BUSINESS PLAN · INDIA

School Management and Setup Services

The standard fee structure endangers the client

SCHOOLS

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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1. Executive Summary

This plan sets out a **School Management & Setup Services Firm** in India — a professional services business providing turnkey school establishment (feasibility through land, approvals, affiliation and launch), academic and teacher-training services, compliance support, and ongoing management of schools under contract, to societies, trusts and school boards, operated as a for-profit company.

> **This firm sits on the other side of the transaction the rest of this vertical has been warning about, and that is where the plan has to begin. The K-12 and international-school plans both established that a school cannot lawfully be run for profit, that its surplus cannot be distributed, and that a management fee set as a percentage of the school's fee income is a distribution wearing a different name — because Section 13 of the Income-tax Act denies exemption where a trust's income or property is applied for the benefit of specified persons on unreasonable terms. Percentage-of-fee-income is nonetheless the standard commercial model of this industry. A manager who prices that way has sold his client a liability: the fee is not merely aggressive, it is the specific structure that puts the school's exemption — and therefore its entire cost base — at risk.** This plan therefore prices on **scope and cost-plus, benchmarked against comparable professional services and documented against deliverables, moving from 41% of mandates to 100%**, and **declines mandates that insist on a percentage structure — six in Year 1, at ₹34 lakh of revenue forgone. It also refuses to manage any school whose trustees include the firm's own owners, because that is precisely the relationship Section 13 examines.**

> **The second is that this firm's client is a board that cannot be fired and frequently cannot decide. School trustees are commonly honorary, part-time, drawn from a founding family, and divided — and the manager is held accountable for enrolment, results and finances while the board retains authority over fee levels, capital spending, admissions policy and the appointments the family wants made. The manager can be dismissed at three months' notice; the trustees own the asset and cannot be. An engagement in which responsibility and authority sit in different places will fail, and it will be recorded as the manager's failure.** This plan therefore treats governance as a precondition rather than a preference: **a written decision-rights schedule — what the manager decides, what the board decides, and what needs both — agreed before the mandate starts, rising from 38% of engagements to 100%**, with **early terminations falling from three a year to one.**

> **The third is the conflict that funds much of this industry quietly. A setup consultant recommends the architect, the furniture supplier, the laboratory vendor, the ERP system, the curriculum provider, the uniform contractor and the bus fleet — and can earn from every one of them, in amounts the client never sees. This is the commission-disclosure framework in its purest business-to-business form, and the usual position in this trade is the third one: accept silently, which makes the adviser the vendors' agent while presenting as the trust's.** This plan takes the first: **no vendor commission is received at all, in any year, and every vendor recommendation carries a written no-commission declaration. The cost is stated rather than implied — an estimated ₹42 lakh rising to ₹68 lakh a year of commission income forgone**, which on this firm's Year-3 profit of ₹73 lakh is very close to the whole of it.

> **And the fourth applies this vertical's denominator discipline to a business-to-business claim. "We have set up forty schools" is the setup consultant's equivalent of the coaching centre's selection count: true, unfalsifiable and silent about everything that matters. How many are still operating? How many were sold, closed or handed back? How many reached the enrolment the feasibility study projected? A firm whose feasibility studies are systematically optimistic will keep winning mandates and keep producing schools that miss their numbers, and nothing in the way the industry reports itself will ever surface it.** This plan publishes **launches**

> **alongside closures, transfers and shortfalls, from nothing to 100% of claims** — and states the uncomfortable figure that follows: **five of its first nine schools reached their Year-3 enrolment projection.**

This plan models a firm requiring **₹2.20 crore** (₹1.30 crore promoter + ₹40 lakh term loan + ₹50 lakh working-capital facility), moving from **₹2.28 crore revenue and a ₹6 lakh loss** to **₹6.96 crore revenue and ₹73 lakh profit** by Year 3, *with return on capital employed reaching 28.1% and annuity revenue rising from 19% to 44%. (School setup, academic and management services — figures illustrative.)*

2. Business Description, Vision & Legal Structure

Concept: A professional services firm that sets up and manages schools on a scope-priced fee, takes nothing from vendors, and reports how its schools actually performed.

Vision: To be the manager whose fee structure a trust's auditor never has to ask about.

Mission: Price the scope, not the school's fee income; agree who decides what before we start; take nothing from any vendor we recommend; publish the schools that did not work alongside the ones that did; and leave when the school no longer needs us.

Legal structure

- **Private Limited** — recommended and **lawfully for-profit**, unlike the schools it serves; professional indemnity, staff secondment and multi-client contracting all require it.
- **LLP** — workable for a small partner-led practice and common in this field.
- **A structure with no trusteeship overlap** — **the firm's owners do not sit as trustees of client schools, because a manager who is also a specified person of the trust is the arrangement Section 13 is written about.**

> **Regulatory anchor:** light on the firm and heavy on what the firm can do to its client. **The dominant exposure is not this business's own compliance but the client's: a fee structure, a related-party overlap or an undisclosed vendor arrangement created by the manager can cost a trust its exemption under Section 10(23C) or 12AB by operation of Section 13, and the loss falls on the school rather than on the adviser who designed it. A firm in this business is therefore in the unusual position that its principal compliance obligation runs to somebody else's balance sheet.** Then: **professional indemnity insurance, which is a working requirement where the deliverable is an approval, an affiliation application or a financial projection a trust will rely on**; contract law on scope, deliverables, decision rights and termination, since the commonest dispute in this field is about what was promised rather than what was done; **employment and misclassification questions where the firm places its own people into client schools as principal, coordinator or bursar — a seconded employee running a school day to day may be the school's employee in substance whatever the contract says**; **data protection under the DPDP Act, because a managing firm handles student and family records belonging to the client and is a processor rather than an owner of them**; GST on professional services; and shops and establishment registration, POSH and EPF/ESI for its own staff.

3. Promoter & Ownership

Led by a promoter with school leadership, education consulting or institutional-operations background. Three competences decide outcomes. *The willingness to decline a mandate*, because the engagements that damage this firm are the ones it should not have accepted — a percentage fee, an unresolvable board, an unrealistic feasibility the client wants confirmed. *Governance literacy*, since the firm's core value is knowing where the lines are in a sector whose clients frequently do not, and an adviser who does not understand Section 13 will design the very arrangement that harms his client. And *the discipline to publish an unflattering track record*, which costs proposals in the short run and is the only claim in this industry that cannot be matched by a competitor's brochure. Ownership, equity & investor terms are editable inputs; **trusteeship of client schools is not among the permitted arrangements.**

4. Market Analysis — India

Indian demand for school setup and management services is driven by capital arriving in education from outside it — landowners, family businesses, diaspora investors and charitable trusts — who can fund a school and have no idea how to build or run one.

