



Fast Food Parlour

Introduction

Fast food is that which is prepared and served generally at quick-service restaurants or street vendors. Fast food is largely used in end-user industries like restaurants, hotels, and fast food centres. They are usually prepared in large quantities and are quickly served to customers based on their needs. There are a variety of fast foods such as burgers, sandwiches, pizza, pasta, fried chicken, seafood as well as other Asian/Latin American food.

Nowadays with rapid urbanisation consumption of fast food is in an increasing trend and that increase mainly due to three main reasons:

- i. Convenience: Since it is less time consuming and we live our lives in a fast moving era, there is no time to prepare healthy and well cooked food.
- ii. Ads: The Fast Food Marketers' weaponized advertisement using anything possible to advertise including TV and radio commercials, vending machines and internet pop-ups which makes it very tempting to the viewers.
- iii. Lack of discipline: With our busy schedules and fast paced lives we often ignore the importance of healthy eating habits.

Market Potential

Quick Service Restaurants (QSR) market in India is forecasted to grow at a CAGR of over 18% during the year 2021 - 2025 due to increasing urban trend, rapid growth in food delivery services sector, more number of youth in population demography, growing number of dual-income earners in the families and increasing disposable income in the country.

QSR market is roughly classified into Food and Beverages segments with Food sector holding the majority stake in the market. Nevertheless, the Beverage sector is expected to grow at a faster rate in the coming years due to its innovative offerings being launched appealing to the mass.

Cost of Project

Particulars	Amt (Lakhs)
Land (own)	0.96
Civil works and Buildings (800/ sqft)	9.60
Fixed Assets	2.49
Misc. Fixed Assets	0.60
D G Set 50 KV	4.40
Escalation & Contingencies	0.90
Preliminary & Pre-Operative Expenses	1.74
Sub-total (A)	20.69
Working Capital Margin @40% of Total WC Requirement	6.22
Total Project Cost	26.91
Total Working Capital Required (B) 25% of 1st Year Proj.Turn Over	15.55
MEANS OF FINANCE	
Total funds required (A+B)	36.24
Loan component	
Term loan (60% of A)	12.41
Working capital (60% of B)	9.33
TOTAL	21.74
Equity	14.50
TOTAL	36.24

Detailed Cost Element

SL	Particulars	Qty.	Amt (Lakhs)
1	Refrigerators	2	0.50
2	Exhaust	2	0.07
3	Commercial Kitchen Equipment/Installation	1	0.25
4	Furniture & Fixtures (Dining Table)	5	0.50
5	Air Conditioner	2	0.50
6	Crockery & Cutleries	8	0.26
7	Stereo	1	0.05
8	Miscellaneous		0.20
9	Fire Extinguisher	4	0.16
	Total		2.49

Contingencies and Escalations

Has been assumed at approximately 5% at cost of project.

Preliminary Expenses

Particulars	Amt (Lakhs)
Incorporation Expenses	0.15
Project Report Preparation and Consultation	0.35
Feasibility and Engineer's/Architect's Report and Plans	0.24
Legal Charges	0.05
Rent payments upto the start of commercial production	0.18
Other recurring expenses up to start of commercial production	0.50
Interest Cost for period before commercial operation	0.27
Total	1.74

Salary

Designation	Quantity	Amt (Lakhs)
Chef	2	7.20
Waiter	3	7.20

Profitability Statement

Particulars	Year- 1	Year- 2	Year- 3	Year- 4	Year- 5
A. INCOME					
Average Seating Capacity	86400	86400	86400	86400	86400
Capacity utilisation	45%	50%	55%	60%	65%
Occupancy at capacity	38880	43200	47520	51840	56160
Estimation Revenue	62.21	69.12	76.03	82.94	89.86
Total Income/Annum	62.21	69.12	76.03	82.94	89.86
B. OPERATING EXPENSES					
Consumables	27.99	31.10	34.21	37.32	40.44
Salary	14.40	15.84	17.42	19.17	21.08
Repair & Maintenance	0.15	0.16	0.16	0.17	0.18
Power & utilities	3.92	3.92	3.92	3.92	3.92
Depreciation	2.56	2.56	2.56	2.56	2.56
Total Operating Expenses	49.74	54.30	59.00	63.86	68.86

Operating Profit (A-B)	12.47	14.82	17.03	19.09	20.96
C. FINANCIAL EXPENSES					
Interest on loan	1.91	1.69	1.38	1.07	0.73
D. Other Expenses					
Other Miscellaneous Expenses	1.87	2.07	2.88	2.49	2.70
Total Expenses	3.78	3.77	3.66	3.56	3.43
Profit before Tax	8.69	11.05	13.37	15.53	17.54
Provision for Tax	2.17	2.76	3.34	3.88	4.38
Profit after Tax (PAT)	6.52	8.29	10.03	11.65	13.15
Dividend declared	0	0	0	0	0
Retained profit	6.52	8.29	10.03	11.65	13.15

