

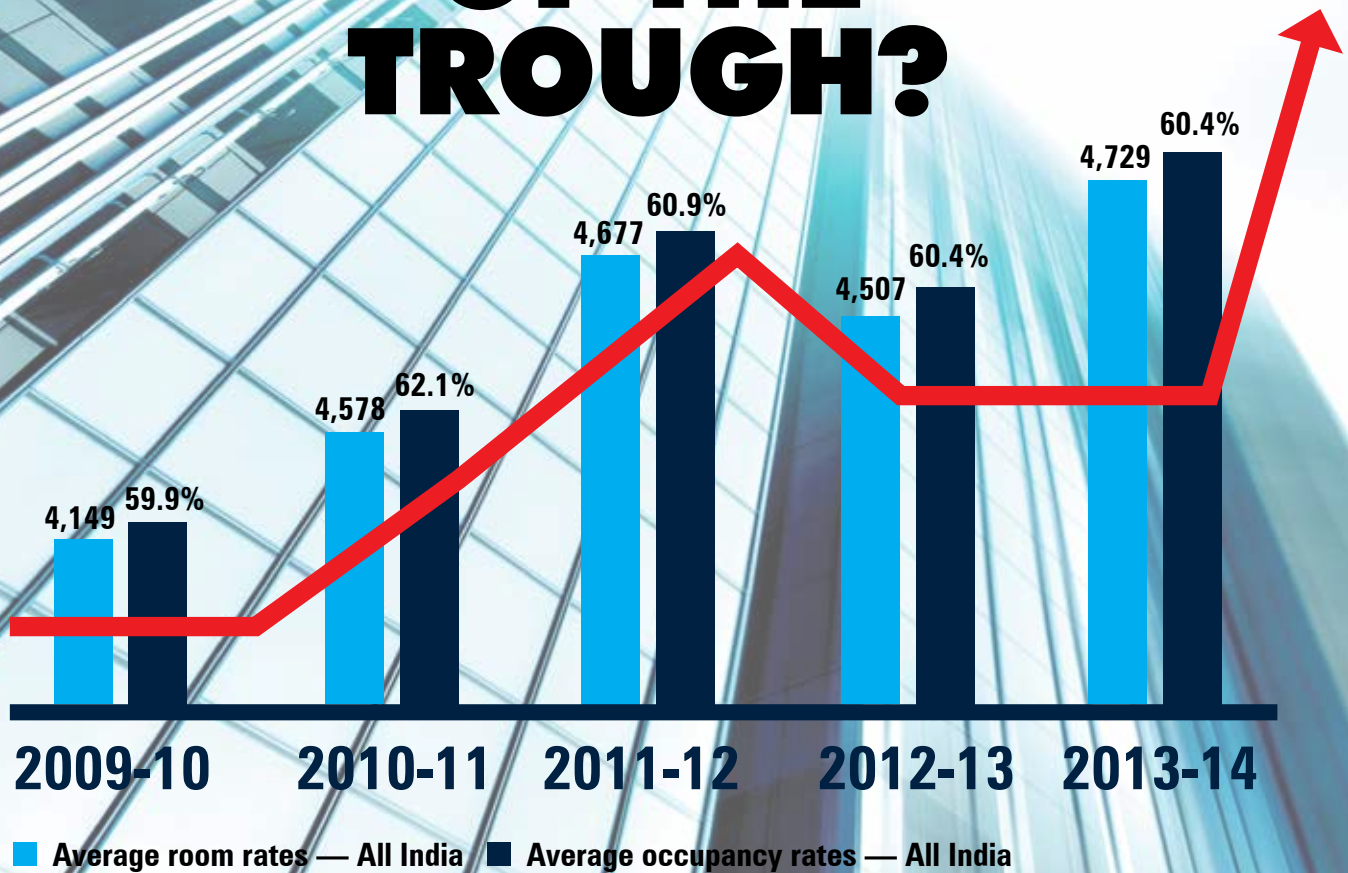
# MYSTIC EAST

...nuggets galore

Vol 1 | Issue 2 | January - February 2015

FHRAI-HVS Survey 2013-2014

## IS THE HOTEL INDUSTRY COMING OUT OF THE TROUGH?





## VISION

- ✌ Make the Eastern Region comprising 12 States and a Union Territory a flourishing destination for domestic and foreign tourists by projecting their captivating tourism assets.
- ✌ Promoting best industry practices and setting benchmarks for industry constituents.

## MISSION

- ✌ A common voice for hotels, restaurants and associates for unhindered progress of the hospitality industry in the country's Eastern Region.
- ✌ Create value for members by ensuring government policies remain supportive of tourism and the industry.



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January-February 2015



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## PRESIDENT'S MESSAGE



**Sudesh Poddar**

**The proof of the pudding is in the eating and this is clearly evident from the slew of projects which have been announced by the FM in his budget speech**

Dear fellow members,

I am sure that by the time this issue reaches you, the Union Budget presented by our finance minister, Mr Arun Jaitly, would have been dissected threadbare. We are, however, delighted that the budget has begun the process of converting the hitherto 'Look East' policy to 'Act East' with gusto.

The proof of the pudding is in the eating and this is clearly evident from the slew of projects which have been announced by the FM in his budget speech. The big bang announcement, without doubt, is the establishment of a project development company which will set up manufacturing hubs in Cambodia, Myanmar, Laos and Vietnam (CMLV) countries through separate special purpose vehicles (SPVs) to channelise investments from the Indian private sector and boost trade and commerce between the land-locked Northeast India and Southeast Asia.

Carrying forward the commitment of PM Narendra Modi to expedite all round development of the north-eastern region, the FM has earmarked Rs 1000 crore over and above the amount provided for in the interim budget for expediting rail connectivity.

Other major takeaways for the eight states of Northeast India from the Union budget include setting up of an All India Institute of Medical Sciences (AIIMS) in Assam, an Indian Institute of Science Education and Research (IISER) in Nagaland, and a Centre for Film Production, Animation and Gaming in Arunachal Pradesh.

This is not all. The bounty, apparently, is inexhaustible. The FM has announced a sports university in Manipur besides creating an annual sports event in which SAARC member countries and Indian states including north-eastern states will compete for honours. Other measures announced in the Union budget include development of organic farming on commercial basis and a 24x7 dedicated TV channel to generate awareness about the culture and traditions of north-eastern states. It is heartening to note that most of our constituent states, including the Andamans (Rs 150 crores have been provided to sort out its communication-related problems) have received due attention of the Central government.

Before I sign off, I would like to inform you that it is HRAEI's privilege to host this year's FHRAI Golden Jubilee Convention at Bhubaneswar towards the end of September. I will keep you posted with details as and when we tie up the loose ends.

I also take this opportunity to wish each one of you 'Happy Holi'.

