



BUSINESS PLAN · INDIA

Cafe and Coffee Shop

Great coffee, food, ambience and community - dine-in, takeaway and delivery

HOSPITALITY

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out a **Cafe & Coffee Shop** in India — a beverage-led casual cafe serving coffee, tea, cold beverages, shakes & a supporting menu of snacks, sandwiches, bakes & desserts, with comfortable ambience for dwell, work & socialising, plus takeaway & delivery. It earns high beverage margins & food margins on footfall, dwell & repeat, monetising ambience, location, experience & brand — a beverage-margin-, footfall- & ambience-driven hospitality business.

Cafe culture is booming in urban India, driven by young demographics, socialising, remote/hybrid work, dating & the everyday coffee habit. Beverages carry very high margins (70-80%), so a cafe with the right location, ambience, consistent quality, experience & a supporting food menu earns healthy profits on footfall & dwell. Success rests on location, ambience/experience, beverage & food quality, footfall, dwell-vs-turns balance, delivery & repeat/loyalty.

This is an MSME hospitality business — funded partly by the promoter and partly through bank finance (term loan for fit-out/equipment + CC/OD for working capital, under Mudra/CGTMSE; a franchise cafe adds fee/royalty). This plan models a cafe requiring **₹35 lakh** (₹12 lakh promoter + ₹23 lakh bank finance), targeting **₹90 lakh** revenue in Year 1 and **₹1.6 crore** by Year 3. *(Cafe; high beverage margins, footfall- & ambience-driven, dwell/repeat-led.)*

2. Business Description, Vision & Legal Structure

Concept: A beverage-led casual cafe with warm ambience for dwell, work & socialising - quality coffee, food & experience - dine-in, takeaway & delivery.

Vision: To be a beloved neighbourhood cafe & community space.

Mission: Delight guests with great coffee, food, ambience & experience - every visit.

Legal structure options

- **Proprietorship / Partnership** — simplest for a single cafe.
- **LLP / Private Limited** — recommended for multi-outlet, brand & funding.

Regulatory anchor: a cafe is a licence-heavy food business — FSSAI, Shops & Establishments, GST, trade & health licences, fire NOC, music/PPL licence, weights-and-measures & effluent, plus franchise agreement (if franchised). Location, ambience/experience, beverage & food quality, footfall, dwell-vs-turns, delivery & repeat determine success; high beverage margins but footfall- & rent-sensitive.

3. Promoter & Ownership

Led by a promoter with F&B/cafe passion & experience. The team includes baristas, kitchen (snacks/bakes), service & a manager, with delivery/marketing. Coffee quality, ambience, experience & consistency are the differentiators. Ownership & stakes are editable inputs.

4. Market Analysis — India

India's cafe & coffee-shop market is growing fast, driven by young demographics, urbanisation, socialising, hybrid/remote work, dating & a rising coffee/specialty-beverage culture. Consumers value ambience, experience, quality & a place to dwell, work & meet. The market rewards location, ambience/experience, beverage quality, consistency, food menu & delivery; it is competitive & footfall-/rent-sensitive, met with experience, community &

loyalty.

Demand drivers

- **Young demographics & socialising.**
- **Hybrid/remote work & dwell.**
- **Coffee & specialty-beverage culture.**
- **Ambience & experience** demand.
- **Delivery & takeaway** convenience.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Cafe/beverage market in India	Large & growing
SAM	Catchment + delivery radius	Substantial
SOM (Yr 1-3)	Covers + delivery orders	Scaling

Target segments

- Young professionals & students.
- Remote/hybrid workers.
- Friends, couples & social groups.
- Takeaway & delivery customers.

5. Competition & Competitive Advantage

Landscape: chains (Starbucks, CCD, Blue Tokai, Third Wave), independent cafes, QSRs & delivery. The cafe competes on location, ambience, coffee/food quality, experience, community & consistency.

