ROADSIDE DHABA

1. Introduction

This project is for setting up Dhabas on the Highways. With more and more communication and transport, passenger traffic on the highways is increasing and need for foodstalls, restaurants, hotels and dhabas are on the rise. Modest overnight stay facilities are also envisaged for comfort of passenger-customers.

2. Market potential

The highways are already cluttered with dhabas and their popularity is evident from the hordes of customers ranging from truck drivers to motorists that abound such dhabas. However, there are many points on such highways where no eating establishment exists for kilometers besides newer highways that are coming up hence need establishment of dhabas.

3. Technical details

(a) Business activities

A variety of food items ranging from local dishes to dishes preferred by customers are prepared for being served through out the day, from breakfast to dinner. Bed facilities are also provided for overnight rest or for resting before food to ward off travel fatigue.

(b) Production target (per day)

Meals (Veg.)	25
Meals (Non-Veg.)	15
Tea	75
Snacks/Mixture/Bisleri	25
Omlettes with Slice	20

(c) Utilities

Power	2 kw
Water	Adequate supply

4. Details of equipment

S. No.	Items	Qty.	Rate (Rs.)	Value (Rs.)
1.	Tandoor	1	800	800.00
2.	Kitchen Utensils	LS	LS	3,000.00
3.	Crockery & Cutlery	LS	LS	5,000.00
4.	Mattresses	4	1,500	6,000.00

5.	Gas Light (Emergency)	2	300	600.00
6.	Blankets	4	300	1,200.00
7.	Towels, Bed Sheets, Pillows, Pillow Covers etc.	4 sets	1,000	4,000.00
			TOTAL	**20,600.00**

5. Cost of project

S. No.	Particulars	Total cost (in Rs.)
1.	Building	Rented
2.	Equipment (including installation)	20,600.00
3.	Furniture & Fixtures (including 4 beds, reception counter, chairs, dinning tables etc.)	15,000.00
4.	Preliminary & Preoperative Expenses	5,400.00
5.	Contingencies including cost escalation	9,000.00
6.	Working Capital	20,000.00
	TOTAL	**70,000.00**

6. Means of finance

S. No.	Particulars	Total cost (in Rs.)	%age
1.	Promoter's Contribution	-	-
2.	NSTFDC – Term Loan	60,000.00	85.71%
3.	M.M.L. - SCA	10,000.00	14.29%
	TOTAL	**70,000.00**	**100.00**

Note: The State Channelising Agencies shall arrange to provide subsidy to beneficiary(ies) as per norms of their Corporation. Further, SCAs may also make efforts to avail incentive/subsidy from other centrally sponsored schemes.

7. Utilities (Per annum)

S. No.	Particulars	Total Cost (in Rs.)
1.	Power	24,000.00
2.	Water	2,000.00
3.	Fuel (Gas/Coal)	14,400.00
	TOTAL	**40,400.00**

8. Manpower requirement

S. No.	Category	No.	Salary/Person/ Month	Total (in Rs.)
1.	Supervisor	Self	3000.00	3000.00
2.	Skilled (Cook/Asstt. Cook)	2	2500.00	5000.00
3.	Unskilled	2	2,000.00	4,000.00
			TOTAL	**12,000.00**
			ANNUAL	**1,44,000.00**

9. Raw material requirement (including consumables/month)

S. No.	Items	Qty.	Rate (Rs.)	Value (Rs.)
1.	Grocery Items (Spices, Oil, Rice, Atta, Eggs, Butter, Tea, Milk, Soft/cold Drinks etc.)	LS	LS	8,000.00
2.	Pulses, Paneer etc.	LS	LS	7,000.00
3.	Vegetables (Seasonal)			3,000.00
4.	Non-Veg.	LS		2,000.00
	TOTAL			**20,000.00**

10. Working capital requirement

S. No.	Items	Period	Amount (in Rs.)
1.	Raw Material	2 weeks	10,000
2.	Receivables/Debtors	4 days	8,000
3.	Other Current Assets	-	2,000
		Total	20,000

11. Project economics (Annual)

A. Sales realisation (Annual)

S. No.	Items	Rate (Rs.)	Nos./day	Total (in Rs.)
1.	Meal (Veg.)	25/meal	24	600.00
2.	Meal (Non-veg.)	35/meal	15	525.00
3.	Tea	2/cup	50	100.00
4.	Snacks	10/plate	20	200.00
5.	Omlette with slice	10/plate	20	200.00
	TOTAL			**1,625.00**
	Annual Sales Rs. 1625 x 300 days = 4,87,500/-			

B. Cost of production

S. No.	Particulars	Amount (in Rs.)
(i)	Raw Material Rs.20,000x12 (including Packing Materials)	2,40,000.00
(ii)	Utilities (Power, Fuel, Water etc.)	40,400.00
(iii)	Salaries & Wages	1,44,000.00
(iv)	Transportation/Freight/Conveyance	10,000.00
(v)	Selling Expenses (including advertising, distribution cost, commissions & rebates)	4,000.00
(vi)	Repair & Maintenance	6,000.00
(vii)	Interest	4,200.00
	TOTAL	**4,48,600.00**
C.	**Cash Profit (A-C)**	**38,900.00**

D.	**Depreciation 15% on other FA**	**5,340.00**
E	**Profit Before Tax (D-E)**	**33,560.00**
F.	**Taxes**	**-**
G.	**Profit after Tax**	**33,560.00**

12. Viability indicators

S. No.	**Particulars**	**Amount**
1.	Repayment per annum (period - 5 years)	14,000.00
2.	Return on Investment	47.94%
3.	Debt Service Coverage Ratio	2.37%

Notes :

- Project success is location specific. Special care needs to be taken for suitable and convenient location on the highway with sufficient parking space.

- Additional income can be generated by providing beds for overnight stay /offering STD phone service. This income has not been considered.

- Project economics can be improved further (almost doubled) by employing family members rather than hiring outsiders.

13. Interest, moratorium & repayment period for beneficiaries

(a) Interest : 6% p.a. on NSTFDC term loan

(b) Moratorium period : 6 months from date of release of funds by SCA.

(c) Repayment period : 5 years excluding moratorium period.

14. General remarks

- The cost of equipments and furniture has been taken on the basis of items manufactured by Standard/reputed suppliers having sound service network. The suppliers shall preferably be based in local areas or nearby States.

- Optimum working capital cycle has been taken for calculating the requirements.

- The cost of project will vary in different States & Regions.

- It is assumed that the services have good demand, and the promoters have sound experience in the relevant fields.