

Development of Mountain Forest Resort, Mussoorie

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TOURISM SCENARIO IN INDIA (1/2)

ECONOMIC SCENARIO

- ▶ 7th Largest Tourism Economy in the World.
- ▶ 9th Largest in cultural resources and business travel in the world
- ▶ Direct contribution of travel & tourism to GDP is forecasted to become USD194.7bn in FY2028
- ▶ Travel & Tourism investment expected to rise to USD 85.2bn in FY 2028
- ▶ 58.5% growth forecast in Foreign Tourist Arrivals on e-Tourist Visa
- ▶ Increase in Tourism employment opportunities by 2.1% pa in next ten years

Emerging Tourism segments in India

Rural
Tourism

Adventure
Tourism

Film
Tourism

Medical
Tourism

Green
Tourism

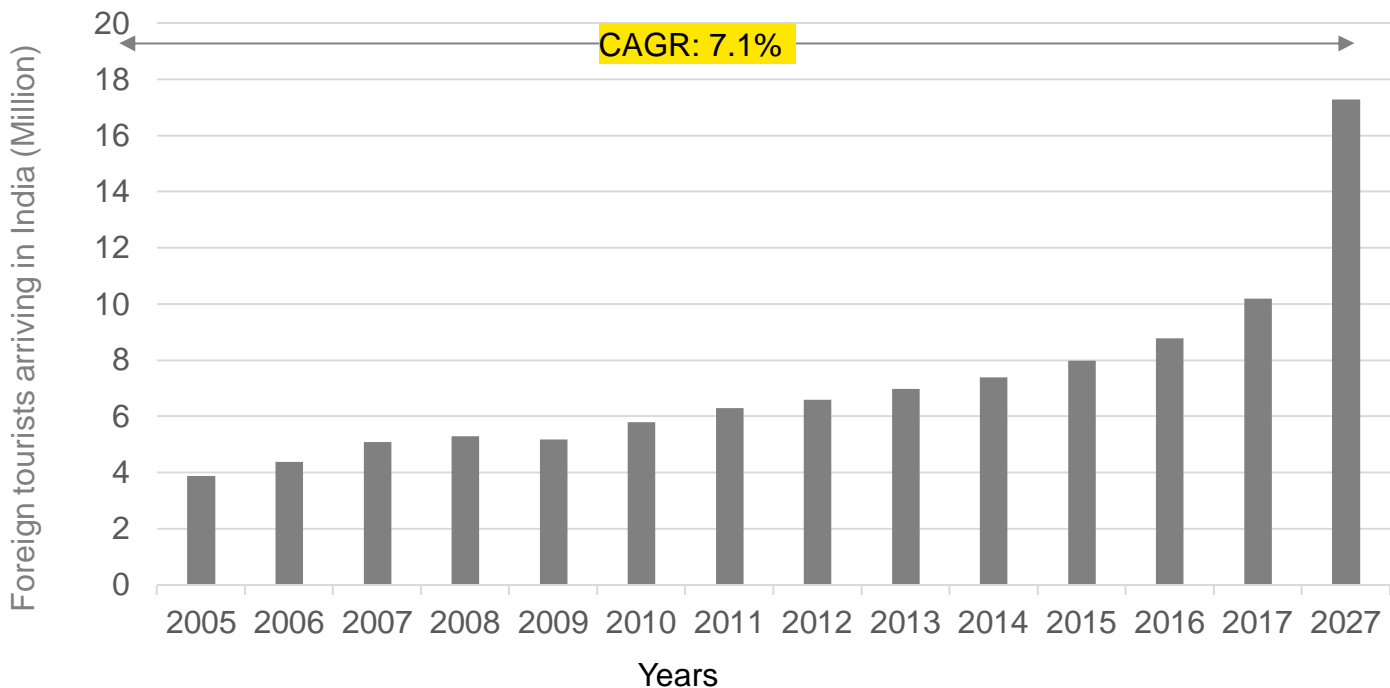
Growth Drivers of the Tourism industry

- ▶ Geographic and cultural diversity
- ▶ Rise in domestic household expenditure on tourism
- ▶ Improved Infrastructure
- ▶ E - Facilitation for Travel and Stay
- ▶ Government Initiatives - Medical visa or M visa, Visa – on – Arrival (VOA), Incredible India campaign

