



HOLIDAY RESORT

Introduction

A Holiday resort is a self-contained commercial establishment that endeavors to provide most of a vacationer's wants, such as food, drink, lodging, sports, entertainment, and shopping, on the premises.

A resort is not always a commercial establishment operated by a single company, although in the late twentieth century this sort of facility became more common. The need for advancement of holiday resorts has been felt very recently due to advancement in the technology and industry due to which a lot of young million are have come into existence. This class of people and many people from higher and medium class like to take advantage of this type of holiday resort on many occasions. Further the need to take a break from the routine life and relax has become quite vital.

Holiday Resorts & Retreats provide custom pampering services for those who wish to spend time here. It is a place or establishment that specializes in offering quality services and is a full body boomerang providing mental peace, serenity and harmony. Clients of Holiday Resorts can partake in all- inclusive programs over the course of several days or even weeks, focusing on how much time they want to be out of the worldly activities and rejoice here.

The ensuing goal of these retreats is to create an oasis where stress is reduced, positive thinking is encouraged, and internal and external healing occurs. Holiday Resorts are excellent opportunities for enjoying weekends, holidays, events, occasions or celebrations. They give a chance to get out of the usual environment, reset the body and mind, and learn how to craft a lifestyle that will support healthy behavior for years to come. There are all kinds of holiday resorts ranging from mid-city retreats to expansive properties with tranquil scenery.

Market Potential

India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India has been recognized as a destination for spiritual tourism for domestic and international tourists. Holiday resorts business is very flourishing business these days, so it is a good project for investment.

Tourism in India accounts for 7.5 per cent of the GDP and is the third largest foreign exchange earner for the country. The industry here has been growing at anywhere between 18 -20 percent, year-on-year over the last five years. There is a visible increase in the number of sign ups. The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Hence, this is a good project and has a high market potential.

Cost of Project

Particulars	Amount (Rs.in Lakhs)
Land (own)	-
Land development cost	100.00
Civil works and Buildings (@2000/sqft)	1,066.00
Fixed Asset	135.50
Miscellaneous Fixed Assets	114.90
D G Set 50 KV	4.40
Escalation & Contingencies	71.04
Preliminary & Preoperative Expenses	89.17
SUB TOTAL (A)	1,581.01
Working Capital Margin	2.00
Total Project Cost	1,583.01
Total Working Capital Required (B)	5.00
MEANS OF FINANCE	
Total funds required (A+B)	1,586.01
Loan component	
Term loan (60% of A)	948.61
Working capital (60% of B)	3.00
TOTAL	951.61
Equity	634.40
TOTAL	1,586.01

Detailed Cost Element

Sl. no.	Particulars	No. of units	Rate	Amount (Rs.)
1	Furniture for restaurant, reception, recreation room, banquet halls etc.	-	-	30,00,000
2	Chairs and Tables	70	10,000	7,00,000
3	Single bed	20	30,000	6,00,000
4	King size Beds	90	45,000	40,50,000
5	Cupboards	110	30,000	33,00,000
6	Air conditioners	150	30,000	45,00,000
7	Water Filters	8	15,000	1,20,000
8	Computers	4	35,000	1,40,000
9	CCTV	30	2,800	84,000
10	Television	70	25,000	17,50,000
11	Kitchen Equipment	-	-	5,00,000
12	Washroom Fittings	-	-	20,00,000
13	Car	2	8,00,000	16,00,000
14	Refrigerator	3	45,000	1,35,000
15	Mini Refrigerator	70	7,000	4,90,000
16	Geyser	75	8,000	6,00,000
17	Electrical Appliances (Fan, Tubelight, Steam iron, Electric Kettle, etc.)	-	-	10,00,000
18	Treadmill	2	25000	50,000
19	Gym Bike	4	14000	56,000
20	Dumbbell Set, barbell stand, etc.	-	-	50,000
21	Rowing Machine	5	15000	75,000
22	Training Bench	5	12000	60,000
23	Lat Pulling Down	2	40000	80,000
24	Health care Equipments for Treatment room			2,00,000
25	Miscellaneous Assets	-	-	5,00,000
	Total			2,56,40,000

Contingencies and Escalations

It has been assumed at approximately 5% at cost.