With warm regards,

**Sudesh Poddar**  
President, HRAEI

## SECRETARY'S MESSAGE



**Pranav Singh**

**It was part of government strategy laid out in the 12th five-year plan for improving the quality of services and environs surrounding tourist destinations across India**

Dear fellow members,

The Union Budget for 2015-16 presented by finance minister Arun Jaitley promises to extend visa on arrival facilities to 150 countries in a phased manner - up from 43 countries currently and also commence work on restoration of several world heritage sites to attract more tourists to these destinations. This restoration work would include landscape restoration; signage and interpretation centres; parking; access for the differently abled; visitors' amenities; illumination and plans for benefiting communities around them. To begin with the following sites are being taken up for restoration work:

- (i) Churches & Convents of Old Goa
- (ii) Hampi, Karnataka
- (iii) Elephanta Caves, Mumbai
- (iv) Kumbalgarh and other Hill Forts of Rajasthan
- (v) Rani ki Vav, Patan, Gujarat
- (vi) Leh Palace, Ladakh, J&K
- (vii) Varanasi Temple town, UP
- (viii) Jalianwala Bagh, Amritsar, Punjab
- (ix) Qutub Shahi Tombs, Hyderabad, Telengana

It is worth recalling that a similar exercise was undertaken by the UPA government in 2013 and the 'Clean India Campaign' was intended to bring our tourism destinations to an acceptable level of cleanliness and hygiene. It was part of government strategy laid out in the 12th five-year plan for improving the quality of services and environs

surrounding tourist destinations across India. Not many would be aware that the Archaeological Survey of India (ASI) had then agreed to ONGC proposal for adopting six monuments under the Clean India Campaign. The six monuments/destinations adopted by ONGC include: Taj Mahal, Agra, Ellora and Elephanta caves in Maharashtra, Red Fort in Delhi, Golconda Fort in Hyderabad and Mahabalipuram in Tamil Nadu. What Mr Jaitley is now proposing needs to be pursued with vigour with active involvement of corporate (as part of their CSR), NGOs and the local community so that the momentum can be sustained through ownership and involvement of all stakeholders. At a later stage this campaign could be extended to pilgrimage tourism as well.



**Pranav Singh**  
Secretary, HRAEI

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## BENGAL GLOBAL BUSINESS SUMMIT

### HIGHLIGHTS

- The total investment received in two days of the Summit is Rs 2,40,000 crore.
- The investments finalised during the Summit will lead to job creation for 1 crore people in the next three years.
- Expansion project of Xpro India Ltd. for manufacturing dielectric films was inaugurated by the Hon'ble Chief Minister of West Bengal, Mamata Banerjee at plasto steel park in Bankura with an investment of Rs. 200 crores.

### MAJOR PROPOSALS ANNOUNCED

- MoUs with Union Shipping Ministry worth Rs 41,600 crore (this includes Bhor Sagar, Haldia Green Port & other projects).
- MoUs regarding Deochala Pachami Coal Mines worth Rs 12,000 crore.
- Investment by ITC worth Rs 3000

crore.

- Investment by SAIL worth Rs 40,000 crore.
- Kolkata Eye MoU signed with Port Trust worth Rs 300 crore.
- Investment by Hiranandandi Group worth Rs 5000 crore.
- Kolkata Siliguri Corridor worth Rs 500 crore.
- Satellite Township on Hindmotor Land by Parimal and Sriram Group worth Rs 8000 crore.
- L&T will invest under PPP model worth Rs 12000 crore.
- TCS will employ over 20,000 people in their second campus in Rajarhat
- NTPC is investing Rs 20,000 crore.
- Health Sector: Proposals made worth Rs 2710 crore signed in health sector, which will generate 8990 employment. 7 MoUs to be signed, which will provide skill development to 90,000 people per annum.

- Food Processing: 16 MoUs signed in the food processing sector with investment more than 1000 crore.
- BAPL has signed a MoU with Scomi. Investment worth Rs 1000 crore.
- Essel group: We are indenting to invest Rs 15000 crore in Bengal.
- Government of West Bengal is working with BAPL to installing the air connectivity between Kolkata Durgapur Coochbehar and Bagdogra. BAPL is also entering into an agreement with GoAir and Pinnacle Air.
- The total investment proposals received for urban sector is about Rs 70,000 crore. 5 new townships will be created- Bolpur, Siliguri, Kalyani, Rajarhat, Baruipur.
- A growth corridor will be build up from Kolkata to Raghunathpur via Dhanbad. Subarna group of Singapore will be making it. Proposed investment worth Rs 1000 crore.
- A solid waste management project will be build up in Howrah with an investment of Rs 2200 crore.
- An agreement is being signed for a 500 MW plant for solar power in Purulia. WB CM calls this as a "gift for my Jangalmahal".
- MoU between ICOM UK and CRE-DAI Bengal for building of Kolkata Siliguri Growth Corridor.
- Development centre for Information Technology along with Monorail connectivity.
- Anand Group to invest 230 crore in a food park under Amul brand. Microsoft's Centre for Excellence.
- Investments in the pipeline for poultry, hatchery and organic farming.

### URBAN AREA AGREEMENTS

- Rs 1500 crore from Y K Modi Group
- Rs 1275 crore on 150 acre land by Solarpuria Group
- Rs 4000 crore on 235 acre land at Rajarhat by Forum Group
- Rs 6000 crore on 135 acre land at 24 Parganas(North) by Highland Group



- Rs 9000 crore on 100 acre land at Bishnupur by Ambuja Neotia Group
- Rs 1200 crore from Mayfair Group
- Rs 2500 crore on 138 acre land at Baruipur by Mani Group
- Rs 2024 crore investment in Sports and Leather Complex from FS Group
- Rs 260 crore on 60 acre land by Swarnaganga Realities
- Rs 4000 crore on 50 acre land by Sherwood Group
- Rs 700 crore on 57 acre land by MTEK Group
- Rs 1000 crore on 60 acre land by Merlin Group
- Rs 1200 crore on 50 acre land at 24 Parganas (South) by Dhoot Group
- Rs 25000 crore on 600 acre land at Rajarhat by Greentech Group
- Infinity to build two IT Hubs in the state. One at Rajarhat worth Rs 5000 crore and the other at Howrah worth Rs 1000 crore.
- Rs 2000 crore to be invested by Unimart Group.
- Panchwati group to invest Rs 1500 crore in building a Textile Park
- South City Group to building a Gateway in Sundarbans costing Rs 1000 crore
- Siddha Group will invest in 3 projects worth Rs 3000 crore
- Premier Group to invest Rs 1055 crore in 100 acre land
- Rs 2500 crore from Capital Singapore
- Rs 1000 crore from Regent Garment
- Rs 2500 crore from Jalan Group
- Rs 1200 crore from INPA Group
- Rs 1200 crore will be invested for hosiery park
- Rs 15,000 crore to be invested for "Smart Cities"
- A solid waste management project will be build up in Howrah with an investment of Rs 2900 crore with a consortium of German Companies

(source- bengalglobalsummit.com)



## UPCOMING PROJECTS

### Kolkata Eye MoU worth Rs 300 crore signed with Kolkata Port Trust

**A**mong major project proposals signed and announced at the recently concluded Bengal Global Business Summit is the Kolkata Eye MoU worth Rs 300 crore signed with the Kolkata Port Trust.

#### UK firm to build London eye

The bid to build a Calcutta Eye modelled on the London Eye has been won by a UK-based firm.

Officials in the urban development department said Sun Consultancy Investment and Consortium, which won the bid would take about two years to build the gigantic Ferris wheel by the Hooghly that would offer a bird's-eye view of the city from the height of a 30-storeyed building.

The wheel, to come up in Millennium Park-3, would take peo-

ple to a height of 100m (Shahid Minar is 48m-tall, for reference).

The London Eye, on the southern bank of the Thames, is 135m-tall.

CMDA, Calcutta Port Trust, which will provide land for the project, and the UK-based firm have formed a consortium to set up the structure. The CMDA would provide Rs 81 crore for the project.

A senior official of IL&FS, which is liaising with the stakeholders on behalf of the CMDA, said Calcutta Eye would have 36 air-conditioned capsules made of steel and glass that would seat eight people each. Two of these capsules will have sofas and allow meetings to be held inside.

(source: *The Telegraph, Kolkata*)

## **Kolkata Meghalaya House inaugurated**

**SHILLONG:** The jinx associated with Kolkata Meghalaya House at Russel street has been broken after fourteen long years. The house which was initially leased out to Asian Housing Construction Limited (AHCL) in 2001 led to the downfall of the EK Mawlong Government, the turmoil in the state and litigations before it was agreed to finally construct on an agreement with equal terms.

