

# NOESIS THURSDAY SPOTLIGHT

HQ: Mumbai • Gurgaon • New Jersey • Bengaluru

27 MAR 2025



## INDIA'S BOLD MOVE TO TRANSFORM TOURISM:

What It Means for the Hospitality Industry





India is setting the stage for a major tourism revolution! Under the Special Assistance to States/Union Territories for Capital Investment (SASCI) Scheme, administered by the Department of Expenditure, Ministry of Finance, the Ministry of Tourism has issued operational guidelines for the development of Iconic Tourist Centres on a global scale. As part of this initiative, the government has sanctioned the development of 40 top-tier tourist projects in November 2024 under the SCAI scheme, aiming to boost tourism, create employment, and position India as a premier global travel destination.



By providing long-term, interest-free loans for up to 50 years, the scheme facilitates the comprehensive development, branding, and international marketing of these destinations. This presents a significant opportunity for hotel owners, investors, and hospitality professionals to expand, innovate, and capitalize on India's tourism boom. Through strategic capital investment, the initiative also seeks to drive local economic growth and generate employment opportunities through sustainable tourism development.





# A Vision for World-Class Destinations

Imagine a travel experience where every detail is meticulously planned—smooth traffic flow, well-maintained heritage sites, pristine beaches, and modern infrastructure seamlessly blending with natural beauty. That's exactly what India is aiming for with this initiative.

The government is focusing on effective destination management, ensuring that each site is not just a tourist attraction but a well-oiled ecosystem. Issues like waste disposal, overcrowding, and unregulated development will be addressed through strict annual development goals. And here's the game-changer—a live dashboard that collects real-time traveler feedback. Imagine being able to adjust services based on actual visitor experiences, making India's tourism landscape dynamic and ever-improving.



# What This Means for the Hospitality Industry

The impact of this initiative on the hospitality industry cannot be overstated. Whether you are a new hotel owner, an established investor, or an entrepreneur looking to enter the tourism market, here's how you can benefit:

**Massive Infrastructure Expansion** – The government is pushing for better hotels, resorts, and guesthouses, making it easier for investors to secure land and funding. Hotels will be included in the Infrastructure Harmonized Master List (HML), simplifying the investment process.



## Enhanced Connectivity =

**More Guests** – Expect improved roads, airports, and rail links to these new destinations. Hospitality businesses can leverage this by opening properties in these high-potential areas.

**Skill Development on a Grand Scale** – The government has earmarked INR 60 crore for tourism skill development in 2025–26. This means better-trained hospitality staff, superior guest experiences, and ultimately, higher revenue for businesses.



Public-private partnerships (PPP) for Mutual Growth—Businesses willing to invest in these destinations can access government incentives, subsidies, and regulatory support. This is the perfect opportunity for forward-thinking hotel brands to collaborate and expand.



List of the Approved Projects

40 Projects across 23 States

Total Cost = ₹ 3,295.76 Cr

State	No.	Project Name	Cost (INR – ₹ Cr)
Andhra Pradesh	1	Gandikota – Enriching the Fort and Gorge Experience	77.91
	2	Akhanda Godavari: (Havelock Bridge & Pushkar Ghat), Rajamahendravaram	94.44
Arunachal Pradesh	3	Siang Adventure & Eco-Retreat, Pasighat	46.48
Assam	4	Assam State Zoo Cum Botanical Garden, Guwahati	97.12
	5	Beautification of Rang Ghar at Sivasagar	94.76
Bihar	6	Development of Matsyagandha Lake, Saharsa	97.61
	7	Karamchat Eco-Tourism and Adventure Hub	49.51
Chhattisgarh	8	Development of Chitrotpala Film City	95.79
	9	Development of Tribal & Cultural Convention Centre	51.87



State	No.	Project Name	Cost (INR – ₹ Cr)
Goa	10	Chhatrapati Shivaji Maharaj Museum, Ponda	97.46
	11	Proposed Townsquare, Povorim	90.74
Gujrat	12	Ecotourism Destination at Kerly (Mokarsagar), Porbandar	99.50
	13	Tented City and Convention Centre, Dhordo	51.56
Jharkhand	14	Eco-Tourism Development of Tilaiyya, Koderma	34.87
Karnataka	15	Ecotourism & Cultural Hub at Roerich and Devika Rani Estate Tataguni, Bengaluru	99.17
	16	Development of Savadatti Yallammagudda, Belgavi	100.0
Kerala	17	Ashtamudi Biodiversity and Eco-recreational Hub, Kollam	59.71
	18	Sargaalaya: Global Gateway to Malabar's Cultural Crucible	95.34
Madhya Pradesh	19	Orchha A Medieval Splendour	99.92
	20	International Convention Centre for MICE in Bhopal	99.38
Maharashtra	21	Ex-INS Guldar Underwater Museum, Artificial Reef, and Submarine Tourism, Sindhudurg	46.91
	22	Development of "RAM-KAL PATH" at Nashik	99.14
Manipur	23	Loktak Lake Experience	89.48
Meghalaya	24	MICE Infrastructure at Mawkhanu, Shillong	99.27
	24	Re-development of Umaiam Lake, Shillong	99.27



