

PROJECT REPORT FOR  
**AGRI TOURISM**



PREPARED FOR

PROMOTER:

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

PROJECT LOCATION

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

PREPARED BY:

DOWNLOAD PROJECT REPORT.COM  
1 187/67, GROUND FLOOR, GRUHALAXMI,  
J.M. ROAD, NEAR BALGANDHARVA CHOWK,  
PUNE, MAHARASHTRA 41 1005.

**C O N T E N T S**

---

**CHAPTER    PARTICULARS  
NOS.**

---

- I.            ABOUT THE PROMOTER
  
  - II.            PROJECT DESCRIPTION
  
  - III.           MARKET POTENTIAL
  
  - IV.           SWOT ANALYSIS
  
  - V.            ECONOMICS OF THE PROJECT
    - A.        PROJECT PROFILE (Financial)
    - B.        BASIS & PRESUMPTIONS
    - C.        TOTAL COST OF PROJECT
    - D.        MEANS OF FINANCE
    - E.        WORKING CAPITAL REQUIREMENTS
    - F.        PROJECTED PERFORMANCE & PROFITABILITY
    - G.        FINANCIAL ANALYSIS
    - H.        TERM LOAN REPAYMENT
-

## I. ABOUT THE PROMOTER

1. Name : xxxxxxxxxxxxxxxxxxxxxxxxx
2. Mobile No. :xxxxxxxxxxxxxxxxxxxxxx
3. Address : xxxxxxxxxxxxxxxxxxxxxxxxx
4. Date of Birth : xxxxxxxxxxxxxxxxxxxxxxxxx
5. Education : xxxxxxxxxxxxxxxxxxxxxxxxx
6. Constitution of Firm : xxxxxxxxxxxxx

## **II. PROJECT DESCRIPTION**

### **Introduction:**

Agri-Tourism is the practice of attracting visitors to an area used primarily for agricultural purposes. It also associated directly with agricultural activity on a farm with the idea of offering products for sale that are produced as a direct result of the activity. This may include food and lodging as well as on farm activities. It is an all-encompassing idea that places any tourism activity in a rural setting under the same umbrella. The Agri Tourism Service Provider is supposed to provide home cooked food, stay facilities and show the visitor the agricultural practices such as floriculture, harvesting, bee keeping, dairying etc. and introduce to him the village way of life through various participatory activities. The visitors can enjoy the natural surroundings in fresh air. The visitor gets an exposure of local community life. Many agri-tourism activities require only a small farm crew in order to be successful. For instance, farm tours, bed and breakfasts, tractor / bullock cart rides, grapes, mangoes, and other horticulture farms, by product farms, birds / animal zoos, and many other activities may be operated with little additional investment in labor. Agri-Tourism farm can aim at developing a unique selling point some are specializing in organic farming, others is in floriculture, natural health management etc. The opportunities for uniqueness and customization are limitless. It is one of the main sub segments of tourism which has a high potential for growth. It is gaining popularity on the global scale & it needs to give due importance it deserves in India.

### **III. MARKET POTENTIAL**

The scope for Agri tourism as follows:

1. An inexpensive gateway - The cost of food, accommodation, recreation and travel is least in Agri-Tourism. This widens the tourist base. Present concept of travel and tourism is limited to urban and rich class which constitutes only a small portion of the population. However, the concept of Agri-Tourism takes travel and tourism to the larger population, widening the scope of tourism due to its cost effectiveness.

2. Curiosity about the farming industry and life style - The urban population having roots in villages always have had the curiosity to learn about sources of food, plants, animals, raw materials like wood, handicrafts, languages, culture, tradition, dresses and rural lifestyle. Agri-Tourism which revolves around farmers, villages and agriculture has the capacity to satisfy the curiosity of this segment of population.

3. Strong demand for wholesome family oriented recreational activities - Villages provide recreational opportunities to all age groups i.e. children young, middle and old age, male, female, in total to the whole family at a cheaper cost. Rural games, festivals, food, dress and the nature provides variety of entertainment to the entire family.

4. Health consciousness of urban population and finding solace with nature friendly - Modern lifestyle has made life stressful and average life span has comedown. Hence, people are in constant search of pro-nature means to make life more peaceful. Ayurveda which is a pro-nature medical approach has roots in villages. Indigenous medical knowledge of villagers is respected. Organic foods are in greater demand in

urban areas and foreign countries. In total, health conscious urban population is looking towards pronature villages for solutions.

5. Desire for peace and tranquility - Modern life is a desire for peace and tranquility. Every individual attempts to work more, in different directions to earn more money to enjoy modern comforts. Hence, peace is always out of his system. Tourism is a means for searching peaceful location. Peace and tranquility are inbuilt in Agri-Tourism as it is away from urban areas and close to nature.

6. Interest in natural environment- Busy urban population is leaning towards nature. Because, natural environment is always away from busy life. Birds, animals, crops, mountains, water bodies, villages provide totally different atmosphere to urban population in which they can forget their busy urban life.