TOURISM SCENARIO IN INDIA (2/2)

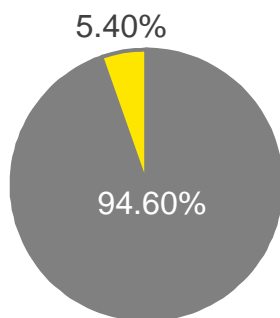
Tourism Scenario in India

Foreign tourist arrivals into the country is forecast to increase at a CAGR of 7.1 per cent during 2005–27



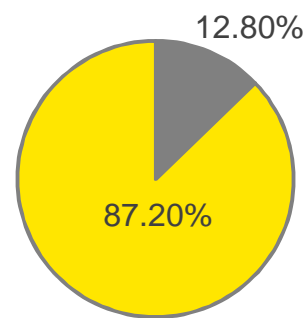
Different Components of Travel & Tourism

Leisure vs. Business Spending In 2017



■ Leisure Spending ■ Business Spending

Domestic vs. Foreign Visitor Spending in 2017



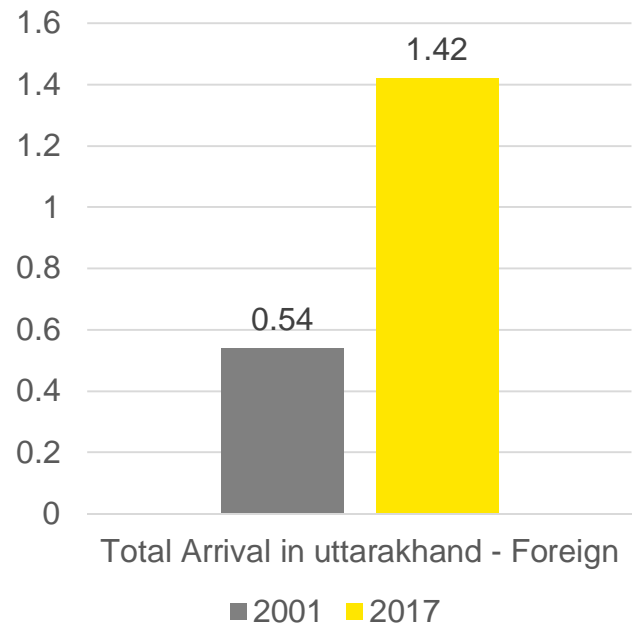
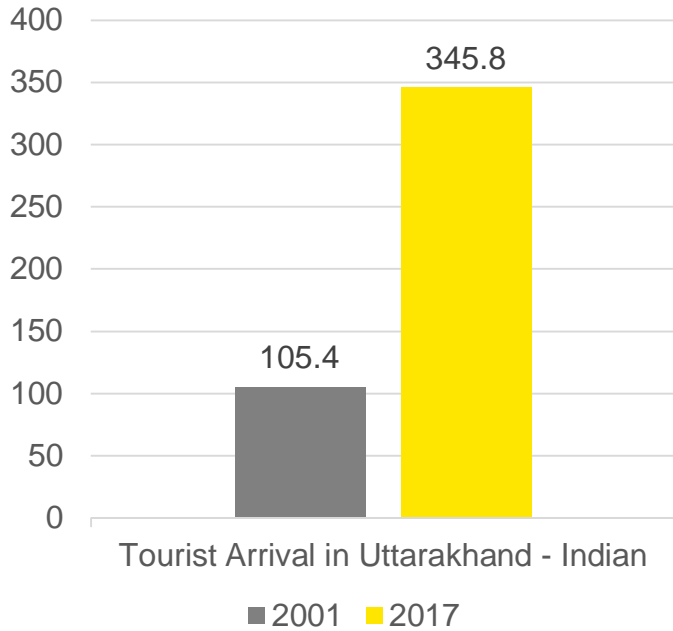
■ Foreign visitor spending ■ Domestic Spending