The newly constructed building was taken by the State Public works department in August 2013 and it was finally inaugurated by the Chief Minister of Meghalaya, Mukul Sangma on Monday. The inaugural function was attended the former Chief Minister and Chief Adviser to the Government of Meghalaya, DD Lapang, Deputy Chief Minister, Rowell Lyngdoh, other Cabinet ministers of the State, dignitaries from West Bengal, including Tourism Minister, Rajpal Singh, Moon Moon Sen, MP, Consul-Generals from various countries and invited guests from the State as well as the city, stated the Press Secretary to the Chief Minister Sadina Sangma in a release on Monday night.

Delivering the inaugural address, the Chief Minister said that the asset will help provide the people of the State to connect with the people of West Bengal, of the country and rest of the world. Stating that Meghalaya is known for many things and has many things to offer, he informed the gathering about rich mythological stories associated with the State and ecological diversities, besides the presence of a number of natural wonders, adding that the intension of the State is to create many more positive stories.

Terming Meghalaya and the North East as a whole as the catchment area of potential boys and girls who are good in certain things, Sangma said this was the reason why we see more and more young boys and girls coming out of the region in search of better opportunities.

The Meghalaya House at Russel Street has three blocks, Block I which includes a basement plus ground plus 5 structure comprising of a commercial block with a total built-up area of 80,950 sq.ft. Block II which includes ground plus 5 structure with a total built-up area of 41,364 sq ft comprising of the guest house and the office block with the reception area, estate office, dining room, 8 numbers of double bedded ordinary rooms, 19 numbers of double bedded VIP rooms, one VVIP suite and two dormitories, while Block III comprises of a ground plus 5 structure, service block for support staff with a total built-up area of 15,006 sq. ft. comprising of 12 staff quarters, two officers' quarters, one dormitory and drivers' rest room.

*(source: sentinelassam.com)*



## **THE LaLiT GREAT EASTERN KOLKATA**

### **Victoria wing of iconic Great Eastern Hotel to be re-opened in mid-2015**

**T**he 175-year-old Victoria wing of Calcutta's best known hotel, Lalit Great Eastern, will be reopened after massive architectural and civil work. "It took a lot of hard work to do up that wing, but I loved the toil we have put into it," according to Jyotsna Suri, chairperson and managing director of Lalit Suri Hospitality Group who has been recently elected the president of Ficci.

The Victoria wing, expected to be launched in mid-2015, will have Maxim's bar and restaurant, around 49 suites, including a presidential suite, and a pan-Indian restaurant Baluchi.

The Great Eastern, which had been bought by the Lalit group, was launched sometime back as the Lalit Great Eastern, with a part of the hotel and the famous bakery restored.

Suri said she was scouting for one more property in Bengal for a budget hotel chain. "It will be a riverfront property. It will be a signature property but not in the super-deluxe, rather nearer the luxury-budget category," she added.

The Lalit group already has two hotels in this category in Jaipur and Khajurao and is looking to add 8-10 more at a cost of Rs 300-500 crore. "These would be in smaller cities such as Ludhiana and Pune, Buddhist pilgrimages, including Bodh Gaya, Khushinagar and Sarnath," Suri said.

"These hotels will have a capacity of 40-50 rooms each," she said, adding that they will be sold under the banner "Lalit Travellers".

The 27-year-old-hotel chain, which operated under the brand The Grand-Hotels, Palaces & Resorts, was re-branded as "The Lalit" on November 19, 2008 as a tribute to Lalit Suri. At present, the chain operates 11 luxury hotels and resorts in the country. (The Telegraph, Kolkata)



## Assam to set up wildlife museum in Kaziranga

**Guwahati:** Assam Chief Minister Tarun Gogoi announced that the state government would set up a state-of-the-art interpretation centre and wildlife museum with modern 3D shows at Kaziranga.

Gogoi, who visited the park Thursday to take stock of anti-poaching measures, said this would keep the flow of tourists to the park, which is also a Unesco World Heritage Site, round the year.

The chief minister asked the park authorities to explore possibilities of promoting off-season tourism to the park through the eco-tourism and traditional activities such as weaving handicraft etc.

Gogoi's son and Lok Sabha member Gaurav Gogoi said an integrated tourism plan will be drawn for Kaziranga and the adjoining areas involving the forest, tourism, cultural affairs departments and the district administration.

*(source:sarkaritel.com)*

## HVS hired to prepare comprehensive Vision Document for West Bengal



**A**ccording to A R Bardhan, Principal Secretary to West Bengal's Tourism Department. Destination East is a very important vehicle for attracting investments in resorts, cruises, ropeways, etc. "We will offer cash-based incentives on projects," said Bardhan.

Bardhan also disclosed that the state government will build motel-cum-wayside facilities every 30 km along the routes to major tourism destinations, including the Sunderbans and Digha.

"This will be a reality in six months' time," he said.

"A global consultant called HVS has been hired to help prepare a comprehensive Vision Document for West Bengal. HVS has provided consulting services and solutions to more than 60 countries for hotels, shared ownership and leisure assets. The 10-year Vision Document seeks to double the growth of 5% in inward tourist flow from both domestic market and international

countries," he said.

Efforts are on to showcase Kolkata as the "Cultural capital" and MICE (Meetings, Incentives, Conference and Exhibition) destination, he added. Bardhan revealed the state's plans to go on a major brand-building exercise.

"O&M, has been hired to do the job. Bollywood superstar Shah Rukh Khan is likely to feature in the forthcoming new tourism television campaign for West Bengal, he said, adding that the new TVC will be ready in three months," said an official statement.

"One of our objectives is also to enable one to drive to Sunderbans within 2 hours from Kolkata at a speed of 80 kmph. Considerable money and energy is being devoted to improving roads," said Vijay Dewan, Mr Vijay Dewan, Chairman, Tourism Sub-Committee, CII Eastern Region, and Managing Director, Apeejay Surendra Park Hotels Ltd. (Agencies)

## High air fares hit tourism in Andamans



**H**igh cost of air travel and irregular air services are dissuading tourists from visiting the alluring Andamans, Mr Sudesh Poddar, president of the Hotel & Restaurant Association of Eastern India (HRAEI) has pointed out in a recent letter to the Minister for Civil Aviation, Mr Ashok Gajapati Raju Pusapati.

Good connectivity is a prerequisite for tourism to prosper and this is particularly relevant to the Andaman & Nicobar Islands, which tourists mostly access by air. A large number of people from the mainland and abroad are keen to visit the picturesque island, a phenomenon which the airlines are “exploiting” by increasing airfares to such high levels that makes it almost unaffordable for tourists to visit Andaman, says Mr Poddar.

Explaining this phenomenon, the president of HRAEI adds that one way ticket from Kolkata and Chennai to Port Blair is as high as Rs 20,000 and above. “It is high time

that the government intervenes to regulate airfare to Andaman Islands,” he has noted.

The letter says there have many instances in the recent past when airlines have cancelled flights from Port Blair “leaving passengers high and dry”. These passengers are left to fend for themselves as they do not get accommodation either in flights of other carriers or in subsequent flights of airlines which have cancelled certain flights earlier.

Tourism is a major economic activity and source of revenue for the Andaman and it is only reasonable and proper to ensure that the tourists to the island get a fair deal and this can be achieved by fixing a price ceiling for inbound/outbound air tickets for Andaman. Besides, Mr Poddar has urged the civil aviation minister to direct airlines that “in the event of flight cancellations at Port Blair, they should make alternative arrangements for stranded passengers and not just leave them in distress.”

## Haldiram's leads snack market; surpasses combined sales of McDonald's & Domino's

**MUMBAI:** Bhelpuri beats burgers just as comprehensively as farsan beats fries. Haldiram's revenues, at Rs 3,500 crore, is more than the combined revenue of Domino's (Rs 1,733 crore) and McDonald's (Rs 1,390 crore; adding topline of the two separate operations in India). Or take that popular two-minute snack, Maggi, which netted a revenue of Rs 1,200 crore; Haldiram is almost three times bigger.

