

Sector	Project Title
Tourism	Development of Heritage Properties

Project Description

For several decades, the palaces, the defensive castles and the composite havelis were the abode of nobility- where hospitality was a way of life. Visitors, guests, even strangers were welcomed in a tradition that was a part of their life styles.

Today former Maharajas and other royalty have opened their doors to those travellers who want to take a part of Indian history back with them.

India has been fortunate to convert many of such beautiful, landmark palaces / heritage properties into world-class heritage hotels.



The proposed project envisages development of two more such properties into heritage hotels / resorts:

1. Rajgarh Palace at Datia
2. Lakshmipur Palace at Panna

Project's Value Proposition

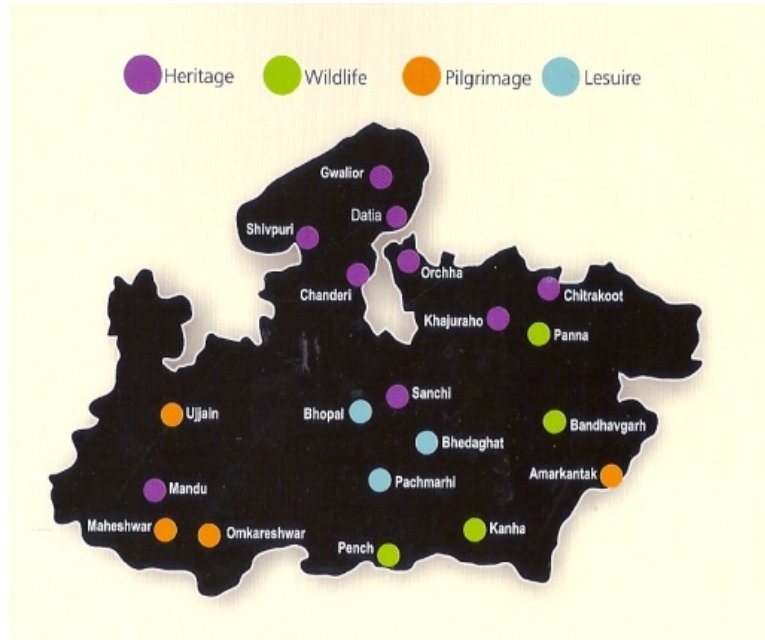
- India is a country of rich cultural heritage. It is one of major tourist attractions of the country and a favourite amongst foreign as well as domestic tourists. The number of foreign tourists arriving in India in year 2009 was more than 4 million. The proposed project is expected to take advantage of the ready market of tourists.
- India is ranked 24th as per the Travel and Tourism Competitiveness Report 2009 by the World Economic Forum for its cultural resources, with many World Heritage sites, both natural and cultural, rich fauna, and strong creative industries in the country.
- Tourism in India could contribute Rs 8500 billion to the GDP by 2020. India has the potential to become the number one tourist destination in the world with the demand growing at 10.1 % per annum. India's travel & tourism is expected to achieve annualized real growth of 8.8% in total travel & tourism demand to INR 7,027.7 billion (US\$90.4 bn) in 2014. The proposed project is expected to help augment the tourism infrastructure to cater to such increasing demands.
- Capital Investment spending on Travel & Tourism is expected at US\$ 34.7 billion in 2010 which is the 10th highest for an individual country in the world. The real GDP growth for travel and tourism economy is expected to achieve an average of 7.7 % per annum over the next 10 years. Hence there exists excellent growth opportunities for such projects.
- Sites for the proposed projects have already been identified by the State Government and are readily available.
- Heritage hotels are looked at as premium getaway destinations and hence are able to obtain

premium rates.

MP's value proposition

Madhya Pradesh - "*Hindustan ka Dil*" (Heart of India)

- MP is called the "Heart of India" considering the tourism attractiveness of the State.
- Madhya Pradesh is bordered by 5 states - Gujarat, Maharashtra, Rajasthan, Uttar Pradesh and Chhattisgarh which makes it equally close to major tourist destinations from the North, South, East and West.
- Madhya Pradesh is home to extremely rich and diverse tourist attractions in Heritage, Wildlife, Pilgrimage, Leisure and Medical Tourism.
- Madhya Pradesh is home to religious / cultural heritage of Hinduism, Buddhism, Jainism and Islam.



