BUSINESS PLAN · INDIA

Play and Activity Centre

The peak is not the problem - the trough is

SCHOOLS

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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1. Executive Summary

This plan sets out a **Play & Activity Centre** in India — a 3,200 square-foot multi-studio facility running dance, music, art, martial arts, robotics and early-years play programmes for children aged three to sixteen, alongside birthday parties, holiday camps, adult evening classes and in-school programmes, operated as a for-profit company.

> **The defining economic fact about this business is that it pays rent for 168 hours a week and sells about twenty-four of them. Children are free between four and seven on weekdays and on Saturday mornings, and that is when every class in every activity wants to run — so four studios that could host sixty sessions a week are competing to host them all in the same six. A centre optimised entirely around that peak has a beautiful timetable and a building that is empty eighty per cent of the time it is being paid for. The peak is not this business's problem; the trough is.** This plan therefore treats non-peak hours as the product to be built rather than the time to be tolerated: **studio-hour utilisation rises from 21% to 44%**, and **revenue earned in non-peak hours — adult evening classes, morning toddler programmes, in-school sessions during school hours and vacation camps — rises from 14% to 26% of turnover.**

> **The second is that the customer is a child who will quit, and that is the normal condition rather than a failure. A school keeps a student for twelve years and a coaching centre for two; a hobby class holds one for a median of five months at the outset. Children stop because the interest fades, because board examinations start, because the family's schedule changed, or because they simply asked to. None of that is a service failure, and a plan that models retention as a school would is modelling a different business. What follows is that the enquiry funnel never rests: this centre must recruit continuously, for ever, and marketing is a permanent operating line at 11–12% of revenue rather than a launch cost.** This plan takes **median tenure from 5.2 to 8.4 months** and **monthly churn from 11.4% to 6.8%** — improvements worth more than any fee increase available to it.

> **The third is that in this industry the instructor usually owns the customer, and a centre that does not confront that is renting space to a business it does not control. Dance, music and martial-arts teachers commonly teach at several centres and bring their own following; a revenue-share arrangement looks prudent because it converts a fixed cost into a variable one, and it quietly hands the student relationship to somebody who can leave with it on a month's notice. A centre operating entirely on revenue share does not have a business — it has a landlord relationship with a better lease.** This plan moves deliberately: **students enrolled with the CENTRE rather than with an individual instructor rise from 34% to 71%**, and **revenue delivered by revenue-share freelancers falls from 68% to 39%**, through salaried senior instructors, centre-owned curriculum and progression, and a front desk that owns the relationship.

> **And the fourth is a safeguarding problem this category has to state rather than assume away, because its most necessary practice and its most dangerous one look identical. In dance, gymnastics and martial arts an instructor legitimately touches a child to correct posture, adjust a stance or spot a movement. That is proper teaching, it cannot be avoided, and it is also the exact situation in which abuse occurs and is afterwards deniable — because the same physical contact has an innocent explanation ready-made. A centre that responds by forbidding contact makes the teaching worse and the deniability no smaller.** The answer is structural rather than prohibitive: **classes conducted in visible, observable spaces rise from 62% to 100%, one-to-one sessions in closed rooms fall from eighteen a month to none, every instructor including freelancers and substitutes is verified (41% to 100%), and correction protocol and safeguarding training reach 100% of teaching staff.**

This plan models a centre requiring **₹1.80 crore** (₹90 lakh promoter + ₹60 lakh term loan + ₹30 lakh working-capital facility), moving from **420 active students and a ₹22 lakh loss** to **820 active students and ₹33 lakh profit** by Year 3, *with return on capital employed rising from (12.8%) to 16.5%. (Multi-activity children's centre — figures illustrative.)*

2. Business Description, Vision & Legal Structure

Concept: A multi-studio children's activity centre run on studio-hour utilisation rather than peak-hour timetables, owning its students rather than renting them from instructors.

Vision: To be the centre whose Tuesday morning is worth something.

Mission: Sell the hours nobody else wants; enrol the child with the centre, not the teacher; keep the door and the glass open in every class; verify the substitute as carefully as the head coach; and report how many children still come, not how many won medals.

Legal structure

- **Private Limited** — recommended and **permitted: unlike a K-12 school, an activity centre is not a recognised school and is lawfully a for-profit business with distributable surplus.**
- **LLP** — workable where two or three instructor-promoters combine and are themselves the initial draw.
- **Proprietorship** — viable at single-studio scale, and unsuitable once children are on premises in numbers, because the safeguarding and injury exposure should not be held personally.

> **Regulatory anchor:** light on education law and heavier than promoters expect on premises, people and — unusually — music. **POCSO obligations apply to every adult who is alone or semi-alone with a child, which in this business includes freelance instructors and, critically, the substitute who covers a class at two hours' notice and is the person least likely to have been checked. Fire NOC, occupancy limits and building safety for a premises holding a hundred or more children at a time, with particular attention to the single-staircase layouts common in the commercial buildings these centres occupy. Equipment safety: play structures, mats, aerial and gymnastics rigging inspected on a schedule rather than when something looks worn. Copyright licensing for recorded music used in dance classes, fitness sessions and public performances — a genuine and near-universally ignored obligation in this sector, since public performance of recorded music requires a licence and a centre running forty dance classes a week is squarely within it.** Then: **Consumer Protection Act exposure on outcome claims and on refunds against prepaid packages**; GST on services; shops and establishment registration and trade licence; **correct classification of freelance instructors, since a "freelancer" who works fixed hours to the centre's timetable under its direction may be an employee in substance, with EPF, ESI and gratuity consequences**; POSH obligations; and FSSAI where party food is prepared rather than bought in.

3. Promoter & Ownership

Led by a promoter with activity-centre, sports-academy or children's-education background. Three competences decide outcomes. *Filling the trough*, because anyone can sell a five o'clock slot and the business is decided by who buys eleven in the morning. *Managing instructors who have their own followings*, which requires paying and treating them well while steadily reducing the centre's dependence on any one of them — a relationship that is easy to get wrong in either direction. And *holding safeguarding discipline against convenience*, since the pressure to let a trusted instructor take one closed-door make-up class is small, reasonable-sounding and constant. Ownership, equity & investor terms are editable inputs.

4. Market Analysis — India

Indian demand for structured children's activity is growing with urban incomes, smaller homes, safety concerns about unsupervised outdoor play, and a parental view that unstructured time is time wasted — a view this sector benefits from and should not pretend to have no part in creating.

