

**GOVERNMENT OF MAHARASHTRA
Department of Tourism and Cultural Affairs
Resolution No. MTC-2005/2/CR-172/Tourism
Mantralaya, Mumbai 400 032, Dt. December, 2006.**

Read: (1) G.R.,H.D.(Tourism) No. MTC-1091/C.R.409/Tourism, dated 30th November,1993.
(2) G.R.,H.D.(Tourism) No. MTC-1097/C.R.852/Tourism, dated 26th August, 1997.
(3) G.R.,H.D.(Tourism) No. MTC-0399/C.R.201/Tourism, dated 7th April, 1999.
(4) G.R.,H.D.(Tourism) No. MTC-0399/C.R.142/Tourism, dated 8th July, 1999.
(5) G.R.,H.D.(Tourism) No. MTC-2000/3/C.R.242/Tourism, dated 31st July, 2000.
(6) G.R.,H.D.(Tourism) No. MTC-2001/C.R.23/Tourism, dated 16 th September, 2002.

Introduction

Tourism is now well recognised as a major growth engine. Several countries have transformed their economies by developing their tourism potential. Tourism has great capacity to create large-scale employment – from the most specialized to the unskilled.

The Indian economy is undergoing a major transformation. With an annual growth of eight percent, India has become the second most favoured destination for foreign direct investment. As an economic activity in the service sector, tourism also has enormous potential for contributing to economic growth.

Tourism has the potential to change the economic face of a region. The benefits of planned tourism development are manifold. Promotion of tourism would bring many direct and indirect benefits to the people. Some of the direct benefits accruing to the local community of a region as a result of tourism development are:

- Employment opportunities in tourism and hospitality sector
- Development of private enterprise
- Improved standard of living
- Social upliftment and improved quality of life
- Better education and training
- Sustainable environmental practices
- Foreign exchange earning

Some of the indirect benefits accruing to the local community of a region as a result of tourism development are:

- Infrastructure development – power, water, sanitation, hospitals, roads, etc.
- Market for local produce
- Employment in infrastructure sector
- Economic upliftment due to income multiplier effect

Tourism Potential in Maharashtra

Maharashtra is the third largest State of India, both in area and population. It is located on the West Coast of India with a 720 km long coastline along the lush green Konkan region. Nestled in the Western Ghats and the Sahyadri mountain range are several hill stations and water reservoirs with semi-evergreen and deciduous forests. The Vidarbha region of Maharashtra, with its dense forests, is home to several wild life sanctuaries and nature parks. Thus all the three regions of Maharashtra offer considerable tourism potential.

Maharashtra abounds in numerous tourist attractions ranging from ancient cave temples, unspoiled beaches, ancient forts and monuments, forests and wildlife, unique hill stations, pilgrimage centres, and a rich tradition of festivals, art and culture. Hence our campaign slogan for Maharashtra Tourism – “MAHARASHTRA UNLIMITED!”

Tourism trends

India: The growth of tourism in India, has been rapid in the last five years despite a late start. Tourist arrivals have gone up by more than 25% and foreign exchange earnings has jumped by 40%. The World Travel & Tourism Council has rated India as one of the five fastest growing tourism economies in the world. The survey conducted by “Lonely Planet” has also supported this view. The rich heritage, trade, culture, history and growing economy have become major attractions for the tourists. The survey conducted by “Conde Nast Traveller” came out with the finding that India is preferred to many other tourist destinations like France, Singapore and Switzerland.

Maharashtra: The domestic tourists visiting Maharashtra doubled during the last decade, from 41.29 lakhs in 1991 to 84.8 lakhs in 2001, whereas the number of foreign tourists visiting Mumbai increased from 7 million in 1991 to 8 million in 2001.

The rapid growth in domestic tourism can be attributed to the ever increasing middle class, increase in disposable income, improved facilities, stress on urban families, improved connectivity to tourist destinations, etc. Not all foreign tourists visiting Mumbai visit Maharashtra. Some of these foreign tourists come to Mumbai as an entry point to India and proceed to various other states. There is need and scope to attract these visitors into Maharashtra to the various tourist destinations in our State.

Action Plan for the Next Five Years.

The following action plan will be implemented in the next five years to achieve the above objectives and the long-term vision for 2025.

1. Development of infrastructure at tourist destinations : Various tourism facilities such as accommodation facilities, eateries, toilets, information centres, etc. would be developed at all destinations. For this, the incentive policy proposed will encourage private partnership in tourism related activities and infrastructure development. Access to weekend destinations (hill-stations, beaches, etc.) near major cities in Maharashtra would be given preference.

2. Accessibility to tourism destinations and wayside amenities : Approach roads would be identified to various tourist destinations in Maharashtra. The roads would be

assessed for suitability (carrying capacity, quality, etc.) and would be considered for further development. Wayside amenities would also be planned while developing roads.

In addition, rail linkages and air connectivity to important tourism destination must be strengthened by co-ordination with the concerned departments and Ministries.

3. Development Control Regulation at destinations: 'Development Control Regulations' would be prepared to work as guidelines for development at and around important tourism destinations/ areas.

4. Strengthening of Bed and Breakfast scheme : The Bed and Breakfast scheme creates facilities for travellers at remote destinations (where hotel accommodation is not available) and provides income to the local people. With the increasing interest in the rural way of life and the advent of rural tourism, the Bed and Breakfast Scheme offers excellent potential for the mutual benefit of tourists and the local population. This Scheme will be strengthened to form a part of rural micro-financing projects.

5. Recreational facilities at destinations: Entertainment facilities such as children's sports, horse rides, light and sound shows (based on feasibility) will be arranged at selected destinations. Providing recreation and entertainment at tourism destinations can convert day tourists into staying tourists.

6. Public-Private-Partnership: Specific destinations and monuments would be identified where public-private partnership is possible. Conservation plans would be prepared for the identified monuments. The concept of Public Private partnership would also be applied to the development of resorts at select destinations and for the organisation of festivals.

7. World Heritage Sites: Conservation and tourism development of three heritage sites (Ajanta, Ellora and Elephanta) are covered under external funding. Special attention will be given to the newly declared site - Chatrapati Shivaji Terminus. A detailed conservation and tourism plan will be prepared to showcase it as one of Mumbai's tourist attractions.