## **IV. SWOT ANALYSIS**

### **Strengths:**

- Availability of attractive agricultural landscapes including unique features at the project location.
- Availability of healthy environment.
- Availability of significant level of skilled labor.
- Presence of traditional farming activities. Availability of traditional cultural activities including various livelihoods.

### **Opportunities:**

- Gradual increase in the demand for agritourism by the visitors
- Emphasis on sustainable rural tourism development by the government.

### **Weakness:**

- Low awareness of agritourism with people in terms of tourism and its attractiveness.
- Shortage of finances and low accessibility of external resources

### **Threats:**

- Competition from other traditional holiday destinations.
- Difficulties in environment protection due to gradual damage to the environment.
- Lack of government concern on agritourism.

**CHAPTER- V**  
**ECONOMICS OF THE PROJECT**

**A. PROJECT PROFILE (Financial)**

*Rs.in Lacs*

Sr. No.	PARAMETERS	VALUE
1	Project size in acre	10.0
2	Product	Agro Tourism
3	Cost of the project (Rs.)	237.45
4	Bank Loan (Rs.)	178.09
5	Margin Money (Rs.)	59.36
6	Financial Indicators	
	BC R	1.73 :1
	N P W 15% (Rs.)	419.72
	I R R %	67.29
	Average DSCR	2.8
7	Interest Rate (% per annum)	10.0
8	Repayment	5 years



**B. BASIS & PRESUMPTIONS**

Sr. No.	Particular	Unit	Quantity
<b>Techno-economic parameters</b>			
1	Project area	Acre	10.0
2	It is assumed that income from the crops cultivated in the project area will take care of the cost of cultivation of those crops		
3	Rate of interest for bank loan	%	10.0
4	Repayment period	Years	5

### C. TOTAL COST OF PROJECT

*Rs.in Lacs*

Sr. No.	Particular	Unit	Unit rate in Rs.	Quantity	Amount in Rs.
<b>I. Capital Cost</b>					
1	Land & Site Development				
	Land ( Free Hold)				-
	Site development ( levelling, internal roads etc.)	Ls			5.00
	Fencing & gate	Ls			1.50
					<b>6.50</b>
2	Buildings				
	Restarunt ( Renovation of existing restaurant )	Sq.ft.	1,000	3,500	35.00
	Cottages ( Renovation of existing rooms as per requirements of internatinal Tourist)	Sq.ft.	1,500	5,000	75.00
	Aurvedic Treatement centre for Tourist	Sq.ft.	1,500	2,000	30.00
	Welcome centre cum office	sq.ft .	750	500	3.75
	Semicovered area for group events	sq.ft .	500	2,000	10.00
	Club house for sports & games	sq.ft .	750	1,500	11.25
	Water storage tank (including distribution svstem)	LS.			2.50
					<b>167.50</b>
3	Machinery & Equipments				
	House Boat	Nos.	1,50,000	3	4.50
	Sport equipments ( sports like Cricket, Football, Volleyball, Chess, Badminton, tennis etc.)	Ls.			5.00
	Electric motor & Electrification	Ls.			5.50

Generated Set	Nos.	1,50,000	2	3.00
				<u>18.00</u>
4 Misc. Fixed Assets				
Cost of landscaping, garden developments & plantation	Ls.			15.00
				<u>15.00</u>
5 Contengencies	%	2		4.14
				<u>4.14</u>
6 Preliminary & Pre-operative Expenses				
Market survey & project report preparation				0.50
Legal/ Technical knowhow Charges				1.00
Travelling Expenses				0.50
				<u>2.00</u>
			<b>TOTAL CAPITAL COST (A)</b>	<u>213.14</u>
				<u><u>213.14</u></u>
<b>II. Working Capital</b> (25% of Ist Year requirement)				
			<b>TOTAL WORKING CAPITAL (B)</b>	<b>24.31</b>
			<b>TOTAL COST OF THE P[ROJECT (A+B)</b>	<u>237.45</u>
				<u><u>237.45</u></u>

**D. MEANS OF FINANCE**

*Rs.in Lacs*

Sr. No.	Particular	Unit	Quantity	Amount in Rs.
1	Term loan	%	75	178.09
2	Own contribution	%	25	59.36
<b>TOTAL</b>				<b>237.45</b>

## F. PROJECTED PERFORMANCE & PROFITABILITY

### I. PROJECTION OF INCOME

*Rs.in Lacs*

Sr. No.	Particular	Unit	I year	II year	III year	IV year	V year
<b>I. Income</b>							
A Income from Restaurant							
i)	Total Working days		350	350	350	350	350
ii)	Income per day		0.50	0.55	0.61	0.67	0.73
iii)	Income per annum		175.00	192.50	211.75	232.93	256.22
B. Income from Cottages							
i)	Total number of Cottages	Nos	10	10	10	10	10
ii)	Capacity Utilized	%	50	60	70	80	80
iii)	No of rooms available per annum		1,825	2,190	2,555	2,920	2,920
iv)	Income from cottages per annum	Rs.	54.75	65.70	76.65	87.60	87.60
( Rate per cottage per day Rs. 3000)							
<b>TOTAL INCOME (A+B)</b>			<b>229.75</b>	<b>258.20</b>	<b>288.40</b>	<b>320.53</b>	<b>343.82</b>

