

Government of Himachal Pradesh
Department of Tourism & Civil Aviation

No. TSM-F (1)-2/2013-II Dated: Shimla-2, the 21st, September, 2020

NOTIFICATION

The Governor of Himachal Pradesh is pleased to notify "Guidelines for the Incentives and Concessions for Tourism Units under Himachal Pradesh Tourism Policy, 2019" notified vide this department's notification No.TSM-F(1)2/2013 dated 19th September, 2019 to promote sustainable Tourism/Diversification in the State of Himachal Pradesh, as appended herewith.

By Order,

Devesh Kumar
Secretary (Tourism & CA) to the
Government of Himachal Pradesh

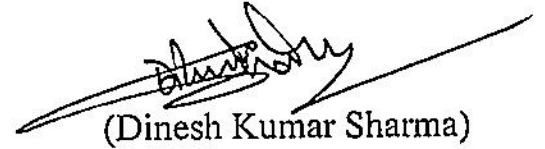
Endst No. As above

Dated 21st September, 2020

Copy is forwarded to the following for information and necessary action:-

1. The Addl. Chief Secretary-cum-Pr. Secretary to the Chief Minister, H.P., Shimla-2.
2. The Special Private Secretary to the Chief Secretary to the Govt. of H.P. Shimla-2.
3. All the Addl. Chief Secretaries/Pr. Secretaries/Secretaries to the Government of Himachal Pradesh, Shimla-2.
4. The LR-cum-Pr. Secretary (Law) to the Govt. of H.P., Shimla-2.
5. The Deputy Secretary(GAD) to the Govt. of H.P. w.r.t. decision taken by the Cabinet in its meeting held on 15.09.2020 vide item No.08.
6. All the Divisional Commissioners, in Himachal Pradesh.
7. All the Deputy Commissioners in Himachal Pradesh.

8. The Director, Tourism and Civil Aviation, H.P. Shimla-9 with 10 spare copies for information and necessary action.
9. The Managing Director, Himachal Pradesh Tourism Development Corporation Ltd. Ritz Annexe, Shimla-2.
10. The Deputy Director, Tourism & Civil Aviation, Shimla, Solan, Mandi, Kullu at Manali, Chamba and Kangra at Dharamshala, Himachal Pradesh.
11. The Controller, Printing and Stationery, H.P. Shimla for publication in the Rajpatra through E-Gazette.
12. Guard file.



(Dinesh Kumar Sharma)

Addl. Secretary (Tourism & CA) to the
Government of Himachal Pradesh.

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GUIDELINES FOR THE
INCENTIVES AND
CONCESSIONS FOR
TOURISM UNITS UNDER
HIMACHAL PRADESH
TOURISM POLICY, 2019.

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Guidelines for the Incentives for Tourism units

- 1.1 Industry Status:-** Department of Tourism & CA, HP has notified new HP Tourism Policy, 2019 on 19.09.2019 vide Notification No. TSM-F(1)-2/2013. The State has granted the status of Industry to the Tourism Sector in 1984 vide notification No. 6-6/84-TSM(Sectt.) dated 05.12.1984. The Incentives/concessions provided under this Policy are applicable for investment in tourism sector and to generate employment opportunities.
- 2.1 Short Title:-** The scheme may be called Incentives & Concessions providing under HP Tourism Policy 2019.
- 3.1 Definition:-**
- 3.1.1 "Appointed Date"** means the date that starts after the gazette notification of Himachal Tourism Policy 2019. The operative period of the Policy starts after the appointed date.
- 3.1.2 "Himachal Bonafide"** means a resident of the State of Himachal Pradesh as certified by Competent Authority from time to time.
- 3.1.3 "Commencement of Commercial Operations"** means the date on which the Tourism Unit commences commercial operations as certified by the concerned Department.
- 3.1.4 "Department"** means Department of Tourism & Civil Aviation, Government of Himachal Pradesh.