The cafe's edge

- **Location & ambience.**
- **Quality coffee & food.**
- **Experience & community.**
- **Dwell + delivery balance.**
- **Loyalty & repeat.**

6. Products & Revenue Model

Stream	Model	Basis
Beverages (coffee/tea/cold)	Very high margin (70-80%)	Core margin driver
Food (snacks/bakes/sandwiches)	Margin (food cost ~30-35%)	Basket/attach
Desserts & add-ons	High margin	AOV
Takeaway & delivery	Margin (net commission)	Volume/reach
Retail (beans/merch)	Margin	Add-on

Beverages (70-80% margin) are the profit engine; food, desserts & add-ons lift basket; takeaway/delivery add volume (net commission). Footfall, dwell-vs-turns balance, beverage attach, AOV & rent-to-sales drive economics — the decisive cafe levers; ambience & experience drive footfall & repeat.

7. Go-to-Market — Marketing & Sales

- **Location, ambience & word-of-mouth.**
- **Social & Instagrammable** experience.
- **Delivery platforms & own channel.**
- **Community, events & loyalty.**
- **Consistency & quality.**

Sales approach

Draw footfall (location, ambience, social, reviews) → delight with coffee, food & experience → drive beverage & dessert attach → add takeaway/delivery volume → retain via community & loyalty. High beverage margins × footfall × attach, with rent & dwell-vs-turns discipline, build profit.

8. Operations Plan

- **Premises & setup:** well-located cafe, warm ambience & seating for dwell, espresso/beverage station, compact kitchen, takeaway/delivery counter.
- **Process:** menu & sourcing (beans/ingredients) → prepare beverages & food (SOPs) → serve/dispatch → POS → hygiene & feedback.
- **Supply & cost:** quality beans/ingredients, portion & cost control, wastage, inventory.
- **Tech:** POS, delivery integration, inventory/cost, CRM/loyalty, social.
- **Compliance:** FSSAI, health/fire/music licences, hygiene standards.

Cafe workflow

Stage	Activity	Metric
Source	Beans/ingredients	Beverage cost
Prepare	Barista/kitchen	Quality/consistency
Serve	Dwell/takeaway/delivery	Footfall/turns
Bill	POS/attach	AOV/beverage attach
Retain	Loyalty/community	Repeat

9. Regulatory, Licences & Compliance (India)

- **Food safety:** FSSAI; health/sanitary & hygiene; effluent norms.
- **Premises & safety:** Shops & Establishments; trade licence; fire NOC; signage.
- **Music & tax:** music/PPL licence; GST; PAN/TAN; Udyam; weights-and-measures.
- **Labour & franchise:** labour/ESI/PF; franchise agreement (if franchised).

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / cafe manager	1	1	2
Baristas	3	5	8
Kitchen (snacks/bakes)	2	3	5
Service & counter	3	5	8
Admin, cash & delivery	1	2	3
Total	10	16	26

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-3	Site, fit-out, equipment, licences, menu, launch
Ramp	Month 3-7	Footfall, ambience, delivery live, community
Traction	Month 7-12	Beverage attach & footfall; ₹90L revenue
Optimise	Year 2	Menu, loyalty, delivery, events
Scale	Year 3	₹1.6cr revenue; second cafe

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. They are not projections of guaranteed results. Cafe; high beverage margins, footfall- & ambience-driven, rent-sensitive.

12.1 Project cost & means of finance

Capital requirement	₹
Fit-out, interiors & ambience	16,00,000
Espresso/beverage & kitchen equipment	9,00,000
Licences, deposits & pre-operative	5,00,000
Opening inventory & launch	2,50,000
Working-capital margin	2,50,000
Total project cost	35,00,000
Promoter contribution	12,00,000
Bank finance (term + CC, Mudra/CGTMSE)	23,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Beverages	50,00,000	72,00,000	90,00,000
Food, bakes & desserts	28,00,000	42,00,000	52,00,000
Takeaway, delivery & retail	12,00,000	20,00,000	18,00,000
Total revenue	90,00,000	1,34,00,000	1,60,00,000
Beverage & food cost	28,00,000	41,00,000	49,00,000
Rent & utilities	15,00,000	17,00,000	20,00,000
Salaries & staff	21,00,000	30,00,000	40,00,000
Marketing, delivery & overheads	15,00,000	22,00,000	27,00,000
Interest & other	3,00,000	4,00,000	5,00,000
Total expenses	82,00,000	1,14,00,000	1,41,00,000
Net profit (before tax)	8,00,000	20,00,000	19,00,000
Net margin	8.9%	14.9%	11.9%

