

Business Summary: *Hospitality Services*

Amitabh Shrivastava

Vartis Hospitality

17A EG, Scheme No. 54, INDORE-452010
India

US\$ 1.26 million needed

*Tummy
to Soul*



Introduction



- ✓ This presentation is a business summary for running our own Pavilion Restaurant and taking a Resto-Bar, a Club & a Resort on *management (lease) basis*... A full-fledged hospitality service business...
- ✓ We are targeting our first venture on Super Corridor area at Indore, India; second one will be in a residential society in outskirts, AB Road, Indore, India; Third one is new opening of Resto-Bar in heart of city, Indore, India
- ✓ Fourth one is a Resort on outskirts of Udaipur, India
- ✓ We will provide world class services & amenities to our check-in & walk-in customers on reasonable prices
- ✓ For all locations, unique ideas of food, drinks, recipes & cuisines, will be made available. Our Food will not only nourish body, it will also nourish soul... "*Tummy to Soul*"...
- ✓ We are young, energetic & experienced technocrats from Hotel & Restaurant, Management and Technology fields with big dreams and are planning for establishing ourselves in Hospitality Industry
- ✓ We believe in sustainability and healthy living.
- ✓ Vartis Hospitality (VH) is a startup registered in Indore, MP, India

Team

- ✓ *Abhishek Shrivastava*: Front Office / Marketing Management (role), about 8 years of experience
- ✓ *Vipul Shrivastava*: Banquet / Event Management (role), about 10 years of experience
- ✓ *Jayant Shrivastava*: Chef, Kitchen Management (role), about 5 years of experience, formally educated in hotel management
- ✓ *Sachit Shrivastava*: Food & Beverage Management (role), about 3 years of experience, formally educated in hotel management
- ✓ *Vishwas Shrivastava*: Floor Management (role), about 3 years of experience
- ✓ *Shivam Shrivastava*: Event Management (role), about 1 year of experience, formally educated in hotel management
- ✓ *Amitabh Shrivastava*: Operation & Finance Management (role), about 30 years of experience, Engineering graduate, Proprietor of VH
- ✓ *Satya Prakash Nigam*: Innovation, Technology & Administration Management (role), about 35 years of experience, Engineering post graduate



