

Dear Sir/Madam,

Thank you for your interest in taking up a franchise of our unique concept preschool - KAUSHALYA GLOBAL, The Complete School. KGTCs employs a highly effective methodology for comprehensive brain development of the child before 6 years of age.

Having created hugely successful business model out of this unique pre-schooling concept, KGTCs is now embarking upon an ambitious expansion plan in a phased manner through the franchising route. To this end, KGTCs has created a “zero risk” attractive franchise proposal. Following are the salient features of this proposal.

The Franchise proposal:

1. The Franchisee may opt for Air conditioned / Non air conditioned preschool CFNG options.
2. The unit shall be operated on franchisee owned and jointly operated (FOJO) basis.
3. Franchisee will make an investment of Rs.11.00 lacs / 8lacs and make available premises of about 2000 sft (on ground floor or ground and first floor) preferably in an independent house with some open area in a decent residential locality. The premises should be approved by the Franchisor.
4. There is no Franchisee fees charged. Entire investment of Rs.11.00 lacs / Rs.8 lacs is invested in fixed assets, furniture and fixtures, inventory, teaching aids, software, technology and working capital. Time line and modality of investment is at Annexure I.
5. The Franchisor’s role is to assist in setting up the centre, handle the academics, curriculum, teaching methodology, central marketing, and training of the Centre head, teachers and other staff.
6. The Franchisee’s role is to handle the logistics, time keeping, attendance, recruitment, hygiene, security, payroll, purchase of stores, consumables, repairs and maintenance, transport, local marketing etc.
7. The centre head is normally a professional, selected with due care. The franchisee may choose to be the centre head, if she meets all the requirements of the franchisor.

The success of this unique franchise model is assured, due to the following factors:

A) Unique and Highly Effective Brain Development Methodology

A detailed explanation of this technology is available in the enclosed DVD-creating a Genius Child.

B) Multiple Revenue Sources:

KGTCs franchise proposal makes available several sources of revenue to the franchisee, which results in quick break even, high ROI and faster payback period.

The multiple sources of revenue are as under:

1) PRESCHOOL ADMISSIONS: KGTCs adopts a five level approach to pre-schooling.

Infancy	-	6 months to 1½ years
Play Group	-	1½ to 2 ½ years
Nursery	-	2 ½ years to 3 ½ years
PPI	-	3½ years to 4 ½ years
PPII	-	4½ years to 5 ½ years

The fee structure is decided keeping rentals and teacher's remunerations in mind.

2) GTDP (On Campus): Is a brain development program for children (3-14 years) of other schools, after school hours. Content includes Abacus, Chess, Gymnastics, Dance and music, literacy, numeracy, creativity, public speaking, Grasping and Concentration Enhancement (GCE) and many other activities.

Duration: 72 hours, spread over 12 weeks @ 6 hours per week

3) DAY CARE: Is a service extended to working mothers for children from six months of age. This can also be coupled with learning experience and faster brain development of the child.

4) SUMMER CAMP: Two summer camps of 4 weeks duration each are held during summer vacations for children in 3 -14 years age group. GTDP (On campus) activity is on hold during this period.

5) COACHING CLASSES: The premises of the preschool can also be made use of for Coaching Classes in the evening after 6 p.m. The Franchisor shall provide the necessary guidance for this.

- 6) **SALE OF EDUCATIONAL AIDS:** We have a range of educational aids like ACDs, DVDs, Books and Teaching Aids etc. There are about 15 highly educative titles already available. Many more are in the pipeline. A large number of teaching aids for brain development of children are also available.
- 7) **DMIT:** This test can be offered to any child / adult whether from our preschool or not. This is a high potential source of revenue since the target client group size is very large.
- 8) **GTDP (Online):** This is an online program offered to any parent anywhere in the world. This involves education, guidance and sale of resource materials to the parent, right from day 1 after birth.
- 9) **TRAINING PROGRAMS:** A wide range of training programs are conducted in various forums by world class, eminent trainers. Some of these can also be conducted at the franchisee premises.

The Revenue Sharing Data is available at Annexure II

C) Quick Profitability:

Due to the above factors, the franchise unit breaks even very quickly. Our existing franchisees have all got into profits within 3 months of starting. This is based on the performance of the existing franchise units.