- 3.1.5** “Electricity Duty” means the electricity duty levied by the Government from time to time.
- 3.1.6** “Eligible Tourism Unit” means registered existing and new tourism units fulfilling the eligibility criteria as per the provisions made under Clause 7.4 of this Policy. To avail benefit under this Policy eligible tourism unit must commence commercial operations as certified by the Department. It also includes heritage tourism units in accordance with the “HP Heritage Tourism Policy, 2017” by ensuring that any extension, improvement, renovation, change in the existing structures should be in keeping with the traditional architectural styles and construction techniques harmonizing the new with the old.
- 3.1.7** “Existing Tourism Unit” means enterprises engaged in Tourism activity registered by the Department and has Commenced Commercial Operations before the Appointed Date.
- 3.1.8** **Expansion of Existing Tourism Unit:** Existing Tourism Unit undergoing expansion of more than 25% of its existing capacity (Built-up area and investment) during the operative period of this Policy would be considered as Eligible Tourism Unit.
- 3.1.9** “Fixed Capital Investment (FCI)” a. For new enterprise, FCI means the actual investment made in Technical Civil Works, Plant and Machinery/ Equipments by an enterprise as on date of Commencement of Commercial Operations after the Appointed Date. b. For Existing Enterprise, FCI means additional investment made in Technical Civil Works, Plant and Machinery/ Equipments by an enterprise for undertaking Substantial Expansion after the Appointed Date.
- 3.1.10** “Government” means the Government of Himachal Pradesh.

- 3.1.11 "Investment in Plant and Machinery"** a. Investment in Plant and Machinery will include the expenditure incurred and paid for cost of construction of building as per the standard norms and all other durable physical assets basic to the running of that particular tourism specific service/ facilities but exclude cost of land and consumables, disposables or any other item charged to revenue as specified by the Ministry of Commerce and Industries (Department for Promotion of Industry and Internal Trade) at Annexure -I under notification No. F.No.2 (2)/2018-SPS dated 23rd April 2018.
- 3.1.12 "New Tourism Unit"** means a recognized tourism projects within the State, Commences Commercial Operations on or after the Appointed Date and registered by the Department.
- 3.1.13 "Plant & Machinery"- Technical Equipment"** As mentioned at Annexure -1 of the Tourism Policy-2019.
- 3.1.14 "Policy"** means the Himachal Pradesh Tourism Policy - 2019.
- 3.1.15 "Technical Civil Works"** means expenditure incurred on account of civil works for setting up of an enterprise which are related to construction of tourism unit except expenditure incurred on (i) Approach Road (ii) Residential building for support staff (iii) Cost of land or any other work not related to the tourism services.
- 3.1.16 "Validity"** means Policy is valid for Ten (10) years from the appointed date. All Tourism units started/ established/ expanded operationally during such period will qualify for subsidy/ benefits/ exemption/ waiver/concession under the provision of this Policy.

4.1 Categorization of State:- with a view to create a congenial investment climate for existing industries to grow as well as to attract further investment in the State and to ensure balanced development of Service Sector throughout the State, the State has been categorized into three categories of areas as A, B, C. this classification has done depending upon the location, tourism potential, resource availability, potential for employment generation etc. In Category "A: areas are remote, new/lesser known areas and have potential for the tourism development. Category "B" intermediate areas and in Category "C" the popular tourist destinations. Areas/villages covered under the Government of HP Scheme "Nai Raahein Nai Manzilein" shall be covered under "A" category as mentioned in the Annexure-II of the Tourism Policy-2019.

5.1 Conditions for grant of Incentives:- No owner of the tourism unit after receiving a part or the whole of the grant or subsidy will be allowed to change the location of the whole or any part of tourism unit or effect any substantial contraction or disposal of a substantial/whole part of its total fixed capital investment within a period of 7 years after its going into commercial operation, without taking prior approval of the Deptt. of Tourism & Civil Aviation, HP.

6.1 Procedure for claiming of Incentives:- Tourism units eligible for subsidy under the scheme will get themselves provisionally registered with the concerned Dy. Director/DTDO/ATDO Office prior to taking effective steps for setting up the new units and undertaking substantial

expansion of the existing units and indicate, in their claim for investment subsidy, their assessment of the total fixed capital/additional fixed capital likely to be invested by them in the Civil Work, plant and machinery of their unit.

