

From inception to reality : How India realized its first ever water villas

A journey of 5 years

27 March 2023



NITI Aayog



UT of Lakshadweep
Administration

IPE GLOBAL
Expanding Horizons. Enriching Lives.

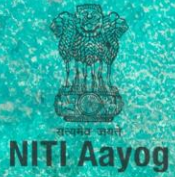
Structure of the Presentation

1. The Background

2. Critical Success Factors for facilitating Public Private Partnership

3. Way Forward

The Background



Luxury has a new address- Lakshadweep

Launching Lakshadweep among the league of premium eco-tourism destinations.

India's first Water Villa Resorts in Lakshadweep Islands. Kadmat and Suheli premium water villa projects with an overlay of INR 480 Crores awarded to a leading hospitality group.



- Enthralling scenic beauty - white sandy beaches along turquoise blue coral lagoons
- Tourism industry at a nascent stage (lowest tourist arrivals, publicly owned tourist resorts)
- NITI Aayog launched 'Holistic Development of Lakshadweep Islands' project in 2017 to boost tourism.
- **Outcome: India's first premium water villa projects at Suheli & Kadmat Islands at an estimated cost of INR 480 Cr leased out to IHCL group on PPP basis.**

Journey from lowest footfall in country to likely to become traveler's paradise for sun, sea and sand

5 Critical Success Factors

5 Critical Success Factors that facilitated the Public Private Partnership



Understanding &
the Investment
Bottlenecks



Innovative
Product Offering-
unprecedented
project packages



Investor
Outreach and
Consultations



Sustainability as
the key driver



Working as a
team

A. Understanding the Investment Bottlenecks



- Failed precedence of private investments in tourism industry – Resorts in Agatti Island under litigation
- Land unavailability for outsiders
- Regulatory Bottlenecks – IIMP, the law of land, regulating development
- Difficult to procure CRZ & EC clearances
- Poor State of fundamental infrastructure
- Restricted entry imposed by permit system

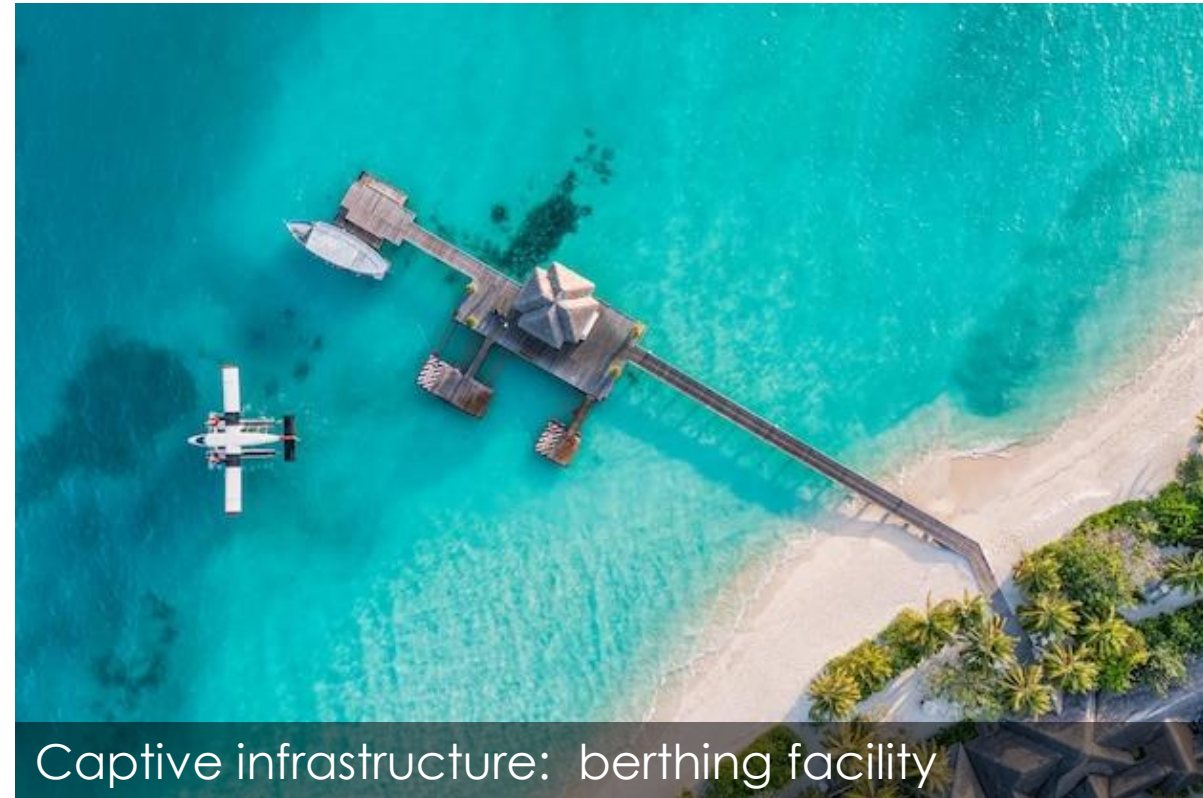
B. Disruptive Model for tourism transformation

Groundbreaking Product Offering

Moving from Beach Villas to Water Villas – a shift that delayed the project by a year



Attracting Large Investors who can build captive Infrastructure to overcome Government supplied infrastructure requirements