These figures — for 2013-14; the latest available in official records — when combined with the fact that Haldiram's commands 40 per cent of the Rs 5,500-crore traditional snacks business, conclusively demonstrates one thing. Whether in fast food or munchies, and despite the profusion of MNC brands with high cool quotient in both categories, good old-fashioned Indian offerings from Haldiram's still dominate the market.

First, the brand has survived disputes and break-ups in the original Agarwal family that started with a small shop in Bikaner in 1937.

Second, Haldiram's itself has succeeded as a national brand although the business is broken into three distinct geography-based entities.

Third, owners remain old-fashioned in that they aren't looking at exiting.

Fourth, every savoury and sweet items sold by Haldiram's is made in-house, in units closely monitored by family-dominated management. “Developing and manufacturing products in-house in over ten dedicated units has also helped the company experiment with a host of new products,” Agarwal says.

## MakeMyTrip invests in digital hotel marketing solutions firm Simplotel



Online travel agent MakeMyTrip had acquired a minority stake in Bangalore-based digital hotel marketing solutions company Simplotel on December 15, 2014 for an undisclosed amount as a part of Innovation Fund investments, the company revealed as part of its Q3 FY15 earnings release (pdf). The company also informed that they have committed to make a further investment in Simplotel by June 2015, which would increase its stake to 25%.

MakeMyTrip had set up a \$15 million Innovation Fund for investing in early-stage companies in the travel technology space, with a special focus on mobile and IP-based companies, and to explore M&A opportunities, in September last year. The company had said that it will invest up to \$3 million in such companies.

Given that the Hotels & Packages business has been driving MakeMyTrip's revenue growth for the past few quarters, and had even overtaken Air ticketing revenues for the company in Q1-FY15, this acquisition comes at the right time for MakeMyTrip.

Founded in August 2013 by Tarun

Goyal and Savan Bellur, Simplotel is a SaaS-based platform that offers hotels solutions like content management, web design, hotel booking engines, and search engine optimization among others. Simplotel offers its clients flexible payment options, including performance-based payments and subscription plans. Some of its hospitality clients in India include The Grand, New Delhi, Aloha On The Ganges, North 16 Goa Resort, Justa Hotels & Resorts, and The Orchid Ecotel among others.

Goyal The Times of India that the funds will be used to double Simplotel's team size to 30 by the end of 2015, and to improve sales & support services for its clients.

### MakeMyTrip acquisitions

- MakeMyTrip had acquired the entire equity interest in EasyToBook.com for around \$5 million, in February last year. At the time the company had said that the acquisition was to strengthen its travel technology stack and improve its hotel offerings in Europe..

- In November 2012, the company had acquired majority stake in Thai-

land-based hotels aggregator ITC Group for \$3.2 million, and also acquired South East Asia-focused Hotel Travel Group for \$25 million.

- SAIF Partners & MakeMyTrip had acquired a majority stake of 76.6% for \$18.5 million in online travel meta search engine iXIGO for \$18.5 million, in August 2011.

- In February of the same year, the company had acquired a 79% stake in Singapore-based Luxury Tours & Travel Pte Limited (LTT) for around \$3 million.

- MakeMyTrip had also entered into a shareholders agreement and share subscription and purchase agreement to acquire Delhi-based MyGuestHouse in November 2011. (source:Medianama)

Hospitalitynet adds: But the bigger picture still looks good for MakeMyTrip, with CEO Deep Kalra noting the "improved macro-economic environment in India." The OTA is confident enough to lift its FY guidance, predicting a 30-31% year-on-year increase in revenues to around \$137/138 million. Air did well in the quarter for MakeMyTrip, with an "impressive" lift in domestic market share from 13% last quarter to 15% this time. Kalra said that this improvement was thanks to "internal rather than external factors", namely improvements to MakeMyTrip's mobile capabilities for air bookings – seat selection, itinerary management, single click payment to name but a few. He noted that MakeMyTrip has "grown share with each and every airline individually. It's not concentrated on a couple of carriers, it's across the board." The MakeMyTrip app had a blockbuster quarter, with the total number of downloads at end of December coming in at 5.5m – a big leap from the 4.1m at the end of September. Kalra added that 40% of monthly unique visitors now come to MakeMyTrip via apps or the mobile web, and that 20% of domestic air and 34% of domestic hotels are bought via mobile.

## Fourth HRAEI managing committee meeting



Committee members who attended the fourth managing committee meeting held at Hotel Monotel on February 7, 2015 (Pic: Swapan Kumar Paul)

## FTAs grow by 4% in January 2015 over January 2014

**F**EEs in rupee terms show an increase of 4% in January 2015 over corresponding period last year Ministry of Tourism compiles monthly estimates of Foreign Tourist Arrivals (FTAs) on the basis of Nationality-wise, Port-wise data received from Bureau of Immigration (BOI) and Foreign Exchange Earnings (FEEs) from tourism on the basis of data available from Reserve Bank of India. The following are the

important highlights regarding FTAs and FEEs from tourism during the month of January 2015.

### Foreign Tourist Arrivals (FTAs):

FTAs during the Month of January 2015 was 7.90 lakh as compared to FTAs of 7.59 lakh during the month of January 2014 and 7.20 lakh in January 2013. There has been a growth of 4.0% in January 2015 over January 2014.

- The Percentage share of Foreign Tourist Arrivals (FTAs) in India during January 2015 among the top 15 source countries was highest from USA (16.35%) followed by UK (11.82%), Bangladesh (9.29%), Canada (4.70%), Australia (3.63%), Russian Federation (3.50%), France (3.16%), Germany (3.12%), Sri Lanka (2.93%), Malaysia (2.91%), Japan (2.63%), China (2.30%), Rep.of Korea (1.89%), Afghanistan (1.76%)

and Oman (1.54%).

- The Percentage share of Foreign Tourist Arrivals (FTAs) in India during January 2015 among the top 15 ports was highest at Delhi Airport (28.72%) followed by Mumbai Airport (21.87%), Chennai Airport (8.39%), Bangalore Airport (5.83%), Goa Airport (5.09%), Haridaspur Land check post (4.99%), Kolkata Airport (3.60%), Cochin Airport (3.56%), Ahmedabad Airport (3.33%), Hyderabad Airport (3.05%), Trivandrum Airport

(1.79%), Tiruchirapalli Airport (1.34%), Gede Rail (1.14%), Attari Wagah Land check post (0.92%) and Sonauli Land Check post (0.86%)

Foreign Exchange Earnings (FEEs) from Tourism in India in rupee terms and in US\$ terms

FEEs during the month of January 2015 were `11,529 crore as compared to `11,082 crore in January 2014 and `10,785 crore in January 2013.

The growth rate in FEEs in rupee terms during January 2015 over Jan-

uary 2014 was 4.0% as compared to 2.8% in January 2014 over January 2013.

FEEs in US\$ terms during the month of January 2015 were US\$ 1.854 billion as compared to FEEs of US\$ 1.786 billion during the month of January 2014.

The growth rate in FEEs in US\$ terms in January 2015 over January 2014 was 3.8% compared to a negative growth of 10.0% in January 2014 over January 2013. (source: Tourism ministry)

## Govt keen to promote pilgrimage tourism



**NEW DELHI:** Religion is the opium of the masses and the tourism ministry is keen to exploit just this in India. The government is preparing a multi-pronged programme to attract tourists to the country's pilgrim sites, modeled on world famous pilgrim spots like Italy and Saudi Arabia.

"If you look at spiritual tourism

throughout the world, it is very big. There is huge footfall in Rome and same is the case of Mecca and Medina... In a similar fashion, we should also explore our rich potential aspects comprising epics and spirituality," tourism and culture minister Mahesh Sharma said.

