

# UP MSME 1-Connect

## PROJECT REPORT

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**PROJECT:**

Food Truck Business Unit

# PROJECT REPORT

Of

## FOOD TRUCK BUSINESS

### PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Food Truck Business**.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

**NAME OF PROPRIETOR**

XXXXXXXXXXXXXXXXXXXX

**REGISTERED OFFICE**

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

**NATURE OF ACTIVITY**

**FOOD TRUCK BUSINESS**

**FINANCIAL ASSISTANCE REQUIRED**

**Term loan of Rs.6.16 lacs and Working Capital limit of Rs. 2.70 lacs**

Particulars		Finance
Machinery/Equipments		6.84
Working Capital Requirement		3.00
<b>Grand Total</b>		<b>9.84</b>

**SOURCES OF FUND**

<i>PARTICULARS</i>	<i>TOTAL</i>
Capital/Internal Accrual	0.98
Term Loan	6.16
Working Capital Loan	2.70
<b>Grand Total</b>	<b>9.84</b>

# FOOD TRUCK



## INTRODUCTION

food truck is a large vehicle equipped to cook and sell food.

Some, including ice cream trucks, sell frozen or prepackaged food; others have onboard kitchens and prepare food from scratch. Sandwiches, hamburgers, French fries, and other regional fast food fare are common. In recent years, associated with the pop-up restaurant phenomenon, food trucks offering gourmet cuisine and a variety of specialties and ethnic menus have become particularly popular.

Food trucks, along with portable food booths and food carts, are on the front line of the street food industry that serves an estimated 2.5 billion people every day.

## FOOD PROCESSING INDUSTRY IN INDIA

In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry.

The food industry, which is currently valued at US\$ 39.71 billion, is expected to grow at a Compounded Annual Growth Rate (CAGR) of 11 percent to US\$ 80.9 billion by 2020. Accounting for about 32 percent of the country's total food market, The Government of India has been instrumental in the growth and development of the food processing industry.

It contributes around 14 per cent of manufacturing Gross Domestic Product (GDP), 13 percent of India's exports and six per cent of total industrial investment.

The Indian gourmet food market is currently valued at US\$ 1.3 billion and is growing at a Compound Annual Growth Rate (CAGR) of 20 percent. India's organic food market is expected to increase by three times by 2020.

The organized food business in India is worth US\$ 48 billion, of which food delivery is valued at US\$ 15 billion. With online food delivery players like Food Panda, Zomato, TinyOwl and Swiggy building scale through partnerships, the organized food business has a huge potential and a promising future.

## THE CONCEPT OF FOOD TRUCKS

A food truck is a large vehicle equipped to cook and sell food. A food truck is like a restaurant on wheels. Some food trucks sell ice creams, frozen or prepackaged food; others have onboard kitchens and prepare food from scratch. Sandwiches, hamburgers, French fries, and other regional fast food fare are common.

## FOOD TRUCKS INDUSTRY

The industry comprises establishments primarily engaged in preparing and serving meals from a mobile truck. Food is normally prepared, stored and cooked on the truck. The truck may or may not use the same location each day.

## 7P'S OF FOOD TRUCK BUSINESS

1. **Product:** Products include menu items and services that food truck provides for sale. While developing a product owner should consider quality, design, features, packaging, customer service, and any subsequent after-sales service.
2. **Place:** Place is in regards to distribution, location, and methods of getting food truck products to the customers.
3. **Price:** Price concerns the amount of money that customers must pay in order to purchase the food truck products.
4. **Promotion:** Promotion refers to the act of communicating the benefits and value of food trucks product to the customers.
5. **People:** Human resources which are associated with food truck like chefs and assistants.
6. **Physical evidence:** Physical evidence will include ambiance, food truck decoration, Packing, Staff appearance.
7. **Process:**
  - o *Capacity Levels: Maximum food storage*
  - o *Accessibility: Reachability of customer*
  - o *Order taking*
  - o *Food safety*
  - o *Payment*
  - o *Feedback*

## **PROJECT DETAILS**

### **DETAILS OF MACHINERY/EQUIPMENT**

	Particulars	Amount(In Rs.)
1	Structure (Food truck-TATA 407)	125,000.00
2	Paint Job	30,000.00
3	Vinyl	25,000.00
4	Branding Boards	16,500.00
5	Stainless Steel Panelling	66,000.00
6	Aluminium Flooring	12,500.00
7	Exhaust Fan	12,500.00
8	Water System	9,500.00
9	Gas Supply	11,000.00
10	Logo and Truck Design	10,000.00
11	Truck Labour(matting, seat covers, bumpers, light etc)	72,500.00
12	Extensive Lights	12,500.00
13	Kitchen Equipments	60,500.00
14	Insulation	4,500.00
15	Generator	140,000.00
16	Invertor	24,000.00
17	Others	51,500.00
	Total	683,500.00

### **DOUBLE DECKER FOOD TRUCK**

Income Assumption

Particular/Type	Food Truck	
Number of Truck	1.00	no.
No. of Working Days	300.00	Days
Average customer per day	100	no.
Average Receipts per customer	75.00	Rs.
Gross Annual Realisation(100%)	22.50	Rs. In Lacs