Source: WTTC - TRAVEL & TOURISM ECONOMIC IMPACT 2018 INDIA

www.InvestIndia.gov.in

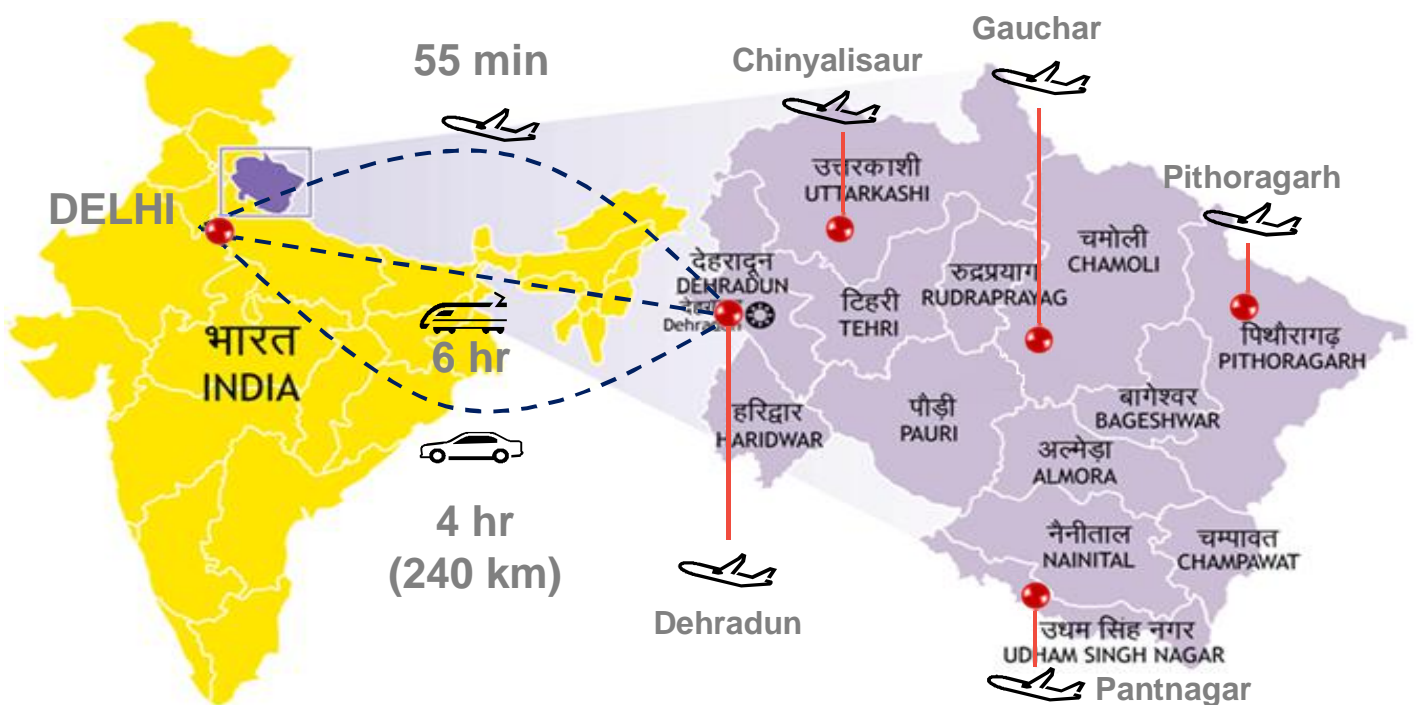
UTTARAKHAND – KEY CREDENTIALS

INDIAN AND FOREIGN TOURIST ARRIVALS



Figures In lakhs

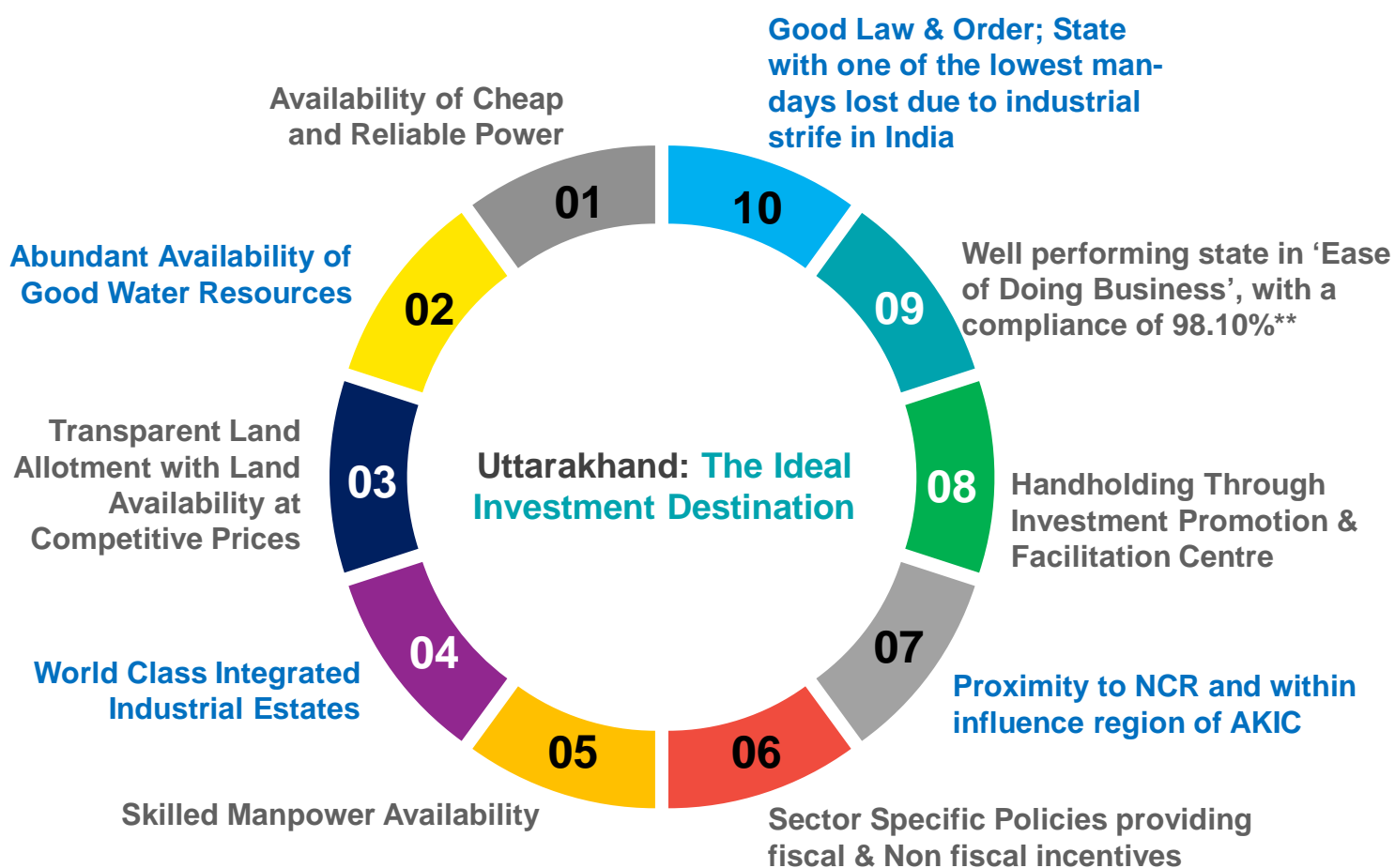
CONNECTIVITY - UTTARAKHAND



UTTARAKHAND OVERVIEW

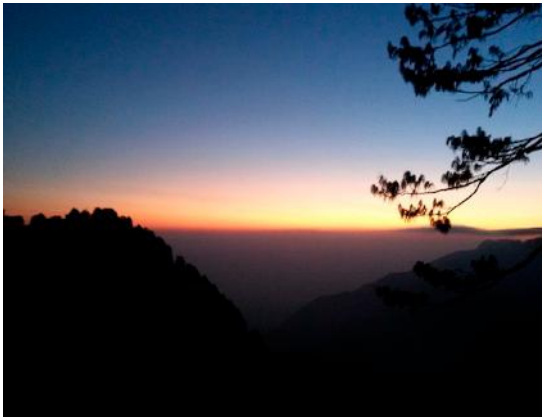
- ▶ The State of Uttarakhand was formed on 9th November 2000 as the 27th State of India, when it was carved out of northern Uttar Pradesh
- ▶ The State is close to the National Capital Region (NCR) and has excellent connectivity with its neighbouring states
- ▶ With levels of literacy rate* (78.80%) higher than the national average and the presence of institutes of international repute, the State has abundant availability of quality human resources
- ▶ GSDP of the state stood at INR 2,17,609 Million with a growth rate of 11.23% (FY 2017-18)*
- ▶ The state offers a wide range of benefits in terms of interest incentives, financial assistance, subsidies and concessions