Demand drivers

- **Disappearing unstructured play space** in Indian cities, which converts what was free into something purchased.
- **Dual-income households** needing supervised time between school and work's end.
- **Parental emphasis on "all-round development"**, increasingly tied to school and university application expectations.
- **Graded examination systems** in music and dance, which give a hobby a progression and a reason to continue.
- **Birthday and event spending**, a large and separate market that uses the same premises.
- **Vacation childcare need**, which makes camps a genuine demand rather than an upsell.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Children aged 3–16 in the catchment	Demographically defined
SAM	**Families within a 15-minute after-school drive**	**Commute-bounded, and it is an evening commute**
SOM (Yr 1–3)	Active students × fee, plus non-peak and event revenue	420 → 820 active; utilisation 21% → 44%

> **The catchment here is defined by a different journey from the school's or the preschool's, and the difference matters for site selection. A school is reached in the morning on a route a family has already committed to; a preschool is bounded by a parent's patience at eight o'clock. An activity centre is reached in the evening, often by a parent who has just finished work or by a grandparent, into traffic, for a forty-five-minute class — which means the tolerable distance is short, the tolerable parking is real, and a centre on the third floor of a building without a lift will lose enrolments it never hears about.** Two consequences shape this plan. **First, the practical market is a handful of residential clusters and the schools that release children nearby, which makes school tie-ups a distribution channel rather than a side business — a class run inside a school during school hours reaches children who would never have made the evening journey. Second, because the catchment is small and the activities are many, this centre competes less with other activity centres than with the alternative use of the same evening: homework, tuition, screen time and rest. The competitor for the four o'clock hour is frequently a coaching class, and as a child moves toward Class 9 that competitor wins — which is why median tenure is what it is and why the plan does not model a hobby continuing to eighteen.**

5. Competition & Position

Landscape: single-activity academies with deeper specialism and a stronger competitive record; **independent instructors teaching in society clubhouses, school halls and their own homes at a third of the price and with no overhead at all**; franchised activity brands with recognition and a curriculum; school-run extracurricular programmes that capture the child without a separate journey; and, increasingly, online classes for music and art. **Because every centre offers broadly the same activities and no parent can evaluate teaching quality in advance, competition runs on convenience, on the reputation of individual instructors and on price.**

The centre's position

- **Studio-hour utilisation managed as the primary metric**, which lets the centre price competitively at peak.
- **Students enrolled with the centre**, so continuity survives an instructor's departure.
- **Every adult verified, including substitutes** — the gap most centres have.
- **Visible-space teaching as a published policy**, not an internal preference.
- **Participation and progression reported** rather than medal counts.
- **Pro-rata refunds on unused packages**, in a category where forfeiture is normal.

> **The honest competitive position is that this centre cannot beat the independent instructor on price and should not try, because his cost structure is not a weaker version of this one — it is a different structure entirely. An instructor teaching eight children in a society clubhouse pays no rent, employs nobody, buys no insurance, verifies no one and files nothing. He can charge half and earn more per hour than this centre earns per hour, and a promoter who plans to compete with him on fee will lose money for as long as he keeps trying.** Three positions work instead. **Sell the things the clubhouse cannot supply: a sprung floor, maintained equipment, a verified teacher, a substitute when the regular one is ill, a fixed calendar, and a room a parent can see into. Sell continuity — a child who changes teacher at this centre keeps her class, her friends and her progression, where a child whose independent instructor moves city loses everything. And accept the price-led family as somebody else's customer, which is easier to accept once the trough revenue is doing its work, because a centre earning from Tuesday mornings does not need to win every Saturday enquiry.**

6. The Slot, the Trough & the Party Question

Element	Character	Economics
Peak hours (weekday 4–7 pm, Saturday morning)	**~24 sellable hours a week, contested by every activity**	**The revenue everyone plans for**
Non-peak (weekday mornings, school hours, adult evenings)	**The hours the rent is already paying for**	**14% → 19% → 26% of revenue**
In-school programmes during school hours	**Reaches children who would never make the evening journey**	**Distribution channel, not a side business**
Holiday camps & workshops	Vacation childcare need, full-day rates	Fills the weeks classes stop
Birthday parties & events	**4.1× class revenue per studio-hour — and it wants the same hours**	**The trade-off must be made explicitly**
Adult evening classes	After 7 pm, when children have gone	Pure incremental use of a paid asset
Students enrolled with the CENTRE vs with an instructor	**Whether this is a business or a landlord relationship**	**34% → 71%**
Studio-hour utilisation	**The primary operating metric**	**21% → 32% → 44%**

> **The birthday-party question is the sharpest trade-off in this business and most centres resolve it by drift rather than by decision. A party earns roughly four times what a class earns from the same studio-hour, and it wants Saturday and Sunday afternoons — which is when the weekend class programme runs and when the centre's community is most visible to prospective families. A centre that maximises parties will find its**

> **weekend classes displaced, its regular families inconvenienced, and its identity gradually converted from an academy into a venue. A centre that refuses parties leaves its highest revenue-per-hour unearned while paying rent on the space anyway. Neither extreme is right, and the error is making the choice implicitly by accepting whichever booking arrives first.** This plan decides it explicitly. **Party bookings are confined to defined blocks that do not displace scheduled classes, and to the studios least used by the weekend programme. Party revenue is capped as a share of turnover rather than maximised, because the class community is what fills the trough hours and generates referrals, and it can be spent but not rebuilt quickly. And party direct costs are tracked separately — food, decoration, additional staff and cleaning consume a substantial part of the headline rate, so the 4.1× advantage is materially smaller after cost than the tariff suggests.**

7. Enrolment, Instructors & the Child Who Will Quit

Acquisition

- **Free trial classes**, the category's dominant conversion mechanism and its main cost of sale.
- **School tie-ups**, which reach children inside school hours and seed evening enrolment.
- **Residential society programmes and demonstrations**, in the specific clusters the evening drive allows.
- **Annual showcase and recital**, which is a retention event and an acquisition event at once.
- **Referral from current families**, which strengthens as tenure lengthens.

Retention

- **Visible progression** — a level system or graded examination gives a child a reason to continue past the novelty.
- **Instructor continuity**, which matters most in the first three months.
- **Peer group**, since children stay for their friends more reliably than for the activity.
- **Flexible re-entry** after examination breaks, because a child who leaves in Class 10 may return in Class 11 if leaving was made easy.

