

**GOVERNMENT OF PUDUCHERRY
ABSTRACT**

Tourism – Framing of Scheme, namely, “Grant of Financial Incentives for Hotels, Resort and other Tourism Projects in the Union Territory of Puducherry” to provide incentives – Notification - Issued.

DEPARTMENT OF INDUSTRIAL DEVELOPMENT (TOURISM)

G.O.Ms.No.01/2010/Tsm

Puducherry dt., 20.01.2010

READ : 1.G.O.Ms.No.1dated 16.02.2004
2.G.O.Ms.No.1/Tourism/US/2005 dated 18.02.2005 and
3.G.O.Ms.No.2/2006 dated 18.07.2006 of Department of
Industrial Development (Tourism), Puducherry
4.I.D.No.96/Tourism/U1/2004 dated 05.11.2009 of
Department of Tourism, Puducherry
5.I.D.No.1575/LGS/09 dated 31.12.2009 of Lt. Governor's
Secretariat, Puducherry

ORDER

WHEREAS the Scheme of “Grant of Financial Incentives for Hotels, Resorts, Heritage Hotels and other tourism projects” was announced by the Department of Industrial Development (Tourism), Government of Puducherry vide G.O.Ms.No.1 dated 16.02.2004, which provided the subsidies namely, Investment Subsidy, Interest Subsidy, Reimbursement of Registration Charges and Town Planning Charges and Additional Incentives for Heritage Hotels. Subsequently, with a view to encourage the growth of Budget Hotel Accommodation, and to increase the number of rooms to cater the need of growing demands for quality tourist accommodation, the provision of financial incentive/subsidy was extended to 1 Star and 2 Star Hotel categories. The Department of Industrial Development (Tourism), Government of Puducherry issued the G.O.Ms.No.1/Tourism/ US/2005, dated 18.02.2005.

2. AND WHEREAS further, to encourage the private entrepreneurs in the field of tourism, the investment subsidy/incentive was enhanced to 25% on the capital investment, subject to a maximum of Rs.100.00 lakhs vide G.O.Ms.No. 2/2006, dated 18.07.2006 of the Tourism Department.

3. NOW, THEREFORE, the Lieutenant-Governor, Puducherry is pleased to accord approval for framing the scheme namely “Grant of Financial Incentive for Hotels/Resorts and other Tourism Projects” in the Union Territory of Puducherry to provide incentives as appended to this order in supersession of the three G.Os cited under read above in order to simplify the procedure for grant of incentive/subsidy and to conform to the norms of the Ministry of Tourism and to withdraw all the incentives except the capital subsidy of 25% on the capital investment subject to a maximum of Rs.100.00 lakhs and to prescribe the limits for the appropriate classification of star hotel/resorts/heritage hotels under the rules made thereunder.

Contd..2

4. This issues with the concurrence of the Finance Department vide their I.D.No. 076587/F3/2009 dated 18.01.2010.

/ BY ORDER OF THE LIEUTENANT-GOVERNOR/

**K.DURGA PRASAD
UNDER SECRETARY TO GOVT. (TOURISM)**

To
The Director, Tourism Department, Puducherry

Copy to

1. The Finance Department, Puducherry
2. The Directorate of Accounts & Treasuries, Puducherry
3. The Accountant General, Audit-I, TN&PDY, Puducherry
4. The Accounts Section, Tourism Department, Puducherry
5. The Record Branch, Chief Secretariat, Puducherry
6. GO/Spare.

THE SCHEME FOR "GRANT OF FINANCIAL INCENTIVES FOR HOTELS/RESORTS AND OTHER TOURISM PROJECTS"

1. (i) Short title and Commencement : This scheme may be called "Grant of Financial Incentives for Hotels/Resorts and Tourism Projects".

(ii) This scheme shall come into force from the date of publication in the Official Gazette.

2. SCOPE OF THE SCHEME :

(1) The incentive shall apply to all star classified hotels/resorts and heritage category hotels as classified by the Ministry of Tourism, Government of India, completed and commissioned, and in continuous commercial operation from the year 2005 onwards. The Scheme shall also be applicable to other tourism projects mentioned above, where the projects have been completed and commissioned and are in continuous commercial use from the year 2005 onwards.