D) Aggressive Marketing:

Copies of Ad cuttings on front pages of leading newspapers promoting the concept in various ways are enclosed at Annexure IV. The marketing also includes regular seminars on popular TV channels and smart social media marketing, through an interactive website.

E) Highly Experienced Promoters:

Information about the company and the promoters is enclosed at Annexure V.

Please go through the documents and revert as soon as possible. This proposal is valid for a period of 30 days from the date of this offer letter.

Thanking You,

Yours in the cause of Education,

For RU EDUCATION PVT LTD

DIRECTOR

ANNEXURE – I

FRANCHISE INVESTMENT DETAILS

1. The Franchisee will make a payment of Rs.1.30 lakhs at the time of signing the agreement.

Against this payment, the Franchisor will make available the following inventory:

- DMIT scanning software
- One scanner
- 30 Pins
- Grasping & Concentration Enhancement (GCE) software (Valid for 1 year)

DMIT:

These DMIT pins shall be marketed @ Rs.3500/- per report.

The franchisor will help in marketing at the central level.

In addition to the initial software cost, the franchisee will pay 50% of the income of first 30 pins of DMIT (i.e. $1750 \times 30 = 52500/-$) as a onetime royalty. All subsequent pins shall be supplied @ Rs.1150/- per pin.

GRASPING AND CONCENTRATION ENHANCEMENT (GCE):

Grasping and Concentration Enhancement (GCE) is a 16 hour program for children between 6 and 14 years of age. This program helps to greatly increase the child's Concentration, Grasping Power and Intuition. In the long term it also helps in improving behavioural aspects of the child.

The program shall be initially marketed @ Rs.8000/- per child inclusive of the kit. The Franchisee will pay 50% of the income of the first 40 trainees to the Franchisor as royalty, every year. Trainee kits shall be supplied @ Rs.1500/- per kit by the Franchisor, to the Franchisee.

The remaining investment of Rs.9.70 lacs / Rs.6.70 lacs shall be invested in next 30 Days in the following areas

S.No	Model Type	A	B
	Areas Of Investment	A/C Preschool CFNG	Non A/C Preschool CFNG
1	Painting	√	√
2	Computer / Laptop / Printer	√	√
3	Furniture	√	√
4	Civil Work for Splash Pool, Sand Pit etc.	√	√
5	Air Conditioners	√	X
6	Interiors	√	X
7	Electricals, If necessary	√	√
8	Teaching Aids	√	√
9	Toys	√	√
10	TV / Refrigerator / Home Theatre / Oven	√	√
11	Gymnastics Equipment	√	√
12	Telephone / Mobile / Internet Connection	√	√
13	Inventory of Educational for Use and Sale	√	√
14	Students Kits	√	√
15	Stationery	√	√
16	Story Books Etc.	√	√
17	Brachiation Ladder	√	√
18	UPS System / Inverter	√	√
19	CCTV Cameras	√	√
20	Yoga Mats	√	√
21	Rental Deposit / Advance Rent	√	√

ANNEXURE - II

REVENUE SHARING DATA

1) **PRE SCHOOL REVENUE:**

- a) School fees
- b) Day Care
- c) Coaching classes

A. Annual Royalty on Preschool Revenue:

- 1) Rs.1.00 lakh immediately after reaching 30 admissions
- 2) Rs.1.00 lakh immediately after reaching 40 admissions
- 3) Rs.1.00 lakh immediately after reaching 50 admissions
- 4) Rs.1.00 lakh immediately after reaching 75 admissions
- 5) Rs.1.00 lakh immediately after reaching 100 admissions

B. Marketing Support:

The cost of central advertising in the region is equally shared between all the schools of the region.

2) **ALLIED ACTIVITIES:**

FRANCHISEE INCOME

- a) Sales of Educational Aids : 40% on MRP
- b) DMIT : All Revenue > Rs.1150/- per pin (After first 30 pins)
- c) GTDP (Online) : 25% of Revenue from registration
- d) Training Programs : 25% of Revenue (for on-the-premises programs)
15% of Revenue for sending participants for
Off - Premises programs
- e) Summer Camp : Net Income Rs.125000/-