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EdTech Compliance in India: 13 Areas of Compliance Every Founder Should Know

For an EdTech company in India, compliance extends far beyond education regulations. It spans corporate governance, data privacy, consumer protection, advertising, technology, cyber security, taxation, employment, workplace conduct, intellectual property, contracts, accounting, state specific rules, payments, and even foreign investment.

Each of these areas is governed by a different set of Indian laws, rules, regulations, and regulatory guidelines.

Here's a practical breakdown of the key laws and regulatory areas every EdTech founder in India should know.

1. Corporate Governance

Good governance starts with getting the basics right. The **Companies Act, 2013**, MCA requirements and Secretarial Standards cover Board and shareholder meetings, statutory records, disclosures and regulatory filings.

> *For an EdTech business, a well-maintained compliance calendar and proper documentation can prevent routine statutory obligations from becoming last-minute risks.*

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2. Data Privacy

Student, parent, teacher and employee data cannot be treated like ordinary business information. **The Digital Personal Data Protection Act, 2023** and **Digital Personal Data Protection Rules, 2025**, subject to their applicable commencement provisions, create a framework for handling digital personal data.

> *Privacy notices, consent, security, retention, deletion, grievance handling and third-party data processors should therefore be built into the business and its technology stack.*

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3. Consumer Protection

An EdTech business is also a consumer-facing business. **The Consumer Protection Act, 2019** and applicable e-commerce rules require transparency around pricing, terms, refunds and consumer rights.

> *Course subscriptions, cancellation policies and refund terms should be clear before a customer pays, not buried in lengthy terms and conditions.*

4. Advertising & Marketing

“100% placement”, “guaranteed selection” or “highest success rate” may look like strong marketing claims, but they can also create regulatory exposure. The **Consumer Protection Act, 2019**, CCPA's misleading-advertisement framework and the **Guidelines for Prevention of Misleading Advertisement in Coaching Sector, 2024** are particularly relevant to EdTech and coaching businesses.

> *Marketing claims around ranks, selections, salaries, placements and success rates should be backed by evidence before they go live.*

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5. Technology & IT

For an EdTech company, technology is not just an operational function—it is part of the compliance framework. The **Information Technology Act, 2000** and applicable rules govern important aspects of digital operations.

> *Access controls, authentication, platform security, protection against unauthorised access and appropriate handling of electronic information should be built into the technology environment.*

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6. Cyber security

A cyber security incident can quickly become a legal, financial and reputational issue. The **Information Technology Act, 2000** and applicable **CERT-In Directions, 2022** make incident preparedness and reporting important considerations for digital businesses.

> *EdTech companies should know what data and systems they hold, maintain appropriate logs, have an incident-response process and know when a cyber incident needs to be escalated or reported.*

7. GST & Tax

GST treatment in EdTech is not always straightforward. Courses, subscriptions, digital services, bundled offerings, refunds and cross-border supplies can have different tax implications under the **CGST Act, 2017**, **IGST Act, 2017** and applicable GST Rules.

> *The tax position should be reviewed whenever the product, pricing model or delivery structure changes.*

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8. Income Tax & TDS

An EdTech company's tax obligations go beyond corporate income tax. The **Income-tax Act, 1961** also creates withholding obligations for payments to employees, instructors, consultants and vendors.

> *TDS deductions, deposits, returns, certificates and reconciliations should be managed systematically, with additional review for cross-border payments.*

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9. Employment & Labour

As an EdTech business scales, its workforce adds another compliance layer. The **four Labour Codes** and relevant **State laws** cover wages, social security, working conditions, and employment obligations. Employee, consultant, and instructor arrangements must be properly documented, with frameworks assessed based on workforce structure and **location**. Physical centres or offices can also trigger **state-specific requirements** such as Shops & Establishments registration, Professional Tax, local coaching regulations, and premises permissions, making a **location-wise compliance review essential** for multi-state operations.

