Incredible Islands of India
(Holistic Development)

Key Note Presentation by CEO - NITI Aayog

Pravasi Bhartiya Kendra
August 10, 2018
The objective of this document is to provide preliminary information on the development of sustainable eco-tourism projects in Andaman & Nicobar and Lakshadweep Islands to potential investors and other stakeholders to facilitate their evaluation of the investing opportunity in the Project. The Union Territory of Andaman & Nicobar and Lakshadweep respectively are hereinafter referred as the Authority. NITI Aayog is facilitating the implementation of the Project by providing support to the respective UT Administrations.

Each recipient of this document must make its independent assessment of the Project with regard to the relevance and adequacy of the information contained herein, and should make the investigation that it deems necessary, to determine its interest in participating in any way in the Project. This document is not and should not be construed as a recommendation by the Authority or NITI Aayog to participate in the bid process for the Project.

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Foreword by CEO - NITI Aayog

The global tourism scenario is changing rapidly. Given the unfolding scenario and opportunities, I have no doubt in my mind that tourism in the country can be one of the biggest drivers of growth and a major employment generator. I also believe that the private sector can play a pivotal role in tourism related projects and in creating a range of new experience for the travellers.

India has a total of 1,382 off-shore identified islands. The development potential of these islands and maritime resources has been accorded high priority. The Government has constituted Island Development Agency (IDA) an apex body, under the chairmanship of Hon'ble Home Minister, in June 2017, which has mandated NITI Aayog to steer the Holistic Development of Islands program.

I would like to thank and acknowledge the continuous support provided by the Lt. Governor of Andaman & Nicobar, Admiral D.K Joshi and Administrator of Lakshadweep Islands, Shri Farooq Khan towards the preparation of these projects.

NITI Aayog, Ministry of Home Affairs and the UT Administrations, along with other agencies of Government of India shall fully endeavour for successful development of these projects. I am therefore pleased to invite you all to have an insight into the proposed contours of the project and assess them as investment opportunities.
India’s Maritime Potential

The Opportunity

Transaction Structure
India’s Maritime Potential

Massive and Unexplored

- Coastline of India: 7516 km
- EEZ of India: 23 lakh km²
- Offshore islands & islets: 1382
- Tourist arrivals to islands in 2017: ~5 lakh
- Unexplored territories: ~600
- Tourism spending impact on GDP spending: 1.3 times
**Strategic Advantage of the Islands**

*Position as ‘exotic island destinations’ of the world*

**Proximity to established tourist destination of Maldives**
- To Maldives: 1 hrs.
- To Colombo: 1 hrs.
- To Kochi: 1 hr.
- To Dubai: 4 hrs.

**Proximity to established tourist destinations of South East Asia**
- To Bangkok: 2 hrs.
- To Phuket: 1.5 hrs.
- To Singapore: 3.5 hrs.
- To Kolkata: 2 hrs.
- To Chennai: 2 hrs.

International shipping line

Proximity to Malacca Strait ~70 NM
Holistic and Sustainable Development of Islands

- Carrying Capacity based tourism and economic activities
- Green Energy (de-dieselization), Promotion of Fisheries, Job creation for Islanders
- Developing basic and support infrastructure to support socio-economic development
- Providing fast, reliable and cost effective connectivity – intra & inter islands

Holistic Development of Islands
Key Initiatives by the Government
Substantial ground covered, high degree of preparedness

**Institutional Structure**
- Island Development Agency - Apex body
- NITI Aayog - Steering body
- UT Administrations - Concessioning authorities
- ANIIDCO & SPORTS - Project Management Agencies

**Project Preparation**
- Technical studies
- Project packaging

**Supporting Infrastructure**
- Infrastructure projects taken up as Early bird projects
  - Connectivity
  - Power
  - Water

**Transaction Process**
- Transaction Advisor appointed
- Investors’ Conference
- Bid documents being finalised
- 2 stage bid process

RAP requirement for foreigners visiting A&N Islands has been dispensed with
Project Preparation

- Development potential of all Islands
- Master Planning for sustainable development
- Carrying Capacity & Environmental Zoning
- Project Structuring and Financial Feasibility
- PPP Projects identified for implementation
Project Packaging – The Concession Package

- Maximum number of Keys based on Carrying Capacity
- Captive infra-projects to ensure Self - Sustainance
- Development Standards - (LEED, GRIHA, GREEN GLOBE)
- Upfront CRZ Clearance & other key approvals
- Encumbrance Free Land (Government Owned)
Transaction Structure
Transaction Structure