Demand drivers

- **Landowning families and regional businesses** entering education, frequently with a site and no operating capability.
- **Charitable trusts and CSR-funded initiatives** establishing schools as a social objective.
- **The complexity of approvals and affiliation**, which is genuinely difficult, state-specific and slow.
- **Existing schools underperforming** — flat enrolment, weak results, or a founder generation stepping back.
- **Rising expectations of governance** from lenders, CSR funders and parents, which favour professional management.
- **Diaspora and non-resident investors** who cannot be present and need an operating partner.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	New and underperforming schools in the served region	Large and fragmented
SAM	**Clients who will pay a professional fee and accept governance terms**	**Far smaller than the enquiry flow**
SOM (Yr 1–3)	Setup mandates + schools under management	4 → 8 setup; 3 → 11 managed

> **The gap between enquiry flow and addressable market in this business is unusually wide, and understanding why keeps a firm from spending its first two years on proposals it should never have written. A very large number of people want to build a school — the sector carries prestige, a piece of land looks like an opportunity, and a founder's family often wants an institution with its name on it. Far fewer will pay a professional fee for the work, because education is widely assumed to be simple, the approvals are believed to be a matter of contacts, and a consultant is seen as an overhead on a project the family thinks it can run itself. Fewer still will accept the governance terms this plan requires — a written decision-rights schedule and a scope-based fee — because both reduce a founder's discretion, which is frequently the reason he wanted a school.** Three consequences shape the plan. **Qualification happens early and hard: a first meeting establishes whether the client will accept scope pricing and a decision-rights schedule, and where the answer is no the firm withdraws rather than proposing. Feasibility work is sold as a discrete, paid, honest first stage — including the finding that the project should not proceed, which is the most valuable output this firm ever produces and the one clients least want to buy. And the underperforming-existing-school segment is pursued deliberately, because that client has already learned what he does not know and negotiates about scope rather than about whether the work has value.**

5. Competition & Position

Landscape: individual consultants — often retired principals or education-department officials — working alone on relationships and approval knowledge; **school chains offering management contracts alongside their brand, whose interest in the client's independence is limited**; architecture and project-management firms extending into education setup; large consulting firms at the top of the market on institutional mandates; and, most commonly, the client doing it himself with a hired principal. **Because every firm in this space claims schools set up and none publishes what became of them, clients cannot compare track records at all — so they compare on fee, on relationships and on confidence.**

The firm's position

- **Scope-priced fees** that do not endanger the client's exemption.
- **A written decision-rights schedule** before any mandate begins.
- **No vendor commissions at all**, declared in writing on every recommendation.
- **Track record published with closures and shortfalls**, not only launches.
- **Feasibility sold as a genuine decision**, including a recommendation not to proceed.
- **No trusteeship of client schools**, removing the Section 13 overlap entirely.

> **The competitive difficulty is that this firm's disciplines all look like reasons to hire somebody else, and a promoter should expect that rather than be surprised by it. A client comparing two proposals sees one that charges a percentage of fee income — which feels like alignment and costs nothing up front — and one that charges a scope fee payable whether or not the school fills. He sees one adviser who will "handle the vendors" at no visible cost and one who will charge for the same advice and take nothing from suppliers. He sees one firm claiming forty schools and one claiming nine, five of which met their projections. On every axis the honest proposal reads as more expensive and less impressive.** Three answers work. **Explain the Section 13 exposure early and in writing, because a trustee who understands that a percentage fee can cost the school its exemption stops seeing it as alignment — and the firm that explains it is the only one in the room acting for him. Quantify the vendor position: an adviser earning from the furniture supplier is being paid by the party whose price he is negotiating, and the client is paying for that twice. And use the track record as a filter rather than a pitch — the clients who respond to nine schools honestly reported are the clients who will accept a decision-rights schedule, and they are the only ones worth having.**

6. Mandates, the Fee Structure & the Annuity Problem

Element	Character	Economics
Turnkey setup mandates	**18–24 months; one-time and finite per client**	**4 → 8 active; 67% → 41% of revenue**
Ongoing school management	**Annuity; smaller per year and compounds**	**3 → 11 schools; 19% → 44% of revenue**
Academic services & teacher training	Recurring, deliverable-based	Sold standalone as well as within mandates
Affiliation & compliance support	Episodic but repeat	The entry point for many management clients

Mandates priced on scope / cost-plus	**Not on a percentage of the school's fee income**	**41% → 78% → 100%**
Mandates declined over fee structure	**The cost of the position, stated**	**6 → 3 per year; ₹34L → ₹26L forgone**
Vendor commissions received	**Refused outright**	**Nil; ₹42L → ₹68L a year forgone**
Mandates with a signed decision-rights schedule	**A precondition, not a preference**	**38% → 100%; early terminations 3 → 1**

> **The setup-versus-management mix is the strategic question in this business and it contains a tension the firm has to resolve deliberately. Setup work is lumpy, high-margin and finite: a mandate ends, the fee stops, and the firm must find another client. A practice living on setup fees is a practice that must keep discovering new schools for ever, and its revenue is only as good as its proposal pipeline. Management work is smaller in any given year, compounds, and gives the firm a base — which is why annuity revenue rises here from 19% to 44%, and recurring revenue including training and compliance retainers from 33% to 59%. But management revenue creates its own problem, and it is the mirror image of the one the special-education plan identified. That centre earned by keeping a child and succeeded by losing him; this firm earns by staying and its client succeeds when the school no longer needs it. A manager who remains after he has built the capability he was hired to build is charging for a dependency he created.** This plan measures the exit. **Mandates concluded by agreement because the school can now run itself are reported as successes — none in Year 1, two by Year 3 — alongside average mandate tenure and a stated intention that a management engagement should have a defined capability-transfer plan from the outset rather than an indefinite renewal.**

7. Business Development, the Board, and the Feasibility Nobody Wants

Acquisition

- **Referral from trustees and school heads**, the dominant channel and the slowest to build.
- **Paid feasibility as a first engagement**, which qualifies the client and the project simultaneously.
- **Affiliation and compliance work**, a small entry point that frequently becomes a management mandate.
- **Underperforming existing schools**, where the client already knows what he does not know.
- **Lender and CSR funder introductions**, where professional management is a condition of funding.

Retention

- **Deliverables documented and closed**, since disputes in this field are about scope rather than quality.
- **The decision-rights schedule honoured by both sides**, including when the firm is overruled.
- **Capability actually transferred**, so the client's team improves rather than becoming dependent.
- **Bad news delivered early**, which is the whole of the trust a board places in a manager.

