



FIVE STAR HOTEL

Introduction

The main concept of this project is to design integrated 5 Star Hotel, and our focus has been on structure, environmental, electric, mechanical and safety design to make comfortable hotel. Restaurants and coffee shop have always been the attractions of 5-star hotels. The development in the hotel industry leads to major break-through in the tourism of the country.

A 5 Star Hotel is a hotel that gives an extravagance administration through the entirety of its method for activity. Five-star hotels are properties that offer their visitors the most elevated levels of extravagance through customized administrations, a huge scope of conveniences, and complex facilities. The star framework is utilized by the travel industry as typical shorthand for instructing travelers fair and square regarding cost, conveniences and extravagance at different housing facilities. Stars are utilized to portray an assortment of properties including hotels, inns, motels and restaurants.

Market Potential

Global lodging networks are expanding their quality in the nation, and it will represent around 47% offer in the travel industry and neighborliness area of India by 2020 and half by 2022. Lodging and the travel industry area got aggregate FDI inflow of US\$ 15.61 billion between April 2000 and December 2020. Indian government has assessed that India would arise with a market size of 1.2 million voyage guests by 2030-31.

The hotel industry in India is expected to reach a value of INR 1,210.87 billion by the end of 2023, expanding at a compound annual growth rate (CAGR) of 13% during the 2018-2023 periods, owing to the high arrival rate of foreign tourists and business delegates. In 2018, there were around 2.5 million lodgings in more than 100,000 inns the nation over. By and by, number fluctuates now and again, particularly in the unranked classification or in regions outside of vacationer areas of interest. By and large, the market for homegrown visitors is almost multiple times greater than the market for worldwide visitors.

Cost of Project

Particulars	Amount (Rs. in Lakhs)
Land (own)	0.00
Land development cost (Labelling, Plantation and jogging track, etc.)	100.00
Civil works and Buildings	5288.80
Miscellaneous Fixed Assets	1818.50
Centralized AC System-for entire hotel complex	500.00
Solar Panel system (0.50 megawatt)	200.00
D G Set (150 KVA) - Two set	8.80
Escalation & Contingencies	395.81
Preliminary & Preoperative Expenses	494.72
Sub-total (A)	8806.63
Total Project Cost	8806.63
MEANS OF FINANCE	
Total funds required (A)	8806.63
<u>Loan component-</u>	
Term loan (60% of A)	5283.98
TOTAL	5283.98
Equity	3522.65
TOTAL	8806.63

Detailed Cost Element

Sl. no.	Particulars	Quantity	Rate	Amount (Rs. in Lakhs)
1	All Furnishing Items of hotel (Other than Guest Room) - [Reception Desk, Club House, Cafeteria, Staff Room, Health Equipment for treatment room, Lobby Furniture for Guest seating, Floor Furniture for Guest seating, Restaurant Furniture etc.]	-	-	400.00
2	Water Treatment Plant	9	150000	13.50
3	Rain water Harvesting (including storage tank & harvester)	-	-	20.00
4	Industrial kitchen (including cutlery etc.)	-	-	40.00
5	Furnishing Items for Guest Room			
6	Deluxe Room	75	700000	525.00
7	Premium Room	45	800000	360.00
8	Deluxe Suite	20	1200000	240.00
9	Premium Suite	10	1700000	170.00
10	Miscellaneous items	-	-	50.00
	Total			1818.50

Contingencies and Escalations

It has been assumed at approximately 5% at cost.

Preliminary Expenses

Particulars	Amount (Rs. in Lakhs)
Incorporation Expenses	0.50
Project Report Preparation and Consultation	10.00
Feasibility and Engineer's/Architect's Report and Plans	132.22
Legal Charges - Drafting for agreements, contracts, stamp paper, notary and affidavit cost	1.00
Security guard and others	18.00
Interest Cost for period before commercial operations	333.00
Total	494.72

Salary

Designation	Manpower	Amount (Rs. in Lakhs)
Head Chef	2	3.00
Chef	8	7.20
Cook	12	6.00
Cook Helper	20	5.00
Service Boy	30	6.60
Room Service	18	3.96
Outdoor service single shift	25	5.50
General Manager	1	1.55
Manager	4	2.80
Front Desk staff	12	4.20
Bar Boy	8	2.80
Bell Boy	16	4.32
Life Saver Swimming	2	0.90
Bill Clerk	4	1.00
Security	20	4.00
Electrical Technician	10	2.00
Housekeeping Matron	5	1.50
Housekeeping staff	30	4.50
Cleaning/ sweeping staff	35	4.20
Marketing Executive	5	1.25

Interest on Term Loan and Principal Repayment

Refer Annexure I for Loan Repayment Schedule.

We have assumed the repayment tenure of term loan for a period of 7 years, Rate of interest being 8.5% p.a with a moratorium period of 36 months.

