



ECO TOURISM

Introduction

Ecotourism is a sustainable form of tourism which allows the tourists to witness the most pristine form of Mother Nature. It encourages the tourists to study, or to carry out activities environmentally friendly, that is, a tourism, that allows the economic and social development of native communities. It focuses totally on experiencing and learning concerning nature, its landscape, flora, fauna and their habitats, yet as cultural artefacts from the locality. Eco-tourists generally indulge in activities that are less destructive to the nature so that the native culture of the locals can be preserved. Ecotourism encourages conservation of natural resources, especially biological diversity that help in bringing ecological expertise to travellers, conserve the ecological setting and gain economic benefit, cultural heritage, rural lifestyle, therefore acts as an integrated tourism. Ecotourism, its natural essence and recreational activities, act as an attractive force.

Promoting ecotourism is not only important from the view of the overall tourism industry, but also for the following reasons-

- Development of the rural and remote areas;
- Develop the tribal community and showcase their culture;
- Preservation of the natural animal habitat and wildlife;
- Raising awareness about the protection of nature among people;
- Spread awareness about the natural environmental beauty and wealth.

Market Potential

India is known for its diverse culture and the rich flora and fauna. The tourism industry in India has been growing immensely over the period. Ecotourism has emerged as a thriving industry as India has managed to conserve its natural resources. India is a nature's bounty and one of the top places for tourism. The annual growth rate of Indian tourism is between 8.5 to 10%. The ecotourism market size was valued at USD 181.1 billion in 2019, and is expected to reach USD 333.8 billion by 2027, growing at a CAGR of 14.3% from 2021 to 2027.

Features

- Involves travel to the natural destination.
- Builds environmental awareness.
- Provides direct financial benefits for conservation.
- Provides financial benefits and empowerment for local people.
- Respects local culture.
- Supports human rights and democratic movements.

Assumptions

Model DPR has been prepared based on following assumptions:

- The proposed DPR has been prepared keeping in mind the helps preserve and foster respect for some of the most beautiful environments on Earth. It encourages travellers to help protect the environment and contribute to local communities on a much deeper level than the tourists just passing through.
- The area shall constitute of the following:
 - 3 Family Cottages (2400 sq. ft.)
 - 5 Premium Cottages (2500 sq. ft.)
 - 6 Deluxe Cottages (2400 sq. ft.)
 - 10 Economy Cottages (3500 sq. ft.)
 - Attached Washrooms
 - 10 Eco-camps (Tent)
 - Dining Room cum coffee shop (1000 sq. ft.)
- Provision for a Corporate Gathering Area has also been made for meetings, etc.
- Separate Eco-Friendly spas have been provided for males and females.
- Area for Tranquil Times (Yoga, Meditation and Naturotherapy) has been provided.
- Reading Room, Medical Centre and Sports Area has also been taken into consideration.
- Tariff for the rooms shall be on per day basis.
- Capacity utilization for the first year shall be 70% and the same shall increase at the rate of 5% in the following years.
- Implementation Period is assumed to be 12 months.
- Working Capital requirement is assumed to be Rs 200000 and doesn't require Working capital loan.
- The cottages shall be constructed showcasing the nature including Flooring, Walls, Ceiling, Doors, Windows, Electrical connections, etc.
- Such ambience is provided that one can easily experience the unadulterated, pristine natural environment. They can inculcate cultural and environmental awareness in themselves.

Cost of Project

Particulars	Amount (Rs. in Lakhs)
Land and Site Development Cost	36.80
Civil works and Buildings	345.20
Miscellaneous Fixed Assets	49.05
DG Set	10.00
Escalation & Contingencies (5% on construction costs)	22.05
Preliminary & Preoperative Expenses	25.78
Sub-total (A)	488.88
Total Project Cost	488.88
Total Working Capital Required (B)	2.00
MEANS OF FINANCE	
Total funds required (A+B)	490.88
<u>Loan component-</u>	
Term loan (60% of A)	293.33
TOTAL	293.33
Equity	197.55
TOTAL	490.88

Note- Land and Site Development Cost includes-

Site levelling cost, Fencing boundary wall development cost, Drainage system Cost, Plantation Cost, Jogging Track Development Cost, Cycling Track Development Cost, Waterbody Development Cost, Waterbody Boundary Development Cost.