- ▶ The Tertiary sector in the state contributes around 38.41% to the Gross State Domestic Product (GSDP: 2016-17)**

Acknowledged for *Ease of Doing Business & Peace of Doing Business...*



PROJECT CONCEPT

- ▶ The proposed project is to develop World-Class Exclusive Luxury Destination Mountain Forest resort at Cloud End, Mussoorie.
- ▶ The proposed land is private land and the owner is willing to sell the property to the interested and competent group to take things forward.
- ▶ The proposed land is surrounded by 2000 Acres of forest of oak and Deodar, teeming with forty four species of Flora and hundred and three species of Fauna.
- ▶ The majestic view of the Himalayan Range and the world winter line phenomena makes the land even more worthy to construct the resort at this place.
- ▶ There is a wild life sanctuary adjoining the proposed land which would attract tourist to the location



Winter line from Echo Point on Estate



Estate with Doon Valley backdrop



Long shot of the Resort and Forest



Close shot of the Resort

PROJECT OUTLINE (1/2)

PROPOSED PROJECT COMPONENTS (INDICATIVE)

Residential Rooms and Suites		Multi-cuisine Restaurants	
Mountain Trails and Picnic Areas inside the Estate		Wellness Centre with Swimming Pool, Yoga and Spa.	
Conference and Off-site facilities		Adventure Course	
Helipad .		Golf Course	

Total available land area	0.26 Acres (Plinth area of existing construction) (Freehold, Single Owner)
Total Project Cost	85.1 INR crore

Source: Uttarakhand Tourism Development Board

PROJECT OUTLINE (2/2)

EXISTING INFRASTRUCTURE

The existing infrastructure is very well constructed resort. It is famous with the name of "Cloud End Forest Resort". The owner intends to sell this property. The infrastructure contains following components

- ▶ 4 Heritage Deluxe suites
- ▶ 6 deluxe rooms
- ▶ independent log cottage with 2 cabins
- ▶ Huts - 10 numbers



PROJECT FINANCIALS (1/2)