> **Median tenure of five months is not a retention failure to be fixed but a structural feature to be planned around, and the difference between those two framings changes what the centre does. A child enrols in an activity at seven, enjoys it, and stops at eight because a school examination arrived or the enthusiasm moved to something else — that is what childhood interest looks like, and treating every departure as a service defect leads a centre to chase families who have already decided. What the centre can influence is the first three months, where most attrition actually happens and where the causes are addressable: a class pitched at the wrong level, an instructor the child did not connect with, a peer group she never joined, or a progression she could not see.** Three responses run through the plan. **Structured onboarding across the first eight weeks with a deliberate placement review, since a child in the wrong batch will quit and will be recorded as having lost interest. A visible level system, because a child who can see the next grade has a reason that survives the novelty wearing off. And exit made easy and re-entry made easier — pro-rata refunds, held places, and a re-join path after examination years — since the family that leaves without a fight is the family that comes back, and roughly a fifth of re-enrolments in this plan are returns. Median tenure moves from 5.2 months to 8.4 on that basis, which on this cost base is worth more than any fee increase the catchment would accept.**

8. Operations Plan (schedule, verify, observe, place, refund)

- **Scheduling: studio-hours managed as the scarce resource, with peak slots allocated to the highest-demand activities and the trough deliberately programmed rather than left empty.**

- **Verification: police verification and reference checks for every instructor including freelancers AND substitutes — the substitute covering at two hours' notice is the least-checked adult in the building and is alone with children within the hour.**
- **Visible-space teaching: all classes in rooms with observation glass or open doors; one-to-one sessions in closed rooms prohibited, and make-up classes scheduled into observable spaces rather than into convenience.**
- **Correction protocol: physical correction taught as a documented technique with the child's consent sought and an explanation given — because the contact is necessary, and the way to make it safe is to make it explicit and observable rather than to forbid it.**
- **Placement:** structured eight-week onboarding with a level review, **since a child in the wrong batch will quit and be recorded as losing interest.**
- **Instructor engagement:** senior instructors salaried and curriculum owned by the centre; **revenue-share used at the margin rather than as the model.**
- **Equipment:** mats, play structures, aerial and gymnastics rigging inspected on a schedule with records, **not when something looks worn.**
- **Incident recording: injuries, near misses and parent concerns logged in full — a number expected to RISE, because a centre running contact activities and reporting nothing is not safe, it is not writing things down.**
- **Packages & refunds:** prepaid packages recognised as delivered with the balance held as a liability; **pro-rata refunds on withdrawal administered by accounts rather than negotiated at the front desk.**
- **Music licensing:** public-performance licences held for recorded music used in classes and showcases.
- **Parties:** confined to defined blocks that do not displace scheduled classes, with direct costs tracked separately.

Control points

Area	Activity	Control point
The trough, not the peak	**Studio-hour utilisation / revenue from non-peak hours**	**21% → 44% / 14% → 26%**
Business or landlord relationship	**Students enrolled with the centre / revenue via revenue-share freelancers**	**34% → 71% / 68% → 39%**
The necessary contact	**Classes in visible spaces / one-to-one sessions in closed rooms per month**	**62% → 100% / 18 → 0**
Including the substitute	**All instructors verified / trained in correction protocol & safeguarding**	**41% → 100% / 0% → 100%**
Supposed to rise	**Injuries, near misses & concerns logged per year**	**9 → 26 → 47**
The addressable window	**Median tenure / monthly churn**	**5.2 → 8.4 months / 11.4% → 6.8%**
Earned, not collected	**Unearned package liability / pro-rata refunds within SLA**	**₹14L → ₹31L / 41% → 94%**
Commercial	Active students · trial-to-enrolment conversion · party revenue as % of turnover	420 → 820 · 34% → 52% · capped at 12%

> **The safeguarding problem in this category is unusual because the risky practice and the correct practice are the same action, and a plan that does not say so will produce a policy that is either useless or harmful. A martial-arts instructor adjusts a child's stance with his hands; a dance teacher corrects the line of an arm; a gymnastics coach spots a child through a movement and physically supports her body. All of that is proper**

teaching and cannot be replaced by verbal instruction alone. It is also precisely the circumstance in which abuse occurs and afterwards cannot be distinguished from teaching, because the innocent explanation is genuinely available and is genuinely true most of the time. A centre that bans contact teaches worse and protects nobody, since the offender simply moves to the moments nobody is watching. The controls therefore target visibility and predictability rather than the contact itself. **Every class in a room with observation glass or an open door, published as a policy so parents know it and can check it (62% to 100%). No one-to-one instruction in a closed room, ever, with make-up classes scheduled into observable spaces rather than into whatever room is free (eighteen a month to zero). Correction taught as a documented technique — explained to the child, consent sought, done in view — so that appropriate contact is recognisable and the inappropriate becomes conspicuous. And every adult verified, with the substitute treated exactly as the head coach is, because the person who arrives at short notice is the one the process most easily skips.**

9. Premises, Safeguarding & Licensing Compliance (India)

- **POCSO obligations for every adult alone or semi-alone with a child** — **including freelance instructors and substitutes, who are the least likely to have been checked and are with children within the hour.**
- **Fire NOC, occupancy limits and building safety** for premises holding a hundred or more children at a time, **with attention to the single-staircase layouts common in the commercial buildings these centres occupy.**
- **Equipment safety inspection on a schedule** — mats, play structures, aerial and gymnastics rigging — **with records, rather than replacement when something looks worn.**
- **Copyright licensing for public performance of recorded music** in dance and fitness classes and in showcases — **a genuine and near-universally ignored obligation in this sector.**
- **Consumer Protection Act** exposure on outcome claims and on refunds against prepaid packages.
- **Correct classification of freelance instructors**, since **a "freelancer" working fixed hours to the centre's timetable under its direction may be an employee in substance, with EPF, ESI and gratuity consequences.**
- GST on services; shops & establishment registration and trade licence; POSH with a constituted committee.
- FSSAI where party food is prepared on site rather than bought in; **lawfully for-profit, unlike a K-12 school.**

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Salaried instructors	**6**	**10**	**16**
Freelance instructors (full-time equivalent)	9	11	12
Front desk & enrolment	3	4	6
Housekeeping & support	3	4	6
Operations, scheduling & safety	**2**	**3**	**5**
Party & events coordination	1	2	3
Accounts & administration	1	2	3
Centre manager	1	1	2
Total	**26**	**37**	**53**

The movement in this table is the plan's strategy in staffing form. **Salaried instructors rise from six to sixteen while freelance equivalents rise only from nine to twelve** — the centre is buying the customer relationship back one appointment at a time, and the cost of that is a fixed salary bill where a variable revenue share used to sit. **Scheduling and safety is a named function from Year 1**, because studio-hour utilisation and instructor verification are both jobs that get done properly only when they belong to somebody. **Safeguarding and the incident log report to the centre manager and the promoter rather than to enrolment** — the rule this library applies everywhere: **a control that reports to the party it constrains is not a control**, and here the constrained party is the one whose targets depend on a popular instructor staying and a class staying full.

