



Abstract

Tourism – Promotion of Tourism – Grant of Capital Subsidy for the Tourism Projects and sanction of soft loan for first five years to pay sale tax to be repaid in next five years at 0.1% interest – Orders – Issued.

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Tourism & Culture (T3) Department

G.O.Ms.No.155

Dated:27.9.2007

Read:

From the Commissioner of Tourism, Chennai-2  
D.O.Lr.No.7793/T.Ind/2006, Dated:23-9-2006 and D.O.Letter  
No.6019/T.Ind/2006, Dated:23.09.2006.

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ORDER:

While moving the Tourism Demand for the year 2006-2007, the Hon'ble Minister for Tourism announced that Capital subsidy of 10% of the project cost will be granted for the New Tourism Projects like Hotels, Amusement Park, Boat House started to attract more Tourists to the tourist places, subject to the maximum of Rs.One Crore and soft loan will also be sanctioned for the first five years to pay sale tax, which shall be repaid in next five years at 0.1% interest.

2. The Commissioner of Tourism in the D.O.Letters read above submitted necessary proposals and recommended that the capital subsidy may be granted to the New Tourism Projects like Hotels, Amusement Parks, Golf Course, Rope Car and Boat Houses in the less known tourist places to encourage private entrepreneurs.

3. The Government after careful consideration accept the proposal of the Commissioner of Tourism and accordingly direct that the following incentive scheme be introduced from the year 2007-2008 in the following pattern for the New Tourism Projects in less known tourist places indicated below:-

**(i) One time Subsidy for construction of Hotels:**

	<u>Grade</u>	<u>Subsidy</u>
(i)	Single Star	10% of the total project cost (excluding land value) or maximum of Rs.25 lakhs.
(ii)	Two Star	10% of the total project cost (excluding land value) or maximum of Rs.50 lakhs.
(iii)	Three Star and above	10% of the total project cost (excluding land value) or maximum of Rs,100 lakhs)

**(ii) One time Subsidy for other Tourism Projects :**

(i) Amusement Park	}	10% of the total project cost (excluding land value) or maximum of Rs.100 lakhs
(ii) Golf Course		
(iii) Rope Car		
(iv) Boat House		

(iii) Soft Loan at the rate of interest of 0.1% per annum for first five years to pay Sales Tax by the investors of Tourism Projects in less known tourist places shall be sanctioned, to be repaid to Government during the next five years.

4. The following guidelines are issued for implementation of this scheme:-

**I. List of Less Known Tourist Places :-**

Naturally rich tourism potential sites, Heritage centre, Pilgrim Centres which are not known to the public / Tourist much and which require adequate publicity and infrastructure can be defined as less known Tourist place.

The Tourism Projects specified in Para 3 above started in the following less known tourist places are eligible for grant of Subsidy :-

<u>District</u>	<u>Tourist Places</u>
Thiruvallur District	1. Periyapalayam 2. Pulicat
Vellore District	3. Elagiri
Nagapattinam District	4. Thirukkadaiyur 5. Vedaranyam 6. Tranquebar
Thanjavur District	7. Thirumanancheri
Pudukkottai District	8. Sithannavasal
Perambalur District	9. Puliancholai
Salem District	10. Tharamangalam
Dharmapuri District	11. Kolli Hills 12. Hogenakkal
Erode District	13. Bavani Kooduthurai
Coimbatore District	14. Valparai
Theni District	15. Megamalai
Dindigul District	16. Sirumalai
Tirunelveli District	17. Thirupudaimaruthur
Kanniyakumari District	18. Thiruparappu

## **II. Submission of Application :-**

The application for grant of subsidy should be submitted to the Director of Tourism in duplicate through the District Collector concerned.

## **III. Documents to be enclosed with the Application:-**

- (1) Plan approved by the Local Administration
- (2) Estimates for construction and other works as per the approved plan.
- (3) Quotations for purchase of furniture and other equipments.

## **IV. Facilities required for Construction of Hotels :**

- (1) Minimum 20 lettable rooms with attached bath rooms
- (2) Adequate space for car parking as per the Multistoreyed Building Act / Rules.