FINANCIAL COMPONENTS

Construction period	2 years		
Projection Period	60 years		
Total available land area	3.50 Acres		
Heritage Deluxe Room	4 Rooms		
Deluxe Room	6 Rooms		
Rooms to be constructed	40 Rooms		
Construction expenses			
Land cost	80 INR crores		
Building and furnishing	5 INR crore		
Total Project Cost	85.1 crore		
Construction phasing	Year 1 - 40%	Year 2 - 60%	
Y-to-Y increase	3%		
Equity	50%		
Debt	50%		
Total Debt	INR 42 crore		
Debt repayment period	8 years		
Rate of interest	10%		
Moratorium period	2 Years		
Revenue			
Occupancy Assumptions	Occupancy in 1st Yr 40%	Y-to-Y increase 3%	Maximum occupancy 80%
Room Tariff	10,000 – 15,000 INR		
Y-to-Y increase in revenue	5%		
Activity Revenue	40% of the Room revenue		
Revenue from F&B	50% of the Room revenue		
Cost of F&B	30% of the F&B revenue		

PROJECT FINANCIALS (2/2)

FINANCIAL COMPONENTS

Operating Expenses	
Operating expenses	30% of the Room revenue
Activity- O&M expense	10% of the Activity revenue
Maintenance Expense	10% of Total revenue
Equity IRR	18.44%
Project IRR	16.57%

We have assumed that land will be purchased by the investor. Since construction in Mussoorie is restricted to the already constructed plinth area, the investor will additionally construct only 40 rooms.

PROPOSED PROJECT LOCATION - MUSSOORIE



Latitude - 30.4665341, Longitude 78.0067964

- ▶ Mussoorie is popularly known as Queen of the Hills
- ▶ Mussoorie spreads across at a height of 2,005.5 m above sea level.
- ▶ It is a perfect summer destination and a major educational and cultural centre.
- ▶ Tourist Arrivals (2017) – 2794108 (Domestic), 1865 (Foreign)

 [Link to locate the proposed location on Google Map](#)

Nearby Tourist Destination



Chamba



Dhanaulti

CONNECTIVITY TO THE PROJECT SITE



Rail Nearest railway station:
Mussoorie



Air Nearest Domestic Airport
Jolly Grant Airport
60 km













Road Delhi - 271km, Dehradun -33.4km
Chandigarh – 192 km, Haridwar – 84 km

APPROVALS AND CLEARANCES REQUIRED

MANDATORY STATE APPROVALS FOR SETTING UP OF BUSINESS	MANDATORY STATE APPROVALS REQUIRED FOR STARTING OF BUSINESS OPERATIONS
<ul style="list-style-type: none"> ▶ Permission to purchase land under Section 154 of UPZALR (Revenue ▶ For release of temporary connection up to 10 KW where requisite amount has been deposited & requires no extension in the existing network arrangement: a. LT Temporary connection b. HT Temporary connection ▶ To provide new connections from the existing network after the deposit of the amount as per the application form a. LT Permanent connection b. HT Permanent connection ▶ Building Plan Approval ▶ Permission under Uttarakhand Entertainment and Betting Tax Act, 1979 ▶ Permission for Cable Television under The Uttarakhand Cable Television Network (Exhibition) Rules,2012 ▶ License under FSSAI ▶ License to Operate ▶ Permission under Section 143 of UPZALR from Revenue Department / Change of Land Use for Development Authority Land ▶ NOC to Display of Hoardings within the Acquired and Controlled Area ▶ Registration under start up self-certification scheme (Labour) ▶ Registration under Uttarakhand Start-Up policy 2018 	<ul style="list-style-type: none"> ▶ Certification from Electrical Inspector ▶ License for setting up a shop for retail sale of the Excisable Articles ▶ License for setting up a shop for retail sale & wholesale of denatured spirit ▶ Permission for DTH under The Uttarakhand DTH broadcasting Service (Exhibition) Rules,2009 ▶ License for setting up a Hotel, Bar, Restaurant & Club ▶ Luxury Tax Registration ▶ Registration of the Establishment under Uttarakhand Dookan and Vanijya Adhistan Adhiniyam ▶ Registration under Building and Other Construction workers ▶ Registration under Motor Transport Worker Act ▶ Registration and license under The Inter-state migrant workmen [Regulation of Employment and Conditions of service] Act, 1979 ▶ CST Registration

