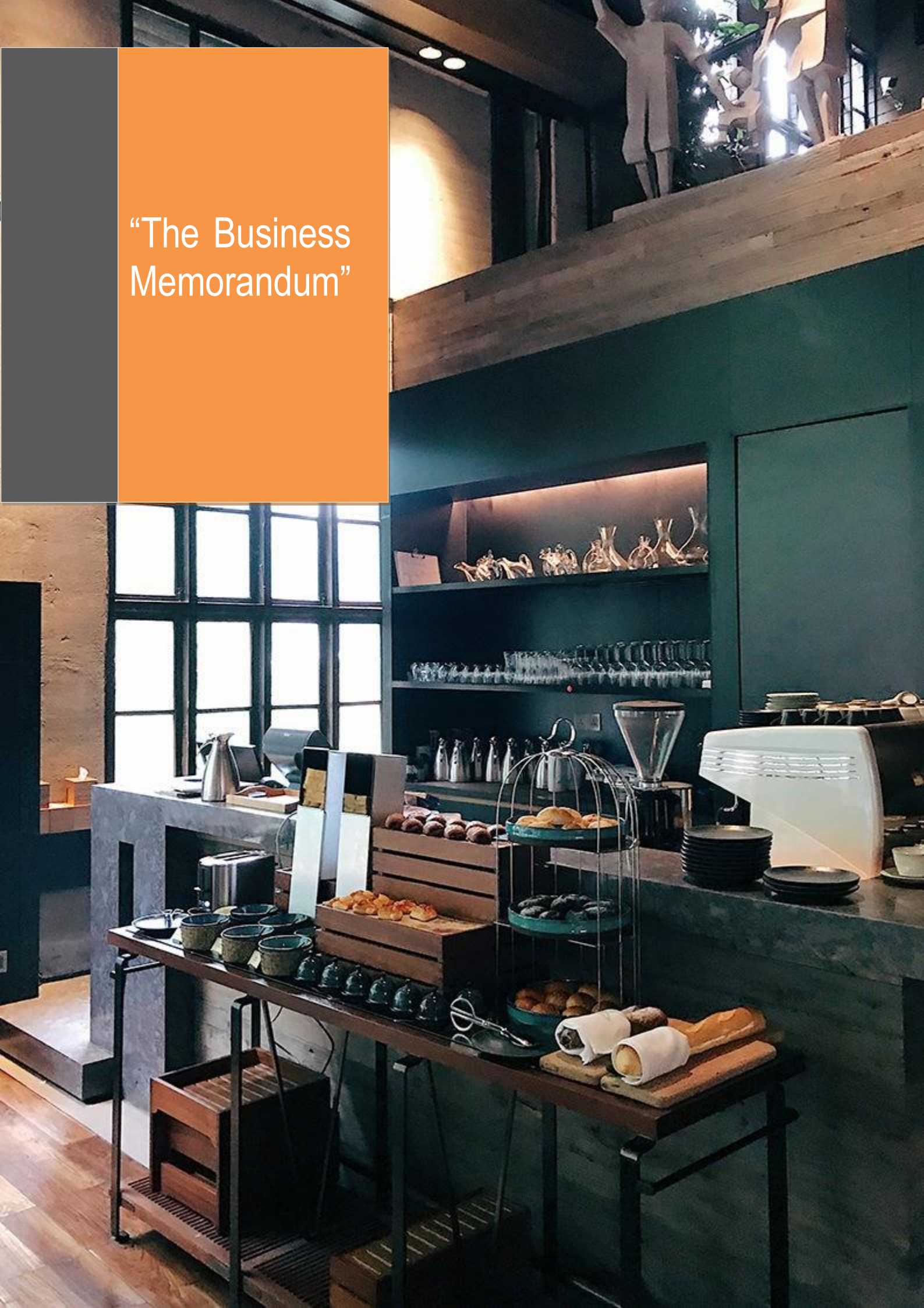


“The Business Memorandum”



Summary

Crossroads Cafe take great pride in the premium quality of coffee beans used in making the delicious and extensive range of coffees. The coffee flavours also include plenty of options including fruit and the ever favourite chocolate making it one of the best cafes in Bhubaneswar for the delicious cuppa. The menu doesn't fail to impress the visitors by having such a multitude of options like a special breakfast platter, Paninis, Bruschetta's, quick nibbles, and fried Oreos. Pure delight for those with sweet teeth out there, this one has the most fantastic range of dessert including gooey almond mudpies, fresh cheesecakes. The massive ambience, home-like surrounding and humble staff leaves a strong imprint on the visitors who mark this place as a must-visit amongst cafes in Bhubaneswar. The Sunday brunches are a whole different tempting affair and if you get a chance to try that out, do not miss it.

Insights into the Indian Cafe Industry

The Indian coffee cafe market is expected to register growth at a CAGR of over 18% during 2019-2024.

The growth of the market can be attributed to the increasing demand from young population, rising disposable income, rapid urbanization, corporate culture, and global lifestyle. Moreover, rising number of double income households, more global exposure, increasing innovation and media penetration is further fueling growth in the Indian coffee cafe market.

Additionally, factors like changing lifestyle preferences influenced by western countries, a number of variants in beverages available in the market and enhanced accessibility through increasing number of outlets in Tier II and Tier III cities have all added up to the expedition of many national and international players in the sector, which would aid the growth of the Indian coffee cafe market during forecast period.