- Madhya Pradesh is endowed with natural beauty of spectacular mountain ranges, meandering rivers and miles and miles of dense forest.
- Madhya Pradesh has moderate climate, beautiful landscape, good law and order situation that add value to the attractions.
- There are around nine major heritage locations in MP which act as a great tourist attraction.
- There is more than two fold increase in the total tourist arrivals in MP in period just 4 years. Tourism sector has consistently contributed more than 16% to the NSDP of MP for the past 5 years.
- The present size of tourism industry in MP is Rs. 197.91 billion.

Connectivity to proposed locations

- Air Connectivity
 - Chattarpur (Bandhargarh & Khajuraho) - Khajuraho airport is well connected to Delhi,

Varanasi, etc. All air service providers have flights from Khajuraho to other cities. International travellers get connection flights to Khajuraho from Delhi.

- Dhar (Mehendikheda) - the nearest airport is Indore, which is connected to Delhi, Bombay, Gwalior, and Bhopal

- Road & Public transport
 - Chattarpur (Bandhargarh & Khajuraho) – Chattarpur is well connected by public and private buses. Private tour service operators arrange deluxe AC and Non AC buses to Khajuraho from various cities including Jhansi and Delhi.
 - Dhar (Mehendikheda) - regular bus service connected with Indore, Mhow, Ratlam, Ujjain, and Bhopal.

- Rail Connectivity
 - Chattarpur (Bandhargarh & Khajuraho) – Nearest railway station is Mahoba which is located at 63 km from Chattarpur. Harpalpur is another nearby major rail head, which is connected to most of the railhead in India. It is nearly 90 km away from Chattarpur
 - Dhar (Mehendikheda) - convenient railhead are Ratlam and Indore on the Delhi-Bombay mainline.

Nearby tourist attractions

Category	Places of Importance
Cultural tourism (including heritage sites)	Gwalior, Datia, Orchha, Khajuraho, Bhopal, Sanchi, Madu, Burhanpur, etc.
Wildlife & adventure tourism	Panchmarhi, Amarkantak, Kanha, Bandhavgarh, Panna, Satpura & Pench Valley National Parks, Tigra Lake, Upper Lake, Gandhi Sagar, etc.
Leisure & business tourism	Panchmarhi, Mainpat, Khajuraho, Tamia, Bhopal, Gwalior, Indore, Jabalpur, etc.
Pilgrim tourism	Ujjain, Maheshwar, Omkareshwar, Chitrakoot, Bhopal, Sanchi, Orchha, Amarkantak, etc.

Policy Initiatives

Madhya Pradesh State Tourism Development Corporation Ltd. is developing a new Tourism policy with a focus on promoting investments in tourism sector in the State. The upcoming policy will have provisions for providing excellent support / incentive to the developers / investors in Madhya Pradesh.

Project Specification

- The heritage sites are envisaged to be converted into five star heritage hotels.

- Location: These heritage sites shall be located at:

- Rajgarh Palace at Datia
- Lakshmipur Palace at Panna
- **Facilities:** The palaces at these places shall be developed in a heritage hotel with world class facilities like:
 - Fine dining restaurant
 - Swimming pools
 - Gym & Spa
 - Gaming & Entertainment zone (Pool, billiards, table tennis, snooker, card table, video game parlour, AV room etc.)
 - Travel Desk
 - Business Centre
 - Meeting & Conference rooms (for corporate training and retreat / offsite meetings)
 - Landscape areas
- **Business Model:** The land will be given to the private developer on 90 years lease. The developer shall be responsible for developing, maintaining and operating the property.
- **Project Cost:** It is estimated that the project cost for developing such properties would be in the range of **Rs.500 - 700 Million each**.
- **Project Returns:** The returns envisaged from the project are estimated to be in the range of **25-30%**.

Project Contacts

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