Detailed Cost Element

Sl. no.	Particulars	Amount (Rs. in Lakhs)
1	Cottage Furnishings	20.80
2	Kitchen Equipment, Cooking Range, Utensils and Crockery Set	2.00
3	Electric Equipments	20.00
4	Miscellaneous Items	5.00
5	Computer	0.35
6	CCTV	0.90
Total		49.05

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	8.63
Legal Charges - Drafting for agreements, contracts, stamp paper, notary and affidavit cost	0.05
Other recurring expenses of revenue nature up to start of commercial production - Security Guard & Others salary	0.60
Interest Cost for period before commercial production	16.00
Total	25.78

Salary

Designation	Manpower	Amount (Rs. in Lakhs)
Manager	2	6.00
Guide/ Attendants	15	36.00
Pantry Staff	6	7.20
Maintenance Staff	20	24.00
Security Staff	6	8.64
Receptionist	1	2.40

Profitability Statement

Particulars	Amount (Rs. in lakhs)				
	Year- 1	Year- 2	Year- 3	Year- 4	Year- 5
<u>A. INCOME</u>					
Maximum Capacity (No. of cottages)	34	34	34	34	34
Capacity utilisation	70%	75%	80%	85%	90%
Annual turnover	367.43	393.68	419.92	446.17	472.42
Total income during the year	367.43	393.68	419.92	446.17	472.42
<u>B. OPERATING EXPENSES</u>					
Food and provisions	73.49	78.74	83.98	89.23	94.48
Commission to Booking Agency	36.74	39.37	41.99	44.62	47.24
Salary	84.24	88.45	92.87	97.52	102.39
Repair & Maintenance	13.23	13.50	13.77	14.04	14.32
Power	15.30	15.61	15.92	16.24	16.56
Advertisement and Promotion	5.00	5.10	5.20	5.31	5.41
Depreciation	23.69	23.69	23.69	23.57	23.57
Total Operating Expenses	251.69	264.45	277.43	290.52	303.98
Operating Profit (A-B)	115.74	129.23	142.49	155.65	168.43
<u>C. FINANCIAL EXPENSES</u>					
Interest on Term Loan	24.41	21.15	18.34	15.54	12.50
<u>D. Other Expenses</u>					
Administrative and general Expenses	11.02	11.81	12.60	13.39	14.17
Total Expenses	35.44	32.96	30.94	28.93	26.67
Profit Before Tax	80.31	96.27	111.55	126.72	141.76
Provision for Tax	20.08	24.07	27.89	31.68	35.44
Profit after Tax (PAT)	60.23	72.20	83.66	95.04	106.32
Dividend Declared	0.00	0.00	0.00	0.00	0.00
Retained Profit	60.23	72.20	83.66	95.04	106.32

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	7.49	8.11	8.74	9.36	9.98
B.	Variable Cost					
	Food and Provisions	73.49	78.74	83.98	89.23	94.48
	Commission to Booking Agency	36.74	39.37	41.99	44.62	47.24
	Advertisement and Promotion	5.00	5.10	5.20	5.31	5.41
	Power and Utility	15.30	15.61	15.92	16.24	16.56
	Total Variable Cost	130.53	138.81	147.10	155.39	163.70
C.	Contribution (A-B)	236.90	254.87	272.83	290.78	308.72
D.	Fixed and Semi-Fixed Cost					
	Salary	84.24	88.45	92.87	97.52	102.39
	Repair & Maintenance	13.23	13.50	13.77	14.04	14.32
	Interest on term Loan	24.41	21.15	18.34	15.54	12.50
	Depreciation & Amortization	23.69	23.69	23.69	23.57	23.57
	Total Fixed Cost	145.58	146.79	148.68	150.67	152.79
E.	Breakeven Point	61%	58%	54%	52%	49%
F.	Cash BEP	51%	48%	46%	44%	42%

Debt-Service Coverage Ratio

			Amount (Rs. In lakhs)			
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
i	Profit	60.23	72.20	83.66	95.04	106.32
ii	Depreciation	23.69	23.69	23.69	23.57	23.57
iii	Interest	24.41	21.15	18.34	15.54	12.50
A	Total (i + ii + iii)	108.33	117.04	125.70	134.15	142.39
i	Interest	24.41	21.15	18.34	15.54	12.50
ii	Principal repayment	29.40	32.99	32.99	32.99	32.99
B	Total (i + ii)	53.81	54.14	51.34	48.53	45.49
	DSCR (A / B)	2.01	2.16	2.45	2.76	3.13

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 9 years, Rate of interest being 8.5% p.a. with the moratorium period of 18 months.