Ministry of Home Affairs (MHA)

UT Administration (the Authority)

ANIIDCO/ SPORTS (Project Management Agency)

Concession Granting Authority

Authorisations, land provisioning

Grant of Concession

Annual Concession Fee

Project Mgmt. Agreement

ANIIDCO/ SPORTS (Project Management Agency)

Promoters Financiers

SPV of the Concessionaire

Resort/ Tourism facility

Beach activities / water sports

Project Management Agencies

DBFOT Concession

Design, Develop, Finance and Operate

Resort & Captive Infrastructure

NITI Aayog (Steering Body)
### Key Approvals

<table>
<thead>
<tr>
<th>Approval*</th>
<th>Authority</th>
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<tr>
<td>Coastal Regulation Zone (CRZ)</td>
<td>✔️</td>
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<tr>
<td>Liquor / Alcohol &amp; Bar License</td>
<td>✔️</td>
</tr>
<tr>
<td>‘Consent to Establish’ &amp; utility requirement during construction</td>
<td>✔️</td>
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<tr>
<td>Approvals for tourism activities</td>
<td>✔️</td>
</tr>
<tr>
<td>Fixing the Carrying Capacity for tourist activities</td>
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</table>

* Subject to fulfilling extant guidelines and regulations

**Critical approvals provided upfront by the Concessioning Authority with an objective of de-risking the development period substantially**
10 Aug 18
Investors’ Conference

Aug’18
Launch of RFQ*

End Sep’18
Receipt of RFQ applications

Mid Oct’18
Shortlisting and issue of RFP*

Mid Nov’18
Site visit & pre-bid meetings

End Dec’18
Award of Project

End Jan’19
Signing of Agreement

*Subject to Requisite Approvals
The Opportunity – Private Sector Participation

Picture: Smith Island, Andaman & Nicobar
Eco-Tourism Project Pipeline – 6 projects for private sector participation:

- Ready to Launch - 3 projects in Smith, Aves, Long Island
- Under preparation:
  - 2 projects in Little Andaman
  - 1 project in Neil

Connectivity & Infrastructure projects

More projects being identified in Ross & Smith, Aves, Long Island

Committee constituted for Little Andaman and Great Nicobar to address land issues for holistic development
Eco-Tourism Project Pipeline – 5 projects for private sector participation:

- Ready to Launch
  - 3 projects in Kadmat, Minicoy and Suheli
  - 2 water villa projects in Minicoy and Suheli

- Connectivity & Infrastructure projects

- More projects being identified in Suheli, Minicoy, Bangaram, Thinakkara & Cheriyan

- Action plans being prepared for another five Islands – Kalpeni, Kadamat, Agatti, Chetlat and Bitra
Andaman and Nicobar

1. Ready to Launch Eco-Tourism Resort Projects

Picture: Lalaji Bay, Long Island, Andaman & Nicobar
The re-constitution of Islands Development Agency in 2017 is an indicator of the intent, vision and focus of the Government towards holistic development of our islands territories. The identification of hitherto suppressed and under-exploited engines of growth, i.e. our island territories and focusing on them will not only benefit the islanders but will also contribute significantly to our overall economic profile. The A & N Administration is the beneficiary of NITI Aayog’s professional support in furthering these initiatives.

The focus on holistic development will foster growth of tourism in the region, invigorate the economic potential of the islands and provide remunerable job opportunities to the inhabitants. Eco-tourism activities sensitive to the ecology, bio-diversity and the strategic locations of the islands are being promoted through this initiative. The government is supporting not only tourism-based initiatives through single window-clearances and information system, but other integrated aspects related to physical and digital connectivity are also being addressed. The A & N Administration is working in tandem with NITI Aayog on these initiatives and is committed to supporting the projects vigorously to ensure their timely commissioning.

The projects are expected to usher the islands into a new era. By matching the considerations of economic growth with sensitivity towards history and heritage, ecology, flora and fauna of the islands, I am hopeful that a new model and benchmark will be set, which can further be emulated and adopted.
Ready To Launch – Projects

Smith Island – Treehouse / Glamping
- 25 Ha
- 70 Keys
- ~70 Cr

Aves Island – Glamping
- 2.75 Ha
- 50 Keys
- ~40 Cr

Long Island - Resort
- 42 Ha
- 220 Keys
- ~400 Cr

**Smith Island**
- 19.9 sq km
- POPULATION - 600

**Aves Island**
- 0.17 sq km
- POPULATION - 2

**Long Island**
- 13.8 sq km
- POPULATION - 1032
Ready To Launch – Resort at Lalaji Bay

Eco-tourism Resort

INR ~400 Cr

- 220 Keys
- 42 ha
- Benchmarking Standards: GRIHA, LEED, Green Globe
- Captive-Infrastructure
- License and Permits for Tourism Activities

