Customer Payback period** |  | **2 1/2 months** |  |  |
| **LTV per customer - over 15 year period (net) - Undiscounted** | **₹** | **3300** |  |  |

7.Cost of the Project

**Already Covered above**

11. Project Development and Timeline

* Development of the Technology & Platform – deadline 31st December ‘21
* 6-sigma Beta testing completion – 20th February ‘22
* Live testing at Development-Partner Stores (2) – 15 days (until 7th March ’22)
* Go Live – 16th March ‘22