> **The feasibility study is where this firm does its most valuable work and where the commercial pressure is most acute, because the client is paying for a conclusion he has already reached. A family with land, capital and an ambition to build a school does not commission a feasibility study to find out whether to proceed; it commissions one to support the decision, to show a lender, and to satisfy a relative who has doubts. A consultant who returns with catchment numbers that do not support the fee, a site on the wrong side of the city, or an enrolment ramp that will take eight years is delivering a finding the client did not buy — and he is doing it at the start of a relationship worth a great deal more than the study. The temptation is not to falsify**

anything; it is to choose the more optimistic of two defensible assumptions, four or five times over, which produces a projection nobody can criticise and no school will achieve. Three disciplines follow. **Feasibility is a separate paid engagement with a clean exit, so the firm is not writing a study whose conclusion decides whether it gets a two-crore mandate. Assumptions are stated individually with their source and a sensitivity range, so an optimistic set is visible as a set rather than hidden inside a single number. And a recommendation not to proceed is issued when it is warranted — three times in Year 1 — and counted as a delivered output rather than a lost sale, because a firm whose feasibility studies have never once said no has told the market exactly what its studies are worth.**

8. Operations Plan (qualify, scope, deliver, govern, exit)

- **Qualification: the first meeting establishes whether the client will accept scope pricing and a decision-rights schedule — where the answer is no, the firm withdraws rather than proposing.**
- **Fee construction: scope and cost-plus, benchmarked against comparable professional services and documented against deliverables; percentage-of-fee-income mandates declined and the reason explained in writing to the trustees.**
- **Governance: a written decision-rights schedule agreed before commencement — what the manager decides, what the board decides, what requires both — with escalation and deadlock provisions.**
- **Conflict management: no commission, referral fee or benefit from any vendor, with a written declaration accompanying every recommendation and a vendor register maintained for audit.**
- **Feasibility:** a discrete paid engagement with assumptions stated individually and sensitivity ranges published; **a recommendation not to proceed issued where warranted and counted as an output.**
- **Delivery:** milestone-based with deliverables signed off, **because the commonest dispute in this field is about what was promised rather than what was done.**
- **Secondment:** where the firm places a principal or bursar into a client school, **the employment position is settled in writing at the outset, since a seconded person running a school day to day may be the school's employee in substance.**
- **Capability transfer:** every management mandate carries a written plan for building the client's own capacity, **with exit contemplated from the beginning rather than negotiated at a breakdown.**
- **Track record: schools launched recorded alongside those closed, sold, handed back or below projection, and published in full.**
- **Data:** student and family records treated as the client's, held as processor with access controlled and returned on exit.

Control points

Area	Activity	Control point
Not selling the client a liability	Mandates priced on scope / declined over fee structure	41% → 100% / 6 → 3 a year (₹34L → ₹26L forgone)
No Section 13 overlap	Mandates where the firm's owners are trustees of the client	Nil in every year
Authority matched to responsibility	Signed decision-rights schedule / early terminations	38% → 100% / 3 → 1
Paid by the client, not the supplier	Vendor commissions received / no-commission declarations issued	Nil / 0% → 100% (₹42L → ₹68L forgone)

The denominator	**Launches reported with closures, transfers & shortfalls / schools meeting Year-3 projection**	**0% → 100% / 5 of 9**
Leaving is success	**Mandates concluded because the school can run itself**	**0 → 1 → 2**
The output nobody buys	**Feasibility studies recommending NOT proceeding**	**3 in Year 1; counted as delivered**
Practice economics	Consultant utilisation · realisation rate · annuity share · receivable days	58% → 71% · 82% → 91% · 19% → 44% · 96 → 74

> **The vendor question deserves quantifying rather than asserting, because the position this plan takes is expensive and a promoter should see the number before committing to it. A turnkey school setup involves an architect, a civil contractor, furniture, laboratory and library fit-out, ICT, an ERP system, a curriculum provider, uniforms, books, buses and catering. On a project of this size the aggregate procurement runs to several crores, and the customary arrangement — a percentage to the adviser who specified and introduced — would generate an estimated ₹42 lakh in Year 1 rising to ₹68 lakh by Year 3. Against a Year-3 profit of ₹73 lakh, that is very nearly the whole of it: the firm is giving up an income stream of roughly the same size as its earnings. It is also, from the client's side, money he pays twice — once in the inflated price that funds the commission, and again in the adviser's fee for negotiating a price he had an interest in.** The controls are simple and absolute. **No commission, referral fee, discount, hospitality or benefit from any vendor, with no de-minimis exception, because a threshold invites a structure. A written no-commission declaration issued with every vendor recommendation, so the client has the statement in his own file. And a vendor register maintained and available to the client's auditor — because in this industry the claim is universal and the evidence is not, and a firm that will show the register is making a different kind of claim.**

9. Client Exemption, Contracting & Practice Compliance (India)

- **The dominant exposure is the CLIENT's, created by the adviser — a fee structure, related-party overlap or undisclosed vendor arrangement designed by the manager can cost a trust its exemption under Section 10(23C) or 12AB by operation of Section 13, and the loss falls on the school rather than on the adviser who designed it.**
- **No trusteeship of client schools by the firm's owners**, removing the specified-person relationship that Section 13 examines.
- **Professional indemnity insurance as a working requirement**, where the deliverable is an approval, an affiliation application or a projection a trust will rely on.
- **Contract law on scope, deliverables, decision rights and termination — the commonest dispute in this field is about what was promised rather than what was done.**
- **Employment and misclassification where the firm seconds a principal, coordinator or bursar into a client school — a person running a school day to day may be the school's employee in substance whatever the contract says.**
- **DPDP Act obligations on student and family records**, held as processor rather than owner, with access controlled and data returned on exit.
- GST on professional services; shops & establishment registration; POSH with a constituted committee; EPF and ESI for the firm's own staff.
- **Lawfully for-profit**, unlike the schools it serves — a distinction that must be understood by both sides at the outset.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Setup consultants (approvals, affiliation, project)	**5**	**8**	**11**
Academic leads (curriculum, training)	**3**	**5**	**8**
Administration & support	3	4	6
School-management leads (on mandate)	**2**	**4**	**7**
Finance & compliance specialists	1	2	3
Business development	1	2	3
Managing partner / principal	1	1	2
Total	**16**	**26**	**40**

Two features of this practice matter more than the headcount. Finance and compliance specialists are carried from Year 1 in a sixteen-person firm, because the value this business offers is knowing where the lines are — and an adviser who does not understand Section 13 will design exactly the arrangement that harms his client, which is a failure of the core service rather than of a support function. **And school-management leads grow fastest of any group, from two to seven**, which is the annuity shift expressed in staffing: setup consultants win the work and management leads are what turn a finished project into a client relationship that compounds. **Conflict declarations and the vendor register are maintained by finance and compliance rather than by the consultant making the recommendation — a control that reports to the party it constrains is not a control.**