Ease of Doing Business

Hassle free setup and operations in the state

Online Single Window System for all required approvals for setting up business			Auto renewal of Consent to Establish, Consent to Operate
Single Point Sectoral Clearances			Self / Third party certification in lieu of departmental inspections
Investment facilitation centre to handhold investors			Single Integrated return for all labour laws
Objective Criteria for land allotment			Use of modern supervisory control and data acquisition system to ensure reliable supply of electricity
Geographic information system of all land banks			Commercial Court set up in Dehradun with entire state jurisdiction

Assured & Timely disposal of applications along with Deemed approvals



In-Principle Approval:
Decisions on Project Proposals within 15 days



Pre-Establishment:
Approvals for pre-establishment services within 15 days



Pre-Operations:
Approvals for pre-Operations services within 30 days

Step
01

Step
02

Step
03

200+ Investor Services covered under the Uttarakhand Single Window Facilitation and Clearance Act, 2012 & the Uttarakhand Right to Services Act, 2011

POLICIES, SCHEMES & INCENTIVES (1/4)

Industrial Development Scheme 2017

Central
Capital
Investment

Central Capital Investment Incentive for access to credit (CCIIAC) @ 30% of the investment in plant and machinery with an upper limit of INR 5.00 crore

Central
Comprehensiv
e Insurance
Incentive

Reimbursement of 100% insurance premium on insurance of building and Plant & Machinery for a maximum period of 5 years from the date of commencement of commercial production/ operation

Note: Units which have commenced production on or after 01st of April, 2017 will be allowed to register with DIPP on or before 30th of September, 2018

MSME Policy 2015

- ▶ Tourism Sector has been accorded Industry Status
- ▶ Tourism Units are eligible for electricity tariff on industrial rate

Categorization of industries for the purpose of quantum of incentives

Category	Included Region
Category A	Whole Districts of Pithoragrah, Uttarkashi, Chamoli, Champawat, Rudraprayag and Bageshwar
Category B	<ul style="list-style-type: none"> ▶ Whole District of Almora ▶ All hilly development blocks of District Pauri Garhwal, Tehri Garhwal (Excluding regions under category B+) ▶ All hilly development blocks of District Nainital and Dehradun (Excluding regions under category B+)
Category B+	<ul style="list-style-type: none"> ▶ Kotdwar, Sigaddi and adjoining plain regions of Dugadda development block of district Pauri Garhwal ▶ Dhalwala, Muni Ki Reti, Tapovan and adjoining plain regions of Fakot development block of District Tehri Garhwal ▶ Kotabagh development block of District Nainital ▶ Plain regions of Kalsi development block of District Dehradun
Category C	<ul style="list-style-type: none"> ▶ Regions located above 650 mtrs from sea level in Raipur, Sahaspur, Vikasnagar and Doiwala development blocks of District Dehradun ▶ Ramnagar and Haldwani development blocks of District Nainital
Category D	<ul style="list-style-type: none"> ▶ Whole Districts of Haridwar and UdhamSingh Nagar ▶ Remaining area of District Dehradun and Nainital (which are not included in category 'B', 'B+' and 'C')

POLICIES, SCHEMES & INCENTIVES (3/4)

MSME Policy 2015

Interest Subsidy

Category A:
10%(Max 8 lacs)

Category B, B+:
8% (Max 6 lacs)

Category C:
6% (Max 4 lacs)

Category D:
5% (Max 3 lacs) *Per year/unit

Capital Subsidy

Category A:
40%(Max 40 lacs)

Category B, B+:
35% (Max 35 lacs)

Category C: 30% (Max 30 lacs)

Category D: 15% (Max 15 lacs)

Transport Subsidy

% of Annual Turnover (Per year/ unit) or Inbound/ Outbound Logistics Cost whichever is less