Mission & Value



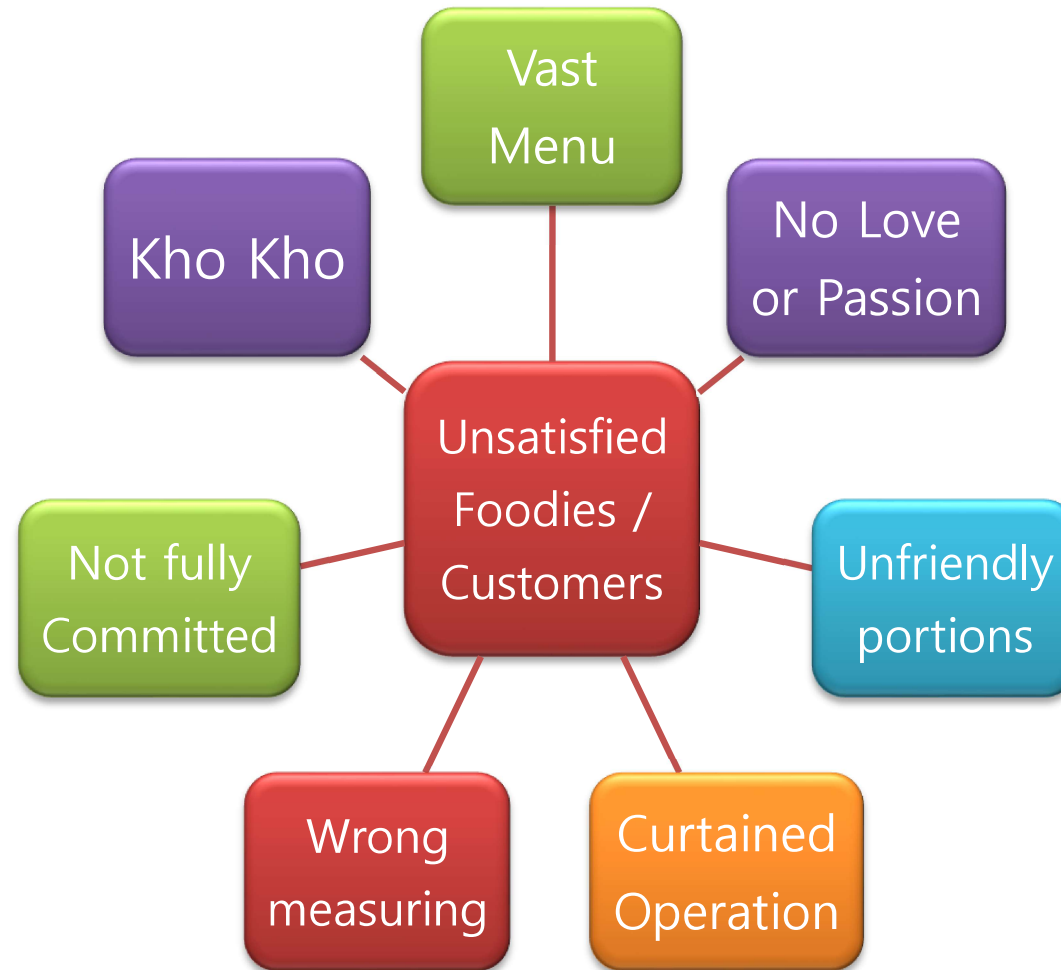
✓ *Mission:*

We are committed to give all together a new, innovative & qualitative experience to Guests & Foodies through our world class hospitality with love & passion

✓ *Value:*

We adopt open, ethical, passionate & sustainable approaches to create better valued & ever improving services with morals and by abiding law of the land