Address of Vendors

Name of the Vendor	Address and Contact Number
Rustic Green	Third Floor, Prop No. F-61/3, Khasra No.-586, Chattarpur Extn., South Delhi New Delhi - 110074, India Phone No - 08048724729
Surya Industries	Showroom 10/62, Second Floor, Shiva Towers Kirti Nagar New Delhi - 110015, India Phone No- 08048015258
A2N Air conditioning	Chetan Deshmukh Office No. 104, Nandanvan Complex Pune - 411027, Maharashtra, India Phone - 08048870681

Profitability Statement

Particulars	Amount (Rs. in lakhs)						
	Year- 1	Year- 2	Year- 3	Year- 4	Year- 5	Year- 6	Year- 7
<u>A. INCOME</u>							
Maximum Capacity (Rooms)							
Deluxe Room	75.00	75.00	75.00	75.00	75.00	75.00	75.00
Premium Room	45.00	45.00	45.00	45.00	45.00	45.00	45.00
Deluxe Suite	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Premium Suite	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Revenue from Operations							
Rooms	3827.46	4018.84	4219.78	4430.77	4652.30	4884.92	5129.17
Food and Beverages	1148.24	1263.06	1389.37	1528.31	1681.14	1849.25	2034.17
Other Income Laundry, Taxi etc.	191.37	210.51	231.56	254.72	280.19	308.21	339.03
Total income during the year	5167.07	5492.41	5840.71	6213.79	6613.63	7042.38	7502.37
<u>B. OPERATING EXPENSES</u>							
Consumables	2325.18	2471.58	2628.32	2796.21	2976.13	3169.07	3376.07
Salary	72.28	79.51	87.46	96.20	105.83	116.41	128.05
Repair & Maintenance	126.37	139.00	152.90	168.19	185.01	203.51	223.86
Expenses on Various Programs	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Power & utilities	449.12	449.12	449.12	449.12	449.12	449.12	449.12
Depreciation and Amortization	476.90	476.90	476.90	476.90	476.90	377.96	377.96
Advertisement and Sales Promotion	30.00	33.00	36.30	39.93	43.92	48.32	53.15
Total Operating Expenses	3499.85	3669.11	3851.00	4046.55	4256.91	4384.38	4628.20
Operating Profit (A-B)	1667.23	1823.29	1989.71	2167.24	2356.72	2658.00	2874.17
<u>C. FINANCIAL EXPENSES</u>							
Interest on Term Loan	424.70	364.99	301.42	235.05	168.68	102.32	35.95
<u>D. Other Expenses</u>							
Administrative and general Expenses	155.01	164.77	175.22	186.41	198.41	211.27	225.07
Total Expenses	579.71	529.76	476.64	421.47	367.09	313.59	261.02
Profit Before Tax	1087.51	1293.53	1513.07	1745.77	1989.62	2344.41	2613.15
Provision for Tax	271.88	323.38	378.27	436.44	497.41	586.10	653.29
Profit after Tax (PAT)	815.63	970.15	1134.80	1309.33	1492.22	1758.31	1959.86
Dividend Declared	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Retained Profit	815.63	970.15	1134.80	1309.33	1492.22	1758.31	1959.86

Breakeven Point

Break Even Point (BEP)		Amount (Rs. In Lakhs)						
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7
A.	Net Sales	5,167.07	5,492.41	5,840.71	6,213.79	6,613.63	7,042.38	7,502.37
B.	Variable Cost							
	Consumables	2,325.18	2,471.58	2,628.32	2,796.21	2,976.13	3,169.07	3,376.07
	Power and Utility	449.12	449.12	449.12	449.12	449.12	449.12	449.12
	Expenses on various programs	20.00	20.00	20.00	20.00	20.00	20.00	20.00
	Administrative and General Expenses	155.01	164.77	175.22	186.41	198.41	211.27	225.07
	Advertisement and Sales Promotion	30.00	33.00	36.30	39.93	43.92	48.32	53.15
	Total Variable Cost	2,979.31	3,138.48	3,308.96	3,491.67	3,687.58	3,897.78	4,123.40
C.	Contribution (A-B)	2,187.76	2,353.93	2,531.75	2,722.12	2,926.05	3,144.60	3,378.97
D.	Fixed cost							
	Salary	72.28	79.51	87.46	96.20	105.83	116.41	128.05
	Interest on Term Loan	424.70	364.99	301.42	235.05	168.68	102.32	35.95
	Repair & Maintenance	126.37	139.00	152.90	168.19	185.01	203.51	223.86
	Depreciation and Amortization	476.90	476.90	476.90	476.90	476.90	377.96	377.96
	Total Fixed Cost	1,100.25	1,060.40	1,018.68	976.35	936.42	800.19	765.82
E.	Breakeven Point	50%	45%	40%	36%	32%	25%	23%
F.	Cash BEP	28%	25%	21%	18%	16%	13%	11%