Other monuments that are suitable to be promoted as world heritage sites would be identified in coordination with the concerned agencies such as ASI, State Directorate of Archaeology, etc.

8. Cultural Tourism: Distinctive aspects of Maharashtra's rich culture and tradition would be identified and promoted as an integral part of Maharashtra's tourism.

Identify and promote the State's folk arts and organize folk dance and music programmes at tourist destinations

- State government would identify the artistes in the state and the details (name, art/dance type, contact details, etc.) of these artistes would be recorded in the tourism portal.
- Register the artist or his/her group.
- Arrange cultural programmes at MTDC resorts/ destinations involving local art forms.

- Prepare and organise a calendar of festivals specially focused to attract tourists.
- Local cuisine would be identified and promoted at MTDC resorts. Food festivals showcasing various types of Maharashtrian cuisine would be organised.
- Identify local melas/festivals that have been traditionally held for many years to showcase these traditions.

9. Crafts: Since Maharashtra has a number of exclusive handicrafts; the government would undertake the following activities to promote the handicrafts industry in the state:

- Appoint a design agency to develop products based on local crafts.
- Based on their recommendation, training will be arranged for artisans to develop various products.
- Develop and promote the State's handicrafts industry through e-commerce.
- Handicraft artisans of various crafts would be identified. Quality of the products would be standardized and products would be marketed through e-commerce.
- On-line /e-commerce application would be developed and backward linkages would be established with the artisans.
- Simultaneously, marketing support in terms of providing common sale outlets like bazaars and haats would be provided for handicraft products.

10. Pilgrimage Circuits : Maharashtra is known for its pilgrimage centers like the Jyotirlingas, the Ashta Vinayaks and other famous temples at Shirdi, Pandarpur, Kolhapur, etc. Pilgrim circuits can be developed, connecting these pilgrimages.

Maintaining sanctity and cleanliness at the place of pilgrimage is of utmost importance to provide an enhanced experience and attract more tourists. The responsibility for development of pilgrimage centres has been entrusted to the Urban Development Department or Rural Development Department vide G.R. No. MIS 7896/1830/CR-78/96/UD-18 dated 17th May, 1996. Maharashtra tourism would assist the Urban Development Department and Rural Development Department for preparing a development model which can be applied to all pilgrimage sites. However, the nodal department will be the Urban Development Department / Rural Development Department.

11. Rural Tourism : Rural Tourism, Agricultural Tourism & Wine Tourism will be promoted considering state potential & varieties existing in our state.

12. Fort /Fort Circuits : Maharashtra has a large number of forts which are valued not only for their historical significance but also for their architectural excellence. The Government of Maharashtra in coordination with ASI and State Archeology, develop and conserve these forts for realizing their tourism potential.

13. Application of Information Technology for tourism : Effective utilisation of the website/portal for tourism promotion of Maharashtra in India and abroad would be ensured. Online advertising material would be prepared by MTDC and posted on the portal. Online bookings for the Deccan Odyssey as well as for all MTDC resorts will be operationalised .

14. Information Kiosks : Government of Maharashtra would create kiosks at important airports, railway stations, bus stations and important public places to provide tourism information on an interactive basis with links to the tourism portal and on-line booking systems.

15. Creating Awareness : Create awareness among people about the importance of tourism, how to identify and plan tour options and on how to be an enlightened tourist. This would also include creating awareness about safety and environmental awareness.

16. Safety & Security : The Tourism Department will formulate the guidelines for the safety of tourists on the beaches of State as well as the those tourists venturing into water sports activities.

17. Training and Capacity Building : Carry out training needs assessment for tourism staff and plan for training programmes, with a view to capacity building of all partners and stake holders in the tourism sector. This will be in co-ordination with the "Atithi Devo Bhava" programme of the Central Government.

18. Coordination and Monitoring : State Government would form a committee involving the Department of Tourism, MTDC, and other related departments to play a coordinating role. This committee would also identify developmental needs (either infrastructure or site facilities) at various destinations.

Special Task Forces would be created for the following activities: Public-private-partnership, arts and crafts, pilgrimage tourism, Development Control Regulations at destinations.

19. Organisational Review : A thorough review of institutional and staffing requirements of the Department of Tourism and MTDC would be taken up for restructuring the roles and functions of departments/individuals, based on the needs of tourism development in the State.

20. Nodal Office in New Delhi : A nodal office in New Delhi will focus on marketing for the Deccan Odessey and bookings for Maharashtra Tourism and MTDC resorts apart from liaisoning with other departments and agencies and handling promotional activities.

21. Single window clearance system: The Government will create a system for single window clearance for facilitating tourist projects in consultation with all concerned departments.

22. Tourist Survey Statistics: Periodic tourism statistics are not readily available in Maharashtra. A mechanism would be developed to collect tourism statistics in the State. Availability of periodic statistics will help in analysis and deriving recommendations for better tourism management. Certain statistics are available through sale of tickets. To get complete statistics, MTDC would

- tie up with various tourism related institutes such as ASI, State Directorate of Archaeology, hotels near destinations, tour operators, etc. to get statistical information on tourist arrivals
- develop information requirement formats and send to the above agencies

- develop a computerised database to store and analyse the data collected
- collect monthly data/information
- conduct periodic (may be yearly/once in two years, etc.) tourist surveys and impact analysis.

23. Evaluation and outcome budgetting : From the financial year 2005-06, Government of Maharashtra has initiated the process of evaluating each department by the outcome of their schemes. The emphasis has shifted from merely spending funds to the actual utility and out comes of the funds spent. Accordingly, parameters would be identified and reviewed such as tourist arrivals, increase in employment generation, district (area) domestic products etc. Studies would be regularly held either through Government departments or Universities, Colleges and private agencies to assess the impacts and outcomes of tourism projects on a sample basis. Also, feasibility studies would preferably be undertaken before embarking on tourism projects where huge investment is required so that unfruitful expenditure can be avoided.

RESOLUTION

1. TITLE :-

This scheme will be known as “THE TOURISM POLICY-2006”

2. PERIOD OF OPERATION :-

This scheme comes into operation with effect from the 1st November, 2006 and shall remain in force for a period of ten years or until substituted by a new package scheme of incentives.