He was launching e-ticketing for Taj Mahal in Agra and Humayun's

Tomb in New Delhi besides a 24x7 'Incredible India' tourist helpline along with special welcome cards for foreign tourists arriving at nine international airports.

Launching a slew of schemes for promoting tourism and cultural sites, he said 50% of the monuments in the world were in India, which is also blessed with Buddhist centres, Ganga and Himalayas. "The prime minister has earmarked Rs 500 crore for development of five tourist circuits such as Ganga, Krishna, Buddha, northeast and Kerala. This apart, seven pilgrimage destinations including Gaya, Amritsar, Mathura and Velankanni will be developed," he added.

The minister also launched Swachh Bharat Swachh Smarak E-Poster, a booklet on 'Badhte Kadam - Hunar Se Rozgar Tak', Swachh Bharat Swachh Pakwan (Hunar Zayka), Braille book on Delhi monuments and Adarsh Smarak, which aims at developing 25 monuments with wi-fi, disabled-friendly facilities and interpretation centres.

Meanwhile, the government is discussing including Malappuram, Wayanad and Kannur districts of Kerala among the 106 districts covered under the security-related expenditure reimbursement scheme. (ToI)

## Hotels add art, humour to spruce up conference centres



**H**otel conference centres are getting major makeovers to become spaces for both work and play.

The Mandarin Oriental, Las Vegas, has introduced a new meeting and event venue known as The Gallery. The 1,900-square-foot loft-style space has a 16-foot ceiling, frosted floor-to-ceiling windows and a painted cement floor. It can be used for meetings, seated dinners or cocktail receptions.

Pullman Hotels and Resorts, part of the Accor hotel brand, has created the Business Playground by Pullman concept. The conference table is actually a poker table that encourages people to place their hands or elbows on it for easier conversations. Canopy Break is a space that promotes informal discussions before meetings. The whole area has free wireless Internet, a large HD LED screen, and a mini-tablet to automate everything in the room.

The new B Resort and Spa in Orlando has eight interior rooms for outside-the-box meetings, in addition to its 25,000 square feet of traditional conference facilities. One room is a theatre that seats about 30 people,

another is a library with an electric fireplace and cozy chairs, and yet another is a studio that can be used for yoga or other activities.

“We noticed that groups were incorporating interactive, fun and non-corporate activities into their meeting format and didn’t want to spend their entire day in the boardroom,” says Mary Hutchcraft, director of sales and marketing at B Resort and Spa. “We created these unique, customizable spaces to meet the demand of these groups.”

Many of the hotels are also trying to design their conference centers to blend in with the destinations.

For instance, the Onmi Nashville Hotel is connected to the Country Music Hall of Fame on three levels and has a pedestrian pathway between the two structures.

Meeting spaces at the Alexander Hotel in Indianapolis showcase art curated by the Indianapolis Museum of Art. The rooms are named after local neighborhoods. The wallpaper is a grid of Indianapolis streets. And the conference space has a communal area for attendees to try locally sourced food and drink. (source: USA Today)

Designers say they are responding to a demand from meeting planners for more cool and dynamic spaces. (source: *usatoday.com*)

## Tourism to lose 14 million jobs by 2024

**O**nce the figures are added, the number of people around the world who work in one industry tends to be impressive. When it comes to Travel and Tourism, this number now stays at, roughly 266 million. However, when we look at the amount of money that the tourism sector brought to the global economy in 2014 (a head-spinning 7 trillion U.S. dollars), 266 million jobs start to make a lot of sense.

In the incoming decade, an in-

crease in the number of jobs is expected, from 266 to 347 million by 2024. By the same year, the industry is expected to bring in 11 trillion U.S. dollars, as opposed to the 7 from 2014.

Without improved ways to hire and keep talent, the tourism industry is estimated to lose 14 million jobs globally according to WTTC in the coming decade. The industry is likely to contribute \$610 billion less in GDP as well. The 4 percent decrease in jobs, compared to the initial estimates of 347 million by 2014, was reached by quantifying the scale of challenge in regards to human resources, a process performed for the first time.

In a gargantuan effort, the study considered the countries that create and hold 80 percent of jobs in the travel and tourism industry and thus, contribute the most to global economy. Out of the 46 countries researched, the WTTC developed a ranking, meant to show which of them have the most problems in creating an encouraging, friendly environment for future and current tourism employees.

David Scowsill, president and CEO of the World Travel and Tourism Council underlined the importance of the tourism industry at a global level, not only by being an important catalyst for economic growth, but also for offering jobs to what Scowsill names “marginalized” individuals in society, like youth and women. This stands especially true in areas where tourism is the only way to earn a salary.

Scowsill also expressed worry over the fact that 37 out of the 46 countries considered to be tourism giants will show deficits by 2024. He goes on to caution both the private sector and governments over the importance of careful planning in order to prevent the loss of 14 million future jobs by 2024.



## Spain: Study shows increased interest in sustainable destinations



**T**wo Spanish studies conducted jointly by researchers from the Universities of Extremadura and Jaén have revealed that tourists are increasingly showing appreciation for sustainably managed destinations.

The studies by these researchers have indicated that, when taking a trip, tourists are opting for destinations that are part of a scheme of policies for environmental or heritage sustainability, for example, because there they enjoy “more satisfying experiences.”

Lidia Andrades, a professor in the Department of Business Management and Sociology at UEx and co-author of this work, acknowledges that the purpose of the study was to “demythify” certain beliefs or social myths, “such as the view that investment in sustainability is less profitable in the short-term.”

According to Andrades, this has therefore demonstrated that, from an economic standpoint, meeting the tourist demand, while protecting the areas for the future, is viable.

“Until a few years ago it was observed that tourists did not know the difference between a sustainable destination and one that was not.

However, this is changing,” said the researcher, who has expressed the view that tourists demand unforgettable experiences in destinations that are not overcrowded or over-exploited, destinations that preserve their uniqueness and identity” and that are “able to provide authentic experiences. Countries should take this into account in their destination offerings.” These studies have shown that “sustainable tourism management promotes a country’s socio-economic development by preserving resources and generating employment,” the UEx stated in a press release.

Also along these lines, the studies have produced other findings, such as the fact that the tourist experience is significantly worse when destinations are overcrowded.

The UEx also notes that the researchers emphasize the need to revisit the strategies to improve the competitiveness of a country or area, especially because despite these findings, it has become clear that during the sampling period (between 2008 and 2011) out of a total of 128 countries, only eleven had improved ratings for sustainable tourism, “which is worrying,” the professor noted.

## Indonesia’s coral reefs threatened by climate change

**I**ndonesia’s once pristine coral reefs have been seriously threatened by the rise in temperatures that has been caused by climate change. According to the Intergovernmental Panel of Climate Change (IPCC) 2013 report, in the last century the average surface temperature had increased worldwide by approximately 0.8°C and is projected to increase by between 3 °C and 4°C in the next century over the Southeast Asia region.



Indonesia’s coral reefs are home to 75% of the world’s coral species, 3,000 different kinds of fish and a host of other unique marine life. They also provide important coastal protection functions as they reduce wave energy by approximately 97 %. They are now suffering from bleaching, hence instead of their natural myriad of colors, they are turning white.

Corals and most of the other reef organisms depend on symbiotic algae that live in the polyps. These algae provide up to 95 percent of the coral’s energy for feeding, growth and reproduction. The algae are known as zooxanthellae and they give the coral reefs their attractive color.