Address of Vendors

Name of the Vendor	Address and Contact Number
Mahavira Tents India Private Limited	15/14 & 15/15, Sahibabad Industrial Area Near Times Of India Press Near Anand Vihar Metro Station, Ghaziabad, Uttar Pradesh 201010 Contact No.- 9310250001
Aahar Kitchen Equipments	Peeragarhi, New Delhi Contact No. 08071676858
Furniture Cottage	C-25A,1st Floor, C-Block, Mansarover Garden, Kirti Nagar, Delhi 110015 Contact No.- 9818599933

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	293.33	293.33	293.33	293.33	293.33	293.33	293.33	288.43	283.53	278.63	273.73	268.83	
Repaid							4.90	4.90	4.90	4.90	4.90	4.90	29.40
Closing	293.33	293.33	293.33	293.33	293.33	293.33	288.43	283.53	278.63	273.73	268.83	263.93	
Interest	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.04	2.01	1.97	1.94	1.90	24.41
II													
Principal													
Opening	263.93	261.18	258.43	255.68	252.93	250.18	247.43	244.68	241.93	239.18	236.44	233.69	
Repaid	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	32.99
Closing	261.18	258.43	255.68	252.93	250.18	247.43	244.68	241.93	239.18	236.44	233.69	230.94	
Interest	1.87	1.85	1.83	1.81	1.79	1.77	1.75	1.73	1.71	1.69	1.67	1.66	21.15
III													
Principal													
Opening	230.94	228.19	225.44	222.69	219.94	217.19	214.44	211.69	208.94	206.19	203.44	200.70	
Repaid	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	32.99
Closing	228.19	225.44	222.69	219.94	217.19	214.44	211.69	208.94	206.19	203.44	200.70	197.95	
Interest	1.64	1.62	1.60	1.58	1.56	1.54	1.52	1.50	1.48	1.46	1.44	1.42	18.34
IV													
Principal													
Opening	197.95	195.20	192.45	189.70	186.95	184.20	181.45	178.70	175.95	173.20	170.45	167.70	
Repaid	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	32.99
Closing	195.20	192.45	189.70	186.95	184.20	181.45	178.70	175.95	173.20	170.45	167.70	164.96	
Interest	1.40	1.38	1.36	1.34	1.32	1.30	1.29	1.27	1.25	1.23	1.21	1.19	15.54
V													
Principal													
Opening	164.96	162.21	159.46	156.71	153.96	151.21	148.46	145.71	142.96	140.21	137.46	134.71	
Repaid	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	32.99
Closing	162.21	159.46	156.71	153.96	151.21	148.46	145.71	142.96	140.21	137.46	134.71	131.96	
Interest	1.15	1.13	1.11	1.09	1.07	1.05	1.03	1.01	0.99	0.97	0.95	0.93	12.50
VI													
Principal													
Opening	131.96	129.21	126.47	123.72	120.97	118.22	115.47	112.72	109.97	107.22	104.47	101.72	
Repaid	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	32.99
Closing	129.21	126.47	123.72	120.97	118.22	115.47	112.72	109.97	107.22	104.47	101.72	98.97	
Interest	0.92	0.90	0.88	0.86	0.84	0.82	0.80	0.78	0.76	0.74	0.72	0.70	9.70
VII													
Principal													
Opening	98.97	96.22	93.47	90.73	87.98	85.23	82.48	79.73	76.98	74.23	71.48	68.73	
Repaid	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	32.99
Closing	96.22	93.47	90.73	87.98	85.23	82.48	79.73	76.98	74.23	71.48	68.73	65.98	
Interest	0.68	0.66	0.64	0.62	0.60	0.58	0.56	0.55	0.53	0.51	0.49	0.47	6.89
VIII													
Principal													
Opening	65.98	63.23	60.48	57.73	54.99	52.24	49.49	46.74	43.99	41.24	38.49	35.74	
Repaid	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	32.99
Closing	63.23	60.48	57.73	54.99	52.24	49.49	46.74	43.99	41.24	38.49	35.74	32.99	
Interest	0.45	0.43	0.41	0.39	0.37	0.35	0.33	0.31	0.29	0.27	0.25	0.23	4.09
IX													
Principal													
Opening	32.99	30.24	27.49	24.74	21.99	19.24	16.50	13.75	11.00	8.25	5.50	2.75	
Repaid	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	32.99
Closing	30.24	27.49	24.74	21.99	19.24	16.50	13.75	11.00	8.25	5.50	2.75	0.00	
Interest	0.21	0.19	0.18	0.16	0.14	0.12	0.10	0.08	0.06	0.04	0.02	0.00	1.29