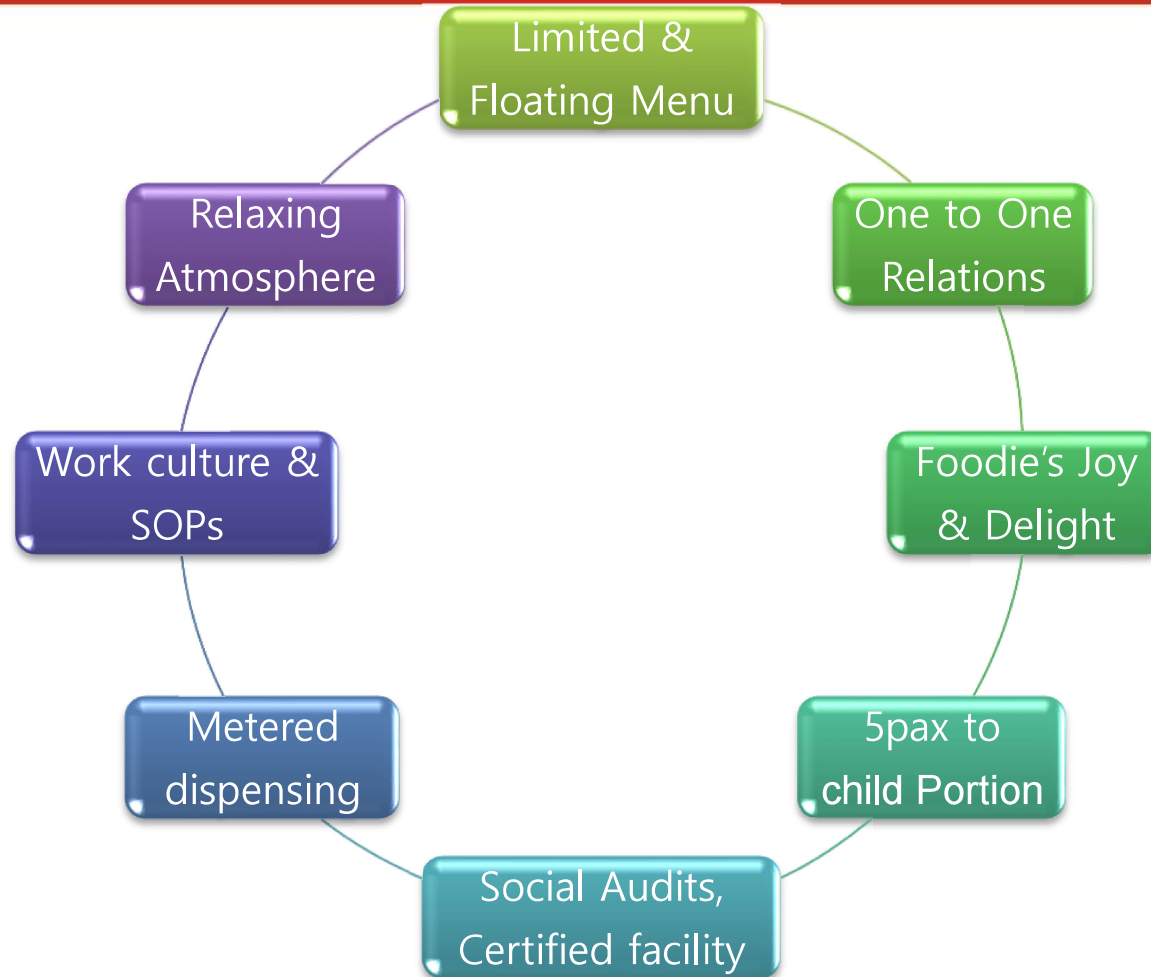
Problems



Vartis Hospitality, Indore, India

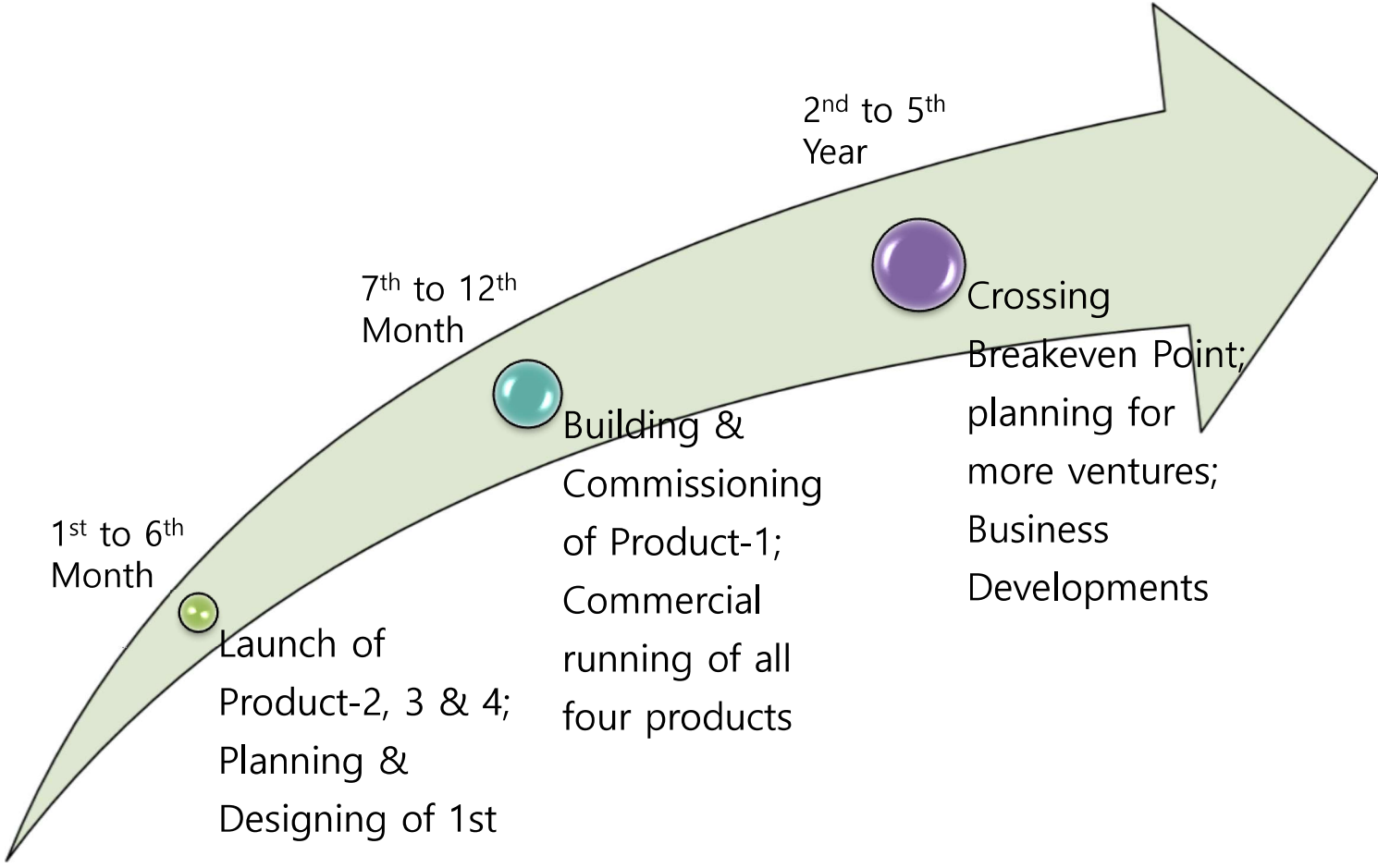


Solutions



Vartis Hospitality, Indore, India

Plan



Products



मण्डपिका: Pavilion Restaurant (Open Air), *own property*

- ✓ This is our dream project, an acre or two plot will be converted into small Pavilion and a Stage with 3 types of kitchens Continental, Indian and Bakery
- ✓ Concept is to give people a chilling time with some creativity like TEDtalk etc.
- ✓ Chilled Beer, Mocktails and different type of Coffees will be served with mouth watering food having floating menu
- ✓ Expected to be favorite with nearby IT Sector employees and private universities students on Super Corridor of Indore, India
- ✓ Pure entertainment will be organised on occasional basis like concerts etc.
- ✓ Facility will also have a decent dormitory with 12 beds for emergency stay for guests on chargeable basis
- ✓ Safe and cozy environment for everyone
- ✓ A perfect hangout place for youngsters & bikers with creativity

समासन: Residential Society Club on *management basis*

- ✓ This club is having 2 restaurants, 2 banquet halls, 1 swimming pool, 1 Gym, a very large party lawn, 1 dance hall, 1 kitchen & reception area
- ✓ We will run all the facilities for society residents and outsiders (if they join club by paying fees to society) by charging for food & services rendered