## Phuket Light Rail System

Phuket, one of the region's most popular tourist destinations, will see improvements to its transportation infrastructure in an attempt to ease congestion. The new 24 billion bhat (US\$736.2 million) light rail system will consist of 20 stations spanning 60 km across the island. The system, due to commence operations in 2021, will traverse from Tha Noon, across Sarasin Bridge, to Phuket Town and to Chalong Circle; the line will also be connected to the Phuket International Airport. Commuters will benefit from a much reduced travel time of about 1.5 hours from Tha Noon to Chalong. Concerns have been raised over the rising number of tourists to the resort destination and the lack of adequate infrastructure to cope with this influx of visitors. This new development is expected to ease congestion and improve visitor experience.

## Bulgari Enters The Maldives

Marriott International together with India's Panchshil Realty plans to open an 82-room Bulgari resort in the Maldives. The luxury resort, expected to commence operations as early as 2018, will be Marriot International's first property at this resort destination and will be located within the Raa Atoll, Northwest of Malé. The Maldives has long been regarded as a luxury getaway, with a number of resorts vying for the high-end luxury segment. The market within the Maldives has remained strong with 1.2 million visitor arrivals to the destination in 2014, an increase of 7.1% as compared to 2013. Chinese travellers, who make up 30% of all travellers in 2014, accounted for most of this growth with an increase in visitors by 9.6%. Similarly, South East Asian travellers who constitute 4.7% of the market also saw a robust growth of 37.3%.

## BAROMETER

Absolute Share Price Performance, as on 30 January 2015			
Closing Share Price as at	30 Jan 2015	23 Jan 2015	% Change
<b>Australia Stock Exchange (ASX)</b>			
Amalgamated Holdings Limited	11.76	11.23	5%
General Property Group	4.52	4.42	2%
Mirvac Group	1.94	1.88	3%
Mantra Group	2.66	2.76	-4%
<b>Bangkok Stock Exchange (THB)</b>			
Central Plaza Hotel Public Co Ltd	34.00	34.00	-
Dusit Thani Public Co Ltd	58.00	59.50	-3%
The Erawan Group Public Co Ltd	4.84	4.86	-
Grande Asset Hotels and Property Public Co Ltd	2.14	2.20	-3%
Laguna Resorts & Hotel Public Co Ltd	29.50	30.00	-2%
Minor International Public Co Ltd	36.00	35.00	3%
<b>China Shanghai Stock Exchange (RMB)</b>			
Jinling Hotel Corporation Ltd	12.62	12.49	1%
<b>China Shenzhen Stock Exchange (RMB)</b>			
Huatian Hotel Group Co Ltd	6.26	6.11	2%
Guangzhou Dong Fang Hotel Co Ltd	12.66	12.94	-2%
<b>NASDAQ (US\$)</b>			
China Lodging Group Ltd	21.51	21.68	-1%
Home Inns & Hotels Management Inc	24.43	24.74	-1%
<b>Hong Kong Stock Exchange (HK\$)</b>			
Miramar Hotel & Investment Co Ltd	9.81	9.81	-
Regal Hotels International Holdings Ltd	4.81	4.88	-1%
Sino Hotels Holdings Ltd	2.50	2.50	-
The Hong Kong & Shanghai Hotels Ltd	11.10	11.00	1%
Shangri-La Asia Limited	10.00	10.20	-2%
Dorsett Hospitality International	1.28	1.27	1%
<b>National Stock Exchange (INR)</b>			
IHCL (Taj Hotels, Resorts & Palaces)	120.50	119.95	-
EIH (Oberoi Hotels & Resorts)	114.00	117.00	-3%
Hotel Leela Ventures	22.50	22.55	-
<b>Korea Exchange (KRW)</b>			
The Shilla	104,000	105,000	-1%
<b>Singapore Stock Exchange (S\$)</b>			
Amara Holdings Ltd	0.53	0.53	-
Ascendas Hospitality Trust	0.685	0.685	-
Ascott Residence Trust	1.26	1.295	-3%
Banyan Tree Holdings Limited	0.525	0.525	-
CDL Hospitality Trusts	1.81	1.785	1%
Far East Hospitality Trust	0.845	0.84	1%
Hotel Grand Central Ltd	1.32	1.31	1%
Hotel Properties Ltd	4.12	4.10	-
Mandarin Oriental International Ltd (US\$)	1.63	1.65	-1%
QUE Hospitality Trust	0.92	0.925	-1%
Stamford Land Corporation Ltd	0.565	0.555	2%
<b>Taiwan Stock Exchange (NT\$)</b>			
Formosa International Hotels Corporation	320.00	324.00	-1%
The Ambassador Hotel, Ltd	28.10	28.20	-
<b>Tokyo Stock Exchange (JPY)</b>			
Japan Hotel REIT Investment Corp.	77,800	78,500	-1%
Imperial Hotel, Ltd	2,570	2,640	-3%

**Disclaimer:** Information provided above has been gathered from various market sources. HVS has not independently verified the accuracy of the information provided. Interested parties should not rely on the information as statement of facts and are advised to make their own independent checks to verify the information provided. For further information, please feel free to contact HVS Asia Pacific. **(source: HVS Global Hospitality Report)**

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# BLUE STAR TARGETS 10% SHARE OF ROOM AC MARKET



(Left) Mr. B. Thiagarajan, Executive Director & President - AC & R, BlueStar launches new range of room air-conditioners. On his right is Mr. C. P. Mukundan Menon, Executive Vice President-Unitary Cooling Products

**Inverter ACs will be the game changer... It will knock out lower-priced air-conditioners from the market as they are more efficient and eco-friendly**

**KOLKATA:** Blue Star is aiming to capture ten per cent of the room AC market in the next fiscal.

“Our market share in the room AC segment is around nine per cent. We aim to take this to ten per cent in the coming financial year,” B Thiagarajan, president and ED of AC and Refrigeration Products division of Blue Star told reporters here recently.

He said the company was expecting to grow at 25 per cent in the next fiscal, while the industry growth would be in the region of 15 per cent. With an annual capacity of four lakh units per annum, the company was planning to set up a new plant in South India as the region contributed to more that

50 per cent of its sales in the country.

“We want to set up a new plant in the South. We have the capacity which can be managed till May 2016”, Thiagarajan said adding, the company had shortlisted two or three sites, and a final call would be taken in July or September, 2016. The AC segment was expected to contribute Rs 1,000 crore to overall sales in the current fiscal, he said.

Inverter ACs will be the game changer, Mr Thiagarajan claimed. “Inverter ACs save 30 percent more power than five-star rated ACs. However, their market share is merely eight percent. That is likely to triple in the coming two years,” he maintained

He added that inverter ACs would knock out lower-priced air-conditioners from the market as they are more efficient and eco-friendly.

The company has so far registered a revenue of Rs.800 crore from domestic operations and expects to close the ongoing fiscal year at Rs.1,000 crore. It has billed 300,000 units till now and they expect to bill another 40,000 units before the financial year ends.

As of now, the company has registered a growth of 30 percent in revenue and 19 percent in volume.

AC exports of the company to the SAARC countries, Middle-East and Africa account for about ten percent of its total billed products. (PTI and IANS)



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# WEST BENGAL INCENTIVE SCHEME, 2015

**T**he new incentive scheme announced by the West Bengal government is clearly intended to fast track bankable projects in new and high potential tourist destinations. As the state government has selected the PPP mode for implementation of these projects, the incentive scheme is expected to give serious investors an opportunity to create world class tourism products for healthy and sustainable development.

