

CL BUSINESS PARTNER MODEL - KEY FINANCIAL INDICATORS

Version: January 2022

REVENUE (in INR Lakhs)	Scenario-1 : City A		Scenario-2 : City B		Scenario-3 : City C		Scenario-4 : City D		Scenario-5 : City E		Scenario-6 : City F	
Net Billing (Incl of GST)	50		100		150		200		500		1000	
Net Billing (net of GST) ¹	42		85		127		169		424		847	
COSTS (in INR Lakhs)				per month		per month		per month		per month		per month
LESS												
Sales and Marketing ²	10	15%	13	15%	19	15%	25	15%	64	15%	127	15%
Study Material	2	5%	4	5%	6	5%	8	5%	21	5%	42	5%
GROSS MARGINS	30		68		102		136		339		678	
LESS												
Rent ³	8.4	70000	8.4	70000	10	80000	12	100000	36	300000	60	500000
Salaries	11	25%	21	25%	32	25%	42	25%	106	25%	212	25%
Miscellaneous expenses	2	5%	4	5%	6	5%	8	5%	21	5%	42	5%
EBIDTAR	9		34		54		73		176		364	
LESS												
Interest on LTD ⁴	0.38	7.5%	0.38	7.5%	0.75	7.5%	0.75	7.5%	0.75	7.5%	0.75	7.5%
Depreciation (25% of 75% of total equity)	3	20%	3	20%	3	20%	3	20%	3	20%	3	20%
CL Royalty Share @25%	11	25%	21	25%	32	25%	42	25%	106	25%	212	25%
PBT	-2		12		21		30		69		151	
LESS												
Effective Taxes	0	25%	3	25%	5	25%	7	25%	17	25%	38	25%
PAT	-2		9		16		22		52		113	
Add Back (+)												
Salary Share ⁵	3	25%	5	25%	8	25%	11	25%	26	25%	53	25%
Depreciation	3		3		3		3		3		3	
Cash Accrual / Free cash flow	4		18		27		36		81		169	
KEY FINANCIAL INDICATORS												
Total Equity	15		15		15		15		15		15	
Long Term Debts (LTD)	5		5		10		10		10		10	
Total Capital Employed (Equity+Long Term Debts)	20		20		25		25		25		25	
ROE (Return on Equity)	-12%		62%		107%		148%		346%		756%	
ROCE (Return on Capital Employed)	-9%		62%		86%		118%		277%		604%	
Net Profit (%age)	-4.3%		11.0%		12.6%		13.1%		12.2%		13.4%	

PRODUCTS	SCENARIO 1			SCENARIO 2			SCENARIO 3			SCENARIO 4		
VOLUME PROJECTIONS	ENR	AVG FEE	TOTAL REVENUES (in INR Lakhs)	ENR	AVG.FEE	TOTAL REVENUES (in INR Lakhs)	ENR	AVG. FEE	TOTAL REVENUES (in INR Lakhs)	ENR	AVG FEE	TOTAL REVENUES (in INR Lakhs)
MBA	125	40000	50	250	40000	100	375	40000	150	500	40000	200
LAW	71	70000	50	143	70000	100	214	70000	150	286	70000	200
BBA/IPM/CUCET	125	40000	50	250	40000	100	375	40000	150	500	40000	200
JEE/NEET	50	100000	50	100	100000	100	150	100000	150	200	100000	200

All figures are in INR Lakhs (where not denoted in %age).

This Business Partner model is for educational / familiarisation purposes only. Even though these represent real CL partner centres, the exactness always change from location to location. Billing has been treated as equal to Revenues for the sake of simplicity.

Numerical Index notes :

- GST calculated @18%.
- S&M expenses kept at fixed INR 10 lakhs for Scenario 1.
- Rent has been proportionately increased in Scenarios 3, 4, 5, and 6 considering the enhanced requirement of physical space.
- Interest on Long Term Debts calculated at 7.5%.
- Presumed that the partner himself/herself will be an academic resource and hence his/her salary is added back.

SALARY - Empirically, CL BP salary share to himself/herself is approx. 25%-30% of the total salary payouts.
EBIDTAR- Earnings Before Interest, Depreciation, Tax, Amortisation, and Royalty to CL

Disclaimer: This model should not be construed as a guarantee of any business outcomes by CL.
The entrepreneur is encouraged to do his/her own due diligence for business potential for his/her respective city.