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–4	Premises secured with parking and lift access on an evening-drive route, studios fitted with sprung floors and OBSERVATION GLASS as a design decision rather than an afterthought, fire NOC and occupancy clearance obtained, music licences taken before the first class, verification completed for every instructor including planned substitutes, scheduling system configured to report studio-hour utilisation from week one
Year 1	Year 1	420 active students; ₹1.09cr revenue, ₹22L loss; utilisation 21%; non-peak revenue 14%; centre-enrolled students 34%; visible-space classes 62%; median tenure 5.2 months; ROCE (12.8%)
Year 2	Year 2	620 active; utilisation 32%; non-peak 19%; centre-enrolled 54%; verification 100%; one-to-one closed-room sessions down to 4 a month; ₹1.90cr revenue, ₹3L profit
Year 3	Year 3	**820 active; ₹3.13cr revenue, ₹33L profit; ROCE 16.5%; utilisation 44%; non-peak 26%; centre-enrolled 71%; visible-space 100%; closed-room one-to-one zero; median tenure 8.4 months; 47 incidents logged**

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. ***Studio-hour utilisation and tenure are the levers. Peak-hour fee is barely one, because the peak is already contested and the independent instructor down the road will always be cheaper.***

12.1 Project cost & means of finance

Capital requirement	₹
Fit-out (4 studios: sprung floors, mirrors, acoustics, OBSERVATION GLASS, changing rooms)	**62,00,000**
Launch & initial operating losses	30,00,000
Equipment (instruments, mats, martial-arts, robotics kits, AV)	26,00,000
Premises deposit	22,00,000
Launch marketing & brand	12,00,000
Safety installation (CCTV, first aid, fire, matting, rigging certification)	**8,00,000**
Furniture, reception & parent waiting area	8,00,000
Technology (booking, scheduling, CRM, attendance)	6,00,000
Working capital	4,00,000

Licences, legal, music licensing & registrations	2,00,000
Total project cost	**1,80,00,000**
Promoter contribution	90,00,000
Term loan (fit-out & equipment)	60,00,000
Working-capital facility	30,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
ACTIVE STUDENTS / average fee per student per month	**420 / ₹1,600**	**620 / ₹1,750**	**820 / ₹1,900**
Class fees	80,64,000	1,30,20,000	1,86,96,000
Birthday parties & events	**12,00,000**	**22,00,000**	**34,00,000**
Adult evening classes (non-peak)	**4,00,000**	**12,00,000**	**34,00,000**
In-school programmes (school hours)	**3,00,000**	**9,00,000**	**26,00,000**
Holiday camps & workshops	**6,00,000**	**11,00,000**	**22,00,000**
Merchandise, uniforms, examinations & certification	3,00,000	6,00,000	10,00,000
TOTAL REVENUE	**1,09,00,000**	**1,90,00,000**	**3,13,00,000**
Instructor costs (salaried + revenue share)	**38,00,000**	**66,00,000**	**1,18,00,000**
Premises rent & CAM	26,00,000	28,00,000	32,00,000
Non-instructor salaries (manager, front desk, operations, safety)	12,00,000	18,00,000	26,00,000
Marketing & enrolment	**13,00,000**	**13,00,000**	**19,00,000**
Depreciation (fit-out, flooring, equipment, play structure)	10,00,000	11,00,000	14,00,000
Utilities, maintenance & housekeeping	8,00,000	11,00,000	15,00,000
Party & event direct costs (food, decoration, staff, cleaning)	5,00,000	9,00,000	14,00,000
Materials, costumes, instruments & consumables	4,00,000	7,00,000	11,00,000
Safety: verification, first aid, insurance, equipment inspection, music licences	**4,00,000**	**6,00,000**	**9,00,000**
Finance cost	5,00,000	5,00,000	4,00,000
Refunds honoured on withdrawal (pro-rata)	**3,00,000**	**5,00,000**	**7,00,000**

Administration, compliance, audit & licences	3,00,000	4,00,000	6,00,000
Technology (booking, scheduling, CRM)	3,00,000	4,00,000	5,00,000
Total expenses	**1,31,00,000**	**1,87,00,000**	**2,80,00,000**
Net profit / (loss) before tax	**(22,00,000)**	**3,00,000**	**33,00,000**
Net margin	(20.2%)	1.6%	10.5%
AVERAGE CAPITAL EMPLOYED / RETURN ON CAPITAL EMPLOYED	**₹1.72cr / (12.8%)**	**₹1.84cr / 1.6%**	**₹2.00cr / 16.5%**
STUDIO-HOUR UTILISATION (of ~17,500 available hours)	**21%**	**32%**	**44%**
REVENUE FROM NON-PEAK HOURS (adult, in-school, camps)	**14%**	**19%**	**26%**
Party revenue per studio-hour vs class revenue per studio-hour	**4.1× before direct cost — materially less after food, decoration, staff and cleaning; and capped at 12% of turnover rather than maximised**		
STUDENTS ENROLLED WITH THE CENTRE vs with an individual instructor	**34%**	**54%**	**71%**
Revenue delivered by revenue-share freelancers	**68%**	**51%**	**39%**
MEDIAN TENURE (months) / monthly churn	**5.2 / 11.4%**	**6.9 / 8.6%**	**8.4 / 6.8%**
CLASSES IN VISIBLE SPACES / one-to-one sessions in closed rooms per month	**62% / 18**	**88% / 4**	**100% / 0**
All instructors verified incl. substitutes / trained in correction protocol	**41% / 0%**	**100% / 74%**	**100% / 100%**
INJURIES, NEAR MISSES & CONCERNS LOGGED (supposed to rise)	**9**	**26**	**47**
Unearned package liability · pro-rata refunds within SLA · trial-to-enrolment conversion	₹14L · 41% · 34%	₹22L · 78% · 44%	₹31L · 94% · 52%

12.3 Unit economics & break-even

- **Studio-hour utilisation is the number this business lives on, and at 21% in Year 1 the centre is paying rent on four studios to use them for roughly one day a week. Rent, depreciation, utilities and the manager are all incurred at 100% whatever the timetable does — so the movement from 21% to 44% is worth more than every fee increase and party booking in the plan combined.**
- **Instructor cost is 35% of revenue throughout, and its composition is what changes. Revenue-share freelancers deliver 68% of revenue in Year 1 and 39% by Year 3 — the centre is converting a variable cost into a fixed one deliberately, because the variable version came with a customer relationship the centre**

did not own.