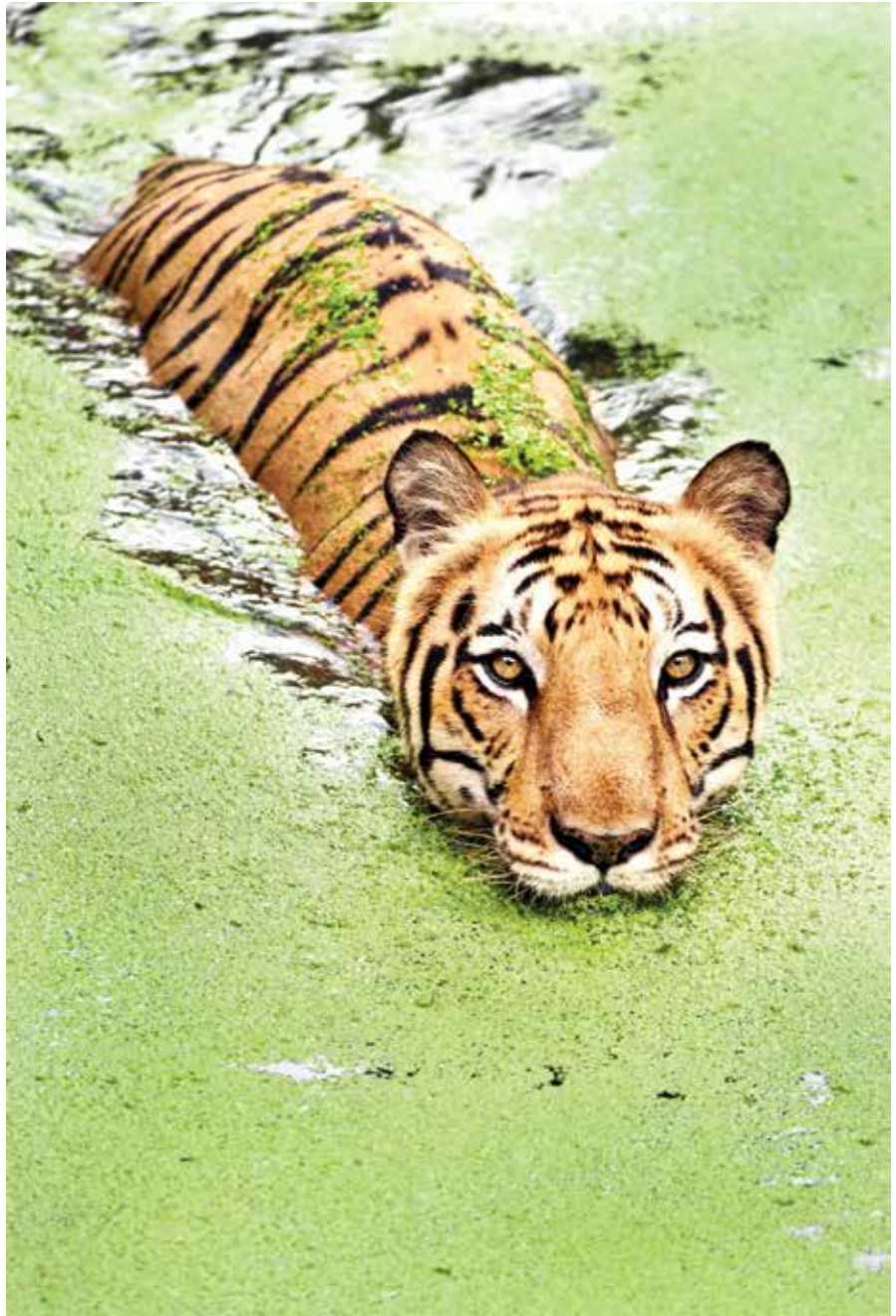
A new incentive scheme for promotion of tourism units called the West Bengal Incentive Scheme, 2015, announced by the state government vide notification no. 36-TW/5T-06/2015 dated January 6, 2015, has become effective from January 7, 2015 in the state of West Bengal and shall remain valid up to December 31, 2020.

## Applicability of the 2015 scheme

The 2015 scheme shall be generally applicable to all eligible tourism projects/units and also to expansion projects of existing units set up on or after the effective date of this incentive companies/undertakings owned or managed by the state government.

## Non-applicability of the 2015 scheme

The West Bengal Incentive Scheme, 2015 shall not apply to those tourism units that have been registered for and have been sanctioned incentives under any previous scheme. It is further provided that any unit which may have applied for registration with the Directorate of Tourism under WBIS'2008 before the date of



Royal Bengal Tiger taking a bath at algae pond in Sundarban National Park

BENEFITS FOR ELIGIBLE UNITS UNDER NORMAL PROJECTS	GROUP 'A' AREA	GROUP 'B' AREA	GROUP 'C' AREA	GROUP 'D' AREA
<b>STATE CAPITAL INVESTMENT SUBSIDY*</b> *In no case the subsidy in respect of the building component will exceed 50% of the total subsidy given	7.5% of fixed capital investment subject to a limit of Rs 100 lakhs.	10% subject to a limit of Rs 100 lakhs.	15% subject to a limit of Rs 120 lakhs.	20% subject to a limit of Rs 150 lakhs. <b>In special area it would be 25% subject to a limit of Rs 175 lakhs</b>
<b>INTEREST SUBSIDY*</b> *Not for term loans for second hand plant & machinery or hire purchase equipment	50% of annual interest liability on term loans subject to a limit of Rs 25 lakhs for 5 years	50% of annual interest liability on term loans subject to a limit of Rs 25 lakhs for 5 years	60% of annual interest liability on term loans subject to a limit of Rs 25 lakhs for 7 years	60% of annual interest liability on term loans subject to a limit of Rs 25 lakhs for 7 years. <b>It would be 75% in special area subject to a limit of Rs 30 lakhs for 7 years</b>
<b>WAIVER OF ELEC. DUTY</b>	Waiver of duty on electricity consumed for 5 yrs from date of comml production	Waiver of duty on electricity consumed for 5 yrs from date of comml production	Waiver of duty on electricity consumed for 5 yrs from date of comml production	Waiver of duty on electricity consumed for 5 yrs from date of comml production
<b>ADDL INCENTIVE ON GENERATION OF EMPLOYMENT</b>	60% of contribution to ESI,EPF for 5 yrs	60% of contribution to ESI,EPF for 5 yrs	60% of contribution to ESI,EPF for 5 yrs	60% of contribution to ESI, EPF for 5 yrs. <b>In special area incentive will be for 10 yrs</b>
<b>ADDL INCENTIVE FOR ADVENTURE TOUR OPERATORS*</b> *For purchase of tents/dingy/ adventure & sports equipment/ related accessories	Reimbursement of 50% VAT	Reimbursement of 60% VAT	Reimbursement of 80% VAT	Reimbursement of 90% VAT. <b>In special area, 100% VAT will be reimbursed.</b>
<b>REIMBURSEMENT OF STAMP DUTY &amp; REGN FEES*</b> *For new purchase of land/ buildings	50%	50%	60%	60% <b>In special area, it will be 70%</b>

commencement of this 2015 scheme and whose applications may not have been disposed of prior to the coming into effect of this 2015 scheme or deemed to have been disposed of shall be entitled to all benefits under WBIS'2008 only.

### Eligibility criteria for incentives

Any unit within the meaning of a

tourism unit to which this scheme applies, shall be eligible for securing an eligibility certificate provided:

- The project is covered by a detailed feasibility report/project prepared for the purpose,
- The project has been approved and sanctioned by a central financial institution or commercial bank or state financial institution, as the case may be. In case of projects with

arrangement of finance from own resources, issue of eligibility certificate shall be considered provided the West Bengal Tourism Development Corporation (WBTDC) is satisfied about the arrangement of finance as per conditions stipulated above.