10. Intellectual Property

For an EdTech business, the product is often the IP.
Course videos, study material, question banks, software, trademarks, logos and faculty-created content should have clearly defined ownership and usage rights. Protection may involve the **Copyright Act, 1957**, **Trade Marks Act, 1999**, **Patents Act, 1970** and other applicable IP laws.

> *Third-party content should also be used only with appropriate rights or licences.*

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11. Contracts

Every EdTech business eventually becomes a network of contracts—students, faculty, instructors, vendors, SaaS providers, technology partners and investors.
The **Indian Contract Act, 1872** provides the foundational contractual framework, while specific laws may apply depending on the transaction.

> *Good contracts should clearly address IP, confidentiality, data protection, payment, liability, indemnity, termination and dispute resolution.*

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12. Payments & RBI

How money moves through an EdTech platform matters from a regulatory perspective. The **Payment and Settlement Systems Act, 2007** and applicable RBI directions may become relevant depending on the company's role in the payment flow.

> *Payment gateways, recurring payments, refunds and transaction reconciliation should be structured carefully, particularly where the business may be undertaking regulated payment activities.*

13. FEMA & Foreign Investment

Foreign investors, overseas vendors and international customers can bring another layer of regulatory complexity.

The **Foreign Exchange Management Act, 1999 (FEMA)**, the **FEMA (Non-Debt Instruments) Rules, 2019** and applicable RBI requirements may apply to foreign investment, share transfers, valuation, reporting and cross-border payments.

> *Cross-border transactions should therefore be reviewed before they are executed.*

Sector-Specific EdTech Compliance in India

EdTech is transforming learning across K-12, test prep, higher education, corporate training, and even healthcare. But with innovation comes responsibility , and compliance is non-negotiable.

Sector-wise look at some of the key compliance requirements.

K-12 Platforms	Must protect children's data and obtain required parental consent under the DPDP Act, 2023 and DPDP Rules, 2025, alongside applicable consumer-protection laws.
Early Childhood & Preschool Platforms	Need stronger safeguards for young children's data and parental consent under the DPDP Act, 2023 and DPDP Rules, 2025.
Test Prep Platforms	Need transparent outcome claims, fair refund terms and grievance redressal under the Consumer Protection Act, 2019 and E-Commerce Rules, 2020.
Higher Education & Online Degree Platforms	Must comply with applicable UGC Regulations and clearly disclose recognition, accreditation and the status of degrees or certificates.
Corporate Learning Platforms	Must address employee-data protection, confidentiality and IP ownership under the DPDP Act, 2023, Indian Contract Act, 1872 and Copyright Act, 1957.
AI-Powered & Adaptive Learning Platforms	Must address data protection under the DPDP Act, 2023, alongside IP, consumer-protection and responsible-AI considerations.
Special Education & Assistive Learning Platforms	Need to address accessibility, inclusion and reasonable accommodation under the Rights of Persons with Disabilities Act, 2016.

Key Policies & Documents for an EdTech Company

An EdTech company should also maintain, as applicable to its business model:

Privacy Policy & Data Protection Framework
Covering collection, processing, sharing, retention and deletion of personal data in line with the DPDP Act, 2023 and DPDP Rules, 2025.

Terms of Use & Refund/Cancellation Policy
Covering user rights, subscriptions, payments, cancellations, refunds and acceptable use of the platform.

Information Security & Data Breach/Incident Response Policy
Addressing protection of student, parent, employee and other personal data and response to security incidents.

Grievance Redressal Mechanism
Providing a clear process and contact point for consumer/user complaints.

Child/Minor Data Protection Measures
Particularly where the platform is used by children or students below 18 years, including appropriate parental/guardian consent and safeguards. .

Vendor/Data Processing Agreements
Where personal data is processed or hosted by third-party vendors, cloud providers, payment providers or other processors.

For EdTech founders, compliance is not just about ticking boxes or meeting filing deadlines. It is about building the right processes as the business grows; protecting learners, managing risk, and creating a business that is trusted, scalable and ready for long-term growth.

Getting compliance right early can save significant time, cost and legal risk later.