- **Marketing runs at 6–12% of revenue permanently. With median tenure at 5.2 months rising to 8.4, this centre replaces most of its roll every year — like the preschool, acquisition is an operating line rather than a launch cost, and tenure is the only thing that reduces it.**
- **A party earns 4.1× a class from the same studio-hour before direct cost and materially less after it — and it is capped at 12% of turnover rather than maximised, because the class community fills the trough hours and generates referrals, and it can be spent but not quickly rebuilt.**
- **Break-even: Year 2, at roughly 600 active students and 30% utilisation. The Year-1 loss is the utilisation gap, and an activity-centre projection showing Year-1 profit is describing a promoter who arrived with an existing student following — which is a real advantage and should be stated rather than modelled as ordinary.**

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1 Apr-Jun (summer camps)	Q2 Jul–Sep	Q3 Oct-Dec (showcase)	Q4 Jan-Mar (exam season)
Opening balance	30,00,000	24,00,000	18,00,000	14,00,000
Fee collections, parties, camps & events	30,00,000	26,00,000	29,00,000	22,00,000
Instructors, rent, marketing, event costs, interest & overheads	36,00,000	32,00,000	33,00,000	28,00,000
Closing balance	**24,00,000**	**18,00,000**	**14,00,000**	**8,00,000**

> **This business has a seasonality that runs against the rest of the schools vertical and it is worth understanding, because the weak quarter is the one a promoter is least prepared for. A school's year builds toward its admission window; this centre's collapses in the same months. January to March is board-examination season, and children in Classes 9 to 12 stop everything — the older, higher-paying, longest-tenured students are precisely the ones who leave first, and they leave together. Summer, by contrast, is strong: camps fill weeks when classes would otherwise pause and use studios all day rather than for three hours.** Three consequences follow. **The examination quarter should be planned for rather than survived — younger cohorts, adult classes and in-school programmes are all deliberately weighted to it, since none of them stops for a board examination. Places are held rather than closed for students taking a break, because a child who leaves cleanly in January and is invited back in April returns at a fraction of the cost of a new enrolment, and roughly a fifth of this plan's re-enrolments are returns. And prepaid packages need a matching liability discipline: the balance reaches ₹31 lakh against ₹33 lakh of Year-3 profit, and a centre that has spent unused package money and then meets an examination-season wave of withdrawal requests will discover the two numbers are the same size.**

12.5 Key Performance Indicators to Monitor

- **The trough: studio-hour utilisation by day and hour; non-peak revenue share; in-school programme hours; camp weeks sold.**
- **Ownership of the customer: students enrolled with the centre versus with an instructor; revenue via revenue-share; retention through an instructor change.**
- **Safeguarding — metrics that must rise: classes in visible spaces; closed-room one-to-one sessions; verification coverage including substitutes; correction-protocol training; injuries, near misses and concerns logged and closed; equipment inspection currency.**

- **Tenure:** median tenure by activity and age; monthly churn; first-90-day attrition; placement reviews completed; re-enrolment after a break.
- **Commercial:** trial-to-enrolment conversion; party revenue as % of turnover and per studio-hour after direct cost; unearned package liability and refund SLA.

13. Funding Requirement & Bankability

Total ask: **₹60 lakh term loan plus a ₹30 lakh working-capital facility** against ₹90 lakh promoter contribution. Four points. **First, this is a for-profit company with distributable surplus — the non-distribution constraint that governs a K-12 school does not apply here. Second, the security position is weak and should be priced accordingly: sprung floors, mirrors and acoustic treatment in leased premises have essentially no realisable value, and only instruments and some equipment would sell — so this is a cash-flow lend against enrolment, and the fit-out is a sunk commitment rather than an asset. Third, the diagnostic question is studio-hour utilisation, not student count. Two centres with identical enrolment can differ by a factor of two in profitability depending on whether they sell only the peak — and a promoter who can state his utilisation by day and hour, his non-peak revenue share and his median tenure is running the business, while one who quotes active students and studio capacity is quoting a brochure. Fourth, and specific to this sector: ask who the students are enrolled with. A centre where two-thirds of revenue is delivered by revenue-share freelancers who brought their own followings is a business whose customer base can leave with three resignations, and that is a credit fact rather than a staffing one.**

13.1 Funding utilisation

Use of funds	₹	% of total
Fit-out (4 studios: sprung floors, mirrors, acoustics, observation glass, changing rooms)	62,00,000	34.4%
Launch & initial operating losses	30,00,000	16.7%
Equipment (instruments, mats, martial-arts, robotics kits, AV)	26,00,000	14.4%
Premises deposit	22,00,000	12.2%
Launch marketing & brand	12,00,000	6.7%
Safety installation (CCTV, first aid, fire, matting, rigging certification)	8,00,000	4.5%
Furniture, reception & parent waiting area	8,00,000	4.4%
Technology (booking, scheduling, CRM, attendance)	6,00,000	3.3%
Working capital	4,00,000	2.2%
Licences, legal, music licensing & registrations	2,00,000	1.2%
Total	**1,80,00,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation

Rent for 168 hours, revenue from 24	**CHILDREN ARE FREE BETWEEN FOUR AND SEVEN ON WEEKDAYS AND ON SATURDAY MORNINGS, AND THAT IS WHEN EVERY CLASS IN EVERY ACTIVITY WANTS TO RUN — SO FOUR STUDIOS THAT COULD HOST SIXTY SESSIONS A WEEK COMPETE TO HOST THEM ALL IN THE SAME SIX. A CENTRE OPTIMISED ENTIRELY AROUND THAT PEAK HAS A BEAUTIFUL TIMETABLE AND A BUILDING THAT IS EMPTY EIGHTY PER CENT OF THE TIME IT IS BEING PAID FOR. RENT, DEPRECIATION, UTILITIES AND THE MANAGER ARE ALL INCURRED AT 100% WHATEVER THE TIMETABLE DOES — THE PEAK IS NOT THIS BUSINESS'S PROBLEM, THE TROUGH IS** → non-peak hours treated as the product to be BUILT rather than the time to be tolerated: adult evening classes after seven, morning toddler programmes, IN-SCHOOL PROGRAMMES DURING SCHOOL HOURS THAT REACH CHILDREN WHO WOULD NEVER MAKE THE EVENING JOURNEY, and vacation camps that use studios all day rather than for three hours (utilisation 21%→44%; non-peak revenue 14%→26%). **THE MOVEMENT FROM 21% TO 44% IS WORTH MORE THAN EVERY FEE INCREASE AND PARTY BOOKING IN THE PLAN COMBINED**
The customer is a child who will quit	**A SCHOOL KEEPS A STUDENT TWELVE YEARS AND A COACHING CENTRE TWO; A HOBBY CLASS HOLDS ONE FOR A MEDIAN OF FIVE MONTHS. CHILDREN STOP BECAUSE INTEREST FADES, BECAUSE BOARD EXAMINATIONS START, BECAUSE THE FAMILY'S SCHEDULE CHANGED, OR BECAUSE THEY SIMPLY ASKED TO — NONE OF WHICH IS A SERVICE FAILURE, AND A PLAN THAT MODELS RETENTION AS A SCHOOL WOULD IS MODELLING A DIFFERENT BUSINESS. TREATING EVERY DEPARTURE AS A DEFECT LEADS A CENTRE TO CHASE FAMILIES WHO HAVE ALREADY DECIDED** → the addressable window identified as THE FIRST THREE MONTHS, where most attrition happens and the causes are fixable — wrong level, wrong instructor, no peer group, invisible progression → structured eight-week onboarding with a placement review (**SINCE A CHILD IN THE WRONG BATCH WILL QUIT AND BE RECORDED AS HAVING LOST INTEREST**), a visible level system, and EXIT MADE EASY AND RE-ENTRY MADE EASIER with pro-rata refunds, held places and a re-join path after examination years, **BECAUSE THE FAMILY THAT LEAVES WITHOUT A FIGHT IS THE FAMILY THAT COMES BACK** (median tenure 5.2→8.4 months; churn 11.4%→6.8%; marketing carried as a PERMANENT operating line at 6–12% of revenue)
The instructor owns the customer	**DANCE, MUSIC AND MARTIAL-ARTS TEACHERS COMMONLY TEACH AT SEVERAL CENTRES AND BRING THEIR OWN FOLLOWING. A REVENUE-SHARE ARRANGEMENT LOOKS PRUDENT BECAUSE IT CONVERTS A FIXED COST INTO A VARIABLE ONE, AND IT QUIETLY HANDS THE STUDENT RELATIONSHIP TO SOMEBODY WHO CAN LEAVE WITH IT ON A MONTH'S NOTICE — A CENTRE OPERATING ENTIRELY ON REVENUE SHARE DOES NOT HAVE A BUSINESS, IT HAS A LANDLORD RELATIONSHIP WITH A BETTER LEASE. A CENTRE WHERE TWO-THIRDS OF REVENUE COMES FROM FREELANCERS WHO BROUGHT THEIR OWN FOLLOWINGS CAN LOSE ITS CUSTOMER BASE TO THREE RESIGNATIONS, WHICH IS A CREDIT FACT RATHER THAN A STAFFING ONE** → senior instructors salaried (6→16 while freelance equivalents rise only 9→12), centre-owned curriculum and progression, and a front desk that owns the relationship — **THE CENTRE BUYING THE CUSTOMER RELATIONSHIP BACK ONE APPOINTMENT AT A TIME, AND ACCEPTING A FIXED SALARY BILL WHERE A VARIABLE REVENUE SHARE USED TO SIT** (centre-enrolled students 34%→71%; freelance-delivered revenue 68%→39%). Also: freelancers correctly classified, since **A "FREELANCER" WORKING FIXED HOURS TO THE CENTRE'S TIMETABLE UNDER ITS DIRECTION MAY BE AN EMPLOYEE IN SUBSTANCE**

The necessary contact and the dangerous one are the same action	**IN DANCE, GYMNASTICS AND MARTIAL ARTS AN INSTRUCTOR LEGITIMATELY TOUCHES A CHILD TO CORRECT POSTURE, ADJUST A STANCE OR SPOT A MOVEMENT. THAT IS PROPER TEACHING, IT CANNOT BE AVOIDED, AND IT IS ALSO THE EXACT SITUATION IN WHICH ABUSE OCCURS AND IS AFTERWARDS DENIABLE — BECAUSE THE INNOCENT EXPLANATION IS GENUINELY AVAILABLE AND IS GENUINELY TRUE MOST OF THE TIME. A CENTRE THAT BANS CONTACT TEACHES WORSE AND PROTECTS NOBODY, SINCE THE OFFENDER SIMPLY MOVES TO THE MOMENTS NOBODY IS WATCHING** → controls targeting VISIBILITY AND PREDICTABILITY rather than the contact itself: every class in a room with observation glass or an open door, PUBLISHED AS A POLICY SO PARENTS KNOW IT AND CAN CHECK IT (62%→100%); NO ONE-TO-ONE INSTRUCTION IN A CLOSED ROOM EVER, with make-up classes scheduled into observable spaces rather than into whatever room is free (18 a month→0); correction taught as a DOCUMENTED TECHNIQUE — explained to the child, consent sought, done in view — **SO THAT APPROPRIATE CONTACT IS RECOGNISABLE AND THE INAPPROPRIATE BECOMES CONSPICUOUS**; and **EVERY ADULT VERIFIED WITH THE SUBSTITUTE TREATED EXACTLY AS THE HEAD COACH IS, BECAUSE THE PERSON WHO ARRIVES AT SHORT NOTICE IS THE ONE THE PROCESS MOST EASILY SKIPS** (41%→100%; correction training 0%→100%; incidents logged 9→47, A NUMBER EXPECTED TO RISE)
The party subsidises the class and displaces it	**A PARTY EARNS ROUGHLY FOUR TIMES WHAT A CLASS EARNS FROM THE SAME STUDIO-HOUR AND IT WANTS SATURDAY AND SUNDAY AFTERNOONS — WHICH IS WHEN THE WEEKEND CLASS PROGRAMME RUNS AND WHEN THE CENTRE'S COMMUNITY IS MOST VISIBLE TO PROSPECTIVE FAMILIES. A CENTRE THAT MAXIMISES PARTIES FINDS ITS WEEKEND CLASSES DISPLACED, ITS REGULAR FAMILIES INCONVENIENCED AND ITS IDENTITY CONVERTED FROM AN ACADEMY INTO A VENUE; A CENTRE THAT REFUSES PARTIES LEAVES ITS HIGHEST REVENUE-PER-HOUR UNEARNED WHILE PAYING RENT ANYWAY. NEITHER EXTREME IS RIGHT, AND THE ERROR IS MAKING THE CHOICE IMPLICITLY BY ACCEPTING WHICHEVER BOOKING ARRIVES FIRST** → bookings confined to defined blocks that do not displace scheduled classes and to the studios least used at weekends; party revenue CAPPED at 12% of turnover rather than maximised, **BECAUSE THE CLASS COMMUNITY FILLS THE TROUGH HOURS AND GENERATES REFERRALS, AND IT CAN BE SPENT BUT NOT REBUILT QUICKLY**; and direct costs tracked separately, since **FOOD, DECORATION, ADDITIONAL STAFF AND CLEANING CONSUME A SUBSTANTIAL PART OF THE HEADLINE RATE AND THE 4.1× ADVANTAGE IS MATERIALLY SMALLER AFTER COST THAN THE TARIFF SUGGESTS**
The independent instructor cannot be beaten on price	**AN INSTRUCTOR TEACHING EIGHT CHILDREN IN A SOCIETY CLUBHOUSE PAYS NO RENT, EMPLOYS NOBODY, BUYS NO INSURANCE, VERIFIES NO ONE AND FILES NOTHING. HE CAN CHARGE HALF AND EARN MORE PER HOUR THAN THIS CENTRE EARNS PER HOUR — HIS COST STRUCTURE IS NOT A WEAKER VERSION OF THIS ONE, IT IS A DIFFERENT STRUCTURE ENTIRELY — AND A PROMOTER WHO PLANS TO COMPETE ON FEE WILL LOSE MONEY FOR AS LONG AS HE KEEPS TRYING** → sell what the clubhouse cannot supply (a sprung floor, maintained equipment, a verified teacher, a substitute when the regular one is ill, a fixed calendar, and a room a parent can see into); sell CONTINUITY, since **A CHILD WHO CHANGES TEACHER AT THIS CENTRE KEEPS HER CLASS, HER FRIENDS AND HER PROGRESSION, WHERE A CHILD WHOSE INDEPENDENT INSTRUCTOR MOVES CITY LOSES EVERYTHING**; and accept the price-led family as somebody else's customer, **WHICH IS EASIER ONCE THE TROUGH REVENUE IS DOING ITS WORK, BECAUSE A CENTRE EARNING FROM TUESDAY MORNINGS DOES NOT NEED TO WIN EVERY SATURDAY ENQUIRY**

