



## **HEALTH CLUB FITNESS CENTER**

### **Introduction**

The gym is designed to give everyone the tools they need to reach their dream fitness goals. Whether it's to tone up or build strength, anyone is welcome to train in the gym, but before starting your fitness journey, you may be asked to disclose any medical conditions. This helps personal trainers to tailor a routine that suits you. When we look back on the evolution of the fitness industry in India, it is fascinating to see how the demand for fitness products and services has grown by leaps and bounds over the last decade. Most products and services in the market today are geared towards providing consumers with new and exciting ways to maintain good health and well-being. While many of these people visit gyms and fitness clubs to get in better shape or gain more strength, those with the want to become more fit and lead more active lifestyles having no better option. A combination of physical, mental and spiritual fitness is a must for the urban population.

### **Market Potential**

The fitness industry in India is largely unorganized and lacks a definite structure to differentiate between diverse product and service segments. Until a few years ago, the fitness industry was dominated by a handful of large players, be it in terms of gyms and fitness centers or even fitness equipment. But this situation is changing gradually with the entry of new small players in the market, who are leveraging technology to create and deliver a gamut of services and products. Several start-ups in the fitness sector are now targeting urban consumers across various age groups to market a range of solutions depending on what they need. This includes everything from wearable fitness devices, digital platforms where people can sign up for open gym memberships, to even state-of the-art fitness equipment. With the entry of technology and digitization in the fitness domain, the current structure of the market is in the midst of a major overhaul, making way for more consolidation in the market.

## Cost of Project

Particulars	Amount (Rs. in Lakhs)
Leasehold Premises (5500 sq. ft)	-
Interior Cost	10.00
Fixed Assets	62.02
Miscellaneous Fixed Assets	3.81
D G Set (15 KVA)	1.50
Escalation & Contingencies	3.87
Preliminary & Preoperative Expenses	6.47
<b>Sub-total (A)</b>	<b>87.67</b>
Working Capital Margin @50% of Total WC Requirement	1.00
<b>Total Project Cost</b>	<b>88.67</b>
Total Working Capital Required (B)	2.00
<b>MEANS OF FINANCE</b>	
<b>Total funds required (A+B)</b>	<b>89.67</b>
<u>Loan component-</u>	
Term Loan (60% Of A)	52.60
Working Capital (50% Of B)	1.00
<b>TOTAL</b>	<b>53.60</b>
Equity	36.07
<b>TOTAL</b>	<b>89.67</b>

## Detailed Cost Element

Sl. no.	Particulars	Quantity	Rate	Amount (Rs. in Lakhs)
1	Steam bath machine	4	35000	1.05
2	Treadmill	3	150000	4.50
3	Cross Trainer	2	85000	0.85
4	Spinner (Cycling Machine)	5	30000	0.90
5	Leg Press Machine	2	85000	0.85
6	Bench Press	2	50000	1.00
7	Leg Pull Machine	4	38000	1.14
8	Dumbbells	2	10000	0.30
9	Preacher Curl	2	50000	1.50
10	Shoulder Press Machine	2	30000	0.90
11	Chest Fly Machine	5	55000	1.65
12	Iron Plates Olympic Bar	6	20000	0.60
13	Olympic Bar	5	10000	0.50
14	Squat Rack	3	28000	1.12
15	Electric Jogger Power fit	2	75000	2.25
16	Mini Stepper with handle	2	7500	0.08
17	Twister double with handle	2	38000	0.38
18	Bench Press (with plate holder)	1	15000	0.15
19	Butter Fly Machine (with 60 Kg	1	50000	0.50
20	Sitting Bench Press Machine (with	1	10000	0.10
21	Multi Smith machine Bench Press	1	7500	0.08
22	Cable Cross Over Machine with	1	24800	0.25
23	Preacher Curl Bench(manual)	1	10700	0.11
24	Bent Over Lever row: T-Bar	1	5000	0.20
25	Standing Curl Stand	1	18000	0.18
26	Triceps Dip	1	7500	0.08
27	Lockers	125	60000	0.60
				<b>62.02</b>

## Contingencies and Escalations

It has been assumed at approximately 5% at cost.

## Preliminary Expenses

Particulars	Amount (Rs. in Lakhs)
Incorporation Expenses	0.15
Project Report Preparation and Consultation	0.35
Other recurring expenses of revenue nature up to start of commercial production - Security Guard & Others salary	3.60
Interest Cost for period before commercial operations	2.37
<b>Total</b>	<b>6.47</b>

## Salary

Designation	Manpower	Amount (Rs. in Lakhs)
Gym Manager	1	6.00
Gym instructor Male/Female	8	33.60
Helper	6	14.40
Head Trainee	1	5.40
Guard	1	1.44
Cleaner	1	1.20
Receptionist	1	3.00

## Interest on Term Loan and Principal Repayment

Refer Annexure I for Loan Repayment Schedule.

We have assumed the repayment tenure of term loan for a period of 7 years, Rate of interest being 8.5% p.a with a moratorium period of 12 months.