## **V. Committee for Scrutinizing Project Proposals :-**

- |    |  |   |          |
|----|--|---|----------|
| 1. | Director of Tourism and Managing Director,<br>Tamil Nadu Tourism Development Corporation | - | Chairman |
| 2. | Regional Director, Ministry of Tourism,<br>Government of India, Chennai                  | - | Member   |
| 3. | Managing Director, TIIC  | - | Member   |
| 4. | Project Engineer,<br>Tamil Nadu Tourism Development Corporation                          | - | Member   |

## **V. Grant of Subsidy & Soft Loan :-**

- (i) After completion of the project, the entrepreneur should submit the application form with all relevant documents to the DOT through the District Collector concerned.
- (ii) After inspection of the project, the Scrutinising Committee will scrutinize and recommend the project for grant of subsidy and soft loan.
- (iii) Projects which are already under pipe line and yet to be completed will also be eligible for capital subsidy provided the entrepreneurs concerned should submit his application to the Director of Tourism within 45 days from the date of issue of order.
- (iv) For sanction of soft loan for first five years the entrepreneur should submit his application along with the receipt of payment of Sales Tax in original, which will be sanctioned subject to the undertaking for repayment during the next five years with 0.1% interest per annum. (For eg. The soft loan received during the first year shall be repaid during sixth year with 0.1% interest per annum).

**(vi) Sanctioning Authority :**

The Director of Tourism is the Sanctioning Authority for grant of subsidy and soft loan to the eligible entrepreneurs of Tourism Projects in the less known tourist places, based on the recommendations of the scrutinizing committee.

(vii) This scheme shall be implemented from the year 2007-2008 for a period of five years. Extension of the scheme thereafter will be decided by the Government after a detailed review.

5. This order shall take effect from the date of issue of the order.

6. The subsidy to be sanctioned shall be debited to the following head of account :

**For Subsidy:-**

3452.Tourism – 01.Tourism Infrastructure – 102.Tourist Accommodation – Schemes in the Eleventh Five Year Plan – JA.Capital Subsidy for Hotel Project and other Tourism Project – II Subsidies – 01.Individual based subsidy. (DPC.3452 01 102 JA 1118).

7. The soft loan to be sanctioned shall be debited to the following New Sub-Head of Account under Demand No.29.TOURISM – ART AND CULTURE (Tourism and Culture Department) and Head of Department No.02 Directorate of Tourism : -

“7452.LOANS FOR TOURISM – 01.Tourist Infrastructure – 800.Other Loans – Schemes in the Eleventh Five Year Plan – II State Plan – JA.Loans to the investors for Tourism Projects in Less Known Tourist Places for payment of Sales Tax. (DPC 7452 01 800 JA 0004 – OUTGO) (DPC 7452 01 800 JA 0004 – RECEIPTS)”.

8. The interest shall be credited under the following New Sub-Head of Account :-

“0049.INTEREST RECEIPTS – 04.Interest Receipts of State / Union Territories Governments – 800.Other Receipts – CJ.Interest on Loans to the Investors for Tourism Projects in Less Known Tourist Places (DPC 0049 04 800 CJ 0007)”.

9. The Director of Tourism is the Estimating, Reconciling and Controlling Authority for the above New Sub-Head of Account.

10. The Pay and Accounts Officers / Treasury Officers concerned or requested to open the above New Sub-Heads of Accounts in their accounts.

11. The Director of Tourism shall be requested to apply for necessary budget provision based on the recommendation of the Scrutinizing Committee / Sanction Order at appropriate time.

12. This order issues with the concurrence of Finance Department – vide its U.O.No.220/SS(PK)/2007-1, dated.25.9.2007.

(BY ORDER OF THE GOVERNOR)

V.IRAI ANBU  
SECRETARY TO GOVERNMENT

To

The Secretary, Tourism & Culture Department, Chennai-9

The Director of Tourism, Chennai-2

The Managing Director, Tamil Nadu Tourism Development Corporation,  
Chennai - 2

Pay and Accounts Officer, Chennai-9

The Accountant General, Chennai-9/18.

Copy to:

The Commercial Tax and Registration Department, Chennai-9

The Finance (Edn.II / Ind. / BG.II / L & A)Department, Chennai-9

Senior Personal Assistant to Hon'ble Minister (Tourism), Chennai-9

Senior Private Secretary to Secretary to Government,

Tourism and Culture Department, Chennai-9

Tourism and Culture (T1 / T2) Department, Chennai-9

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SECTION OFFICER