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–4	Practice established with no trusteeship overlap, standard scope-pricing model and decision-rights schedule drafted and legally reviewed, no-commission policy and vendor register instituted before the first mandate, professional indemnity bound, feasibility methodology with published sensitivity ranges built
Year 1	Year 1	4 setup mandates, 3 schools under management; ₹2.28cr revenue, ₹6L loss; scope pricing on 41%; 6 mandates declined over fee structure (₹34L forgone); 3 feasibility studies recommending not to proceed; utilisation 58%; ROCE (2.9%)
Year 2	Year 2	6 setup, 7 managed; scope pricing 78%; decision-rights schedules on 76%; first mandate concluded by agreement on capability transfer; annuity share 31%; ₹4.20cr revenue, ₹29L profit
Year 3	Year 3	**8 setup, 11 managed; ₹6.96cr revenue, ₹73L profit; ROCE 28.1%; scope pricing and decision-rights schedules at 100%; vendor commissions nil throughout with ₹68L forgone; track record published with closures and shortfalls (5 of 9 met Year-3 projection); 2 mandates concluded on capability transfer; utilisation 71%**

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. ***Utilisation, realisation and the annuity mix are the levers. Mandate count is not one — a badly structured mandate is a liability sold to a client and a dispute waiting for this firm.***

12.1 Project cost & means of finance

Capital requirement	₹
Working capital (trust clients pay slowly)	**48,00,000**
Launch & initial operating losses	46,00,000
Team build-out ahead of mandates	**38,00,000**
Office fit-out & equipment	24,00,000
Knowledge base, templates, curriculum IP & methodology	22,00,000
Business development & market entry	16,00,000
Office deposit	10,00,000
Technology (project management, MIS, knowledge systems)	10,00,000
Professional indemnity, legal & registrations	6,00,000
Total project cost	**2,20,00,000**
Promoter contribution	1,30,00,000
Working-capital facility	50,00,000
Term loan (office, equipment & systems)	40,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
SETUP MANDATES ACTIVE / SCHOOLS UNDER MANAGEMENT	**4 / 3**	**6 / 7**	**8 / 11**
Turnkey setup mandate fees	1,52,00,000	2,24,00,000	2,86,00,000
School management fees (annuity, scope-priced)	**44,00,000**	**1,32,00,000**	**3,04,00,000**
Academic services & teacher training	18,00,000	38,00,000	62,00,000
Affiliation & compliance support	14,00,000	26,00,000	44,00,000
Vendor commissions	*Nil — refused*	*Nil*	*Nil*
TOTAL REVENUE	**2,28,00,000**	**4,20,00,000**	**6,96,00,000**
Professional salaries (consultants, academic leads, management leads)	**1,12,00,000**	**2,04,00,000**	**3,40,00,000**
Travel & on-site presence (mandates are delivered at the client)	**26,00,000**	**44,00,000**	**68,00,000**
Non-professional salaries (admin, business development, finance)	24,00,000	40,00,000	62,00,000
Business development & proposals	16,00,000	22,00,000	34,00,000
Office rent & CAM	14,00,000	18,00,000	24,00,000

Administration, insurance & general	8,00,000	12,00,000	18,00,000
Professional indemnity, legal & compliance	**8,00,000**	**12,00,000**	**18,00,000**
Bad debt & write-offs (trust clients)	**6,00,000**	**11,00,000**	**18,00,000**
Technology (project management, MIS, knowledge base)	6,00,000	9,00,000	14,00,000
Team training & knowledge development	6,00,000	10,00,000	16,00,000
Depreciation (office fit-out, IT)	5,00,000	6,00,000	8,00,000
Finance cost	3,00,000	3,00,000	3,00,000
Total expenses	**2,34,00,000**	**3,91,00,000**	**6,23,00,000**
Net profit / (loss) before tax	**(6,00,000)**	**29,00,000**	**73,00,000**
Net margin	(2.6%)	6.9%	10.5%
AVERAGE CAPITAL EMPLOYED / RETURN ON CAPITAL EMPLOYED	**₹2.10cr / (2.9%)**	**₹2.30cr / 12.6%**	**₹2.60cr / 28.1%**
MANDATES PRICED ON SCOPE / COST-PLUS (not % of fee income)	**41%**	**78%**	**100%**
Mandates declined over fee structure / revenue forgone	**6 / ₹34,00,000**	**4 / ₹28,00,000**	**3 / ₹26,00,000**
VENDOR COMMISSIONS RECEIVED / estimated income forgone / declarations issued	**Nil / ₹42,00,000 / 0%**	**Nil / ₹56,00,000 / 100%**	**Nil / ₹68,00,000 / 100%**
Mandates where the firm's owners are trustees of the client	**Nil**	**Nil**	**Nil**
SIGNED DECISION-RIGHTS SCHEDULE / mandates terminated early	**38% / 3**	**76% / 2**	**100% / 1**
Track record published with closures & shortfalls / schools meeting Year-3 projection	**0% / n/a**	**100% / 3 of 6**	**100% / 5 of 9**
Feasibility studies recommending NOT to proceed / mandates concluded on capability transfer	**3 / 0**	**2 / 1**	**4 / 2**
ANNUITY (management) share / recurring share incl. training & compliance	**19% / 33%**	**31% / 47%**	**44% / 59%**
Consultant utilisation · realisation rate · receivable days · revenue per professional	58% · 82% · 96 · ₹19.0L	65% · 87% · 84 · ₹21.0L	71% · 91% · 74 · ₹22.5L

12.3 Unit economics & break-even

- **Consultant utilisation and realisation are the only two numbers that move profit in a practice like this, and they move it together. Utilisation rises 58% to 71% and realisation 82% to 91% — the second being the share of scoped fee actually billed and collected, which falls when scope is loose, deliverables are undocumented or a dispute is settled by writing something off.**
- **The vendor position costs roughly what the firm earns. Estimated commission income forgone reaches ₹68 lakh against a Year-3 profit of ₹73 lakh — so this firm is giving up an income stream of very nearly its own earnings, and a competitor taking that money is operating a materially different business at the same fee.**

- **Declining percentage-of-fee mandates costs ₹34 lakh in Year 1, falling to ₹26 lakh. It falls not because the firm compromises but because it stops being proposed to clients who want that structure — qualification does the work that refusal used to.**
- **Annuity revenue at 44% by Year 3 is what makes the practice fundable. A firm at 19% annuity is a proposal pipeline with staff attached; at 44% it has a base that covers its fixed costs before a single new mandate is won.**
- **Break-even: Year 2. The Year-1 loss is the team built ahead of the mandates — ₹38 lakh of capacity hired before there was work for it, which is unavoidable in a business where a client will not sign a mandate to a firm that does not yet have the people.**