## Address of Vendors

Name of the Vendor	Address and Contact Number
Rew	64, Manu Refling Station ,2, Benares Road Belgachia, Howrah, West Bengal 711108 Phone No:0990315009
Sky Sports International	FA/48 Narayantala W Ln, Desh Bandhu Nagar, Baguihati, Kolkata, West Bengal 700059 Phone No:08079466126

Profitability Statement

						Amount (Rs. in lakhs)	
Particulars	Year- 1	Year- 2	Year- 3	Year- 4	Year- 5	Year- 6	Year- 7
<b><u>A. INCOME</u></b>							
Customer Capacity	80	80	80	80	80	80	80
Capacity utilization	60%	65%	70%	75%	80%	85%	90%
Capacity utilized during the day	48	52	56	60	64	68	72
Revenue	122.40	132.60	142.80	153.00	163.20	173.40	183.60
<b>Total income during the year</b>	<b>122.40</b>	<b>132.60</b>	<b>142.80</b>	<b>153.00</b>	<b>163.20</b>	<b>173.40</b>	<b>183.60</b>
<b><u>B. OPERATING EXPENSES</u></b>							
Salary	65.04	66.34	67.67	69.02	70.40	71.81	73.25
Lease Rent	15.00	15.30	15.61	15.92	16.24	16.56	16.89
Repair & Maintenance	6.12	6.63	7.14	7.65	8.16	8.67	9.18
Power & utilities	5.00	5.10	5.20	5.31	5.41	5.52	5.63
Depreciation and Amortization	9.12	9.13	9.14	7.99	8.00	8.00	8.00
<b>Total Operating Expenses</b>	<b>100.28</b>	<b>102.50</b>	<b>104.75</b>	<b>105.88</b>	<b>108.21</b>	<b>110.56</b>	<b>112.95</b>
<b>Operating Profit (A-B)</b>	<b>22.12</b>	<b>30.10</b>	<b>38.05</b>	<b>47.12</b>	<b>54.99</b>	<b>62.84</b>	<b>70.65</b>
<b><u>C. FINANCIAL EXPENSES</u></b>							
Interest on Term Loan	4.18	3.54	2.90	2.26	1.57	0.93	0.29
Interest on Working Capital	0.09	0.09	0.09	0.09	0.09	0.09	0.09
<b><u>D. Other Expenses</u></b>							
Administrative and general Expenses	2.45	2.65	2.86	3.06	3.26	3.47	3.67
<b>Total Expenses</b>	<b>6.71</b>	<b>6.28</b>	<b>5.84</b>	<b>5.41</b>	<b>4.92</b>	<b>4.48</b>	<b>4.05</b>
<b>Profit Before Tax</b>	<b>15.41</b>	<b>23.83</b>	<b>32.21</b>	<b>41.71</b>	<b>50.07</b>	<b>58.36</b>	<b>66.61</b>
Provision for Tax	3.85	5.96	8.05	10.43	12.52	14.59	16.65
<b>Profit after Tax (PAT)</b>	<b>11.56</b>	<b>17.87</b>	<b>24.16</b>	<b>31.28</b>	<b>37.56</b>	<b>43.77</b>	<b>49.95</b>
Dividend Declared	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Retained Profit</b>	<b>11.56</b>	<b>17.87</b>	<b>24.16</b>	<b>31.28</b>	<b>37.56</b>	<b>43.77</b>	<b>49.95</b>

## Breakeven Point

Break Even Point (BEP)		Amount (Rs. In Lakhs)						
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7
A.	Revenue	122.40	132.60	142.80	153.00	163.20	173.40	183.60
B.	Variable Cost							
	Raw Material	5.04	5.29	5.56	5.83	6.13	6.43	6.75
	Power and Utility	0.78	0.81	0.85	0.88	0.91	0.95	0.99
	<b>Total Variable Cost</b>	5.82	6.10	6.40	6.71	7.04	7.38	7.74
C.	<b>Contribution (A-B)</b>	<b>44.58</b>	<b>46.82</b>	<b>49.16</b>	<b>51.63</b>	<b>54.22</b>	<b>56.94</b>	<b>59.80</b>
D.	Fixed cost							
	Salary	65.04	66.34	67.67	69.02	70.40	71.81	73.25
	Interest on Term Loan	4.18	3.54	2.90	2.26	1.57	0.93	0.29
	Interest on WC Loan	0.09	0.09	0.09	0.09	0.09	0.09	0.09
	Repair & Maintenance	6.12	6.12	7.14	7.65	8.16	8.67	9.18
	Depreciation and Amortization	9.12	9.13	9.14	7.99	8.00	8.00	8.00
	<b>Total Fixed Cost</b>	<b>84.54</b>	<b>85.21</b>	<b>86.93</b>	<b>87.01</b>	<b>88.21</b>	<b>89.49</b>	<b>90.80</b>
E.	<b>Breakeven Point</b>	<b>72%</b>	<b>67%</b>	<b>63%</b>	<b>59%</b>	<b>56%</b>	<b>53%</b>	<b>51%</b>
F.	<b>Cash BEP</b>	<b>64%</b>	<b>60%</b>	<b>57%</b>	<b>54%</b>	<b>51%</b>	<b>49%</b>	<b>47%</b>