State	No.	Project Name	Cost (INR – ₹ Cr)
Odisha	26	Development of Hirakud	99.90
	27	Development of Satkosia	99.99
Punjab	28	Development of Heritage Street, SBS Nagar	53.45
Rajasthan	29	Development at Amber–Nahargarh and surrounding Area, Jaipur	49.31
	30	Development at Jal Mahal, Jaipur	96.61
Sikkim	31	Skywalk, Bhaleydhunga, Yangang, Namchi	97.37
	32	Border Experience, Nathula	68.19
Tamil Nadu	33	Nandavanam Heritage Park at Mamallapuram	99.67
	34	Garden of flowers at Devala, Ooty	70.23
Telangana	35	Ramappa Region Sustainable Tourism Circuit	73.74
	36	Somasilla Wellness & Spiritual Retreat Nallamala	68.10
Tripura	37	51 Shakti Peethas Park at Banduar, Gomati	97.70
Uttar Pradesh	38	Development of Bateshwar, District–Agra	74.05
	39	Integrated Buddhist Tourism Development, Shrawasti	80.24
Uttarakhand	40	Iconic City Rishikesh: Rafting Base Station	100.00
TOTAL			₹3,295.76 Cr



## CASE STUDY

# Chettinad : A Model for Success

Let's talk about a real success story—Chettinad, Tamil Nadu. Once a region with grand but forgotten mansions, it has now transformed into a heritage tourism paradise. Thanks to focused preservation efforts, the Chettinad Heritage and Cultural Festival is drawing global travelers, turning ancestral homes into boutique hotels and rejuvenating local businesses. This is exactly the kind of success the government wants to replicate with its new scheme.

India has seen other similar transformations—Rajasthan's palatial hotels, Kerala's backwater retreats, and Gujarat's Rann Utsav have all demonstrated how thoughtful tourism planning can create sustainable, high-revenue tourism economies. Now, with a structured initiative in place, many other destinations are expected to follow suit.





# Navigating the Challenges: What Needs to Be Done?

While the plan is ambitious, the road to execution will require overcoming certain challenges:



## Environmental Sustainability

Developing tourist destinations must not come at the cost of environmental degradation. The government needs to enforce strict sustainability guidelines.



## Balancing Commercial Interests & Local Culture

Tourism-driven economies can often lead to commercialization that dilutes local traditions. The key will be community-driven tourism where local stakeholders remain actively involved.



## Addressing Seasonality in Tourism

Many destinations suffer from fluctuating tourist seasons. Diversified attractions such as festivals, wellness retreats, and adventure tourism can help maintain year-round footfall.



## Regulatory Efficiency

Fast-tracking approvals for tourism projects and ensuring transparent regulatory processes will encourage investments in this sector.



# Aligning with Global Tourism Trends

Sustainable tourism is no longer a choice—it's a necessity. India's new initiative aligns with global trends where countries like Canada and Kenya are integrating tourism with environmental and cultural preservation. The focus on sustainable growth ensures that new tourist destinations will support local communities while preserving heritage—a win-win for everyone involved.



Globally, countries like Italy and Japan have leveraged their rich heritage and transformed their economies through carefully planned tourism. India is now following suit, ensuring that its vast cultural and natural treasures are developed responsibly while offering world-class hospitality.



# Final Thoughts: The Time to Act is Now

The government's initiative to develop 40 new tourist hotspots is a game-changer for India's hospitality sector. The only question is: Are you ready to capitalize on this opportunity?

The upcoming years could define the future of hospitality in India. Whether investing in new hotel properties, collaborating with state tourism boards, or gearing up for the upcoming surge in travelers, the key to success is being proactive, innovative, and aligning with the new wave of tourism expansion. India is rolling out the red carpet—will you step onto it?

Sources– Ministry of Tourism

Written by Shaina Desai with strategic inputs from Noesis Consulting and Valuations Team

Brand Search & Contract Negotiation | Corporate Finance | Consulting & Valuation | Transaction Advisory

**NOESIS**

Hotel Advisory  
Redefined

[www.noesis.co.in](http://www.noesis.co.in) | [info@noesis.co.in](mailto:info@noesis.co.in)

All copyrights@noesis2025