The examination quarter takes the best students	**THIS BUSINESS'S SEASONALITY RUNS AGAINST THE REST OF THE VERTICAL: A SCHOOL'S YEAR BUILDS TOWARD ITS ADMISSION WINDOW AND THIS CENTRE'S COLLAPSES IN THE SAME MONTHS. JANUARY TO MARCH IS BOARD SEASON AND CHILDREN IN CLASSES 9 TO 12 STOP EVERYTHING — THE OLDER, HIGHER-PAYING, LONGEST-TENURED STUDENTS ARE PRECISELY THE ONES WHO LEAVE FIRST, AND THEY LEAVE TOGETHER. THE COMPETITOR FOR THE FOUR O'CLOCK HOUR IS FREQUENTLY A COACHING CLASS, AND AS A CHILD MOVES TOWARD CLASS 9 THAT COMPETITOR WINS** → younger cohorts, adult classes and in-school programmes deliberately weighted to the examination quarter SINCE NONE OF THEM STOPS FOR A BOARD EXAMINATION; places HELD rather than closed for students taking a break, since **A CHILD WHO LEAVES CLEANLY IN JANUARY AND IS INVITED BACK IN APRIL RETURNS AT A FRACTION OF THE COST OF A NEW ENROLMENT — ROUGHLY A FIFTH OF RE-ENROLMENTS HERE ARE RETURNS**; and the plan does not model a hobby continuing to eighteen
Prepaid packages, premises, equipment & music	**PREPAID PACKAGE LIABILITY REACHES ₹31 LAKH AGAINST ₹33 LAKH OF YEAR-3 PROFIT, AND A CENTRE THAT HAS SPENT UNUSED PACKAGE MONEY AND THEN MEETS AN EXAMINATION-SEASON WAVE OF WITHDRAWAL REQUESTS WILL DISCOVER THE TWO NUMBERS ARE THE SAME SIZE →** packages recognised as delivered with the balance held as a liability; pro-rata refunds ADMINISTERED BY ACCOUNTS RATHER THAN NEGOTIATED AT THE FRONT DESK (41%→94%). Premises: **FIRE NOC, OCCUPANCY LIMITS AND BUILDING SAFETY FOR A HUNDRED OR MORE CHILDREN AT A TIME, WITH ATTENTION TO THE SINGLE-STAIRCASE LAYOUTS COMMON IN THE COMMERCIAL BUILDINGS THESE CENTRES OCCUPY**; mats, play structures and aerial rigging inspected ON A SCHEDULE WITH RECORDS RATHER THAN WHEN SOMETHING LOOKS WORN. **AND COPYRIGHT LICENSING FOR PUBLIC PERFORMANCE OF RECORDED MUSIC IN DANCE AND FITNESS CLASSES AND SHOWCASES — A GENUINE AND NEAR-UNIVERSALLY IGNORED OBLIGATION IN THIS SECTOR, AND A CENTRE RUNNING FORTY DANCE CLASSES A WEEK IS SQUARELY WITHIN IT**. Outcome claims kept to participation and progression rather than medal counts, inheriting the coaching plan's denominator discipline at smaller scale

15. SWOT Analysis

Strengths **Studio-hour utilisation managed as the primary metric, which lets the centre price competitively at peak**; students enrolled with the centre so continuity survives a departure; **observation glass designed in rather than added after, with visible-space teaching published as a policy**; every adult verified including substitutes; in-school programmes reaching children who would never make the evening journey; a for-profit structure with distributable surplus.	**Weaknesses** **Rent paid on 168 hours against roughly 24 sellable ones**; **median tenure of five months, making marketing a permanent 6–12% of revenue**; two-thirds of Year-1 revenue delivered by freelancers who brought their own students; fit-out with essentially no realisable value; an examination quarter that removes the best-paying students together; ₹31 lakh of package liability against ₹33 lakh of profit.
Opportunities **Disappearing unstructured play space converting what was free into something purchased**; **in-school programmes as a distribution channel rather than a side business**; adult evening classes as pure incremental use of a paid asset; vacation camps meeting a genuine childcare need; graded examination systems giving a hobby a progression; re-entry after board years at a fraction of new-enrolment cost.	**Threats** **Independent instructors in clubhouses at a third of the price with no overhead at all**; **three resignations taking a large part of the customer base**; coaching classes winning the four o'clock hour as children reach Class 9; a safeguarding incident, which in a small catchment is not recoverable; an injury on unmaintained equipment; single-activity academies with deeper specialism and a competitive record.