## Debt-Service Coverage Ratio

		Amount (Rs. In lakhs)						
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7
I	Profit	11.56	17.87	24.16	31.28	37.56	43.77	49.95
ii	Depreciation	9.12	9.13	9.14	7.99	8.00	8.00	8.00
iii	Interest	4.18	3.54	2.90	2.26	1.57	0.93	0.29
A	<b>Total ( i + ii + iii )</b>	<b>24.85</b>	<b>30.54</b>	<b>36.19</b>	<b>41.53</b>	<b>47.12</b>	<b>52.70</b>	<b>58.24</b>
I	Interest	4.18	3.54	2.90	2.26	1.57	0.93	0.29
ii	Principal repayment	7.51	7.51	7.51	7.51	7.51	7.51	7.51
B	<b>Total ( i + ii )</b>	<b>11.69</b>	<b>11.05</b>	<b>10.42</b>	<b>9.78</b>	<b>9.08</b>	<b>8.45</b>	<b>7.81</b>
	<b>DSCR ( A / B )</b>	<b>2.13</b>	<b>2.76</b>	<b>3.47</b>	<b>4.25</b>	<b>5.19</b>	<b>6.24</b>	<b>7.46</b>

# ANNEXURE - 1

Year	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Annually
I													
<b>Principal</b>													
Opening	52.60	51.97	51.35	50.72	50.10	49.47	48.84	48.22	47.59	46.96	46.34	45.71	
Repaid	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	7.51
Closing	51.97	51.35	50.72	50.10	49.47	48.84	48.22	47.59	46.96	46.34	45.71	45.09	
<b>Interest</b>	0.37	0.37	0.36	0.36	0.35	0.35	0.35	0.34	0.34	0.33	0.33	0.32	4.18
II													
<b>Principal</b>													
Opening	45.09	44.46	43.83	43.21	42.58	41.95	41.33	40.70	40.08	39.45	38.82	38.20	
Repaid	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	7.51
Closing	44.46	43.83	43.21	42.58	41.95	41.33	40.70	40.08	39.45	38.82	38.20	37.57	
<b>Interest</b>	0.32	0.31	0.31	0.31	0.30	0.30	0.29	0.29	0.28	0.28	0.28	0.27	3.54
III													
<b>Principal</b>													
Opening	37.57	36.95	36.32	35.69	35.07	34.44	33.81	33.19	32.56	31.94	31.31	30.68	
Repaid	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	7.51
Closing	36.95	36.32	35.69	35.07	34.44	33.81	33.19	32.56	31.94	31.31	30.68	30.06	
<b>Interest</b>	0.27	0.26	0.26	0.25	0.25	0.24	0.24	0.24	0.23	0.23	0.22	0.22	2.90
IV													
<b>Principal</b>													
Opening	30.06	29.43	28.80	28.18	27.55	26.93	26.30	25.67	25.05	24.42	23.80	23.17	
Repaid	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	7.51
Closing	29.43	28.80	28.18	27.55	26.93	26.30	25.67	25.05	24.42	23.80	23.17	22.54	
<b>Interest</b>	0.21	0.21	0.20	0.20	0.20	0.19	0.19	0.18	0.18	0.17	0.17	0.16	2.26
V													
<b>Principal</b>													
Opening	22.54	21.92	21.29	20.66	20.04	19.41	18.79	18.16	17.53	16.91	16.28	15.65	
Repaid	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	7.51
Closing	21.92	21.29	20.66	20.04	19.41	18.79	18.16	17.53	16.91	16.28	15.65	15.03	
<b>Interest</b>	0.16	0.15	0.15	0.14	0.14	0.13	0.13	0.12	0.12	0.12	0.11	0.11	1.57
VI													
<b>Principal</b>													
Opening	15.03	14.40	13.78	13.15	12.52	11.90	11.27	10.65	10.02	9.39	8.77	8.14	
Repaid	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	7.51
Closing	14.40	13.78	13.15	12.52	11.90	11.27	10.65	10.02	9.39	8.77	8.14	7.51	
<b>Interest</b>	0.10	0.10	0.09	0.09	0.08	0.08	0.08	0.07	0.07	0.06	0.06	0.05	0.93
VII													
<b>Principal</b>													
Opening	7.51	6.89	6.26	5.64	5.01	4.38	3.76	3.13	2.50	1.88	1.25	0.63	
Repaid	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	7.51
Closing	6.89	6.26	5.64	5.01	4.38	3.76	3.13	2.50	1.88	1.25	0.63	-	
<b>Interest</b>	0.05	0.04	0.04	0.04	0.03	0.03	0.02	0.02	0.01	0.01	0.00	-	0.29