B. Disruptive Model for tourism transformation

Govt. to resolve only Critical Issues



Watervilla site investigation survey



Seaplane testing in Minicoy

- IIMP amended to permit Water Villas
- Government Owned Land Identification (9.37 Ha)
- Water Villa site identification – a two-step process - marine sensitivity analysis + physical site validation
- **India's first Upfront CRZ Clearance – A Game Changer**
- Govt. to facilitate large-scale infrastructure – Agatti Airport expansion, Sea-plane connectivity, Internet connectivity, etc.
- State Support Agreements

C. Investor Outreach and Consultations



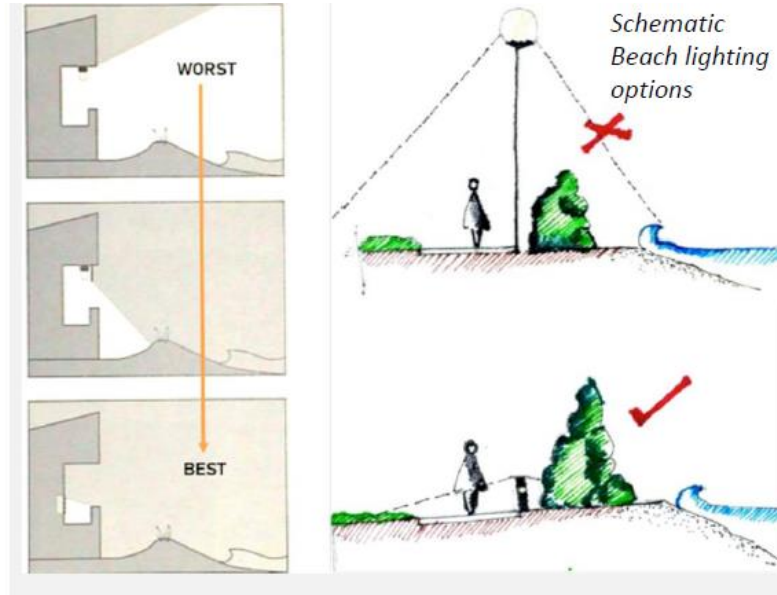
- **In-depth market consultations at project conceptualization stage** (Investor Summit at Delhi & Kochi)
- **Dedicated investor relationship management team** offering quick concern redressal
- Proactive **Administrative Support** during the bidding stage facilitating site tours
- Market risks assumed by investors with **fixed annual payments as concession fee** to authority post commencement of operations
- Granting **design & development flexibility** to accommodate market interest

Snippets from Incredible Islands of India- Investor's Conference held at New Delhi

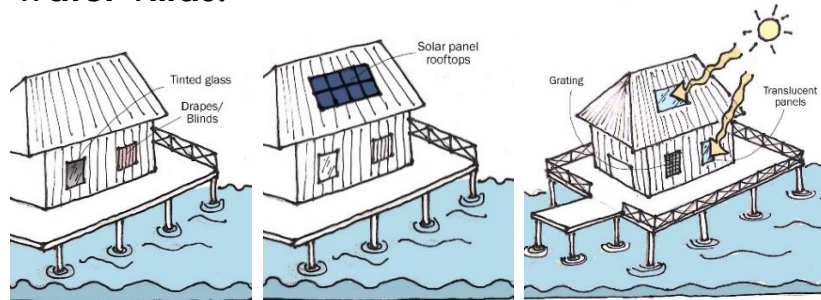
D. Sustainability as a key driver

- Environmental Sensitivity guided Zoning
- Carrying Capacity Based Development
- Species Sensitive Development Control Regulations
- Do's and Don'ts as per up front clearances
- EC monitoring committee formulated
- Eco-labels like Blue Flag and Green Fins

Turtle Friendly Beach Tourism



Guidelines for Construction and Operation of water villas:



Illustrative DCRs developed

← Tweet



Narendra Modi
@narendramodi

This is great! Congratulations, particularly to the people of Lakshadweep, for this feat. India's coastline is remarkable and there is also a great amount of passion among our people to further coastal cleanliness.



Bhupender Yadav @byadavbjp · 2h
Proud moment!

Two more Indian beaches have made it to the list of Blue Beaches. Minicoy, Thundi Beach and Kadmat Beach - both in Lakshadweep - are the proud entrants in the coveted list...

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6:40 pm · 26 Oct 22 · Twitter for iPhone

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Hon'ble PM accolades UT Administration for Blue Flag achievement

E. Working as a Team

NITI Aayog

- Inter-Ministerial Co-ordinations
- Structural reforms for promoting Ease of Doing Business– Upfront Clearances, IIMP revision, investor's conference, etc.
- Facilitating approvals (PPPAC, SFC) and Clearances (CRZ and EC)



NITI Aayog

UT Administration

- Tourism Secretary- front runner.
- Creating entrepreneurial environment.
- Instill investor confidence



**UT of Lakshadweep
Administration**

Consultant

- Flagging the right issue at right time at right door
- Handholding the govt. for documentations and presentations
- Market outreach and one-on-one investor consultations

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Way Forward

Water Villas to be constructed within 3 years with 220 keys across Suheli and Kadmat

In next phase, Lakshadweep Administration to scale-up & attract more PPP investments in Bangaram, Thinnakkara, and Minicoy Islands

The proposed resort development to bring about 660 direct employment (440 permanent and 220 temporary)

With the realization of holistic development plan, tourism footfall in the island is projected to reach over 1 lakh by 2030.*

Contribution of tourism to State's GDP is expected to grow up from current 6% to 50% over the same period.*

* Maximum Sustainable Tourism Potential to be realized (*IPE Global projection*)



Thank You