3. COVERAGE :-

Coverage under the Tourism Policy-2006 – Tourism Projects in the Private Sector, State Public Sector/Joint Sector and the Co-operative Sector but not in the Central Public Sector will be considered for the incentives under “The Tourism Policy-2006”. The proposed tourist facilities shall be open to all and shall not be confined to the exclusive use of any particular individual or members of any group or club or have any such other restrictions.

4. ELIGIBLE UNITS :-

- 1) Hotels, Heritage Hotels, Resorts and Health Farms, Health & Wellness spa and units registered under the Bed and Breakfast scheme of MTDC.
- 2) Motels and wayside amenities,
- 3) Apartment Hotels/Service Apartments,
- 4) Water Sports and Amusement Parks,
- 5) Arts and Crafts Villages,
- 6) Golf Courses,

- 7) Camping, Caravaning and Tent Facilities,
- 8) Aerial Ropeways,
- 9) Convention Centres,
- 10) Development of Hill Stations,
- 11) Adventure Tourism Projects
- 12) Houseboats
- 13) Eco-Tourism Projects.
- 14) Museums and Aquariums.
- 15) Projects approved by classification Committee of the
Tourism Department of the State Government or Govt. of India.

5. DEFINITIONS

5.1 Tourism Undertaking

“Tourism Undertaking” means a legal entity in the form of a registered company under the Companies Act, 1956, or a partnership firm, a Registered Trust or a legally registered co-operative society or an individual proprietary concern, engaged in or to be engaged in one or more tourism projects.

5.2 New Tourism Unit

A “New Tourism Unit” means a new tourism project set up for the first time by a tourism undertaking satisfying the following conditions :-

- (a) the new project should have obtained a registration with the registering authority, as may be required after this policy comes into force.
- (b) the new project should have separately identifiable capital investment and it should not be an expansion of the existing project except as provided in “c” below.
- (c) expansion of an existing project will also be eligible for the incentives under this scheme provided that the existing tourism unit increases its investment in either its fixed capital, or capacity by at least 50% of the gross fixed capital and capacity at the end of the last financial year.

5.3 Eligible Capital Investment

The term "eligible capital investment" means investment in capital assets acquired and paid for & shall include investment in:-

- i) Land/area in effective possession with legitimate legal rights as per the requirement of the project.
- ii) Building i.e. any built-up area used for the eligible unit including administrative building, residential quarters, and accommodation for all such facilities as required for the running of the unit.

- iii) Plant and Machinery, Amusement rides/games, Air-conditioning equipments and other equipments including Water Sports equipments, Tents, other equipment as are necessarily required and exclusively used for sustaining the working of the eligible unit but will not include vehicles, furniture and fixtures, cutlery, crockery and utensils.
- iv) The cost of development of the site of the location of the eligible unit, such as fencing, construction of internal roads, landscaping and other infrastructural facilities which the eligible unit has to incur under the project.
- v) Existing hotels which have not got any incentives either from SICOM or MTDC in the past, will be encouraged to convert themselves into at least three star category hotels by offering them incentives for a period of 3 years only, limited to 75% of their eligible Fixed Capital Investment [Gross block as on 31st March 2007].
- vi) Consultancy charges/feasibility report charges (not more than 2% of total project cost)
- vii) Installation charges.
- viii) The amount paid as non-refundable interest-free deposit to the electricity service provider or other Power Supply Company for supply of power to the eligible unit or to any other agency for similar purpose.
- ix) Above investment should be made by an eligible unit during the operative period of the scheme. Investment prior to or subsequent to the operative period will not be eligible for incentives.

5.4. Not Eligible

The following investment shall not be eligible for incentives viz. (1) Working Capital, (2) Goodwill, (3) Preoperative expenses, (4) Second-hand plant and machinery purchased or shifted from within the country, (5) Interest capitalized, (6) Trucks, cars, vans, trailers, tractors and transport vehicles except approved sight-seeing buses operating in Municipal Corporation areas which are registered as such and approved by the concerned transport authorities.

5.4(1) Any investment in any asset, which has a life span of less than five years, except Tents.

5.4(2) Eligibility period - means the period of 3 years (or 5 years in case extension is granted) with effect from the date of eligibility certificate or such lesser period as may be prescribed, provided that the last date shall not fall after completion of the operative period.

6. CLASSIFICATION OF AREAS

For the purpose of administration of the incentive scheme under the Tourism Policy, 2006, the State has been divided into three zone A, B, and C as shown in Annexure-B.

7. EFFECTIVE STEPS

The effective steps shall comprise of (a) initial and (b) final steps :

(a) Initial effective steps will include :

- i) Effective possession of land by an eligible unit free from all encumbrances and with legitimate legal rights.
- ii) Registration in respect of company/co-operative society/Trust with the respective registering authority. In respect of partnership firm, evidence of execution of a partnership deed and requisite application with the payment of necessary registration fees with the Registrar of firms.
- iii) Submission of project report specifically mentioning the category of tourism activity (coverage) and the incentives that are proposed to be availed of by the eligible unit with all relevant details.
- iv) Copy of permissions from all concerned statutory and executive authorities from whom permission is required under various laws.
- v) Registration with the respective authority.

(b) The final effective steps shall mean and include :

- i) Clearances, if any, from Central/State Government and other concerned authorities for implementing the project.
- ii) Arranging of finance for the project to the satisfaction of the incentives-sanctioning authority.
- iii) Acquisition of fixed assets at site to the extent of 10% of the total fixed assets as envisaged for the project, and
- iv) Evidence regarding expenditure on the project, including advances and pre-operative expenses paid, aggregating to at least 25 percent of the capital cost envisaged for the project.

8. IMPLEMENTING AGENCY

For the purpose of registration and claiming of incentives under the package scheme, the Maharashtra Tourism Development Corporation Ltd. (MTDC) is notified as the Registering Authority.

The tourism unit after taking initial effective steps, shall apply to the MTDC for registration for incentives in the prescribed form.

MTDC shall charge a service charge for processing the application as approved by the State Government.