Debt-Service Coverage Ratio

		Amount (Rs. In lakhs)						
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7
i	Profit	815.63	970.15	1,134.80	1,309.33	1,492.22	1,758.31	1,959.86
ii	Depreciation	476.90	476.90	476.90	476.90	476.90	377.96	377.96
iii	Interest	424.70	364.99	301.42	235.05	168.68	102.32	35.95
A	Total (i + ii + iii)	1,717.24	1,812.04	1,913.12	2,021.28	2,137.80	2,238.58	2,373.77
i	Interest	424.70	364.99	301.42	235.05	168.68	102.32	35.95
ii	Principal repayment	660.00	720.00	780.80	780.80	780.80	780.80	780.80
B	Total (i + ii)	1,084.70	1,084.99	1,082.22	1,015.85	949.48	883.11	816.75
	DSCR (A / B)	1.58	1.67	1.77	1.99	2.25	2.53	2.91

ANNEXURE - 1

Year	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
I													
Principal													
Opening	5,283.98	5,233.98	5,183.98	5,133.98	5,083.98	5,033.98	4,983.98	4,923.98	4,863.98	4,803.98	4,743.98	4,683.98	
Repaid	50.00	50.00	50.00	50.00	50.00	50.00	60.00	60.00	60.00	60.00	60.00	60.00	660.00
Closing	5,233.98	5,183.98	5,133.98	5,083.98	5,033.98	4,983.98	4,923.98	4,863.98	4,803.98	4,743.98	4,683.98	4,623.98	
Interest	37.43	37.07	36.72	36.37	36.01	35.66	35.30	34.88	34.45	34.03	33.60	33.18	424.70
II													
Principal													
Opening	4,623.98	4,563.98	4,503.98	4,443.98	4,383.98	4,323.98	4,263.98	4,203.98	4,143.98	4,083.98	4,023.98	3,963.98	
Repaid	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	720.00
Closing	4,563.98	4,503.98	4,443.98	4,383.98	4,323.98	4,263.98	4,203.98	4,143.98	4,083.98	4,023.98	3,963.98	3,903.98	
Interest	32.75	32.33	31.90	31.48	31.05	30.63	30.20	29.78	29.35	28.93	28.50	28.08	364.99
III													
Principal													
Opening	3,903.98	3,838.91	3,773.85	3,708.78	3,643.71	3,578.65	3,513.58	3,448.52	3,383.45	3,318.38	3,253.32	3,188.25	
Repaid	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	780.80
Closing	3,838.91	3,773.85	3,708.78	3,643.71	3,578.65	3,513.58	3,448.52	3,383.45	3,318.38	3,253.32	3,188.25	3,123.18	
Interest	27.65	27.19	26.73	26.27	25.81	25.35	24.89	24.43	23.97	23.51	23.04	22.58	301.42
IV													
Principal													
Opening	3,123.18	3,058.12	2,993.05	2,927.99	2,862.92	2,797.85	2,732.79	2,667.72	2,602.65	2,537.59	2,472.52	2,407.45	
Repaid	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	780.80
Closing	3,058.12	2,993.05	2,927.99	2,862.92	2,797.85	2,732.79	2,667.72	2,602.65	2,537.59	2,472.52	2,407.45	2,342.39	
Interest	22.12	21.66	21.20	20.74	20.28	19.82	19.36	18.90	18.44	17.97	17.51	17.05	235.05
V													
Principal													
Opening	2,342.39	2,277.32	2,212.26	2,147.19	2,082.12	2,017.06	1,951.99	1,886.92	1,821.86	1,756.79	1,691.72	1,626.66	
Repaid	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	780.80
Closing	2,277.32	2,212.26	2,147.19	2,082.12	2,017.06	1,951.99	1,886.92	1,821.86	1,756.79	1,691.72	1,626.66	1,561.59	
Interest	16.59	16.13	15.67	15.21	14.75	14.29	13.83	13.37	12.90	12.44	11.98	11.52	168.68
VI													
Principal													
Opening	1,561.59	1,496.53	1,431.46	1,366.39	1,301.33	1,236.26	1,171.19	1,106.13	1,041.06	976.00	910.93	845.86	
Repaid	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	780.80
Closing	1,496.53	1,431.46	1,366.39	1,301.33	1,236.26	1,171.19	1,106.13	1,041.06	976.00	910.93	845.86	780.80	
Interest	11.06	10.60	10.14	9.68	9.22	8.76	8.30	7.84	7.37	6.91	6.45	5.99	102.32
VII													
Principal													
Opening	780.80	715.73	650.66	585.60	520.53	455.46	390.40	325.33	260.27	195.20	130.13	65.07	
Repaid	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	65.07	780.80
Closing	715.73	650.66	585.60	520.53	455.46	390.40	325.33	260.27	195.20	130.13	65.07	0.00	
Interest	5.53	5.07	4.61	4.15	3.69	3.23	2.77	2.30	1.84	1.38	0.92	0.46	35.95