12.3 Unit economics & break-even

- **Beverage margin:** 70–80% on beverages drives blended gross margin; food (~30–35% cost) & desserts lift basket; beverage attach is key.
- **Footfall & rent:** rent ≤ ~15–18% of sales; footfall × AOV against fixed rent; dwell-vs-turns balance (dwell builds loyalty; turns build revenue).
- **Break-even:** at monthly footfall + delivery covering fixed costs; reached within Year 1 as footfall & repeat build.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	2,50,000	2,60,000	2,80,000	3,10,000
Collections	18,00,000	21,00,000	24,00,000	27,00,000
Beverage/food, rent, staff & operating	17,90,000	20,80,000	23,70,000	26,50,000
Closing balance	2,60,000	2,80,000	3,10,000	3,60,000

Cafe is largely immediate cash/UPI/card (favourable); delivery payouts lag; ingredients & staff are steady outflows; rent is fixed. High beverage margins, footfall, attach, rent discipline, CC limit & the WC margin manage cash; high rent-to-sales & low footfall are the main risks.

12.5 Key Performance Indicators to Monitor

- **Sales:** footfall; AOV; beverage attach; covers/turns; delivery mix.
- **Margin:** beverage margin; food cost %; rent %.
- **Ops:** wastage; consistency; dwell time.

- **Guest:** reviews; repeat; loyalty.

13. Funding Requirement & Bankability

Total ask: **₹23 lakh bank finance** against ₹12 lakh promoter contribution — term loan for fit-out/equipment + CC for working capital, under Mudra/CGTMSE (a franchise cafe adds fee/royalty; brands often on approved lists). Bankability rests on high beverage margins, footfall, rent discipline & the promoter's F&B track record; Year-1 profit ~₹8 lakh & growing supports servicing. Fast cash cycle aids repayment; location & ambience de-risk the ramp.

13.1 Funding utilisation

Use of funds	₹	% of total
Fit-out, interiors & ambience	16,00,000	45.7%
Espresso/beverage & kitchen equipment	9,00,000	25.7%
Licences, deposits & pre-operative	5,00,000	14.3%
Opening inventory & launch	2,50,000	7.1%
Working-capital margin	2,50,000	7.1%
Total	35,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Rent-to-sales & footfall	Right location; ambience/experience; footfall & AOV; delivery supplement
Dwell vs. turns tension	Layout, pricing & peak management; loyalty vs. turnover balance
Competition (chains/independents)	Ambience, quality, experience, community & loyalty
Beverage/food cost & wastage	Portion control; sourcing; inventory; SOPs
Consistency & quality	Barista training; SOPs; FSSAI & feedback

15. SWOT Analysis

Strengths Very high beverage margins; growing cafe culture; ambience & community; repeat/loyalty; fast cash cycle.	Weaknesses Rent-/footfall-sensitive; dwell-vs-turns tension; consistency-critical; competitive; licence-heavy.
Opportunities Specialty coffee; food/dessert menu; delivery; events/community; loyalty; second cafe.	Threats Chains & competition; rent inflation; footfall/discretionary cycles; delivery commissions.

16. Recommended AiSevak Tools for This Business

This cafe would use AiSevak's Hospitality vertical tools in delivery:

- **Cafe ops:** POS, beverage/food-cost/inventory, delivery-integration and CRM/loyalty tools.
- **Compliance:** FSSAI, fire/health/music-licence, GST and labour/ESI-PF tools (with Legal & Finance verticals).
- **Practice:** Business Plan, beverage-margin/rent-to-sales and Break-even tools to model the cafe.

17. Key Assumptions & Notes

- Cafe/coffee shop; beverage-led (70-80% margin) + food/desserts + takeaway/delivery; ambience & experience drive footfall.
- Footfall, beverage attach, AOV, rent-to-sales & dwell-vs-turns balance decisive; delivery supplements catchment.
- Term + CC finance (Mudra/CGTMSE; franchise adds fee/royalty); FSSAI, fire/health/music, GST, labour compliance.
- Beverage margins × footfall × attach, with rent discipline, drive economics; figures illustrative, exclude GST.

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