- ✓ We will serve vegetarian & non-vegetarian foods in 2 separate restaurants, both having 7 tables, with Indian, Chinese & Italian delicacies
- ✓ Dinner will be served on pool side also with addition of 7 tables
- ✓ Gym will have our instructor & a dietician for regular monitoring of member's physique in shape
- ✓ Dance Hall will have regular dance classes for members, we will have our own dance teacher there
- ✓ Banquet halls and large lawn will have parties hosted by us / society. We will have full event contract from outside members also
- ✓ We will take this club on lease from Society and run it completely





मधुलेह: Bar+Restaurant+Banquet on *management basis*

- ✓ We will take bars, restaurants & banquet halls on management basis in prime Hotel premises
- ✓ We will target Upper Middle & Upper Class foodies / customers
- ✓ Specialty themes for each location exclusive in Cuisines and Services
- ✓ Large scale operations with our own branding
- ✓ We will render 6 types of services to the Hotel – Veg & Non-Veg food serving, Bar Tendering, F&B Room Service, Take-away Services, Banquet Services and Indoor / Outdoor Event Management Services under our brand names
- ✓ We will serve innovative floating menu, practice Scientific Hospitality Management, implement the solutions mapped to solve problems of fine dining etc. to get maximum customer *joy & delight* (not only satisfaction)
- ✓ On full scale, services will be rendered to about 500+pax
- ✓ We will not be managing check-in guests of Hotels