A Word from the Owner

DIRECTORS &
BUSINESS-OWNERS

To whom it may concern,
Thank you for your interest in "the Crossroads Café".

The business has been created, owned and operated by Ashuprit Mohanty. He has extensive operations experience and decided to take the plunge and open his own cafe.

We purposely built "the business" for speed, efficiency, and high customer turnover.

The strategy here is 'everyday value', a menu that is fast and high quality while balancing affordability. Here the customer frequently visits the place and makes coffee and food purchases daily, rather than cafes who rely on the fickle weekend brunch crowd who hop from cafe to cafe each week.

The idea was conceived 4 years ago and it has been running successfully for 3 years and now we are ready to hand our little dream over to someone else to continue its growth journey, while we tackle yet another project.

Yours faithfully,
Crossroads Team

Business Description and Product

**Milkshakes,
Donuts, Coffee
Excellence and
more with a 90's
Hip Hop Vibe.**



The Product/Service

A fun and quirky cafe serving **high-quality** coffee, cold drinks and fast/takeaway/simple dishes to appeal to the commuter/local crowd.

Specialization

Renowned for speed and everyday value for money, high volume specialty coffee shop with innovative beverage range including Nitrogen coffee on tap (nitrogen-infused cold brew)

Point of Difference

Pre-paid coffee membership club which offers 6 and 12-month subscriptions to regular who can then order up to 3 coffees per days with significant cost savings.
Emphasis on quality Draft Espresso Roasters specialty coffee.

Key Facts

- Established in 2017, situated in outskirts of the city.
 - With an extremely stupendous location, grateful, pet friendly patios and an excellent customer. attracts abundant of folks every day.
- The premises are fun and funky with a heritage façade and bright, clean, quirky, and colorful interior.
- The premises are owned by a supportive landlord, with long lease terms available.
- All equipment is included in the sale and there are no ongoing equipment lease costs.
- This business benefits from an Eden location.
- Run by a small team of staff with a Store Manager in place.
- Utilizes social media to promote the business to its base of followers.

Competitors

Crossroads Cafe is known for its distinguished quality coffee, top notch customer service and best-tasting coffee made from espresso machines.

Crossroads Cafe~ 65% of sales

- The big bike hub, Havana Cafe, Gupshup, Cafe Grills

- Competitors can also be found in other industries (quick service, fast food restaurants, gourmet food shops, donut shops)

- Competition through special offers (new tastes), outstanding service/ environment (internet, music, comfortable seating areas, short waiting queues), loyalty programs (bonus cards ensuring frequency of visits) and for premium locations are none.

Crossroads stands out at a finest of places in the city.

Why one should consider buying this Restaurant

Prime location in the inner-city, a rapidly growing and developing area between the city and outskirts of city drives a lot of attention.

Reputation for serving fast, specialty and locally roasted coffee and cold drinks from the innovative tap system to appeal to a broad clientele – Nitro coffee on tap, kombucha on tap and a collection of fun, indulgent milkshakes.

Small team of staff who provide efficient, friendly service.

Clever leveraging of a Subscription model through pre-paid coffee memberships which account for a good proportion of revenue each year.

Designed to attract commuters/corporate customers, passing trade and tourists and locals who want to eat and go or takeaway.

Profits Results for 2019

The business has draft normalized results for FY2019 suggesting an adjusted return of approx. INR 90 lakhs to the owner, in lieu of wages.

This result is after adjustments have been made to account for some non- operational and one-off expenses.

Profit Results - in Detail

	Normalized Results	
	FY2020 Projected (based on July-Oct INR	FY2019 - Draft INR
Revenue	600,0000	500,0000
COGS	203,8100	245,2780
Gross profit	358,0550	268,7720
Gross margin %	36%	52%
Commercial overheads	Overheads	Overheads
Adv and promotion	1,8780	3,0220
Rent	74,9480	76,3890
Staff wages and super	104,9780	146,3320
Total overheads	1,818,040	2,257,430
EBIT	65,727	90,290
PLUS, ADJUSTMENTS	58,434	123,148
Store Manager wage/super (approx.) if run as owner-operated	0	52,000
Owner personal/non-operational expenses	8,9900	24,6180
Expenses related to previous business	29,7230	24,5030
All other add backs	19,721	22.027
ROI to Associated persons	22%	6%

① Cafés

ESPRESSO
CURTO
CARIOGA
DOPPIO
MACCHIATO
ESPECIARIAS

CAFÉ FILTRADO
PRENSA FRANCESA

IRISH COFFEE

② Macchiatos

LATTE MACCHIATO
MOCHA

③ Cappuccinos

CAPPUCCINO ITALIANO
CAPPUCCINO CREMA
CAPPUCCINO FIT

④ Lattes

LATTE
SWISS CHOCOLATE

⑤

CHÁ
CHÁ
CHÁ

⑥

CAFÉ
ESPRESSO

ICED
ICED

ZAPPA

CHÁ
ICED

ZAPPA

SODA
+BEER

E M
ASSA
SOB

ESPRESSO

Thank you for taking
the time to read this
Information
Memorandum.

If you have any
questions, please see
the contact
information provided
opposite.

Company Address:
Crossroad café
Bhubaneshwar