7.1 Procedure for disbursement of Incentives:- A committee consisting of following officer for recommending/approving cases of new tourism units and also for approving the expansion proposals of existing Tourism units under these Incentives:-

7.1.1 District Level Committee:-

1. Dy. Director Tourism/DTDO/ATDO concerned
2. Assist. Engineer, HPPWD/Assist. Engineer, HPTDC of the concerned area or any agency approved or hired by the Deptt. of Tourism & CA
3. Representative of Financial Institution/Bank which appraised the project. In case the project is not appraised by the financial Institution, in that case Assistant Controller Finance from concerned DC office/Govt. Office
4. Representative of Hotel Association

7.1.2 State Level Committee:-

1. Director Tourism
2. Additional Director Tourism
3. Dy. Director Tourism/Distt. Tourism Dev. Officer/ATDO concerned
4. Representative of HPPWD/ HPTDC of the concerned area
5. Section Officer (Finance), Deptt. of Tourism & CA

8.1 Guidelines for claiming Incentives & Concessions

- 8.1.1 Each document must be signed/verified by the concerned authorities. Un-signed document will not be supplied/entertained.
- 8.1.2 There must be clear recommendation of amount of subsidy eligible under the scheme in respect of Technical Work & Plant & Machinery.
- 8.1.3 A brief history of the case must be quoted in the forwarding letter.
- 8.1.4 Each page of all the required documents as per the scheme must be dated-stamped under the signatures of officials/officers concerned.
- 8.1.5 Only the documents relevant under the scheme must be supplied with the claim. No irrelevant document will be attached.
- 8.1.6 All the Bills & Vouchers of eligible Plant & Machinery & Technical Equipments in tourism unit must be signed & stamped after verification by the concerned Officials/Officers deputed for spot verification.
- 8.1.7 Each document must be clearly visible and readable.
- 8.1.8 The required documents must be attached strictly in the sequence as per checklist.
- 8.1.9 The claim must be tagged properly and placed in a file after due paging.
- 8.1.10 All payments should be made through cheque/RTGS/e-Banking.

**9.1 Checklist for Eligible Tourism Unit under Incentives & Concessions
(as mentioned vide 7.4 in the Policy)**

Sr. No.	Particulars	Observations/Remarks
1	Name, Address & Contact No. of Eligible Tourism Units	
2	Categorization of Area as "A", "B", "C"	
3	<p>Capital Investment subsidy for new Tourism Unit or Existing Tourism unit with expansion</p> <p>(Hotel, Resort/Ski Resort, Tented/Hut accommodation, Tourism & Hospitality Training Institute, Theme Park, Adventure Tourism Projects, Convention Centre, Wellness Tourism Unit, Sound & Light Show/Laser Show/Musical Fountain, Lake Resort, Tourism Ropeways)</p>	
4	New Unit Or Existing Unit	
5	a. Date of Provisional Registration	
	b. Date of Commercial Operation	
	c. Date of Registration	

6	Total Cost of the Tourism unit	
	a. Cost of civil works	
	b. Cost of Plant & Machinery	
7	Detail of Tourism unit	
	i. Location	
	ii. Category of Hotel/Tourism Unit (please attach Certificate)	
	iii. Area in square meters	
	iv. Total cost of building/Civil Works	
	v. Total cost of essential items/Technical Equipment (List to be attached)	
	vi. No. of rooms and area of each type of rooms in square feet	
	vii. Facilities/amenities provided (please attach separate sheets, if required)	
	viii. Whether the norms/criteria laid down by the concerned Department/agency have been fulfilled	
8	Whether the unit is Bank Financed (name of the Bank) Or Self Financed	
9	Adventure & Leisure sports including Ropeways	
	i. Location of Ropeway/ Adventure & Leisure sports	
	ii. Total distance from the first point &	

	the upper point intermediate station	
	iii. Whether the equipments used/proposed to be used are of International standard/ BIS/CEN	
	iv. Name & Address of the consultant engaged/proposed to be engaged in installation of Ropeways	
	v. Experience of installation of ropeways. If so, give at least two locations where they have done so	
	vi. Certificate of Ropeway Inspector for operation	
	vii. Detail of the Adventure/leisure sports activities	
	viii. Total cost of Civil works (in Rs.) New or Expansion	
	ix. Total cost of essential items installed/to be installed/equipments etc. (please attach separate sheet) (in Rs.)	
	x. Amount of subsidy payable	
10	Capital Investment Subsidy for eligible Tourism Units wherein investment has been done by private sector player on private land and project is not being developed on PPP mode or under any partnership with Government (Rest of the details as per Sr. No. 1 to 8)	