रमति: Resort on *Management basis*

- ✓ We will take full RESORT on long lease
- ✓ Targeted resort is having swimming pool, restaurant, coffee shop, SPA etc.
- ✓ We will target Middle Class customers for stay, SPA and restaurant
- ✓ We will render 8 types of services in Resort – Room Stay, SPA, Veg & Non-Veg food serving, Bar Tendering, F&B Room Service, Banquet Services, Travel Desk and Indoor / Outdoor Event Management Services under our brand names
- ✓ Apart from above some excursion and camping activities will also be available
- ✓ Resort is located near beautiful hillocks area with natural forest up to some extent
- ✓ Since our location is remote, we should bank on peacefulness and relaxation
- ✓ Plan is to provide good services on competitive prices, balanced cost to value ratio. Customer should feel comfortable on both quality of services as well as its paid price

Vartis Hospitality, Indore, India



Business Model



- ✓ We will plan business as per following

<i>Products</i>	<i>Target Customer</i>	<i>Dinning/Bar</i>	<i>Rooms</i>	<i>Amenities</i>	<i>Cover Price</i>
<i>Pavilion</i>	Students, IT guys	Casual/FastFood	Average	Usual + Bikers	US\$ 2-15/-
<i>Resto-Bars</i>	Higher Income	Fine Dine	N/A	Usual	US\$ 25-50/-
<i>Clubs</i>	Residents	Traditional	N/A	Sports related	US\$ 2-15/-
<i>Resorts</i>	Middle Income	Ethnic	Local Best	Usual + Camp	US\$ 35-105/-
<i>Events</i>	Mid/Higher income	Traditional	N/A	As per choice	US\$ 30-45/-
<i>Take Away</i>	Rolling one	Travel worthy	N/A	N/A	US\$ 5-10/-

- ✓ We will provide world-class amenities and services on best price, our aim will be product value & quality
- ✓ Comprehensive Marketing Plan & Public Relation Plan will be made and implemented to get repeat customers alongwith targeting new comers. Digital means will be used in full capacities
- ✓ Always ready to improve in all respects, No question policy for any quality complaints
- ✓ We will fulfil our social and environmental responsibilities

Growth

Present Traction

- ✓ We have identified places and societies where we want to penetrate for different products
- ✓ We are in discussions with couple of property owners for leasing
- ✓ We are searching land on super corridor for an acre size keeping in view of future expansion, however we have identified few having size just needed by us
- ✓ All agencies, suppliers, vendors etc. have been identified with rates of services taken but not finalised
- ✓ Menus have been finalised and estimation of cost done, trials/training are going on for fixing portions and matching authentic taste
- ✓ We are ready to go live within 2 to 3 months (construction time etc.) once we get funding
- ✓ Currently, Vartis Hospitality is a Proprietary firm & Mr. Amitabh Shrivastava is the Proprietor. Vartis Hospitality is not having any investor at present
- ✓ Later on this firm will be converted into LLP (Limited Liability Partnership) with all 8 team members & investor as partners

Vartis Hospitality, Indore, India





Future

Products / Operations	Up to Break Even Point	Beyond BEP
<i>Pavilions (own)</i>	1 or 2	More than 5
<i>Resto-Bars</i>	2 to 5 mid and fine-dine	More than 10
<i>Clubs</i>	1 or 2 mid to big	More than 5
<i>Hotels & resorts</i>	1 or 2 small	3 to 5 small to mid size
<i>Events</i>	1 or 2 locations	More than 10
<i>Operations</i>	In 1 or 2 cities	In multiple cities