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	46,00,000	34,00,000	26,00,000	20,00,000
Fee collections (setup milestones, management retainers, services)	42,00,000	48,00,000	54,00,000	62,00,000
Salaries, travel, business development, interest & overheads	54,00,000	56,00,000	60,00,000	64,00,000
Closing balance	**34,00,000**	**26,00,000**	**20,00,000**	**18,00,000**

> **Trusts and societies pay slowly, and the reason is structural rather than a reflection on any particular client. Payment usually requires a board resolution or at least a trustee's signature; trustees are honorary and meet infrequently; the treasurer is often a family member with other work; and a school's own cash is weakest in the winter months when the manager's invoices arrive. Ninety-six days at the outset is normal rather than delinquent, and a firm that treats it as a collection problem will damage relationships it needs.** Three disciplines follow. **Milestone billing tied to deliverables the client has signed off, so an invoice arrives with its justification attached and does not wait for a meeting to establish what it was for. Management retainers billed in advance and by standing instruction where the client will agree, since a recurring fee that requires a fresh decision every quarter will be deferred every quarter. And the facility sized at ₹50 lakh against ₹2.28 crore of Year-1 revenue — heavy for a services firm and correct here, because the receivable is long, the payroll is monthly, and this business has no inventory to release and no asset to pledge. A practice that runs out of cash while its clients are solvent and satisfied is a specific and avoidable failure in this field.**

12.5 Key Performance Indicators to Monitor

- **Not selling a liability: mandates priced on scope versus percentage of fee income; mandates declined over structure with revenue forgone; trusteeship overlaps (must remain nil); Section 13 exposure reviewed at mandate signing.**
- **Governance: signed decision-rights schedules; escalations and deadlocks invoked; early terminations with cause recorded; board meetings attended and minuted.**
- **Independence: vendor commissions (nil), declarations issued, vendor register maintained and available to the client's auditor, estimated income forgone.**
- **The track record:** launches published with closures, transfers and shortfalls; schools meeting Year-3 enrolment projection; feasibility studies recommending against proceeding; mandates concluded on capability transfer.
- **Practice economics:** consultant utilisation; realisation rate; annuity and recurring share; revenue per professional; receivable days and bad debt.

13. Funding Requirement & Bankability

Total ask: **₹40 lakh term loan plus a ₹50 lakh working-capital facility** against ₹1.30 crore promoter contribution. Four points. **First, this is an asset-light professional practice with essentially nothing to pledge — office fit-out, IT and a knowledge base with no third-party value — so it is a cash-flow lend against contracted revenue, and contract quality is the only security that matters. Second, the facility is large relative to turnover deliberately: trust clients pay at ninety-six days falling to seventy-four, payroll is monthly, and there is no inventory to release — a facility sized on turnover rather than on the receivable will squeeze a firm whose clients are perfectly solvent. Third, the diagnostic question is the annuity share, not the mandate count. A firm at 19% annuity is a proposal pipeline with staff attached and its revenue stops when the pipeline does; at 44% it has a base beneath it — and a promoter who can state his annuity share, his utilisation and his realisation rate is running a practice, while one who quotes schools set up is quoting a brochure. Fourth, and specific to this business: ask how the firm is paid and by whom. A manager charging a percentage of a trust's fee income has created a Section 13 exposure for his client, and a consultant taking undisclosed commissions from the vendors he specifies has a second income the client is funding without knowing — neither appears in the firm's accounts as a risk, and both are the reason its clients may not be there in five years.**

13.1 Funding utilisation

Use of funds	₹	% of total
Working capital (trust clients pay slowly)	48,00,000	21.8%
Launch & initial operating losses	46,00,000	20.9%
Team build-out ahead of mandates	38,00,000	17.3%
Office fit-out & equipment	24,00,000	10.9%
Knowledge base, templates, curriculum IP & methodology	22,00,000	10.0%
Business development & market entry	16,00,000	7.3%
Office deposit	10,00,000	4.5%
Technology (project management, MIS, knowledge systems)	10,00,000	4.5%
Professional indemnity, legal & registrations	6,00,000	2.8%
Total	**2,20,00,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation

The industry's standard fee structure endangers the client's exemption	**THE K-12 AND INTERNATIONAL PLANS ESTABLISHED THAT A SCHOOL CANNOT LAWFULLY BE RUN FOR PROFIT, THAT ITS SURPLUS CANNOT BE DISTRIBUTED, AND THAT A MANAGEMENT FEE SET AS A PERCENTAGE OF FEE INCOME IS A DISTRIBUTION WEARING A DIFFERENT NAME — BECAUSE SECTION 13 DENIES EXEMPTION WHERE A TRUST'S INCOME OR PROPERTY IS APPLIED FOR THE BENEFIT OF SPECIFIED PERSONS ON UNREASONABLE TERMS. PERCENTAGE-OF-FEE-INCOME IS NONETHELESS THE STANDARD COMMERCIAL MODEL OF THIS INDUSTRY, SO A MANAGER WHO PRICES THAT WAY HAS SOLD HIS CLIENT A LIABILITY: THE FEE IS NOT MERELY AGGRESSIVE, IT IS THE SPECIFIC STRUCTURE THAT PUTS THE SCHOOL'S EXEMPTION — AND THEREFORE ITS ENTIRE COST BASE — AT RISK. THE LOSS FALLS ON THE SCHOOL RATHER THAN ON THE ADVISER WHO DESIGNED IT** → fees priced on SCOPE AND COST-PLUS, benchmarked against comparable professional services and documented against deliverables (41%→100%); percentage mandates DECLINED with the reason explained in writing to the trustees (6→3 a year; ₹34L→₹26L forgone); and **NO MANDATE ACCEPTED WHERE THE FIRM'S OWNERS ARE TRUSTEES OF THE CLIENT, BECAUSE THAT IS PRECISELY THE SPECIFIED-PERSON RELATIONSHIP SECTION 13 EXAMINES** — nil in every year
A board that cannot be fired and frequently cannot decide	**SCHOOL TRUSTEES ARE COMMONLY HONORARY, PART-TIME, DRAWN FROM A FOUNDING FAMILY AND DIVIDED — AND THE MANAGER IS HELD ACCOUNTABLE FOR ENROLMENT, RESULTS AND FINANCES WHILE THE BOARD RETAINS AUTHORITY OVER FEE LEVELS, CAPITAL SPENDING, ADMISSIONS POLICY AND THE APPOINTMENTS THE FAMILY WANTS MADE. THE MANAGER CAN BE DISMISSED AT THREE MONTHS' NOTICE; THE TRUSTEES OWN THE ASSET AND CANNOT BE. AN ENGAGEMENT IN WHICH RESPONSIBILITY AND AUTHORITY SIT IN DIFFERENT PLACES WILL FAIL, AND IT WILL BE RECORDED AS THE MANAGER'S FAILURE** → a WRITTEN DECISION-RIGHTS SCHEDULE agreed BEFORE commencement — what the manager decides, what the board decides, what requires both — with escalation and deadlock provisions (38%→100%; early terminations 3→1); qualification at the first meeting establishing whether the client will accept it, **WITH THE FIRM WITHDRAWING RATHER THAN PROPOSING WHERE THE ANSWER IS NO**; and deliverables signed off at milestones, since **THE COMMONEST DISPUTE IN THIS FIELD IS ABOUT WHAT WAS PROMISED RATHER THAN WHAT WAS DONE**
The vendor commission that funds this industry quietly	**A SETUP CONSULTANT RECOMMENDS THE ARCHITECT, THE FURNITURE SUPPLIER, THE LABORATORY VENDOR, THE ERP SYSTEM, THE CURRICULUM PROVIDER, THE UNIFORM CONTRACTOR AND THE BUS FLEET — AND CAN EARN FROM EVERY ONE OF THEM IN AMOUNTS THE CLIENT NEVER SEES. THE COMMISSION-DISCLOSURE FRAMEWORK IN ITS PUREST B2B FORM, AND THE USUAL POSITION IN THIS TRADE IS THE THIRD ONE: ACCEPT SILENTLY, WHICH MAKES THE ADVISER THE VENDORS' AGENT WHILE PRESENTING AS THE TRUST'S. FROM THE CLIENT'S SIDE IT IS MONEY HE PAYS TWICE — ONCE IN THE INFLATED PRICE THAT FUNDS THE COMMISSION, AND AGAIN IN THE ADVISER'S FEE FOR NEGOTIATING A PRICE HE HAD AN INTEREST IN** → the FIRST position taken: no commission, referral fee, discount, hospitality or benefit from any vendor, **WITH NO DE-MINIMIS EXCEPTION, BECAUSE A THRESHOLD INVITES A STRUCTURE**; a written no-commission declaration with every recommendation (0%→100%) so the client holds the statement in his own file; a vendor register maintained by FINANCE AND COMPLIANCE rather than by the recommending consultant and available to the client's auditor, **BECAUSE IN THIS INDUSTRY THE CLAIM IS UNIVERSAL AND THE EVIDENCE IS NOT**. Cost stated: **₹42 LAKH RISING TO ₹68 LAKH A YEAR FORGONE, AGAINST A YEAR-3 PROFIT OF ₹73 LAKH — VERY NEARLY THE WHOLE OF IT, AND A COMPETITOR TAKING THAT MONEY IS OPERATING A MATERIALLY DIFFERENT BUSINESS AT THE SAME FEE**

"We have set up forty schools"	**THE SETUP CONSULTANT'S EQUIVALENT OF THE COACHING CENTRE'S SELECTION COUNT: TRUE, UNFALSIFIABLE AND SILENT ABOUT EVERYTHING THAT MATTERS. HOW MANY ARE STILL OPERATING? HOW MANY WERE SOLD, CLOSED OR HANDED BACK? HOW MANY REACHED THE ENROLMENT THE FEASIBILITY STUDY PROJECTED? A FIRM WHOSE FEASIBILITY STUDIES ARE SYSTEMATICALLY OPTIMISTIC WILL KEEP WINNING MANDATES AND KEEP PRODUCING SCHOOLS THAT MISS THEIR NUMBERS, AND NOTHING IN THE WAY THE INDUSTRY REPORTS ITSELF WILL EVER SURFACE IT** → launches published ALONGSIDE closures, transfers and shortfalls (0%→100% of claims), with the uncomfortable figure stated — **FIVE OF THE FIRST NINE SCHOOLS REACHED THEIR YEAR-3 ENROLMENT PROJECTION**; assumptions in every feasibility stated INDIVIDUALLY with source and sensitivity range, **SO AN OPTIMISTIC SET IS VISIBLE AS A SET RATHER THAN HIDDEN INSIDE A SINGLE NUMBER**; and the track record used AS A FILTER RATHER THAN A PITCH, since **THE CLIENTS WHO RESPOND TO NINE SCHOOLS HONESTLY REPORTED ARE THE CLIENTS WHO WILL ACCEPT A DECISION-RIGHTS SCHEDULE, AND THEY ARE THE ONLY ONES WORTH HAVING**
The feasibility study the client did not buy	**A FAMILY WITH LAND, CAPITAL AND AN AMBITION TO BUILD A SCHOOL DOES NOT COMMISSION A FEASIBILITY STUDY TO FIND OUT WHETHER TO PROCEED; IT COMMISSIONS ONE TO SUPPORT THE DECISION, TO SHOW A LENDER, AND TO SATISFY A RELATIVE WHO HAS DOUBTS. A CONSULTANT WHO RETURNS WITH CATCHMENT NUMBERS THAT DO NOT SUPPORT THE FEE, A SITE ON THE WRONG SIDE OF THE CITY, OR AN ENROLMENT RAMP THAT WILL TAKE EIGHT YEARS IS DELIVERING A FINDING THE CLIENT DID NOT BUY — AT THE START OF A RELATIONSHIP WORTH A GREAT DEAL MORE THAN THE STUDY. THE TEMPTATION IS NOT TO FALSIFY ANYTHING; IT IS TO CHOOSE THE MORE OPTIMISTIC OF TWO DEFENSIBLE ASSUMPTIONS, FOUR OR FIVE TIMES OVER, WHICH PRODUCES A PROJECTION NOBODY CAN CRITICISE AND NO SCHOOL WILL ACHIEVE** → feasibility as a SEPARATE PAID ENGAGEMENT WITH A CLEAN EXIT, **SO THE FIRM IS NOT WRITING A STUDY WHOSE CONCLUSION DECIDES WHETHER IT GETS A TWO-CRORE MANDATE**; assumptions individually sourced with sensitivity ranges published; and a recommendation NOT TO PROCEED issued where warranted — three in Year 1, four in Year 3 — **COUNTED AS A DELIVERED OUTPUT RATHER THAN A LOST SALE, BECAUSE A FIRM WHOSE FEASIBILITY STUDIES HAVE NEVER ONCE SAID NO HAS TOLD THE MARKET EXACTLY WHAT ITS STUDIES ARE WORTH**
Earning by staying when the client succeeds by needing you less	**THE MIRROR IMAGE OF THE SPECIAL-EDUCATION PLAN'S PROBLEM: THAT CENTRE EARNED BY KEEPING A CHILD AND SUCCEEDED BY LOSING HIM; THIS FIRM EARNS BY STAYING AND ITS CLIENT SUCCEEDS WHEN THE SCHOOL NO LONGER NEEDS IT. A MANAGER WHO REMAINS AFTER HE HAS BUILT THE CAPABILITY HE WAS HIRED TO BUILD IS CHARGING FOR A DEPENDENCY HE CREATED. AND THE COMMERCIAL PULL IS REAL, BECAUSE ANNUITY REVENUE IS WHAT MAKES THIS PRACTICE FUNDABLE** → every management mandate carrying a WRITTEN CAPABILITY-TRANSFER PLAN from the outset, **WITH EXIT CONTEMPLATED FROM THE BEGINNING RATHER THAN NEGOTIATED AT A BREAKDOWN**; mandates concluded by agreement because the school can now run itself REPORTED AS SUCCESSES (0→2) alongside average mandate tenure; and the annuity share pursued through MORE SCHOOLS rather than through LONGER DEPENDENCE (3→11 schools under management)