	a. Cost of Civil Works:- New or Expansion	
	b. Amount of Subsidy claimed	
	c. Land details i. Own land ii. Purchased land iii. Partnership land	
11	Investment in eligible Tourism Units through PPP mode, transparent bidding process or Swiss Challenge Mode (Rest of the details as per Sr. No. 1 to 8)	
	a. Cost of Civil Works:- New or Expansion	
	b. Amount of Subsidy claimed	
	c. Agreement signed	
	d. Concession Period	
	e. Annual License Fee paid	
12	Support in infrastructure development, facilitation in clearances/necessary approvals	
A.	Cost of Approach Road (if any)	
	a. Road Length	
	b. Amount of Subsidy claimed	
B.	Cost of Water Pipeline installed (if any)	

	a. Amount of Subsidy claimed	
13	Incentives proposed for large enterprises in category 'A' area	
	a. Investment made in technical civil works	
	b. Investment made in Plant & Machinery/ Technical Civil work	
	c. Amount of stamp duty paid/registration fee paid	
	d. Reimbursement amount claimed	
14	Additional Incentives for Himachal Bonafide Entrepreneurs	
	a. Category of area	
	b. Investment made in Plant & Machinery/ Technical Civil Work	
	c. Amount paid for DPR	
	d. Reimbursement amount claimed	
15	Incentive on Manpower Development	
	a. Name of the Institute	
	b. Recognized by whom	
	c. Type of training	
	d. Undertaking by the Employer	
	e. No. of trainees	
	f. Total cost of training	
	g. Duration of training	
	h. Starting & completion date of training	
	i. Subsidy amount payable	

16	Support of Energy Audit	
	a. Name of Tourism Unit	
	b. Agency who conducted Energy Audit	
	c. Certified by	
	d. Tourism Unit rating	
	e. Total amount paid	
	f. Amount of Subsidy payable	
17	Support for Marketing and Promotion	
	a. Name of Tourism Unit	
	b. Fair/event in which participated (with date)	
	c. Domestic or International	
	d. Space acquired	
	e. Amount of Subsidy payable	
18	Event	
	Name of the event	
	i. Domestic/International	
	ii. Agency approved the event	
	iii. Company/Firm details	
	iv. Sponsorship obtained	
	v. Participants details	
	vi. Total Expenditure	
	vii. Safety measures	
	viii. Boarding, lodging & transportation arrangements	

	ix. Amount claimed for incentives				
19	Employment position in the unit				
Sr. No.	Category	For new unit	For expansion unit		
			Before expansion	After expansion	Total
i.	Managerial				
ii.	Supervisory				
iii.	Skilled				
iv.	Semi-skilled				
v.	Unskilled				
vi.	Others				
	Total				
20	<p>Detail of documents attached:-</p> <ol style="list-style-type: none"> 1. Provisional Registration Certificate/Registration Certificate issued by Department of Tourism & Civil Aviation, HP 2. Memorandum & Article of Association in case of Company 3. Name & address of the Directors with PAN No. 4. Partnership Deed 5. GPA 6. Certificate of fixed Capital Investment from a Registered Chartered Accountant 7. Certificate from Financial Institution/Bank regarding disbursement 8. Certificate from CA regarding source of Finance 9. Certificate from registered Architect/Competent Authority on Civil construction of Technical Civil works, Plant & Machinery & Technical Equipments 				

	<ol style="list-style-type: none"> 10. Sanction letter from the Bank for term loan & working capital 11. Project Report 12. Power Sanction Letter & First Bill from State Electricity Board 13. NOC from Local Body/Authority 14. NOC/Consent for operation from Pollution Control Board 15. List of employees with name, address & designation 16. Balance sheets for last three accounting years in case of expansion unit 17. Certified copies of Bills of the Technical equipments & Plant & Machinery.
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21. I/we..... declare and affirm that the particular/statement furnished above are true to my/our knowledge and belief and if any statement made herewith in connection with this claim is detected as false or misrepresentation, the amount of subsidy granted by the Government will be refunded by me/us to the Govt.