Preliminary Expenses

Particulars	Amount (Rs.in Lakhs)
Incorporation Expenses	0.15
Project Report Preparation and Consultation	0.35
Feasibility and Engineer's/Architect's Report and Plans	26.65
Legal Charges - Drafting for agreements, contracts, stamp paper,	0.05
Other recurring expenses of revenue nature up to start of commercial	1.50
Interest Cost for period before commercial production	60.47
Total	89.17

Salary

Designation	Manpower	Amount per month (Rs.)
Manager	1	80000
Receptionist	1	20,000
Doctors	1	50000
Gym trainer	2	40000
Cook	8	25000
Security Guard	8	15000
Care takers	8	15000
Sweeper	10	10000
Gardener	2	10000
Others	4	15000

Profitability Statement

Particulars	Amount (Rs. in Lakhs)				
	Year- 1	Year- 2	Year- 3	Year- 4	Year- 5
<u>A. INCOME</u>					
Maximum Capacity- Rooms	70	70	70	70	70
Capacity utilisation	60%	65%	70%	75%	80%
Capacity Utilised	42.00	45.50	49.00	52.50	56.00
Annual Turnover	999.00	1,084.50	1,170.00	1,255.50	1,341.00
Total Income/ annum	999.00	1,084.50	1,170.00	1,255.50	1,341.00
<u>B. OPERATING EXPENSES</u>					
Consumables	207.00	225.00	243.00	261.00	279.00
Salary	102.00	112.20	123.42	135.76	149.34
Expenses on Various Programmes	12.00	13.20	14.52	15.97	17.57
Repair & Maintenance	15.99	16.63	17.30	17.99	18.71
Power & utilities	63.34	66.51	69.83	73.32	76.99
Lease Rent	-	-	-	-	-
Depreciation and amortization	192.94	192.94	168.81	144.68	144.68
Total Operating Expenses	593.27	626.48	636.88	648.73	686.29
Operating Profit (A-B)	405.73	458.02	533.12	606.77	654.71
<u>C.FINANCIAL EXPENSES</u>					
Interest on loan	88.10	79.88	65.49	51.11	35.53
<u>D. Other Expenses</u>					
Administrative and General Expenses	19.98	21.69	23.40	25.11	26.82
Total Expenses	281.04	272.82	234.31	195.79	180.21
Profit Before Tax	124.69	185.20	298.81	410.98	474.50
Provision for Tax	31.17	46.30	74.70	102.74	118.62
Profit After Tax	93.51	138.90	224.11	308.23	355.87
Dividend	-	-	-	-	-
Retained Profit	93.51	138.90	224.11	308.23	355.87

Breakeven Point

Break Even Point (BEP)					Amount (Rs. in Lakhs)	
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year – 5
A.	Net Sales	999.00	1084.50	1170.00	1255.50	1341.00
B.	Variable Cost					
	Consumables	207.00	225.00	243.00	261.00	279.00
	Power and Utility	63.34	66.51	69.83	73.32	76.99
	Expenses on various programmes	12.00	13.20	14.52	15.97	17.57
	Administrative and General Expenses	19.98	21.69	23.40	25.11	26.82
	Total Variable Cost	302.32	326.40	350.75	375.40	400.38
C.	Contribution (A-B)	696.68	758.10	819.25	880.10	940.62
D.	Fixed Cost					
	Salary	102.00	112.20	123.42	135.76	149.34
	Interest	88.10	79.88	65.49	51.11	35.53
	Repair & Maintenance	15.99	16.63	17.30	17.99	18.71
	Depreciation and	192.94	192.94	168.81	144.68	144.68
	Lease Rent	0.00	0.00	0.00	0.00	0.00
	Total Fixed Cost	399.03	401.65	375.03	349.55	348.26
E.	Breakeven Point	57%	53%	46%	40%	37%
G.	Cash BEP	30%	28%	25%	23%	22%

Debt-Service Coverage Ratio

		Amount (Rs. in Lakhs)				
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
i	Profit	93.51	138.90	224.11	308.23	355.87
ii	Depreciation	192.94	192.94	168.81	144.68	144.68
iii	Interest	88.10	79.88	65.49	51.11	35.53
A	Total (i + ii + iii)	374.56	411.72	458.41	504.03	536.08
i	Interest	88.10	79.88	65.49	51.11	35.53
ii	Principal repayment	84.61	169.23	169.23	169.23	169.23
B	Total (i + ii)	172.71	249.11	234.72	220.34	204.75
	DSCR (A / B)	2.17	1.65	1.95	2.29	2.62

Interest on Term Loan and Principal Repayment

Refer Annexure I.

We have assumed the repayment tenure of term loan for a period of 7 years, Rate of interest being 8.5% p.a. with the moratorium period of 15 months.