Every discipline reads as a reason to hire somebody else	**A CLIENT COMPARING TWO PROPOSALS SEES ONE THAT CHARGES A PERCENTAGE OF FEE INCOME — WHICH FEELS LIKE ALIGNMENT AND COSTS NOTHING UP FRONT — AND ONE THAT CHARGES A SCOPE FEE PAYABLE WHETHER OR NOT THE SCHOOL FILLS. HE SEES ONE ADVISER WHO WILL "HANDLE THE VENDORS" AT NO VISIBLE COST AND ONE WHO WILL CHARGE FOR THE SAME ADVICE AND TAKE NOTHING FROM SUPPLIERS. HE SEES ONE FIRM CLAIMING FORTY SCHOOLS AND ONE CLAIMING NINE, FIVE OF WHICH MET THEIR PROJECTIONS. ON EVERY AXIS THE HONEST PROPOSAL READS AS MORE EXPENSIVE AND LESS IMPRESSIVE** → the Section 13 exposure explained EARLY AND IN WRITING, since **A TRUSTEE WHO UNDERSTANDS THAT A PERCENTAGE FEE CAN COST THE SCHOOL ITS EXEMPTION STOPS SEEING IT AS ALIGNMENT — AND THE FIRM THAT EXPLAINS IT IS THE ONLY ONE IN THE ROOM ACTING FOR HIM**; the vendor position quantified rather than asserted; and hard early qualification, **BECAUSE THE ENGAGEMENTS THAT DAMAGE THIS FIRM ARE THE ONES IT SHOULD NOT HAVE ACCEPTED — A PERCENTAGE FEE, AN UNRESOLVABLE BOARD, AN UNREALISTIC FEASIBILITY THE CLIENT WANTS CONFIRMED**
Practice economics, secondment & slow-paying trusts	**UTILISATION AND REALISATION ARE THE ONLY TWO NUMBERS THAT MOVE PROFIT IN A PRACTICE LIKE THIS — REALISATION BEING THE SHARE OF SCOPED FEE ACTUALLY BILLED AND COLLECTED, WHICH FALLS WHEN SCOPE IS LOOSE, DELIVERABLES ARE UNDOCUMENTED OR A DISPUTE IS SETTLED BY WRITING SOMETHING OFF** (utilisation 58%→71%; realisation 82%→91%). **TRUSTS PAY SLOWLY FOR STRUCTURAL REASONS — PAYMENT NEEDS A BOARD RESOLUTION, TRUSTEES ARE HONORARY AND MEET INFREQUENTLY, AND A SCHOOL'S CASH IS WEAKEST IN WINTER WHEN THE INVOICES ARRIVE — SO NINETY-SIX DAYS IS NORMAL RATHER THAN DELINQUENT, AND A FIRM THAT TREATS IT AS A COLLECTION PROBLEM WILL DAMAGE RELATIONSHIPS IT NEEDS** → milestone billing against signed-off deliverables, retainers billed in advance by standing instruction where agreed since **A RECURRING FEE THAT REQUIRES A FRESH DECISION EVERY QUARTER WILL BE DEFERRED EVERY QUARTER**, and the facility sized on the RECEIVABLE (₹50L against ₹2.28cr of revenue), because **A PRACTICE THAT RUNS OUT OF CASH WHILE ITS CLIENTS ARE SOLVENT AND SATISFIED IS A SPECIFIC AND AVOIDABLE FAILURE IN THIS FIELD**. Plus: **WHERE THE FIRM SECONDS A PRINCIPAL OR BURSAR INTO A CLIENT SCHOOL, THE EMPLOYMENT POSITION IS SETTLED IN WRITING AT THE OUTSET, SINCE A PERSON RUNNING A SCHOOL DAY TO DAY MAY BE THE SCHOOL'S EMPLOYEE IN SUBSTANCE WHATEVER THE CONTRACT SAYS**; professional indemnity as a working requirement; and student records held as PROCESSOR, access-controlled and returned on exit

15. SWOT Analysis

Strengths **Scope pricing that does not endanger the client's exemption, in an industry whose standard model does**; a written decision-rights schedule before any mandate begins; **no vendor commissions at all, declared and registered**; a track record published with closures and shortfalls; feasibility sold as a genuine decision including a recommendation not to proceed; no trusteeship overlap with clients.	**Weaknesses** **Every discipline reads as more expensive and less impressive in a proposal**; **₹68 lakh of forgone commission against ₹73 lakh of profit**; nothing to pledge and a ninety-six-day receivable; a team hired ahead of mandates; annuity revenue that creates a pull toward staying too long; dependence on a small number of large mandates in the early years.

Opportunities	Threats
Capital entering education from outside it — landowners, family businesses, diaspora investors — with a site and no operating capability; **underperforming existing schools, whose owners have already learned what they do not know**; lenders and CSR funders requiring professional management as a condition; rising governance expectations favouring documented practice; affiliation complexity that is genuinely hard and state-specific.	**Individual consultants working on relationships and a percentage fee**; **school chains offering management alongside their brand, with limited interest in the client's independence**; a client's exemption challenged over an arrangement a predecessor adviser designed; a mandate terminated by a divided board; the client doing it himself with a hired principal; a feasibility that proves wrong and is remembered.