### E. RECURRING EXPENSES

*Rs.in Lacs*

Sr. No.	Particular	Unit	Unit rate in Rs.	Quantity	I year	II year	III year	IV year	V year
<b>a. Cost of Raw Materials</b>									
	Grocery, Vegetables & Misc items for Restaurant ( @ 40 % of sales)	Rs.			70.00	77.00	84.70	93.17	102.49
<b>b. Cost of Consumbles</b>									
	Cottage maintainance material	per month	25,000	12	3.00	3.30	3.63	3.99	4.39
<b>c. Cost of Utilities</b>									
	Electricity & Water	per month	20,000	12	2.40	2.64	2.90	3.19	3.51
<b>d. Cost of Manpower</b>									
	Manager	per annum	240000	1	2.40	2.64	2.90	3.19	3.51
	Supervisor	per annum	120000	1	1.20	1.32	1.45	1.60	1.76
	cashier	per annum	96000	1	0.96	1.06	1.16	1.28	1.41
	Cook	per annum	96000	2	1.92	2.11	2.32	2.56	2.81
	Security	per annum	60000	2	1.20	1.32	1.45	1.60	1.76
	Semiskilled workers	per annum	84000	12	10.08	11.09	12.20	13.42	14.76
<b>e. Overhead Expenses</b>									
	Administrative Expenses	per month	15000	12	1.80	1.98	2.18	2.40	2.64
	Marketing expenses 1% of total sales				2.30	2.58	2.88	3.21	3.44
<b>TOTAL</b>					<b>97.26</b>	<b>107.04</b>	<b>117.79</b>	<b>129.60</b>	<b>142.47</b>

## II. INCOME EXPENDITURE STATEMENT

Rs.in Lacs

Sr. No.	Particular	I year	II year	III year	IV year	V year
1	Income	229.75	258.20	288.40	320.53	343.82
2	Operational cost	97.26	107.04	117.79	129.60	142.47
3	Gross operating profit	132.49	151.16	170.61	190.93	201.35
4	Less					
	Interest on term loan	17.81	14.25	10.69	7.12	3.56
	Depreciated value of buildings @ 10%	16.75	15.08	13.57	12.21	10.99
	Depreciated value of Machinery & Equipments @ 15%	2.70	2.30	1.95	1.66	1.41
	Amortisation of preliminary and preoperative expenses	0.40	0.40	0.40	0.40	0.40
5	Profit before tax	94.83	119.14	144.01	169.54	184.99
6	Tax at 30%	28.45	35.74	43.20	50.86	55.50
7	Profit after tax	66.38	83.40	100.81	118.67	129.49
8	Net income available (7+4)	104.04	115.42	127.41	140.07	145.85

**G. FINANCIAL ANALYSIS***Rs.in Lacs*

<b>Particulars</b>	<b>I year</b>	<b>II year</b>	<b>III year</b>	<b>IV year</b>	<b>V year</b>
Capital Costs	213.14				
Recurring cost	97.26	107.04	117.79	129.60	142.47
<b>Total Cost</b>	<b>310.40</b>	<b>107.04</b>	<b>117.79</b>	<b>129.60</b>	<b>142.47</b>
Benefit	229.75	258.20	288.40	320.53	343.82
Depreciated value of buildings @ 10%					98.07
Depreciated value of Machinery & Equipments @ 15%					7.71
<b>Total Benefit</b>	<b>229.75</b>	<b>258.20</b>	<b>288.40</b>	<b>320.53</b>	<b>449.60</b>
<b>Net Benefit</b>	<b>-80.65</b>	<b>151.16</b>	<b>170.61</b>	<b>190.93</b>	<b>307.13</b>
Discounting Factor@ 15%	0.87	0.76	0.66	0.57	0.50
NPV cost at 15% DF	270.05	81.35	77.74	73.87	71.23
NPV benefits at 15% DF	199.88	196.23	190.34	182.70	224.80
<b>NPW at 15% DF</b>	<b>419.72</b>				
<b>BCR at 15% DF</b>	<b>1.73</b>	<b>:1</b>			
<b>IRR %</b>	<b>67.29</b>				



## H. TERM LOAN REPAYMENT

Rate of interest - % per annum : 10.0  
 Opening balance of term loan : 178.09

*Rs.in Lacs*

Year	Loan Outstanding	Net Income	Principal	Interest	Total Repayment	Net Surplus	DSCR
1	178.09	104.04	35.62	17.81	53.43	50.62	1.9
2	142.47	115.42	35.62	14.25	49.87	65.55	2.3
3	106.85	127.41	35.62	10.69	46.30	81.11	2.8
4	71.24	140.07	35.62	7.12	42.74	97.33	3.3
5	35.62	145.85	35.62	3.56	39.18	106.67	3.7
						<b>Avg. DSCR</b>	<b>2.8</b>