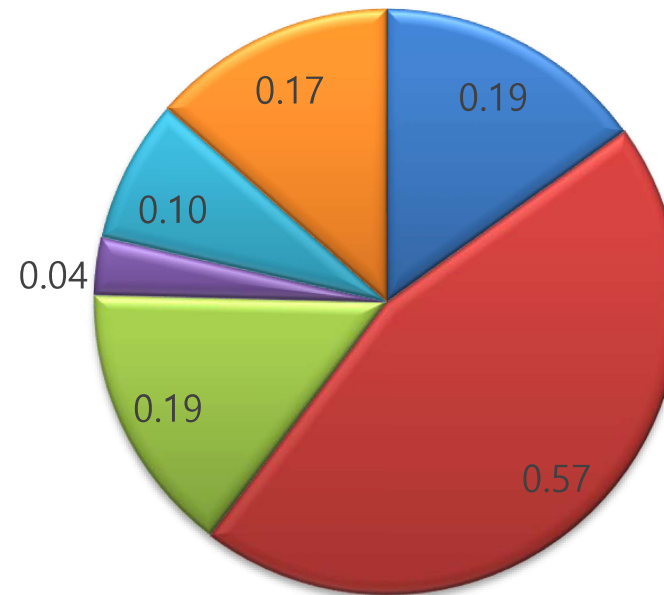
Note: Growth shown is not considered for profitability calculations.

Finance



Usage of Funds

In million of US Dollars



- Buildings etc.
- Equipments & Interiors etc.
- Misc. Fixed Assets
- Preliminary & Preoperative
- Contingencies
- Margin for Working Capital

Vartis Hospitality, Indore, India

Finance

OUTPUT

FINANCIAL PARAMETERS

Promoters' Contribution (%)	1.16%				
Promoters' Contribution by Equity (%)	100.00%				
Debt-Equity Ratio (DER)	85.00				
Debt-Equity Ratio (Considering Interest Free Unsecured Loans as Quasi Equity)	85.00				
Maximum DSCR	2.15 Year		FY2029		
Minimum DSCR	0.95 Year		FY2020		
Avg. DSCR	1.86				
BEP	36.08%	Optimum Year	FY2022		
Cash BEP	34.11%	Optimum Year	FY2022		
ROCE %	41.71%	Optimum Year	FY2022		
Cost of capital	6.55%				
IRR (Before Tax)	39.11%				
IRR (After Tax)	34.85%				
NPV (before tax)	6.22	Guess Rate for IRR Calculation		15.00%	
NPV (after tax)	5.17	Discount rate for NPV calculation		5.00%	
Profitability Index (before tax)	6.81				
Profitability Index (after tax)	5.83				
Capital Cost	1.07				
No. of Employees	141				
Capital Cost per Employee	0.01				
		In million of US Dollars			
	FY2020	FY2021	FY2022	FY2023	FY2024
Production Capacity Utilisation	55.00%	65.00%	85.00%	85.00%	85.00%
Total Income	3.34	3.95	5.17	5.17	5.17
Gross Sales	3.34	3.95	5.17	5.17	5.17
Net Sales	3.34	3.95	5.17	5.17	5.17
Gross Profit	0.41	0.60	0.97	0.97	0.97
Operating Profit	0.06	0.22	0.56	0.56	0.57
Interest	0.30	0.32	0.36	0.36	0.35
Depreciation	0.05	0.05	0.05	0.05	0.05
Profit after Tax (PAT)	0.05	0.19	0.43	0.43	0.43
Gross Cash Accruals	0.11	0.24	0.48	0.48	0.48
Net Worth	0.06	0.25	0.67	1.10	1.53



Funding



- ✓ We will be needing US\$ **1.26** million (₹8.50crore) for this project as direct foreign investment in Indian company
- ✓ We are looking for a Private Equity Partner for this project
- ✓ We will be giving total of 32% equity into newly formed LLP company to the Funder
- ✓ We want long term investor, who can support us time to time for our expansions etc.
- ✓ If at all Funder decides to exit then only we will start exit process
- ✓ *Exit Plan:* Exit only possible after completion of 5th year
- ✓ *Exit Offer:* Investor will enjoy 5 years dividend which comes to US\$ **0.49** million (₹3.31crores) + buying back investor's equity on current rates OR if we go for IPO, investor will be free to sell his/her equity to market/public

Thanks