9. ELIGIBLE UNITS

The unit falling in areas as classified /defined in Annexure 'B' in A, B, & C zones, for being eligible for the incentives under the new scheme of incentives in the Tourism Policy 2006, should have a minimum fixed capital investment of Rs. 100 lakhs or more, Rs. 50 lakhs, and Rs. 25 lakhs respectively which should be made within 3 years, 2 years and 18 months respectively from the date of registration.

10. FISCAL INCENTIVES

Tax exemption will be available to new units and expansion of existing units (as per the conditions set out earlier) in respect of the following taxes, up to 100% of capital investment or completion of the eligible period of 5, 7 or 10 years, whichever is earlier. The tax exemption will be available to eligible units conforming to the list in Annexure 'B' and falling within the eligible areas for a period of 5, 7 & 10 years

respectively for A, B and C areas as shown in Annexure 'B' subject to the conditions hereinafter.

The certificate of Entitlement & the eligibility certificate shall automatically stand cancelled on completion of the above period or the limit prescribed for eligible investment.

(a) List of taxes

- 1) Total exemption from Luxury Tax (as applicable to Hotels) for a period of 7 & 10 years depending on the location of the tourism project in the B and C zones respectively & 50% exemption for a period of 5 years in A zone.
- 2) Total exemption from Entertainment Tax/Amusement Tax for a period of 5, 7 and 10 years depending on the location of the tourism project in the A, B, and C zones respectively.
- 3) Total exemption from Stamp Duty for the projects located in B and C zones and 50% exemption from stamp duty for projects located in A zone.

(b) Electricity concessions

Electricity duty will be levied at industrial rates for the respective period.

(c) Other Concessions:

- (1) 75% exemption from registration charges and 50% concession from payment of permit charges for sightseeing buses registered as such and approved by the transport authority, having minimum seating capacity of 25 seats and operating in Municipal Corporation areas and hill stations.
- (2) Total exemption from Property Tax & Non-Agricultural Tax to all tourism projects run/owned/ by MTDC.
- (3) The water rate/ tariff, shall be levied at maximum Industrial Rate.
- (4) Property Tax shall be charged at Residential Rate.

(d) NDZs : Many tourism areas can attract a number of foreign as well as domestic tourists provided suitable areas/plots can be offered to such projects. As Govt. has allowed IT activities in No Development Zones (NDZ), tourism activities such as entertainment centres which include small golfing facilities, tourism villages, handicraft displays with no extra FSI should also be considered in the NDZ.

(e) Renewal of Licences : Tourism projects require various licenses and clearances like lodging house license, eating house license, Police permissions, license under the Shop & Establishment Act, license under the Food & Drug Admin. Act etc. These licences have to be renewed every year. By this Policy 2006, these licenses/permissions will require renewal every 5 years instead of the present annual renewal.

(f) Mega Project : Tourism was given the status of industry vide G.R.NO. MTC-0399/C.R.201/ Tourism dated 7th April, 1999. The Cabinet has recently approved a policy for mega projects in the industries sector. Since tourism is also regarded an industry, and has the greatest employment generating potential, a policy similar to the policy for industrial mega projects, is proposed for the tourism sector. The proposed structure will be-

Area (as proposed in Tourism Policy 2006)	Investment (Rs.in Crores)	Employment Generation
A	100	500
B	50	300
C	25	100

- a) The Tourism project should be eligible for 'Mega Project' either by way of investment or by way of employment generation.
- b) The indirect employment generation in tourism industry is very high. Of the employment generation indicated above, not more than 25% employment will be considered as indirect employment.
- c) The tourism sector is an employment intensive sector. A single room of 3 to 5 star hotel creates 9 direct employments and 18 indirect employments. Moreover, apart from the skilled, even the un-skilled, and semi-skilled can be absorbed in the tourism sector.

Considering the above, it is proposed that the benefits/incentives of 'Mega Project' as envisaged by Industry Department, should be made available to tourism projects also (as per the table above).

11) SPECIAL PACKAGE FOR SINDHUDURG DISTRICT AND OTHER DECLARED TOURISM AREAS

The Govt. of Maharashtra has declared additional incentives to promote tourism in the rural and backward areas of the state,. The areas that would be developed by MTDC would be called 'Tourism Areas'. Sindhudurg district has been declared a Tourism District.

The package scheme of incentives and benefits as mentioned in para 10 will be available for a period of 10 years. Additional incentives as shown below shall also be available in Sindhudurg District and other tourism areas for a period of 10 years.

- 1) No increase in water and electricity tariff for a period of 10 years. However any actual increase in the cost of operation of these services shall be recovered from the user as per the guidelines issues by the concerned Departments.
- 2) The capital subsidy scheme which is given to the small scale industry in Sindhudurg, shall be made applicable to the approved projects in the tourism sector.
- 3) Entry tax on vehicles shall be fully exempted for 10 years.
- 4) All tourism units will be provided electricity at the industrial rate. Electricity duty shall be levied as per the policy.

12) PROCEDURE FOR APPLYING FOR INCENTIVES Tourism units eligible for the incentive scheme will apply to the MTDC Ltd., Mumbai which will scrutinize the applications and issue Provisional Registration adopting the following procedure.

- a) MTDC shall give Provisional Registration Certificate in the first instance up to 3 years to the eligible unit after scrutinizing the application received under the scheme.

b) If such a unit is not in a position to complete the project and start commercial operations during the initial validity period, such a unit may apply for extension along with their progress report. MTDC may grant extension for a period of upto 2 years after examining the difficulties experienced by the individual unit in implementing the project and also recording the reasons thereof in writing. However, no extension beyond 2 years shall be granted.

c) The unit shall become eligible to apply for Provisional Registration only after taking the initial effective steps as stipulated at 7 (a).

d) The eligible unit shall be issued Eligibility Certificate only after the commencement of commercial operations and further capital investment during the operative period shall be considered, subject to the maximum ceiling of 100% as mentioned in clause 10- fiscal incentives.

13) PROCEDURE FOR CLAIMING INCENTIVES

The unit eligible for incentives under the scheme shall apply/inform to MTDC within 180 days of the commencement of commercial operation of the project along with necessary evidence. The MTDC on receiving the information and documents will scrutinize the documents and issue Eligibility Certificate so as to enable the unit to obtain the benefits. (The Eligibility Certificate shall be first forwarded to Sales Tax Department, which in turn shall issue Certificate of Entitlement and put proper date of effect for getting the benefits. Thereafter, MTDC will issue a joint document EC(Eligibility certificate) + CE (Certificate of Entitlement) to the tourism project.