**PROJECTED BALANCE SHEET**

PARTICULARS	I	II	III	IV	V
	Proj	Proj	Proj	Proj	Proj
<b><u>SOURCES OF FUND</u></b>					
<b><u>Capital A/c</u></b>					
Opening Balance	-	0.78	0.54	0.21	0.47
Add: Addition	0.98	-	-	-	-
Add: Net Profit	0.80	1.26	1.67	2.51	3.57
Less : Drawings	1.00	1.50	2.00	2.25	2.50
	0.78	0.54	0.21	0.47	1.54
Term Loan	5.47	4.10	2.74	-	-
<b><u>Current Liabilities</u></b>					
Working Capital Limit	2.70	2.70	2.70	2.70	2.70
Sundry Creditors	0.13	0.18	0.23	0.28	0.30
Other Current Liabilities	0.50	0.55	0.61	0.67	0.73
<b>TOTAL :</b>	<b>9.59</b>	<b>8.07</b>	<b>6.49</b>	<b>4.11</b>	<b>5.27</b>
<b><u>APPLICATION OF FUND</u></b>					
<b>Fixed Assets ( Gross)</b>	6.84	6.84	6.84	6.84	6.84
Gross Dep.	1.03	1.90	2.64	3.27	3.81
Net Fixed Assets	5.81	4.94	4.20	3.57	3.03
Stock	1.00	1.25	1.45	1.60	1.85
Sundry Debtors	0.03	0.04	0.05	0.05	0.06
Cash and Bank	2.74	1.84	0.79	0.26	0.33
<b>TOTAL :</b>	<b>9.59</b>	<b>8.07</b>	<b>6.49</b>	<b>5.48</b>	<b>5.27</b>
	-	-	-	-	-



**PROJECTED PROFITABILITY STATEMENT**

PARTICULARS	I	II	III	IV	V
	Proj	Proj	Proj	Proj	Proj
<b>Capacity Utilization</b>	<b>40%</b>	<b>50%</b>	<b>60%</b>	<b>70%</b>	<b>80%</b>
<b>SALES</b>					
Revenue from Operations	9.00	11.00	13.50	16.00	18.00
<b>Total (A)</b>	<b>9.00</b>	<b>11.00</b>	<b>13.50</b>	<b>16.00</b>	<b>18.00</b>
Consumables	3.96	5.28	7.02	8.32	9.00
Power Expenses	0.45	0.55	0.68	0.80	0.90
Salary to Staff	0.90	1.10	1.35	1.60	1.80
Misc Expenses	0.90	1.10	1.35	1.60	1.80
Depreciation	1.03	0.87	0.74	0.63	0.54
Interest on Term loan	0.67	0.55	0.40	0.24	0.09
Interest on Working Capital limit	<u>0.30</u>	<u>0.30</u>	<u>0.30</u>	<u>0.30</u>	<u>0.30</u>
	8.20	9.74	11.83	13.49	14.43
NET PROFIT	0.80	1.26	1.67	2.51	3.57
	<b>8.88%</b>	<b>11.41%</b>	<b>12.38%</b>	<b>15.68%</b>	<b>19.85%</b>
ADD : DEPRECIATION	1.03	0.87	0.74	0.63	0.54
CASH ACCRUALS	1.83	2.13	2.41	3.14	4.11

## **PROJECTED CASH FLOW STATEMENT**

PARTICULARS	II	III	IV	V	
	Proj	Proj	Proj	Proj	
<b><u>SOURCES OF FUND</u></b>					
Incr. in Capital	0.98	-	-	-	
Net Profit after tax	0.80	1.26	1.67	2.51	3.57
Depriciation & Exp. W/off	1.03	0.87	0.74	0.63	0.54
Incr. in Term loan	6.16	-	-	-	
Incr. in working Capital limit	2.70	-	-	-	
Incr. in Creditors	0.13	0.04	0.06	0.04	0.02
Incr. in Provisions	0.50	0.05	0.06	0.06	0.07
<b>TOTAL :</b>	<b>12.30</b>	<b>2.22</b>	<b>2.53</b>	<b>3.24</b>	<b>4.20</b>
<b><u>APPLICATION OF FUND</u></b>					
Incr. in Fixed Assets	6.84	-	-	-	
Incr. in Debtors	0.03	0.01	0.01	0.01	0.01
Incr. in Stock	1.00	0.25	0.20	0.15	0.25
Repayment of Term loan	0.68	1.37	1.37	1.37	1.37
Drawings	1.00	1.50	2.00	2.25	2.50
<b>TOTAL :</b>	<b>9.55</b>	<b>3.12</b>	<b>3.58</b>	<b>3.78</b>	<b>4.12</b>
Opening Cash & Bank Balance	-	2.74	1.84	0.79	0.26
Add : Surplus	2.74	(0.90)	(1.05)	(0.53)	0.07
Closing Cash & Bank Balance	2.74	1.84	0.79	0.26	0.33