Long Island Landscape

Existing Naval Setup
Ready To Launch – Smith Island

Tree-house / Glamping
INR ~70 cr

25 ha

70 Keys

Benchmarking Standards
GRIHA, LEED, Green Globe

Captive-Infrastructure

License and Permits for
Tourism Activities

20 minutes boat ride from Diglipur Airport
Ready To Launch – Aves Island

Glamping
INR ~40 Cr

- 50 Keys
- 2.75 Ha

Benchmarking Standard
GRIHA, LEED, Green Globe

Captive-Infrastructure

License and Permits for Tourism Activities

- 20 minutes boat ride from Mayabunder
- Along the Portblair- Diglipur sea route
3 Ready To Launch projects – Current Status

- Development studies, feasibility & project structuring undertaken
- Survey and Demarcation of project areas completed
- CRZ application filed
- Transaction Advisor appointed
- Pre-qualification exercise to commence shortly
Andaman and Nicobar

2. Under Preparation Eco-Tourism Resort Projects

Picture: Smith Island, Andaman & Nicobar
Under preparation – Resort at Neil Island

9.7 Ha

Benchmarking Standard
GRIHA, LEED, Green Globe

42 km from Port Blair via sea (~1.5 hrs)
16 km from Havelock Island via sea (~1 hr)
Under preparation – Resort at Little Andaman

- Total Area – ~734 sq km
- 2 sites identified on revenue land for eco-tourism development

Benchmarking Standard
GRIHA, LEED, Green Globe

100 km from Port Blair via sea
Andaman and Nicobar

3. Under Preparation Infrastructure and Connectivity Projects

Picture: Smith Island, Andaman & Nicobar
The largest Island in A & N (1045 sq km)

Close to Malacca Strait (90 km)

Trans-shipment terminal at South Bay – feasibility being explored

A Potential Ecotourism Site in Great Nicobar – carrying capacity being assessed
Port Meadow

- STS Transhipment Hub at Port Meadow
- Development of Marina to be explored
- All weather tranquillity to perform STS operation
  - Natural depth - 50 m
  - Turning circle – 2 NM
  - Basin area - 66 Sq NM
- Notified as Port vide GSR 995(E) on 20th Oct 2016
Sea Connectivity

- Improvement of Existing Jetty in Long Island
- Ministry of Tourism to fund from its ongoing schemes
- Potential of developing Yacht Marina on PPP
Roll-on/Roll-off (RoRo) Connectivity

- Roll-on/Roll-off Ferry Project on PPP Mode to boost sea connectivity
- NITI Aayog finalizing:
  - Techno-Economic Feasibility
  - Revenue Model
  - Concession Agreement

Ro-Ro Service in Gujarat
Andaman Trunk Road (ATR) - an important road connects Port Blair to Middle and North Andaman.

NH-4 upgradation has been included in the early bird project.

Construction of Humphrey Strait Bridge started.

Middle Strait Bridge – Review application for CRZ clearance filed before NGT.

Agreed by Ministry, Clearance from NGT being taken.
Air Connectivity

- Diglipur Airport to be made operational for civilian aircrafts by December, 2018
- Port Blair, Car Nicobar, Campbell Bay and Diglipur Airports to form an Air Circuit
- Diglipur, Car Nicobar and Campbell Bay airports are also included in Regional Connectivity Scheme (UDAN)
- Reviving Sea Plane Operations under UDAN Scheme
  - Water drome locations has been identified at Diglipur and Mayabunder.
  - In 2nd Phase Smith, Long and Neil Islands are under consideration
- Existing helipads (17 Nos.) to promote Heli-Tourism
### Digital Connectivity

- Augmentation of satellite bandwidth from 1.118 Gbps to 2.7 Gbps to be completed by Dec., 2018
- Under Sea OFC awarded, to be completed by Dec., 2019
- Promotion of IT-based MSMEs can be taken up
- Incentives as contained in Industrial Policy for North East (NEIDS, 2017) could be extended to both A&N and Lakshadweep