MTDC and Sales Tax department shall submit quarterly reports to the Government, Department of Tourism about the number of ECs and CEs issued.

14) OTHER CONDITIONS

The grant of incentives to tourism units under this scheme shall be subject to the following conditions and on breach of any of these conditions, the incentives granted will be withdrawn with immediate effect.

- a) The unit availing the incentives under this scheme shall install and effectively operate and maintain pollution control measures as per the standards prescribed by the Competent Authority in this regard.
- b) The unit shall remain in commercial operation continuously for at least 8 to 17 years as mentioned in the EC after it is commissioned. However, in cases where the operation is discontinued due to any reason, the unit shall have to repay the amount of incentives availed.
- c) The unit shall furnish details regarding commercial operation, employment, or any other information, which the State Govt. may require from time to time. The unit shall follow guidelines of the employment policy of the Govt. regarding employment of local persons.
- d) The unit, after getting the eligibility certificate must submit quarterly details to the MTDC of the incentives availed during the eligibility period. Any excess claims of incentives by a unit will be recovered with interest of 2% per month.

- e) All matters of interpretation, dispute or contention under the scheme shall be referred to the Empowered Committee under the chairmanship of the Chief Secretary and the decision of the Committee will be final and binding on the applicant unit. The Empowered Committee shall comprise of the Chief Secretary, Secretary (Tourism), Secretary (Energy), Commissioner (Sales tax) and Managing Director, MTDC.
- f) MTDC shall be responsible for the administration and implementation of the incentive scheme.
- g) Departments related to various incentives and exemptions under the Scheme of Incentives under the Tourism Policy 2006, shall issue Government Orders, Resolutions/Notifications as required under the law for such incentives and exemptions, within a period of one month from the date of this notification.

15) MONITORING AND REVIEW

Monitoring and review of the fixed capital investment and activities of the eligible units will be done in the following manner :-

- a) An eligible unit shall, within one month from the date prescribed under the Luxury Tax Act for filing returns, submit to MTDC certified true copies of their returns submitted to the Sales Tax Department from time to time.
- b) It shall submit along with the above returns, a report duly signed by a responsible person on behalf of the eligible unit, covering information and details regarding activities and sales indicating the period of stoppage of services and/or closures of the unit, if any, with reasons therefor, addition to the fixed capital investment, disposal of fixed assets, any change in the constitution of the eligible unit, etc.
- c) MTDC shall be entitled to call for any information and details relating to the operation of the tourism unit for any period at any time. It shall also be entitled to inspect the properties for verification. The Sales Tax Authority shall independently examine the position, from time to time, in order to ensure that the incentives drawn / availed of are well within the ceiling and related to the tourism projects eligible, or as the case may be, under the scheme of incentives under the Tourism Policy, 2006.

16) LAND POLICY FOR TOURISM

(1) One of the problems in tourism development is the non availability of encumbrance- free land for the purpose of tourism. A potential investor in the industrial sector gets industrial land as per his choice in the various industrial areas developed by the Maharashtra Industrial Development Corporation. The MTDC does not have a similar pool of land available with it. Similarly the MTDC does not have powers of land acquisition like the MIDC. Therefore the tourism potential at many places remains unexploited or exploited haphazardly. It is, therefore, proposed to bring an investor friendly land policy for tourism on the lines of the industrial policy.

(2) If an investor approaches the MTDC with a viable project on a particular plot of land and undertakes to bear the cost of acquisition and escalation thereof, the MTDC

will acquire such land through the Collector and lease the same to the private investor on stipulated terms and conditions in accordance with the govt. rules and regulations.

(3) No modification/alteration/deletion shall be made in the lands identified and reserved for tourism in the Town Planning in the State without prior consultation and concurrence of the Department of Tourism, Govt. of Maharashtra.

16(a) State Guest Houses

There exists a considerable network of State Rest Houses / Guest Houses all over the State. Some State Guest Houses are located at beautiful locations with good tourism potential. In many remote areas, tourists do not have any accommodation to stay overnight. At the same time, it may not be feasible to create additional facilities at these locations. It is, therefore, proposed to identify State guest houses, at such places which can be converted into Tourist Resorts. This will not only boost the tourism activity in that area, but it will also generate income through the existing Rest Houses. It is proposed to constitute a High Power Committee to identify such guest houses to be handed over to the Maharashtra Tourism Development Corporation to convert into Tourist Resorts. The Constitution of the Committee will be as follows -

1. Chief Secretary	---	Chairman
2. Secretary (Tourism)	---	Member
3. Secretary (PWD)	---	Member
4. Secretary (Irrigation)	---	Member
5. Managing Director (MTDC)	---	Member
6. Dy.Secretary (Tourism)	---	Member Secretary

The Committee's task would be -

- a) to identify PWD and Irrigation Rest Houses in areas of tourism potential:
- b) to assess how much area / part of these Rest Houses can be converted into tourist accommodation like resort, holiday home, restaurant etc.
- c) To spell out the modality and the terms and conditions for handing over such identified areas to MTDC; and
- d) To monitor and guide MTDC to convert these areas into tourism projects.

17. INFRASTRUCTURE FOR TOURISM

Modern tourism is greatly dependent on infrastructural facilities. In order to promote any destination, it is necessary to have infrastructural linkages in place. Although, Maharashtra has a sound infrastructure base, it still needs to be fine tuned from the tourism point of view. Tourism infrastructure has not yet been perceived as a single package. It takes about 8-10 years for the development of a particular destination and for all necessary infrastructure to become available there. It is necessary to bring down this duration to not more than two years. At present there is no infrastructure Department or Corporation for planning and development of infrastructure taking into account, the needs identified by the Tourism Department. Hence it is proposed that all infrastructure providing Departments (PWD, Irrigation, Power etc.) and Corporations (MSRTC, CIDCO, MMB, etc.) shall reserve a minimum of 5% of their annual budget outlay to be spent strictly on projects and development plans prepared by the Tourism Department.

