

Transaction Summary:

Yamatcha, a Michelin Starrer restaurant owned by Botan group, Japan is currently operating in India at following locations under the master franchise of AK Hospitality, India:

- Mumbai
- Bengaluru
- Kolkata

Restro & Club Pvt. Ltd. is interested in starting Yamatcha in Chennai. Before approaching AK Hospitality for subfranchise, **it wants to be sure that opening Yauatcha will be profitable.**

Following inputs are provided by research floor to you:

Period of Construction of restaurant – 3 Months.

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Start of Construction	01-Apr-20
Construction period	3 Months
Date of Operations	01-Jul-20

Revenue

Particulars	Weekdays	Weekend	Particulars	Weekdays	Weekend
<u>Lunch</u>			<u>Dinner</u>		
APC	1500	1700	APC	1600	1900
Alcoholic Beverages	300	500	Alcoholic Beverages	400	650
Non Alcoholic Beverages	200	200	Non Alcoholic Beverages	200	250
Food	1000	1000	Food	1000	1000
Y-O-Y Growth price rate	5%	5%	Y-O-Y Price Growth rate	5%	5%
Occupancy			Occupancy		
Number of Covers Available	100	100	Number of Covers Available	100	100
Number of Rounds Available	2	2	Number of Rounds Available	2	2
Number of Covers Occupied/ Round	10	13	Number of Covers Occupied/ Round	13	15
MoM growth	2%	4%	MoM growth	2%	4%
Maximum Occupancy/Round	60	80	Maximum Occupancy/Round	70	90

Direct Expenses	
Alcoholic Beverage cost (% of revenue)	35%
Non-Alcoholic Beverages (% of revenue)	40%
Food (% of revenue)	30%

Salary			
Members of Team	Number of Employees	Salary / M	Salary / M
Receptionist	2	20000	40,000
Restaurants Manager	2	50000	1,00,000
Waiters	10	20000	2,00,000
Head Chef	1	100000	1,00,000
Chefs	2	75000	1,50,000
Assistant Chef	6	30000	1,80,000
Valet Parking	3	17000	51,000
Cleaners	5	17000	85,000
Bartender	4	20000	80,000
Total			9,86,000

Staff salary will increase Y-o-Y basis

8%

Indirect Expenses			
Members of Team	Number of Employees	Salary / M	Salary / M
HR Manager	1	50000	50,000
Assistant Manager	2	35000	70,000
Security	2	20000	40,000
Purchase Manager	2	40000	80,000
Accountant	2	40000	80,000
Others	2	30000	60,000
Total			3,80,000

Rotalty to brand (% Of Revenue)	5%
Rent (as per contract) (% of revenue)	10%
Water Cost (per month)	10000
Maintenance (per month)	50000
Marketing cost (per month)	25000
Electricity (Based on area Rs./sq. Ft.)	5
Phone and internet (per month)	15,000.00

Housekeeping & Consumables (% of revenue)	2%
Payment Settlement Charges (% or revenue)	1.50%
Numbers of Tables occupied opting for card payment	50%
<i>Indirect expenses will increase Y-o-Y basis</i>	8%

<u>Area specifications</u>	
Carpet Area required (Sq. ft.)	4000
Conversion Rate	1.33
Super Built-up area to be rented (Sq. ft.)	5320
Serving Area (% of carpet area)	75%
Serving Area	3000
Kitchen Area	1000
Area per cover (Sq.Ft.)	25
Covers	100
Sitting per table	4
Number of Tables	30
<u>Capital Expenditure</u>	
Equipments	Rate per Sq Ft
Kitchen Equipment's and cutlery	3000
Refrigeration Restaurants	5000
Furniture & Fixtures	1700
Restaurants Décor	2000
Rent Deposits	₹ 10,00,000.00

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<u>Working capital</u>	
-	Days
Initial working capital introduced	2400000
Inventory	
Alcoholic Beverages	30
Non-Alcoholic Beverages	15
Food	5
Creditor For Raw material	30
Creditor For Expenses	30

<u>Depreciation</u>	
Equipment's	15%
Furniture & Fixtures and Restaurant décor	10%

<u>Capital Structure</u>	
Equity	100%
Debt	0%
Cash credit limit will be availed if required	
Rate of Interest on CC Limit	12%

Tax Rate	25.17%
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End of sheet