Place: Signature of the applicants/status in relation to the unit

Date: Seal

10.1 Inspection Report for grant of Incentives & Concessions for tourism units

1. a. Name & Designation of the Inspecting Officer
- b. Date of receipt of the application
- c. Date of physical verification of the unit
2. Category of the Area
3. a. Constitution of the unit

Proprietorial/Partnership/Pvt.Limited/LimitedCompany/
Cooperative/PPP
- b. Name/s address(es) of the Proprietor/Partners/Directors of Board
 of Directors/Secretary and President of the Cooperative Society
- c. Date & No. of Registration issued by Deptt. of Tourism & CA, HP
4. Whether the proposed unit is new or an existing unit under-going
expansion
 - a. In case of New Unit
 - i. Date of Provisional Registration/operation
 - ii. Date of going into commercial operation/registration
 - b. In case of existing unit
 - i. Date of going into commercial operation prior to expansion
 - ii. Date of going into commercial operation after expansion
5. Details of land & building of the unit
 - a. Land
 - i. Specify whether the land is own/lease hold/allotted by the
Govt. agency.
 - ii. If own land:-

- Specify the mode of owing such as by way of inheritance, gift or purchased etc.
- Total area
- Location
- Dag No. Patta No. Revenue Village & Mauza

iii. If Existing unit:-

- Expansion unit details (specify how much percent has made in expansion as compare to existing unit)

6. Permission for construction from Local authority
7. Total Cost of building Civil Works
8. List of Technical Equipments
9. Total Cost of Technical Equipments
10. Date of starting and completion of the civil & electrical works
11. Total area under construction
12. Total estimated cost
13. Total area of the eligible tourism unit
14. Rent fixed for rooms
15. Means of Finance
 - i. Promoters Contribution
 - ii. Equity
 - iii. Term Loan from financial institution
 - iv. Unsecured loan
 - v. Internal resources
 - vi. Any other sources, please specify

Total

16. Financial assistance received from Financial Institution/Bank
 - a. Name of the Bank
 - b. Amount sanctioned by FI/Bank for fixed Capital Investment and date of sanction (new unit)
 - c. Amount sanctioned by FI/Bank for working capital & date of sanction (new unit)
 - d. Amount disbursed by the FI/Bank as per Certificate issued by FI/Bank (new unit)
 - e. Amount sanctioned by FI/Bank for fixed capital investment and date of sanction (expansion unit)
 - f. Amount disbursed by FI/Bank for expansion & date of first disbursement
17. Power
 - a. Date and quantum of Power sanction for new units (in KW)
 - b. Date of sanction and quantum of power for the existing unit-prior to expansion (in KW)
 - c. Quantum of additional Power sanction and date of sanction for expansion unit (unit in KW)
 - d. Total sanction & connected load after expansion in KW
18. Items of production/service rendered
19. Whether NOC/Consent received from the Pollution Control Board
20. Whether NOC Obtained from local body
21. Employment position in the unit
22. Amount of Central Capital Subsidy received from Govt. of India or any other agencies under any package/scheme

Dy. Director Tourism/DTDO/ATDO

11.1 Recommendations of District Level Committee

Certified that I/we have examined each and every particulars furnish by the claimant (name of the unit) and all the annexure/relevant document furnished with this claim and found them to be correct and beyond all reasonable doubt. I/we have also personally visited the unit on(date) and verified land, building, plant & machinery/component/items belonging to the unit whose details are given below. It is further certified that these details resemble the details furnished in the claim application for subsidy. I/we have also verified the prices mentioned in application for land, building, plant & machinery/component/item etc. with original documents and found them to be correct.

- (a) Eligible fixed Capital Investment:-
 - i. Technical works
 - ii. Plant & Machinery
 - iii. Others
- (b) Recommended amount

Date & Signature of District Level Committee

Rep. of Hotel Association,

Rep. of Financial Institution/Bank,

Asst. Engineer, HPPWD

Dy. Director Tourism/DTDO/ATDO

11.2 State Level Approval Committee

Certified that I/we have examined each and every particular furnish by the claimant (name of the unit) and all the annexure/relevant document furnished with this claim and found them to be correct and beyond all reasonable doubt. I/We have verified land details, building, plant & machinery/component/items belonging to the unit whose details are given below. It is further certified that these details resemble the details furnished in the claim application for subsidy. We have also verified the prices mentioned in application for land, building, plant & machinery/component/item etc. with original documents and found them to be correct.

(C) Eligible fixed Capital Investment:-

- i. Technical works
- ii. Plant & Machinery
- iii. Others

(D) Recommended amount

Date & Signature of State Level Committee

S.O. (Finance) DOT, Rep. of HPPWD/HPTDC, DDT/DTDO/ATDO,

Addl. Director, Tourism

Director Tourism

Note:

After the approval of the State Level Approval Committee, case will be sent to the Administrative Department for final approval / concurrence.