(2) The incentive shall be only in the form of capital grant of Rs.2.00 lakhs per room subject to a maximum of Rs.30.00 lakhs for a one star category hotel, Rs.3.00 lakhs per room subject to a maximum of Rs.75.00 lakhs for a two star category hotel, Rs.3.00 lakhs per room subject to a maximum of Rs.100.00 lakhs for a three star category hotel project. No other incentive shall be provided.

(3) The incentive/subsidy to hotels/resorts having more than 3 star classification and other tourism related projects like Water Theme Park, Amusement Park, Yacht Marina, Family Entertainment Centre, Convention Centre, Cruise Tourism, etc. shall be in the form of 25% on the capital investment subject to maximum of Rs.100.00 lakhs. No other incentive shall be provided.

(4) For heritage hotels,

(1) the incentive shall be available at Rs.3.00 lakhs per room subject to the maximum of Rs.75.00 lakhs. No other incentive shall be provided.

(2) the incentive shall be released to the heritage hotels, only if the building is listed in the current list of heritage buildings in this Union Territory and provided further that they conform to the architectural and conservation guidelines laid down by the Competent Authorities viz, Town and Country Planning and INTACH, Pondicherry from time to time.

(3) Demolishing a heritage building and reconstructing a building as heritage building shall not be treated as "Heritage Hotel".

(5) The Scheme shall be applicable throughout the Union territory of Puducherry.

(6) The incentive shall be released only if the hotel/resort has the star classification or Heritage Hotel classification duly approved by the Ministry of Tourism, Government of India. The said Hotel/Resort should be in operation in the same name and style from the date of issue of such Star Classification/Heritage Grading.

(7) The incentive/subsidy shall be applicable only to those applicants who have financially invested in the property and developed the project.

(8) The incentive shall be directly released to the authorized/approved designated/notified financial institutions, if the loan was taken for creating/financing the project. In case, no loan has been taken, the amount of incentive will be directly released to the applicant.

(9) The owners of the hotel, resort, heritage hotel or other tourism projects availing this Scheme shall give an undertaking stating that the project will be continued in the same name and style for a period of eight years from the date of release of the incentive. The project shall not be sold or mortgaged or transferred on the basis of the power of attorney or any other mode prior to the period of eight years from the date of release of the incentive.

(10) The hotel, resort, heritage hotel or other tourism projects shall not be eligible for this incentive scheme, if any other capital subsidy/incentive has already been availed from the Government of Puducherry or the Government of India.

(11) If there is any misrepresentation of facts or furnishing of false or incorrect information or the like to the Department of Tourism, Government of Puducherry, the amount paid shall be recovered along with interest and penalty at Government rates prevailing at that time and further incentive shall not be released and the Department of Tourism shall reserve the right to take any legal action deemed proper.

(12) The incentive may be released in installments.

(13) The date of Star Classification/Heritage Classification by the Government of India shall be taken as a criterion for fixing the order of priority for disbursement of financial incentive for hotels/resorts/heritage hotels. In the case of tourism projects other than hotels/resorts/heritage hotels, the date of commercial operation shall be taken for fixing the order of priority for disbursement of incentive.

(14)

(i) A Committee consisting of the following officers is constituted to look into the application for financial incentives to be availed under this scheme, to decide on the eligibility, quantum of incentive, payable under this scheme in each case:

- | | | |
|-----|--|---------------|
| (a) | Secretary to Govt. (Tourism) |Chairman |
| (b) | Managing Director, (PTDC) |Member |
| (c) | Member Secretary, PPA |Member |
| (d) | Commissioner, Puducherry Municipality..... | Member |
| (e) | Representative of Finance Department |Member |
| (f) | Architect, Representative of INTACH |Member |
| (g) | Director of Tourism |Convenor |

(ii) The Chairman may, if he deems if necessary, co-opt any subject expert, from Government or Private sector, for studying eligibility for special tourism infrastructure projects on a case to case basis.

3. DOCUMENTS REQUIRED FOR THE SCHEME "GRANT OF FINANCIAL INCENTIVE FOR HOTELS/RESORTS AND OTHER TOURISM PROJECTS".

- (1) Detailed Project Report in English about the infrastructure including ownership, structural designs, financial model, detailed estimates, audited balance sheet and Profit and Loss statements from its commencement, Income Tax returns and other relevant particulars.
- (2) Approval and occupancy certificate of the Planning Authority of the respective regions of the Government of Puducherry with approved drawing.
- (3) Certification of the building from the Departments of Fire Service, Municipality/Public Works and Electricity.
- (4) Certification of Star Classification/Heritage Classification from Ministry of Tourism/Department of Tourism, Government of India.
- (5) Undertaking as per the format in 50 rupees stamp paper.