### **COMPUTATION OF RECEIPTS**

#### **Food Truck**

Income Assumption

Particular/Type		
Number of Truck	1.00	no.
No. of Working Days	300.00	Days
Average Customers per day	100.00	no.
Average Charges per customer	75.00	Rs. In Lacs
Gross Annual Realisation(100%)	22.50	Rs. In Lacs

### **CALCULATION OF WORKING CAPITAL REQUIREMENT**

(i) Projected Sales	22.50	Lacs
(ii) Working Capital requirement <i>25% of Projected Sales</i>	5.63	Lacs
(iii) Margin <i>10% of projected Sales</i>	2.25	Lacs
(iv) MPBF	3.38	Lacs
Working Capital Limit Required	<u>3.00</u>	Lacs

**REPAYMENT SCHEDULE OF TERM LOAN**

11%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
<b>I</b>	Opening Balance						
	Ist Quarter	-	6.16	6.16	0.17	-	6.16
	IInd Quarter	6.16		6.16	0.17	-	6.16
	IIIrd Quarter	6.16	-	6.16	0.17	0.34	5.81
	IVth Quarter	5.81	-	5.81	0.16	0.34	5.47
			6.16		0.67	0.68	
<b>II</b>	Opening Balance						
	Ist Quarter	5.47	-	5.47	0.15	0.34	5.13
	IInd Quarter	5.13	-	5.13	0.14	0.34	4.79
	IIIrd Quarter	4.79	-	4.79	0.13	0.34	4.45
	IVth Quarter	4.45	-	4.45	0.12	0.34	4.10
					0.55	1.37	
<b>III</b>	Opening Balance						
	Ist Quarter	4.10	-	4.10	0.11	0.34	3.76
	IInd Quarter	3.76	-	3.76	0.10	0.34	3.42
	IIIrd Quarter	3.42	-	3.42	0.09	0.34	3.08
	IVth Quarter	3.08	-	3.08	0.08	0.34	2.74
					0.40	1.37	
<b>IV</b>	Opening Balance						
	Ist Quarter	2.74	-	2.74	0.08	0.34	2.39
	IInd Quarter	2.39	-	2.39	0.07	0.34	2.05
	IIIrd Quarter	2.05	-	2.05	0.06	0.34	1.71
	IVth Quarter	1.71	-	1.71	0.05	0.34	1.37
					0.24	1.37	
<b>V</b>	Opening Balance						
	Ist Quarter	1.37	-	1.37	0.04	0.34	1.03
	IInd Quarter	1.03	-	1.03	0.03	0.34	0.68
	IIIrd Quarter	0.68	-	0.68	0.02	0.34	0.34
	IVth Quarter	0.34	-	0.34	0.01	0.34	0.00
					0.09	1.37	
	Door to Door period	60 months					
	Moratorium period	6 months					
	Repayment Period	54 months					

**DEPRECIATION SCHEDULE**

<b>Description</b>	<b>Machinery/Equipment 15.00%</b>	<b>Total</b>
Opening Balance(Year 1)	0.00	0.00
Addition	6.84	6.84
	<hr/>	<hr/>
	6.84	6.84
Less : Depreciation	1.03	1.03
	<hr/>	<hr/>
WDV at the end of Year 1	5.81	5.81
Addition	0.00	0.00
	<hr/>	<hr/>
	5.81	5.81
Less : Depreciation	0.87	0.87
	<hr/>	<hr/>
WDV at the end of Year 2	4.94	4.94
Addition	0.00	0.00
	<hr/>	<hr/>
	4.94	4.94
Less : Depreciation	0.74	0.74
	<hr/>	<hr/>
WDV at the end of Year 3	4.20	4.20
Addition	0.00	0.00
	<hr/>	<hr/>
	4.20	4.20
Less : Depreciation	0.63	0.63
	<hr/>	<hr/>
WDV at the end of Year 4	3.57	3.57
Addition	0.00	0.00
	<hr/>	<hr/>
	3.57	3.57
Less : Depreciation	0.54	0.54
	<hr/>	<hr/>
WDV at the end of Year 5	3.03	3.03

**DEBT SERVICE COVERAGE RATIO**

<b>Particulars</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b>NET PROFIT</b>	0.80	1.26	1.67	2.51	3.57
Add : Depreciation	1.03	0.87	0.74	0.63	0.54
<b>CASH ACCRUALS</b>	1.83	2.13	2.41	3.14	4.11
ADD: INTEREST ON LOAN	0.67	0.55	0.40	0.24	0.09
<b>TOTAL (A)</b>	<b>2.49</b>	<b>2.67</b>	<b>2.81</b>	<b>3.38</b>	<b>4.20</b>
<b>REPAYMENT OBLIGATIONS</b>					
REPAYMENT OF LOAN	0.68	1.37	1.37	1.37	1.37
INTT. ON LOAN	0.67	0.55	0.40	0.24	0.09
<b>TOTAL (B)</b>	<b>1.35</b>	<b>1.91</b>	<b>1.76</b>	<b>1.61</b>	<b>1.46</b>
<b>D.S.C.R.(A/B)</b>	<b>1.84</b>	<b>1.40</b>	<b>1.59</b>	<b>2.10</b>	<b>2.87</b>
<b>AVG. D.S.C.R.</b>			<b>1.92</b>		

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