16. Recommended AiSevak Tools for This Firm

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

- **Not selling a liability: fee-structure checker flagging percentage-of-fee-income mandates, Section 13 exposure review at mandate signing, trusteeship-overlap register (must remain nil), declined-mandate log with revenue forgone.**
- **Governance: decision-rights schedule templates with escalation and deadlock clauses, board-meeting and minute tracking, early-termination cause analysis, deliverable sign-off workflow.**
- **Independence: vendor register maintained outside the recommending consultant, no-commission declaration issued with every recommendation, auditor-ready conflict record, estimated income-forgone tracking.**
- **The track record:** school outcome register covering launches, closures, transfers and enrolment against projection; feasibility assumption library with sensitivity ranges; not-to-proceed recommendations logged as outputs.
- **Practice economics:** consultant utilisation and realisation by mandate, annuity and recurring share, revenue per professional, milestone billing against signed deliverables, receivable ageing by trust client.

17. Key Assumptions & Notes

- School management & setup services: professional services firm providing turnkey school establishment, academic and teacher-training services, compliance support and ongoing school management under contract to societies, trusts and school boards. **Eighth plan in the schools vertical; the B2B PROFESSIONAL-SERVICES sub-model, and the one that sits on the other side of the transaction the vertical's regulated-institution plans warned about.**
- **⚠ CONVENTIONS SET HERE: (a) □ THE INDUSTRY'S STANDARD FEE STRUCTURE ENDANGERS THE CLIENT — a management fee set as a percentage of a trust's fee income is the specific arrangement Section 13 targets, so A MANAGER WHO PRICES THAT WAY HAS SOLD HIS CLIENT A LIABILITY, and the loss falls on the school rather than on the adviser who designed it. Price on SCOPE AND COST-PLUS, decline the rest, and take no trusteeship of a client school. (b) THE CLIENT IS A BOARD THAT CANNOT BE FIRED AND FREQUENTLY CANNOT DECIDE — responsibility without authority will fail and will be recorded as the manager's failure, so A WRITTEN DECISION-RIGHTS SCHEDULE IS A PRECONDITION RATHER THAN A PREFERENCE. (c) THE VENDOR COMMISSION IS THE COMMISSION-DISCLOSURE FRAMEWORK IN ITS PUREST B2B FORM, AND THE CLIENT PAYS FOR IT TWICE — refuse it outright with NO DE-MINIMIS EXCEPTION, BECAUSE A THRESHOLD INVITES A STRUCTURE, and state the amount forgone. (d) "WE HAVE SET UP FORTY SCHOOLS" IS THE COACHING SELECTION COUNT IN A B2B SETTING — publish launches ALONGSIDE closures, transfers and shortfalls. (e) THE FEASIBILITY STUDY IS COMMISSIONED TO SUPPORT A DECISION ALREADY MADE, AND THE TEMPTATION IS NOT FALSIFICATION BUT CHOOSING THE MORE OPTIMISTIC OF**

TWO DEFENSIBLE ASSUMPTIONS FOUR OR FIVE TIMES OVER — sell it as a discrete engagement with a clean exit, state assumptions individually with sensitivity, and issue a not-to-proceed recommendation when warranted, BECAUSE A FIRM WHOSE STUDIES HAVE NEVER ONCE SAID NO HAS TOLD THE MARKET WHAT ITS STUDIES ARE WORTH. (f) THE MIRROR OF THE SPECIAL-EDUCATION PROBLEM — THIS FIRM EARNS BY STAYING AND ITS CLIENT SUCCEEDS WHEN IT IS NO LONGER NEEDED, so every management mandate carries a capability-transfer plan and exits are reported as successes.

- Economics & cash — **UTILISATION AND REALISATION ARE THE ONLY TWO NUMBERS THAT MOVE PROFIT, AND REALISATION FALLS WHEN SCOPE IS LOOSE OR A DISPUTE IS SETTLED BY WRITING SOMETHING OFF** (Y1 −₹6L → Y3 ₹73L; revenue ₹2.28cr→₹6.96cr; setup mandates 4→8 and schools under management 3→11; annuity share 19%→44% and recurring incl. training and compliance 33%→59%; utilisation 58%→71%; realisation 82%→91%; ROCE (2.9%)→28.1%; receivables 96→74 days; **BREAK-EVEN YEAR 2, WITH THE YEAR-1 LOSS BEING THE TEAM HIRED AHEAD OF THE MANDATES — UNAVOIDABLE IN A BUSINESS WHERE A CLIENT WILL NOT SIGN A MANDATE TO A FIRM THAT DOES NOT YET HAVE THE PEOPLE**; **AND THE COST OF THE POSITIONS STATED: ₹68 LAKH OF FORGONE VENDOR COMMISSION AGAINST ₹73 LAKH OF YEAR-3 PROFIT, PLUS ₹26 LAKH A YEAR OF DECLINED PERCENTAGE-FEE MANDATES — A COMPETITOR TAKING THAT MONEY IS OPERATING A MATERIALLY DIFFERENT BUSINESS AT THE SAME FEE**). Regulatory (section 9): **THE DOMINANT EXPOSURE IS THE CLIENT'S, CREATED BY THE ADVISER — A FIRM IN THIS BUSINESS IS IN THE UNUSUAL POSITION THAT ITS PRINCIPAL COMPLIANCE OBLIGATION RUNS TO SOMEBODY ELSE'S BALANCE SHEET**; professional indemnity as a working requirement; contract law on scope, deliverables, decision rights and termination; **EMPLOYMENT AND MISCLASSIFICATION ON SECONDED PRINCIPALS AND BURSARS**; DPDP obligations on student records held as PROCESSOR and returned on exit; GST on professional services; POSH and EPF/ESI. Lender note (section 13): **ASSET-LIGHT WITH ESSENTIALLY NOTHING TO PLEDGE, SO A CASH-FLOW LEND AGAINST CONTRACTED REVENUE WHERE CONTRACT QUALITY IS THE ONLY SECURITY**; the facility SIZED ON THE RECEIVABLE rather than turnover; **THE DIAGNOSTIC IS THE ANNUITY SHARE, NOT THE MANDATE COUNT — A FIRM AT 19% ANNUITY IS A PROPOSAL PIPELINE WITH STAFF ATTACHED**; and **ASK HOW THE FIRM IS PAID AND BY WHOM, BECAUSE A MANAGER CHARGING A PERCENTAGE OF A TRUST'S FEE INCOME HAS CREATED A SECTION 13 EXPOSURE FOR HIS CLIENT AND A CONSULTANT TAKING UNDISCLOSED VENDOR COMMISSIONS HAS A SECOND INCOME THE CLIENT IS FUNDING WITHOUT KNOWING — NEITHER APPEARS IN THE FIRM'S ACCOUNTS AS A RISK, AND BOTH ARE THE REASON ITS CLIENTS MAY NOT BE THERE IN FIVE YEARS.** ₹2.20cr; revenue ₹2.28→6.96cr; 16→40 staff; annuity 19%→44%; ROCE (2.9%)→28.1%. Figures illustrative, exclude GST.

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