18. PUBLIC - PRIVATE-PARTNERSHIP FOR DEVELOPMENT OF TOURISM DESTINATIONS

1. It is essential to attract investment in the tourism sector in order to upgrade infrastructure facilities as well as to market tourism destinations. Many tourist destinations all over the world have been privatized and are running successfully. This model of PPP should be suitably applied to tourist destinations in Maharashtra.

The privatization policy will help tourism in the following respects -

- a) It will develop the destination as a tourist centre and provide necessary amenities;
- b) It will help to preserve our heritage and culture which require considerable resources.
- c) The private investor will work to promote the destination in order to recover his investment. This will boost marketing of the destinations in Maharashtra.

19. MUMBAI TOURISM

Mumbai being the financial capital of the country and the biggest business centre, it naturally attracts a large number of visitors all year. Mumbai receives about 35% of the foreign tourist arrivals in India. It is also estimated that about 70% of tourists from the South-East Asian countries regard Mumbai as a gateway city while visiting India. Maharashtra will aim to tap this potential by promoting its tourism to this captive base of visitors.

Mumbai's glamour and glitter, shopping plazas and malls, the indomitable spirit of its people and the large number of interesting places in Mumbai, make it a destination of choice. This tourism policy envisages a special focus on Mumbai to develop a Convention Centre, a Mumbai Haat, a "Bollywood" Theme Park and other attractions to make Mumbai an unlimited tourism destination.

Apart from the existing tourist attractions in Mumbai, efforts will be made to create additional tourist attractions as follows :-

- (a) The concept of "Bollywood Tourism" will be developed as this forms a great attraction for tourists coming to Mumbai.
- (b) Night Cruises will be promoted along the illuminated coastline of Mumbai, Water sport facilities by day could be another attraction.
- (c) A Mumbai Haat will be set up along the lines of the Delhi Haat to promote local, arts, crafts and cuisines.
- (d) A well equipped Convention Centre in Mumbai.
- (e) Festivals and cultural events will be organized and supported by Maharashtra Tourism.
- (f) The concept of Medical Tourism will be developed and marketed at international tourism fora.
- (g) The total star room capacity available in Mumbai is 9100 rooms which is quite inadequate. There is an acute shortage of 3 star, 4 star and budget hotels. The Govt. will encourage hotels in this category by devising a package of incentives.

- (h) "Mumbai-by the Hour" information booklets.
- (i) Shopping festivals in Mumbai.

20. TOURISM PROMOTION COUNCIL

It has been proposed to form a Tourism Promotion Council, an apex body to guide supervise and monitor the development of tourism and various tourism related issues. The terms and conditions of the council will be notified separately by the Government.

The formation of the Council will be as follows :

- | | |
|--------------------------------------|-------------------------|
| 1) Chief Minister | Chairman |
| 2) Dy.Chief Minister | Vice-Chairman |
| 3) Minister (Tourism) | Executive Chairman |
| 4) Minister of State for Tourism | Executive Vice-Chairman |
| 5) Minister of Finance & Planning | Member |
| 6) Minister of Forests | Member |
| 7) Minister of Home | Member |
| 8) Minister of Revenue | Member |
| 9) Minister of Transport | Member |
| 10) Chief Secretary | Member |
| 11) Secretary (Finance) | Member |
| 12) Secretary (Revenue & Forests) | Member |
| 13) Secretary Tourism & Culture | Member Secretary |
| 14) Commissioner, BMC | Member |
| 15) Metropolitan Commissioner, MMRDA | Member |
| 16) Chief Executive Officer, MMB | Member |
| 17) General Manager, Railways | Member |

One representative each of the following non-Government and semi-Government organizations will also be members on the council.

- 1) FICCI
- 2) CII
- 3) Maharashtra Economic Development Council
- 4) Airport Authority of India

- 5) Air India
- 6) Indian Airlines
- 7) Jet Airways
- 8) Sahara Airlines
- 9) Air Deccan
- 10) FHRAI
- 11) Film Producers" Association
- 12) Taxi Union
- 13) Two leading Tour Operators }
- 14) Two leading Event Managers } To be nominated by government
- 15) Two leading Deosthan Trusts }
- 16) One person from an organisation having expertise in each of the following sectors (to be nominated by government)
 - a) Adventure tourism
 - b) Water transport
 - c) Wildlife tourism
 - d) Medical tourism
 - e) Coastal tourism

21. TOURISM PROMOTION AND MARKETING

The marketing and promotional activities for tourism in the State are being undertaken by the MTDC. In order to reiterate our commitment to tourism development and effective promotion and marketing of tourism in the State, the following steps will be taken :

- (a) Improved Budgetary support of at least Rs.25 Crores will be ensured in the State budget of the Tourism Department for marketing and promotion with a 5% increase in the budget allocation every year during the span of this policy ; and
- (b) The Department of Tourism and MTDC will be allowed to participate in a minimum of 3 important International Tourism Meets/Conventions every year on the following conditions :
 - (i) The team will not consist of more than 5 delegates ;
 - (ii) MTDC will not ask for any additional grant or budget for the purpose;
 - (iii) The Travel Marts or Shows should be globally important events ; and

- (iv) MTDC will obtain in-principle approval of the Govt. for participation in specified events at the beginning of each financial year.
- (c) M.T.D.C. will identify areas of common interest with other states. The State Govt. will enter into MOUs that will emphasise the areas of co-operation between two States, thus maximizing business and promotion of the tourism sector to mutual advantage.

The Corporation will explore the possibility and viability of having MOU/Collaboration with other national/international organisations working in the tourism sector, with prior approval of the State Govt.

- (d) Information Technology will be used for the purpose of tourism promotion. The Corporation web site will be further developed and enriched. This will be a dynamic web site giving all necessary information and visuals of tourism in the State. The MTDC will device and implement an online booking system for the Deccan Odyssey train as well as MTDC's resorts in the State. The online booking system can be further extended to the private sector tourism bookings. The Corporation will network all its Regional Offices and important Resorts for instant communication of information.

ANNEXURE "A"

TOURISM UNITS

Eligible units : The following tourism projects shall be included as eligible units for the purpose of incentives under the Tourism Policy, 2006.

