



Case Study: Working capital for a restaurant business

According to [industry statistics](#), the restaurant business in India is valued at 75,000 crores and the organized sector is growing at a healthy annual rate of 16%. There are an estimated 1.5 million restaurant outlets across the country.

Additionally, the food services industry in the country, which was valued at around 3.09 lakh crores (according to the National Restaurant Association of India or NRAI) for the year 2015 is estimated to reach 5 lakh crores by the year 2021.



Working capital challenges for Indian restaurants

Despite the overall economic potential for the restaurant business in India, many restaurant owners face challenges with regards to the initial capital investment or working capital that they need to run their restaurant. These capital requirements include monthly leasing charges,

staff recruitment, and for the interior renovation of the facility. Additionally, restaurant owners need to plan on how to make their business stand apart from competitors, which can include regular refresh of their food menu to ensure that they are catering to the ever-changing demands of their customers. If these challenges



are not taken care of, most of the restaurants will start losing business and will eventually have to close down. As a case in point, we'll consider one such organisation and the hurdles it faces in terms of dealing with capital funds judiciously.

Gayatri Enterprises and its challenges with working capital

Based out of Surat in Gujarat, Gayatri Enterprises runs 2 restaurants, namely Western Pizza and Sai Kripa in different localities of the city. As the names suggest, both restaurants entertain different customer bases.

Managed by Sashikant and Jyoti Asnadia, Gayatri Enterprises has been in the restaurant business since the year 2016.

To accommodate the changing tastes and demands of their customers, this restaurant company faced the challenge of constantly changing their food menu and other services. Along with retaining existing customers, Gayatri Enterprises faced difficulties related to attracting new customers to their restaurants.

Additionally, the company faced a shortage of working funds to renovate their restaurant interiors and improve its overall aesthetics. To mitigate the severity of the consequences that would follow if they didn't act duly, Mr and Ms Asnadia decided upon a prudent course of



action and started looking for restaurant loans.



Restaurant loans from Indifi

To meet the one-time working capital needs of Indian restaurants, Indifi provides term loans of up to 50 lakhs to eligible business owners based on their transactions with food delivery aggregators.

Other benefits of the restaurant loan from Indifi include complete visibility through mobile app, zero foreclosure or pre-payment penalties.

How the restaurant loan from Indifi helped Gayatri Enterprises

According to Jyoti Asnadia, the proprietor of Gayatri Enterprises, "I got to know that Indifi provides loans for restaurants based on transactions. The entire process was easy and quick, and we got a short-term loan from Indifi that helped us meet and balance our working capital requirements." Gayatri Enterprises was able to make subtle improvements to restaurant and menu, which kept the footfalls and margins healthy.

She added, "Going forward, we are now planning to change the restaurant theme, expand the variety of cuisine that we are offering, and provide better service to our customers. For all this, Indifi will be my partner of choice."