### Promotion of Green Energy

- Augmenting power generation - using diesel not desirable
- A Roadmap put in place for promotion of renewable energy
- MoUs signed with NLC India Ltd. and NTPC Ltd. for 45MW Renewable Energy projects
- Feasibility assessment for Solar Projects (11.5 MW each in Long and Smith Island, 0.8 MW in Aves Island) completed – MNRE to support UT Administration in project implementation
1. Ready to Launch Eco-Tourism Resort Projects

Picture: Minicoy Island, Lakshadweep
Ready To Launch – Projects

Kadmat - Resort
- Size: 5.5 Ha
- Keys: 50
- Cost: ~90 Cr

Suheli – Resort & Water Villas*
- Size: 3.2 Ha
- Keys: 44
- Villas: 44
- Cost: ~80 Cr*

Minicoy - Resort & Water Villas*
- Size: 1.7 Ha
- Keys: 38
- Villas: 32
- Cost: ~65 Cr*

* Water Villas – Being reviewed, cost estimates not available
Ready To Launch – Resort & Villas at Minicoy

- 2 hours Helicopter ride from Agatti Airport
- Shipping Service from Kochi
- 66 nm from Maldives

1.7 ha
38 Keys
32 Villas*
65 Cr*

* Water Villas – Being reviewed, cost estimates not available

Benchmarking
Standard
GRIHA, LEED, Green Globe
Captive-Infrastructure
License and Permits for Tourism Activities
Ready To Launch – Resort & Villas at Suheli

- 20 minutes Helicopter ride from Agatti Airport

- 3.2 Ha
- 44 Keys
- 44 Villas*
- 80 Cr*

* Water Villas – Being reviewed, cost estimates not available

Benchmarking
- Standard GRIHA, LEED, Green Globe

License and Permits for Tourism Activities

Captive-Infrastructure
Proposal agreed by MoEF & CC for implementation on a pilot basis
Guidelines / Criteria for Island Water Villas formulated
Ready To Launch - Resort at Kadmat

- 20 minutes Helicopter ride from Agatti Airport
- Shipping Service from Mangalore and Kochi

SPORTS operates existing resort at Kadmat

Benchmarking Standard
GRIHA, LEED, Green Globe

Captive-Infrastructure

License and Permits for Tourism Activities

5.5 Ha
50 Keys
~ INR 90 Cr
Ready To Launch Projects – Current Status

- **Survey and Demarcation** of project areas completed
- **Transaction Advisor** appointed
- **CRZ application** – To be filed
2. Under Preparation Eco-Tourism Resort Projects
Additional Eco-Tourism Projects

Beach-side Cottages at Minicoy
(43 Keys; 6.9 ha; 65 cr)

Redevelopment & Extension of
Bangaram Resort
(114 Keys; 15.2 ha; 175 cr)

Resort at Minicoy
(66 Keys; 15.6 ha; 100 cr)

Resort at Suheli
(30 Keys; 4.1 ha; 45 cr)

Resort at Cheriym
(100 Keys; 35.2 ha; 160 cr)

Redevelopment & Extension of
Tourist Huts at Thinakkara
(102 Keys; 15.6 ha; 150 cr)

Committee constituted for devising a model for Islanders’ participation in the projects, island visits undertaken, report expected soon.
Lakshadweep

3. Under Preparation Infrastructure and Connectivity Projects

Picture: Minicoy Island, Lakshadweep
Minicoy Island, strategically located
Airport at Minicoy
IAF to construct the Airport
Existing Agatti Airport being expanded
Sea Plane Connectivity – Feasibility completed

Air Connectivity

Sea Connectivity

- Minicoy Island, strategically located
- Airport at Minicoy
- IAF to construct the Airport
- Existing Agatti Airport being expanded
- Sea Plane Connectivity – Feasibility completed

- Kavaratti Jetty being modernized
- Concept Note being prepared by Indian Navy
Promotion of Fisheries and Green Energy

Promotion of Fisheries

- Huge Potential for Tuna Fishing in Minicoy Island

- Feasibility study for sustainable utilization of existing potential carried out
  - 10 Modern Shipping Vessels proposed
  - Development of Tuna Processing Plant through PPP
  - Promotion of “Lakshadweep Tuna” as a brand for international marketing

Promotion of Green Energy

Feasibility assessment for Solar Projects completed -

<table>
<thead>
<tr>
<th>Islands</th>
<th>Minicoy</th>
<th>Suheli</th>
<th>Bangaram</th>
<th>Cheriyam</th>
<th>Thinakara</th>
<th>Kadmat</th>
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<tbody>
<tr>
<td>Capacity (MW)</td>
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[Diagram showing solar project with islands and capacity details]
THANK YOU