**K.DURGA PRASAD
UNDER SECRETARY TO GOVT. (TOURISM)**

SUBSIDY UNDERTAKING

I _____ (Name) aged _____ years, Director General/Director/Partner/Owner of _____ (Name of the Hotel) situate at _____ (Address) which is 1/2/3/4/5 Star/Heritage Category, commissioned and classified by the Ministry of Tourism, Government of India from _____ on _____ after having gone through and understood the terms and conditions of the revised scheme of **"GRANT OF FINANCIAL INCENTIVE FOR HOTELS/RESORTS AND OTHER TOURISM PROJECTS"** contained in G.O.Ms.No 01/2010/Tsm dated 20.01.2010 and published in the Gazette on _____, I on my behalf and on behalf of _____ (Name of other partners/Hotel/Resort/Heritage Hotel/other tourism infrastructure), do hereby accept and undertake to abide by the rules/terms and conditions imposed by the Department of Tourism, Government of Puducherry. I further state that I have been authorized by the other partner(s)/Company and I am competent myself to file this undertaking, for which the letter of authority is enclosed.

2. I further state that the requisite Form/Application to avail myself/ourselves of the Revised Scheme of the **"GRANT OF FINANCIAL INCENTIVE FOR HOTELS/RESORTS AND OTHER TOURISM PROJECTS"** has been filled in, in agreement/consent with the other partner(s) namely _____ and the company. The particulars and the statements given therein are true and correct to the best of my knowledge, information and belief, and nothing material has been concealed therefrom.

I, on my behalf and on behalf of the partner(s)/company named above, do hereby undertake as under :

(I) That the _____ (Name of the infrastructure) (Hotel-1,2,3,4,5 Star/Heritage/other tourism projects) will continue in the same name and style for a period of eight years from the date of release of incentive and the property and the building will not be sold or mortgaged or transferred on the basis of the power of attorney or any other mode prior to the said period of eight years from the date of release of the incentive.

(II) If there is any misrepresentation of facts or furnishing of false or incorrect information or the like to the Department of Tourism, Government of Puducherry, the amount paid shall be recovered along with interest and penalty at the Government rates prevailing at that time and the Department of Tourism will be at liberty to take any legal action deemed proper.

(III) That in case funds are not available with the Department of Tourism, Government of Puducherry, the entire/balance of the incentive shall be claimed only as and when the Department of Tourism has made the required budgetary provisions.

Place :
Date :

Applicant Name _____
Seal :

Application form to avail financial incentive/subsidy for HOTELS/ RESORTS/HERITAGE HOTELS/OTHER TOURISM PROJECTS under the scheme Grant of Financial Incentives for Hotels, Resorts, Heritage Hotels, Service Apartments and other Tourism Projects in the Union Territory of Puducherry

| | | |
|---|--|--|
| 1 | Name of the Applicant | |
| 2 | Address of the Applicant (Proof to be attached) | |
| 3 | Name & Style of the Project/ Property for which incentive required. | |
| 4 | Location of the Project/Property mentioned in Sl.No.3 with complete postal address | |
| 5 | Whether the Project/Property mentioned in Sl.No.3 is a Star Classified Hotel or Star Classified Resort or Heritage Hotel or other Tourism Project (please specify) | <ul style="list-style-type: none"> ● Star Classified Hotel/Resort <ul style="list-style-type: none"> <input type="checkbox"/> 5 Star <input type="checkbox"/> 4 Star <input type="checkbox"/> 3 Star <input type="checkbox"/> 2 Star <input type="checkbox"/> 1 Star ● Heritage Classified Hotel ● Other tourism project. |
| 6 | Whether the Project/Property mentioned in Sl.No.3 is Proprietary Concern or Partnership Concern or Limited Company (Please attach proof) | <ul style="list-style-type: none"> <input type="checkbox"/> Ownership <input type="checkbox"/> Partnership <input type="checkbox"/> Company <input type="checkbox"/> Others (please specify) |
| 7 | Relation of the applicant with the Project/Property mentioned in Sl.No.3 | <ul style="list-style-type: none"> <input type="checkbox"/> Proprietor <input type="checkbox"/> Partner <input type="checkbox"/> Board of Director <input type="checkbox"/> Others (please specify) |
| 8 | Date of completion of the Project/Property mentioned in Sl.No.3 | |
| 9 | Date of commencement of commercial operation of the Project/Property mentioned in Sl.No.3 | |