1) **HOTELS**

Hotel projects should have facilities expected of establishments in the 1 to 5 star categories according to the guidelines for hotels of the Department of Tourism, Govt. of India, as applicable from time to time. Such hotels should also obtain category certificate from them. These units should have a minimum of 20 lettable rooms with attached bathrooms. A public toilet should also be provided for visitors. Size of the rooms and bathrooms, AC facilities should be as per the norms prescribed by the Department of Tourism, Govt. of India for such hotels.

(a) **RESORT**

The Resort project should have a minimum of 20 lettable rooms with attached bathrooms. Unless it is a hill station or a beach or a location, which, in the opinion of the Tourism Project Approval Group (TAG), does not require air conditioning, at least 35% of the rooms should be air conditioned. The bathroom carpet area should admeasure at least

3.5 sq.mtrs. It should have restaurant / dining hall with a seating area of minimum 40 sq.mtrs. (excluding kitchen and storage). It should have a telephone with STD facility. The plot on which resort is located should admeasure at least 10000 sq.mtrs. It should have, on its plot, a minimum open space (unbuilt area) of 6000 sq.mtrs. It should have at least 4 of the following facilities.

- i. Indoor games (e.g. Table – Tennis, Squash, Billiards, Bowling Alley, etc.). with a minimum built area of 25 sq.mtrs.
- ii. Conference Room (Minimum Carpet area of 30 sq.mtrs.)
- iii. Swimming pool
- iv. Tennis or Badminton Court or Golf or other outdoor games area.
- v. A Health Club (minimum built-up area of 20 sq.mtrs.)
- vi. A lounge (admeasuring at least 35 sq.mtrs.)

(b) **HEALTH FARM**

The Health Farm should be located in an area, which is free from pollution and noise, and have a generally salubrious and health-promoting environment. There should be at least 20 letttable rooms with attached bathrooms. It should have at least six of the following facilities.

- i. Health Club
- ii. Gymnasium
- iii. Yoga/Meditation Area
- iv. Outdoor Exercise Areas
- v. Indoor Games
- vi. Outdoor Games
- vii. Swimming Pool
- viii. Classroom
- ix. Jogging Tracks
- x. Horse Riding facility

It should include a farm to grow fruits, vegetables, herbs, and grains (admeasuring at least 500 sq.mtrs.) It should be located on a plot admeasuring at least 5000 sq.mtrs. It should have medical, paramedical personnel, alternative system of Medicine, Health Specialist, Diet Specialist, and such other full time staff of at least two persons.

2) **MOTELS AND WAYSIDE AMENITIES**

The Motel Project should be located on a National Highway, State Highway or Main District Road (MDR) or within a distance of 1.5 kms., 1 km or 1/2 km. respectively from such highways/MDR. It should have at least 10 lettable rooms and all the lettable rooms should have attached bathrooms. The plot on which the motel is located should admeasure a minimum of 1500 sq.mtrs. It should have restaurant/dinning hall with sitting area of minimum 30 sq.mtrs. (excluding kitchen, storage). The double rooms and single rooms should have minimum carpet areas of 12 sq.mtrs. and 10 sq.mtrs. respectively. The bathroom carpet area should admeasure at least 3 sq.mtrs. It should have telephone with STD facility. It should have public toilet and first aid centre. It should have car parking area @ 5 sq.mtrs. per room. The rooms should have adequate furniture, fixtures and linen. The ownership/lease of land and land use should be in order.

Wayside amenities will be a common facilities centre on the National Highways, State Highways, and Major District Roads or within a short distance from such roads. They should ideally have (a) Food Plaza; (b) Public Convenience; (c) ATM/Banking; (d) Emergency/Medical Facilities; (e) Communication Centre; (f) Petrol Filling Station and Auto Services. For wayside amenities to be eligible for these incentives, they must have (a), (b), (c), (d) and (f) among the facilities mentioned above.

3) **APARTMENT HOTEL**

Apartment Hotel projects should have a minimum of 12 lettable apartments. An individual apartment should have a minimum of two rooms and a kitchenette. The carpet area of an apartment should not be less than 30 sq.mtrs. Each apartment should have at least one bathroom attached to the bedroom. There should be a telephone facility in each apartment. At least 50% of the apartments should have air-conditioned bedrooms. It should have at least two of the following four facilities :

- a) Indoor Games
- b) Swimming Pool
- c) Tennis, Badminton or such other Outdoor Games
- d) A Health Club

It should have adequate apartment cleaning and housekeeping facilities. There should be 24 hour running cold and hot water supply to all apartments. There should be a parking facility of 5 sq.mtrs. per apartment. The centralized kitchen, pantry, restaurant, shopping arcade, lounge, refrigeration, linen, storage housekeeping and such other areas should admeasure at least 100 sq.mtrs. of carpet area. The kitchenette should be equipped with kitchenware, cooking gas and dinnerware to meet the needs of at least three inmates simultaneously. All apartments should have a T.V. set.

4) **WATER SPORTS**

Water sports projects should be set up at a beach or, lakeside or, riverside along with a pontoon/jetty. It should offer at least two water sport facilities. Parasailing, water-scooters, hovercraft and water-skiing are examples of such facilities. In addition to investment in boat and outboard motor, it should make an investment of at least Rs.5 lakhs in water sports equipment. It should have adequate changing rooms, showers, lockers, separate toilet blocks for ladies and gents. It should have a restaurant. It should have trained staff for implementation of safety norms prescribed by the Government of Maharashtra.

5) **ARTS & CRAFTS VILLAGE**

The Art and Crafts village project will consist of a minimum of one acre land with facilities like space to work for at least 10 artisans to display different crafts, an exhibition area of not less than 1000 sq.ft. a multipurpose hall for folk shows, performing arts and film screening etc. A restaurant and toilet blocks should also be provided.

6) **GOLF COURSE**

A Golf Course Project should have a minimum of 9 holes. The land area should not be less than 10 Hectares. The design and drainage should be so worked out that there is no water logging. There should be a reliable system for adequate water supply. It should have a satisfactory club house. It should offer clear access to tourists who are not its members to play golf and the charges in this regard should be transparent and consistent. Adequate parking for at least 25 vehicles and public toilet facility should also be available.

