

## Case Study

### Pizza On My Plate

#### Business Expansion Challenges

##### Introduction

With the country's food delivery market alone being worth USD 15 billion today, the industry sees massive potential in the concept of 'cloud kitchens' that only have delivery facility, with no dine-ins and (rare) takeaways. Online restaurant aggregating platforms are also taking a step ahead in scaling this business model by providing promising restaurant operators with a ready base kitchen. However, for recent entrants in the market, securing funds to avail such an opportunity is a difficult task. This is where Indifi steps in. Indifi is one of India's leading platforms for SME funding offering digital lending services like term loans, line of credit, invoice discounting, and merchant cash advance. The platform offers term loans of up to INR 50 lakhs at a highly feasible interest rate starting from 1.5% per month for up to 36 months. Through such lending solutions, Indifi has been helping thousands of small businesses belonging to different industries across the country grow.

Let us understand this better through a successful case in which Pizza On My Plate, a Delhi-based restaurant, partnered with Indifi and availed a term loan to grow and expand its business.

##### Pizza On My Plate: A brief background

Pizza On My Plate (POMP) is a delivery-based Italian restaurant that delivers quirkily-named dishes in the night. Founded in April 2018 under the aegis of Chefed Foods, POMP has successfully established itself as one of the most-preferred options for late night snacks and house parties. Their orders come majorly through delivery aggregators. Within 1.5 years since its inception, the brand has been witnessing an M-o-M growth of 5-10%, going from a mere 1000 orders in its first month to an impressive count of over 6000 now.

##### Challenges faced

Initially, POMP was operating out of a single outlet. A few months back, the brand was among the few restaurants approached by one of the renowned food aggregators for its initiative, which provided POMP with a ready rent-free kitchen to move in with its equipment. While this seemed like a very feasible opportunity for the owner to tap into, the brand felt the need for funds for this expansion. Further, having a single outlet also minimized its chances of seeking investment opportunities, as the label 'one store wonder' deemed it highly risky. Securing funds from banks and other formal institutions was not an option as well, since the brand did not fit the three-year vintage criteria and the terms were unfavourable. This is when POMP approached Indifi.

##### Partnership with Indifi and the impact

Indifi offered a highly lucrative option to POMP, enabling the brand to avail a term loan of INR 35 lakhs. Upon securing these funds, POMP was able to open 3 new outlets and run them well. While the brand got new setups through the aggregator's program, the funds enabled it to set up the operations, interiors, hire staff, and conduct trainings, etc. POMP was also able to rent an office next to the first outlet, which helped the founder in managing things better. Since he was operating out of his home and even his car before, this development helped increase productivity and efficiency. The loan also helped support the brand's growth, as they were able to make bigger ticket-size

expenses, go through all the supplies, identify the setbacks, negotiate, and bring down costs. While all this could have been possible in a year or so after they decided to function in expansion mode, the funds provided by Indifi enabled POMP to place bigger orders, have better profit margins, and innovate their offerings in considerably lesser time.

### **Why did POMP choose Indifi?**

The key differentiators for Indifi include better underwriting process, which enabled POMP to secure a bigger loan based on their segment-specific achievements instead of just the two-year balance sheet. Further, Indifi rid the brand of the stress of extensive documentation, stringent payment terms, red tapism etc. The lending platform also offered POMP a structured payout process for a period of three years, which is conventionally not considered for a smaller business that is still in its initial growing phase. Such an easy and flexible repayment option with reasonable EMIs enabled POMP to grow instead of being burdened with huge cash outflows. Further, one of Indifi's biggest value propositions was the element of escrow account that the platform introduced POMP to, enabling the brand to invest their finances, time, and efforts in the business operations.

**Tushar Anand, Managing Partner, Cheferd Foods** remarked, "As a borrower, the concept of an escrow account may seem disheartening to one initially. However, we realized how fruitful an option this was soon enough. For instance, we did not have to stress about allocating a lump-sum amount out of our budget every month anymore. Secondly, we were able to manage our cash flow better as we were well-aware of the money being deducted and did not have to worry about balance cash to pay the EMI constantly. Our revenue kept on increasing, and we were able to pay the interest comfortably. I would wholeheartedly recommend Indifi to any business like ours that is looking for a feasible channel to tap into growth opportunities."