| | | |
|-----------|---|---|
| 10 | Details of the Financial Institution and loan taken, if the loan was taken for creating/financing the Project/Property mentioned in Sl.No.3. (Supporting documents to be enclosed). | |
| 11 | Whether any other capital subsidy or incentive had been availed from the Government of Puducherry or from the Ministry of Tourism, Government of India for the Project/Property mentioned in Sl.No.3. If so, please provide the details | |
| 12 | Details to be filled for Hotels and Resorts | |
| (a) | Category of Star Classification by Ministry of Tourism, Govt. of India. | <input type="checkbox"/> 5 Star <input type="checkbox"/> 4 Star <input type="checkbox"/> 3 Star <input type="checkbox"/> 2 Star <input type="checkbox"/> 1 Star |
| (b) | Date of Issue of Star Classification | |
| (c) | Validity of Star Classification | |
| (d) | No. of Saleable Rooms (Plan approval and Occupation Certificate from PPP should be attached) | |
| 13 | Details to be filled for Heritage Hotels. | |
| (a) | Category of Heritage Classification by Ministry of Tourism, Govt. of India. | |
| (b) | Date of Issue of Heritage Classification | |
| (c) | Validity of the Classification | |
| (d) | Whether the building of the Hotel is listed in the current list of heritage buildings in this Union Territory. (Proof should be enclosed) | |
| (e) | No. of Saleable Rooms (Plan approval and Occupation Certificate from PPP should be attached) | |
| 14 | Details to be filled for Tourism Projects other than Star Category Hotels, Resorts, Heritage Hotels and Service Apartments. | |

| | | |
|-----------|--|--|
| (a) | Land Cost | |
| (b) | Construction Cost | |
| (c) | Furniture & Fixtures, etc. | |
| (d) | Total Project Cost | |
| (e) | Total Capital Investment (Attach Audited Certificate). | |
| 15 | Documents to be enclosed | |
| (a) | Detailed Project Report in English about the infrastructure including ownership, structural designs, financial model, detailed estimates, audited balance sheet and Profit and Loss statements from its commencement, Income Tax returns and other relevant particulars. | |
| (b) | Approval and occupancy certificate of the Planning Authority of the respective regions of the Government of Puducherry with approved drawing. | |
| (c) | Certification of the building from the Departments of Fire Service, Municipality/Public Works and Electricity. | |
| (d) | Certification of Star Classification/Heritage Classification from Ministry of Tourism/Department of Tourism, Government of India | |
| (e) | Undertaking as per the format in 50 rupees stamp paper. | |
| | | |

UNDERTAKING

The particulars furnished above are true and I completely read and understand the scheme "Grant of Financial Incentives for Hotels, Resorts, Heritage Hotels, Service Apartments and other Tourism Projects in the Union Territory of Puducherry" issued vide Government Order Nos. G.O.Ms.No.01/2010/Tsm dated 20.01.2010.

Place :

Signature :

Date :

Name of the Applicant :

Seal :

CHECK LIST

| SL NO | DOCUMENTS TO BE ENCLOSED | WHETHER ENCLOSED OR NOT (YES / NO) |
|----------|--|--|
| 1 | Proof of Address | |
| 2 | Registration of the Company/Partnership | |
| 3 | Certification of Star Classification/Heritage Classification from Ministry of Tourism/Department of Tourism, Government of India | |
| 4 | Documents for land ownership and Encumbrance Certificate | |
| 5 | Certificate from Notary of clear title | |
| 6 | Supporting documents for loan sanction/loan disbursement and details of loan paid and pending from the Financial Institution. | |
| 7 | Detailed Project Report in English about the infrastructure including ownership, structural designs, financial model, detailed estimates, audited balance sheet and Profit and Loss statements from its commencement, Income Tax returns and other relevant particulars. | |
| 8 | Approval and occupancy certificate of the Planning Authority of the respective regions of the Government of Puducherry with approved drawing. | |
| 9 | Certification of the building from <input type="checkbox"/> Fire Service, <input type="checkbox"/> Municipality/Public Works <input type="checkbox"/> Electricity Department. | |
| 10 | Undertaking as per the format in 50 rupees stamp paper. | |