Category A: 7%

Category B: 5%

Category B+: 5% (Max 5 lacs)

Stamp Duty

Category A, B, B+, C: 100%

Category D: 50%

SGST Concession*

Category A:
100% for the first 5 yrs and 90% thereafter

Category B, B+:
100% for the first 5 yrs and 75% thereafter

Power Bill Rebate

Category A:
Sanctioned Load upto 100 KVA: 100% for 5 yrs and 75% thereafter; If Load>100 KVA: 60%

Category B, B+:
Sanctioned Load upto 100 KVA: 100% for 5 yrs and 60% thereafter; If Load>100 KVA: 50%

*The SGST after adjustment of ITC on sale of finished product (B2C) will be reimbursed from the date of commencement of production of the unit

Internet Charges

50% Reimbursement on internet usage charges for all categories

Mandi Charges

Category A, B:
100% exemption on Mandi charges

Excise Duty

Category A, B:
75% reimbursement on State Excise Duty, Additional Excise Duty, Bottling fees and other charges as under State Excise Policy

Reimbursement of cost incurred for carrying out standardization and quality certification of products by accredited institutions at national and international level by means of ISI marking, registration of copyright, trade marking etc. - 75% (maximum Rs. 1 lacs)

POLICIES, SCHEMES & INCENTIVES (4/4)

Mega Industrial and Investment Policy 2015

Major Tourism activities are included in the policy

SGST after adjustment of ITC on sale of finished product (B2C) will be reimbursed

Categorization of industries for the purpose of quantum of incentives

Category	Units Included
Large Projects	Investments of INR 50 Cr. to 75 Cr.
Mega Projects	Investments of INR 75 Cr. to 200 Cr.
Ultra Mega Projects	Investments above INR 200 Cr.

Coverage:

New & Existing Projects undergoing expansion (falling within notified Industrial Estates / declared non-agriculture land under section 143: Large projects (50 Cr to 75 Cr), Mega Projects (75 Cr to 200 Cr), Ultra Mega Projects (Above 200 Cr)

Interest Subsidy	<p>7% for 5 years</p> <p>Investment – Interest</p> <p>Large – 25L Max</p> <p>Mega – 35L Max</p> <p>Ultra Mega – 50L Max</p>
SGST Concession*	<p>Large: 30%</p> <p>Mega / Ultra Mega: 50%</p>
Stamp Duty	<p>50% Exemption</p>

*The SGST after adjustment of ITC on sale of finished product (B2C) will be reimbursed from the date of commencement of production of the unit

ETP Subsidy	Extra Employment Subsidy	Land Registration Fees	Power Assistance	Land Rates Rebate
30% (up to 50 lacs)	<p>@ 500 P.M. per Male</p> <p>@700 P.M. per Female</p>	Land registration fee @1/- per 1000/-	Rebate of 1/- per unit on the power bill and 100% rebate on electric duty for 7 years	Rebate of 15%, 25% and 30% on SIIDCUL prevailing land rate for Large, Mega and Ultra Mega Projects respectively

Detailed policies are available at <https://www.doiuk.org/policies.php>

Key Contacts

Uttarakhand Tourism Development Board

Address	Pt. Deendayal Upadhaya Paryatan Bhawan, Near ONGC Helipad, Garhi Cantt, Dehradun
Website	www.uttarakhandtourism.gov.in
Email ID	investtourismuk@gmail.com
Phone	+91-135- 2559898, 2559987

Investment Facilitation Centre

Address	Directorate of Industries Industrial Area, Patel Nagar, Dehradun, Uttarakhand
Website	www.investuttarakhand.com
Email ID	ifc.uttarakhand@gmail.com
Toll Free	18002701213
Phone	+91-135- 2559898, 2559987

Disclaimer: This project profile is based on preliminary study to facilitate prospective entrepreneurs to assess a prima facie scope. It is, however, advisable to get a detailed feasibility study prepared before taking a final investment decision