16. Recommended AiSevak Tools for This Business

This centre would use AiSevak's Schools vertical tools in operations:

- **The trough: studio-hour utilisation heat-map by day and hour, non-peak revenue tracking, in-school programme scheduler, camp-week planner, party-block allocation that cannot displace scheduled classes.**
- **Ownership of the customer: centre-versus-instructor enrolment attribution, revenue-share exposure monitor, retention-through-instructor-change tracking, curriculum and progression ownership register.**
- **Safeguarding: visible-space class scheduling with closed-room blocking, verification register covering freelancers AND substitutes, correction-protocol training records, incident and near-miss log with closure tracking, equipment inspection calendar.**
- **Tenure:** median tenure by activity and age, first-90-day attrition alerts, eight-week placement-review prompts, held-place and re-entry pipeline after examination breaks.
- **Commercial:** trial-to-enrolment conversion, unearned package ledger with refund SLA, party revenue per studio-hour after direct cost, music-licence and insurance currency tracker.

17. Key Assumptions & Notes

- Play & activity centre: 3,200 sq ft multi-studio facility running dance, music, art, martial arts, robotics and early-years play for children aged three to sixteen, plus birthday parties, holiday camps, adult evening classes and in-school programmes, operated as a for-profit company. **Fourth plan in the schools vertical; the CAPACITY-UTILISATION sub-model.**
- **⚠ CONVENTIONS SET HERE: (a) THE RENT IS PAID FOR 168 HOURS AND THE REVENUE COMES FROM ABOUT 24 — THE PEAK IS NOT THE PROBLEM, THE TROUGH IS, so non-peak hours are the product to be BUILT (adult evenings, morning toddler programmes, in-school sessions, vacation camps) and STUDIO-HOUR UTILISATION IS THE PRIMARY OPERATING METRIC. (b) THE CUSTOMER IS A CHILD WHO WILL QUIT AND THAT IS THE BASELINE CONDITION, NOT A FAILURE — median tenure five months, so MARKETING IS A PERMANENT OPERATING LINE and the addressable window is THE FIRST THREE MONTHS, where the causes are wrong level, wrong instructor, no peer group or invisible progression. (c) THE INSTRUCTOR OWNS THE CUSTOMER UNLESS THE CENTRE TAKES HER BACK — a centre operating entirely on revenue share DOES NOT HAVE A BUSINESS, IT HAS A LANDLORD RELATIONSHIP WITH A BETTER LEASE. (d) THE NECESSARY CONTACT AND THE DANGEROUS ONE ARE THE SAME ACTION — banning contact teaches worse and protects nobody, so the controls target VISIBILITY AND PREDICTABILITY: observation glass, no closed-room one-to-one ever, correction taught as a documented technique done in view, and THE SUBSTITUTE VERIFIED EXACTLY AS THE HEAD COACH IS. (e) THE PARTY EARNS 4.1× PER STUDIO-HOUR AND WANTS THE SAME HOURS — decide the trade-off explicitly and cap it, because the class community can be spent but not quickly rebuilt. (f) THE INDEPENDENT INSTRUCTOR CANNOT BE BEATEN ON PRICE AND SHOULD NOT BE FOUGHT ON IT. (g) THE EXAMINATION QUARTER TAKES THE OLDEST, HIGHEST-PAYING, LONGEST-TENURED STUDENTS AND TAKES THEM TOGETHER — seasonality that runs OPPOSITE to the rest of this vertical.**
- Economics & cash — **UTILISATION IS THE NUMBER THIS BUSINESS LIVES ON: AT 21% THE CENTRE IS PAYING RENT ON FOUR STUDIOS TO USE THEM FOR ROUGHLY ONE DAY A WEEK, AND THE MOVEMENT TO 44% IS WORTH MORE THAN EVERY FEE INCREASE AND PARTY BOOKING IN THE PLAN COMBINED** (Y1 −₹22L → Y3 ₹33L; revenue ₹1.09cr→₹3.13cr; active students 420→820; utilisation 21%→44%; non-peak revenue 14%→26%; instructor cost steady at ~35% of revenue but its COMPOSITION changing as freelance-delivered revenue falls 68%→39%; median tenure 5.2→8.4 months; ROCE (12.8%)→16.5%; **BREAK-EVEN YEAR 2 AT ~600 ACTIVE STUDENTS AND 30% UTILISATION, AND AN ACTIVITY-CENTRE PROJECTION SHOWING YEAR-1 PROFIT IS DESCRIBING A PROMOTER WHO ARRIVED WITH AN EXISTING STUDENT FOLLOWING — A REAL ADVANTAGE THAT SHOULD BE STATED RATHER THAN MODELLED AS ORDINARY**; prepaid package liability ₹14L→₹31L against ₹33L of Year-3 profit). Regulatory (section 9): POCSO for every adult INCLUDING FREELANCERS AND SUBSTITUTES; fire

NOC, occupancy limits and building safety with attention to single-staircase commercial layouts; scheduled equipment and rigging inspection with records; **COPYRIGHT LICENSING FOR PUBLIC PERFORMANCE OF RECORDED MUSIC — GENUINE AND NEAR-UNIVERSALLY IGNORED IN THIS SECTOR**; Consumer Protection on outcome claims and package refunds; **CORRECT CLASSIFICATION OF FREELANCE INSTRUCTORS, SINCE ONE WORKING FIXED HOURS TO THE CENTRE'S TIMETABLE UNDER ITS DIRECTION MAY BE AN EMPLOYEE IN SUBSTANCE**; GST; shops & establishment; POSH; FSSAI where party food is prepared on site. Lender note (section 13): **SECURITY IS WEAK — SPRUNG FLOORS, MIRRORS AND ACOUSTIC TREATMENT IN LEASED PREMISES HAVE ESSENTIALLY NO REALISABLE VALUE, SO THIS IS A CASH-FLOW LEND AGAINST ENROLMENT AND THE FIT-OUT IS A SUNK COMMITMENT RATHER THAN AN ASSET**; **THE DIAGNOSTIC IS STUDIO-HOUR UTILISATION, NOT STUDENT COUNT — TWO CENTRES WITH IDENTICAL ENROLMENT CAN DIFFER BY A FACTOR OF TWO IN PROFITABILITY DEPENDING ON WHETHER THEY SELL ONLY THE PEAK**; and **ASK WHO THE STUDENTS ARE ENROLLED WITH, BECAUSE A CENTRE WHERE TWO-THIRDS OF REVENUE IS DELIVERED BY REVENUE-SHARE FREELANCERS WHO BROUGHT THEIR OWN FOLLOWINGS CAN LOSE ITS CUSTOMER BASE TO THREE RESIGNATIONS — A CREDIT FACT RATHER THAN A STAFFING ONE.** ₹1.80cr; 420→820 active students; revenue ₹1.09→3.13cr; 26→53 staff; utilisation 21%→44%; ROCE (12.8%)→16.5%. Figures illustrative, exclude GST.

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