7) **CAMPING AND TENT FACILITIES**

Camping and tent facilities should have clear ground admeasuring at least 1000 sq.mtrs. It should have tented accommodation capacity for at least 20 persons. There should be a minimum of 10 tents. The gross carpet area of tents should admeasure at least 200 sq.mtrs. All the tents should have attached toilets. The tents should be put on a platform raised to a minimum of 2.5 feet above the ground. The tent site should have adequate security. The site should have eco-friendly structures admeasuring at least 200 sq.mtrs. for such purposes as food, recreation, relaxation and lockers. It should have adequate electricity, water supply, sewerage disposal and drainage facility.

8) **AMUSEMENT PARK**

An Amusement Park should have at least 8 amusement rides. There should be a minimum investment of Rs.50 lakhs in amusement rides/aids. This pertains to the cost of equipment alone. It should have a minimum area of 20000 sq.mtrs.

9) **WATER PARK**

A Water Park project should have an area of 5 acres and minimum of five water sites. It should have the capacity to handle at least 100 slides simultaneously. It should have trained supervisors for implementation of safety norms. It should have restaurants and adequate changing rooms, lockers, showers and separate toilet blocks for ladies and gents.

10) **ROPEWAY**

The Ropeway should be mechanized and motor driven. The horizontal length may be about 500 meters but it can be slightly less if the location demands so. It should be comfortable for the passengers and free from noise. It should have capacity to carry minimum 200 passengers per hour. The cabins should leave at brief intervals so that transportation is continuous and waiting time is minimum. It should have thyristar control of main drive motor or comparable device to ensure smooth acceleration and deceleration. It should have an emergency brake in addition to the normal brakes. The cabins should be sturdy and aesthetic. It should have full capacity generator set to drive the ropeway in case of power failure. The facilities should be created in compliance with the provisions of the Ropeway Act.

11) **HERITAGE HOTEL**

A Heritage hotel should be a palace, a haveli, a darbagrih of any building, built in a traditional style, prior to 1950. The façade, architectural features and general construction should have the distinctive qualities, ambience, and décor consistent with a traditional lifestyle. It should have minimum 10 lettable rooms. The facilities and the features along with the services should be as per the guidelines of the Department of Tourism, Government of India as applicable from time to time.

12) **CONVENTION CENTRE**

A Convention Centre should be located on a plot admeasuring at least 5000 sq.mtrs. It should have capacity to seat at least 750 persons. The capacity should be so organised that it is possible for at least 5 separate conference events to run simultaneously. The conference/convention units should have adequate acoustic facility. At least 75% of the convention centre's capacity should be air-conditioned. It should have a vehicle parking facility of at least 2 sq.mtrs. per seat. All conference/convention areas should be equipped with modern public address system, slide projection, video screening and such other facilities. It should possess its own equipments. It should have a restaurant, cafeteria of adequately covered and comfortable area to cater to at least 500 persons simultaneously. The area excluding kitchen, should admeasure at least 500 sq.mtrs. It should have STD telephones, first aid centre, Fax and e-mail and photocopying facilities. The quantum of such facilities should be consistent with the size of the complex.

13) **CARAVAN TOURISM**

It may be motorized/vehicle-based. It should have capacity to handle simultaneously at least 30 participants, if it is operated with the aid of motorized vehicles. It should operate at least three months in a year. It should have operated for at least three months before seeking the approval of the State Tourism Committee.

14) **ADVENTURE TOURISM PROJECTS**

An adventure tourism project should provide required equipments with trained staff to maintain and run the activity. The requisite permissions from local authorities as well as permission/provision from safety angle must to be obtained/made. Minimum facilities like

restaurant (wherever required), drinking water supply, staying arrangements (wherever required), toilet etc. should be provided.

15) **OTHER PROJECTS**

Other projects not falling into any of the above categories, will be considered subject to being approved by the High Level Empowered Committee under the Chairmanship of the Chief Secretary/Secretary (Tourism), Govt. of Maharashtra.

ANNEXURE “B”

CLASSIFICATION OF AREAS

Sr.No	Zone A	Zone B	Zone C
1	2	3	4
1.	Mumbai, Mumbai Suburban District, Navi Mumbai, Thane and Pune Municipal Corporation and Pimpri Chinchwad Municipal Corporation areas.	All Municipal Corporations (except areas in Zone A) and A Class Municipalities.	All districts of Maharashtra except areas in Zone A and B

By order and in the name of the Governor of Maharashtra,

(Bhushan Gagrani)
Secretary (Tourism)

To

1. The Secretary to Governor
2. The Secretary to Chief Minister
3. The Secretary to Dy. Chief Minister
4. The Private Secretary to Minister (Finance)
5. The Private Secretary to Minister (Industries)
6. The Private Secretary to Minister (Tourism)
7. The Private Secretary to State Minister (Energy)
8. The Private Secretary to State Minister (Industries)
9. The Private Secretary to State Minister (Finance)
10. The Private Secretary to State Minister (Tourism)

11. The Chief Secretary
12. All Additional The Secretaries/Principal Secretaries in Mantralaya
13. All Divisional Commissioners
14. All Collectors
15. All Chief Executive Officers of Zilla Parishad.
16. Chairman, Maharashtra State Electricity Board, Mumbai
17. Managing Director, State Industrial and Investment Corporation of Maharashtra, Mumbai
18. Managing Director, MTDC Ltd., Mumbai
19. Managing Director, MSFC Ltd., Mumbai
20. The Chief Executive Officer, MIDC Ltd., Mumbai
21. All Other Deptts. of Mantralaya
22. The Accountant General, Maharashtra-I, Mumbai
23. The Accountant General, Maharashtra-II, Nagpur
24. The Pay & Accounts Officer, Mumbai
25. The Resident audit Officer, Mumbai
26. The Director General of Information and Public Relation, Mumbai with a request to issue
suitable Press Note and arrange for giving wide publicity to the resolution.
27. Commissioner, Industries, Mumbai
28. The Secretary (Tourism), Deptt. of Tourism, Government of India, New Delhi.
29. Hotel & Restaurant Association (Western India), Mumbai
30. Regional Director, Bharat Sarkar Tourist Office, Mumbai
31. All Deptts. of Mantralaya
32. Travel Agents of India, Mumbai
33. Tour and Transport Operators Association of India, Mumbai
34. Indian Association of amusement Park and Industries, Mumbai
35. All Public Sector Undertakings, Government of Maharashtra