Address of Vendors

Name of Vendor	Address and Contact Number
Bodyline Sports	Ballygunge Circular Road, Near AAEI Petrol Pump, Ballygunge, Kolkata - 700019, Dist. Kolkata, West Bengal Ph. 08048838614
Woodspeak Solution	104/N, Narayan Roy Road, ED 105, Rajdanga Main Road, kasba Kolkata 700107, Kolkata - 700008, Dist. Kolkata, West Bengal Ph. 08048791227
Zebra Home Decor	1/1B Ripon Street, Ripon Street, Kolkata - 700016, Dist. Kolkata, West Bengal Ph. 08048371509

ANNEXURE- I

Year O	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Annually
Principal													
Opening	948.61	955.33	962.09	968.91	975.77	982.68	989.64	996.65	1,003.71				
Repaid													-
Closing	955.33	962.09	968.91	975.77	982.68	989.64	996.65	1,003.71	1,010.82				
Interest	6.72	6.77	6.81	6.86	6.91	6.96	7.01	7.06	7.11				62.22
I													
Principal													
Opening	1,013.82	1,021.00	1,028.24	1,035.52	1,042.85	1,050.24	1,057.68	1,051.07	1,044.41	1,037.71	1,030.96	1,024.16	
Repaid	-	-	-	-	-	-	14.10	14.10	14.10	14.10	14.10	14.10	84.61
Closing	1,021.00	1,028.24	1,035.52	1,042.85	1,050.24	1,057.68	1,051.07	1,044.41	1,037.71	1,030.96	1,024.16	1,017.31	
Interest	7.18	7.23	7.28	7.33	7.39	7.44	7.49	7.45	7.40	7.35	7.30	7.25	88.10
II													
Principal													
Opening	1,017.31	1,003.20	989.10	975.00	960.90	946.80	932.69	918.59	904.49	890.39	876.28	862.18	
Repaid	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	169.23
Closing	1,003.20	989.10	975.00	960.90	946.80	932.69	918.59	904.49	890.39	876.28	862.18	848.08	
Interest	7.21	7.11	7.01	6.91	6.81	6.71	6.61	6.51	6.41	6.31	6.21	6.11	79.88
III													
Principal													
Opening	848.08	833.98	819.87	805.77	791.67	777.57	763.46	749.36	735.26	721.16	707.05	692.95	
Repaid	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	169.23
Closing	833.98	819.87	805.77	791.67	777.57	763.46	749.36	735.26	721.16	707.05	692.95	678.85	
Interest	6.01	5.91	5.81	5.71	5.61	5.51	5.41	5.31	5.21	5.11	5.01	4.91	65.49
IV													
Principal													
Opening	678.85	664.75	650.65	636.54	622.44	608.34	594.24	580.13	566.03	551.93	537.83	523.72	
Repaid	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	169.23
Closing	664.75	650.65	636.54	622.44	608.34	594.24	580.13	566.03	551.93	537.83	523.72	509.62	
Interest	4.81	4.71	4.61	4.51	4.41	4.31	4.21	4.11	4.01	3.91	3.81	3.71	51.11
V													
Principal													
Opening	509.62	495.52	481.42	467.31	453.21	439.11	425.01	410.90	396.80	382.70	368.60	354.49	
Repaid	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	169.23
Closing	495.52	481.42	467.31	453.21	439.11	425.01	410.90	396.80	382.70	368.60	354.49	340.39	
Interest	3.51	3.41	3.31	3.21	3.11	3.01	2.91	2.81	2.71	2.61	2.51	2.41	35.53
VI													
Principal													
Opening	340.39	326.29	312.19	298.09	283.98	269.88	255.78	241.68	227.57	213.47	199.37	185.27	
Repaid	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	169.23
Closing	326.29	312.19	298.09	283.98	269.88	255.78	241.68	227.57	213.47	199.37	185.27	171.16	
Interest	2.41	2.31	2.21	2.11	2.01	1.91	1.81	1.71	1.61	1.51	1.41	1.31	22.34
VII													
Principal													
Opening	171.16	157.06	142.96	128.86	114.75	100.65	86.55	72.45	58.34	44.24	30.14	-	
Repaid	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	30.14	-	
Closing	157.06	142.96	128.86	114.75	100.65	86.55	72.45	58.34	44.24	30.14	-	-	
Interest	1.21	1.11	1.01	0.91	0.81	0.71	0.61	0.51	0.41	0.31	0.21	-	7.84