Breakeven Point

Break Even Point (BEP)						
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
A.	Net Sales	62.21	69.12	76.03	82.94	89.86
B.	Variable Cost					
	Raw Material	27.99	31.10	34.21	37.32	40.44
	Total Variable Cost	27.99	31.10	34.21	37.32	40.44
C.	Contribution (A-B)	34.21	38.02	41.82	45.62	49.42
D.	Fixed and Semi-Fixed					
	Labour Charges	14.40	15.84	17.42	19.17	21.08
	Repair & Maintenance	3.92	3.92	3.92	3.92	3.92
	Interest on term Loan	0.72	0.72	0.72	0.72	0.72
	Depreciation	2.56	2.56	2.56	2.56	2.56
	Power and Utility	1.91	1.69	1.38	1.07	0.73
	Rent	0.15	0.16	0.16	0.17	0.18
	Other Misc. Expenses	1.87	2.07	2.28	2.49	2.70
	Total Fixed Cost	25.52	26.96	28.45	30.09	31.88
E.	Breakeven Point	75%	71%	68%	66%	65%
F.	Cash BEP	67%	64%	62%	60%	59%

Debt-Service Coverage Ratio

SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
i	PAT	6.52	8.29	10.03	11.65	13.15
ii	Depreciation	2.56	2.56	2.56	2.56	2.56
iii	Interest	1.91	1.69	1.38	1.07	0.73
A	Total (i + ii +iii)	10.99	12.55	13.97	15.28	16.45
i	Interest	1.91	1.69	1.38	1.07	0.73
ii	Principal repayment	1.84	3.67	3.67	3.67	3.67
B	Total (i +ii)	3.75	5.37	5.06	4.74	4.40
	DSCR (A /B)	2.93	2.34	2.76	3.22	3.73

Interest on Term Loan and Principal Repayment

Refer Annexure I.

We have assumed the repayment tenure of term loan for a period of 7 years, rate of interest being @8.5% with the moratorium period being 9 months.

Address of Vendors

	Address and Contact Number
Kanteen India Equipment Co.	Address- 1st Cross Rd, CA Block, Sector 1, Bidhannagar, Kolkata, West Bengal 700064 Contact Number-08048763384
AVS Kitchen Equipment	Address-G 42, Sector 3, Noida, Gautam Budh Nagar-201301, Uttar Pradesh, India Contact Number- 08047024223
Techmate Industries	Address-Dwarka Sector-3, Dwarka, Delhi, 110078 Contact Number- 08048076828
National Printing Machinery Co	G.S. Road, Paltanbazar, Ghy-08 Phone no- 9954034711
Triune Kitchen Solution LLP	Address- IA Block, Sector III, Bidhannagar, Kolkata, West Bengal 700097 Contact Number- 08048834564

ANNEXURE- I

Year	Month 1	Month 2	Month 3		Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Annually
O													
Principal													
Opening	12.41	12.50	12.59										
Repaid													-
Closing	12.50	12.59	12.68										
Interest	0.09	0.09	0.09										0.27
I													
Principal													
Opening	22.01	22.17	22.32	22.48	22.64	22.80	22.96	22.82	22.67	22.53	22.22	21.92	
Repaid	-	-	-	-	-	-	0.31	0.31	0.31	0.31	0.31	0.31	1.84
Closing	22.17	22.32	22.48	22.64	22.80	22.96	22.82	22.67	22.53	22.22	21.92	21.61	
Interest	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	1.91
II													
Principal													
Opening	21.61	21.30	21.00	20.69	20.39	20.08	19.77	19.47	19.16	18.85	18.55	18.24	
Repaid	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	3.67
Closing	21.30	21.00	20.69	20.39	20.08	19.77	19.47	19.16	18.85	18.55	18.24	17.94	
Interest	0.15	0.15	0.15	0.15	0.14	0.14	0.14	0.14	0.14	0.13	0.13	0.13	1.69
III													
Principal													
Opening	17.94	17.63	17.32	17.02	16.71	16.41	16.10	15.79	15.49	15.18	14.87	14.57	
Repaid	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	3.67
Closing	17.63	17.32	17.02	16.71	16.41	16.10	15.79	15.49	15.18	14.87	14.57	14.26	
Interest	0.13	0.12	0.12	0.12	0.12	0.12	0.11	0.11	0.11	0.11	0.11	0.10	1.38
IV													
Principal													
Opening	14.26	13.96	13.65	13.34	13.04	12.73	12.43	12.12	11.81	11.51	11.20	10.89	
Repaid	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	3.67
Closing	13.96	13.65	13.34	13.04	12.73	12.43	12.12	11.81	11.51	11.20	10.89	10.59	
Interest	0.10	0.10	0.10	0.09	0.09	0.09	0.09	0.09	0.08	0.08	0.08	0.08	1.07
V													
Principal													
Opening	10.59	10.28	9.98	9.67	9.36	9.06	8.75	8.45	8.14	7.83	7.53	7.22	
Repaid	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	3.67
Closing	10.28	9.98	9.67	9.36	9.06	8.75	8.45	8.14	7.83	7.53	7.22	6.91	
Interest	0.07	0.07	0.07	0.07	0.06	0.06	0.06	0.06	0.06	0.05	0.05	0.05	0.73