The eligibility certificate shall be issued by WBTDC on fulfilment of conditions stipulated above and on the basis of a registration certificate

BENEFITS FOR MEGA PROJECTS	GROUP 'A' AREA	GROUP 'B' AREA	GROUP 'C' AREA	GROUP 'D' AREA
<b>STATE CAPITAL INVESTMENT SUBSIDY*</b> *In no case will the amount of subsidy in respect of building component exceed 50% of total subsidy	7.5% of fixed capital investment. Upper limit of Rs 1.50 cr	10% of fixed capital investment. Upper limit of Rs 1.50 cr	15% of fixed capital investment. Upper limit of Rs 1.75 cr	20% of fixed capital investment. Upper limit of Rs 1.75cr <b>Special area- 25% with upper limit of Rs 2 cr</b>
<b>ADDL INCENTIVE ON GENERATION OF EMPLOYMENT</b>	60% for 5 years	60% for 5 years	60% for 5 years	60% for 5 years <b>Special area- 60% for 10 years</b>
<b>REIMBURSEMENT OF STAMP DUTY &amp; REGN FEES</b>	50%	50%	60%	60% <b>Special area- 70%</b>
<b>WAIVER OF ELEC. DUTY</b>	Waiver of duty on electricity consumed for 5 yrs from date of comml production	Waiver of duty on electricity consumed for 5 yrs from date of comml production	Waiver of duty on electricity consumed for 5 yrs from date of comml production	Waiver of duty on electricity consumed for 5 yrs from date of comml production. <b>Special area- 7 years</b>
<b>CAPACITY UTILISATION*</b> *An approved mega project of an eligible unit shall be entitled to additional floor area ratio (FAR) as may be fixed by the competent authority	Addl FAR of 0.25	Addl FAR of 0.25	Addl FAR of 1.0	Addl FAR of 1.0 <b>Special area - Addl FAR of 2</b>
<b>ADDL INCENTIVE FOR ADVENTURE TOUR OPERATORS*</b> *For purchase of tents/dingy/adventure & sports equipment/related accessories	Reimbursement of 50% VAT	Reimbursement of 60% VAT	Reimbursement of 80% VAT	Reimbursement of 90% VAT. <b>In special area, 100% VAT will be reimbursed</b>
<b>LUXURY TAX EXEMPTION*</b> *All new tourism units shall be given 100% relief on paying luxury tax for a period of three years from the year of commencing operations if located in 'special areas' on reimbursement basis. Homestay tourism units coming under the scheme will also be exempted from paying luxury tax for three years on reimbursement basis.				
<b>TOURISM PROMOTION ASSISTANCE IN LIEU OF INTEREST SUBSIDY*</b> *An eligible tourism unit will be entitled to a tourism promotion assistance at the rate of 75% of VAT for five years irrespective of the location of the project, which will be in lieu of interest subsidy.				

issued by the Directorate of Tourism. All necessary clearances from appropriate authorities have to be obtained before a registration certificate is issued by the Directorate of Tourism.

## Classification of areas

The type and quantum of incentives under the scheme shall be determined as per the following classification based on location of a tourism unit:

- **Group A-** Kolkata Municipal Cor-

poration (KMC), Bidhannagar Municipality (BM) and New Town Kolkata Development Authority.

- **Group B-** North 24 Parganas (excluding KMC, BM, New Town Kolkata Development Authority and blocks under Sunderbans area), South 24 Parganas (excluding KMC and blocks under Sunderbans area), Howrah, Hooghly, Durgapur & Asansol Municipal Corporation.
- **Group C-** Bardhaman (exclud-

ing Durgapur & Asansol Municipal Corporation areas), Nadia, Purba Medinipur, Murshidabad, Birbhum, Malda districts.

- **Group D-** Darjeeling, Jalpaiguri, Coochbehar, Uttar Dinajpur, Dakshin Dinajpur districts.
- **Special area-** Jungle Mahal (Districts of Purulia, Bankura, Paschim Medinipur) & blocks under Sunderbans area in both North 24 Parganas & South 24 Parganas districts.



## Application for grant of incentives

All applications for grant of incentives with necessary documentation shall have to be submitted to the managing director, WBTDCL Ltd. The total value of incentives shall not exceed 100 per cent of the fixed capital investment in any case.

No claim under the incentive scheme shall be entertained, if the tourism unit has defaulted in payment of any applicable taxes. It is to be noted that all reliefs granted under this incentive scheme to any tourism unit, both under normal and mega projects will be on reimbursement basis.

All applications for grant of incentives shall be disposed of in accordance with the operational procedure of WBIS, 2015 for tourism units to be notified in due course.

## ANNEXURE-I

### 1. Hotels

Hotels should have facilities expected of the establishment in 1 to 5-star category or approved non-star category according to the guidelines issued/ to be issued by the Department of Tourism, government of India or government of West Bengal from time to time. Their size should be as per norms prescribed by the Department of Tourism, government of India/ government of West Bengal for such units. A hotel should have minimum 10 rooms to let, reception centre-cum-lounge, restaurant, bar, a small convention centre and car parking space. A hotel would also include a flating hotel and service apartment.

### 2. Motels

A motel project should have highway facilities consisting of a minimum of two rooms to let, public toilets, a restaurant, a first-aid centre, medicine store, a utility store, handicraft selling centre and parking space for at least 10 vehicles. Facilities like bar, public telephone booth, car repairing

shop and fuel-filling stations for vehicles may be included as desirable activities. About a hectare of land will be needed for a standard motel.

### 3. Heritage Hotel

A heritage hotel project shall be located in a palace/castle/fort/building or architectural excellence which was built prior to 1950 and which is being converted into a hotel with a minimum of 10 rooms to let. The facilities and the features along with the services should be as per classification guidelines of the Department of Tourism, government of India as applicable to heritage hotels from time to time. A heritage hotel will have all the facilities available in a usual hotel.

### 4. Yatriniwas

Yatriniwas is actually a low-budget hotel of 10 or more rooms to let located near airport, railway station and central bus terminus for transit accommodation and will have all the facilities available in a usual hotel.

### 5. Yatrika

Yatrika is actually a low-budget hotel of 10 or more rooms to let located near a centre of pilgrimage mainly for accommodation of pilgrims and will have all the facilities available in a usual hotel.

### 6. Tourist resort

A tourist resort means a unit which has at least any eight of the following activities/facilities.

Accommodation with at least 10 or more rooms to let; health club facilities e.g. sauna bath, Jacuzzi, steam bath, gymnasium etc; health and wellness spa, water sports e.g. white water rafting, canoeing, kayaking, water skiing, yachting, windsurfing, rowing, paddle boating etc; swimming pool; aero-sports e.g. power flying, a hand-gliding, para-gliding, para sailing etc; skiing, ice-skating; roller skating; sports like tennis, table tennis, badminton, billiards, bowling

alley; golf; angling; nature cure facilities e.g. naturopathy, yoga, ayurvedic/ herbal cures; beauty parlour including barber shops and massage facilities; children's corners including crèche, park, indoor games and other recreational facilities; landscaped gardens and orchards; jogging tracks/nature trails; convention/conference facilities; shopping arcade; well-stocked library including video library and auditorium.

A tourist resort requires a sprawling area and is usually located in countryside.

### 7. Camps and facilities encouraging adventure tourism

The project of camping and tent facilities should have minimum 5 tents located in an area not less than one acre of land, at least two toilets and two showers separate for men and women with running water and a restaurant. The camping sites should have specific sewerage disposal points for campers. There should be proper arrangements for disposal of sullage, sewerage and solid garbage. Adventure tourism comprises trekking in the forest and the hills, mountaineering, mountain biking, rock climbing, canoeing, kayaking, water skiing, yachting, river rafting, long distance swimming and para-sailing, car rally etc.

### 8. Aerial ropeway

Aerial ropeway means a system of overhead ropes on which the carriers are used for the purpose of passengers, animals or goods and includes posts, ropes, carriers, stations, offices, warehouse, workshop, machinery and other equipment used for the purpose of aerial ropeway and the land appurtenant to such aerial ropeway.

### 9. Railway travel projects on the pattern of 'Palace-on-wheels'

'Palace-on-wheels' projects may connect (a) eastern UP, Bihar, West Ben-

gal and Orissa (Buddhist circuit) or (b) Siliguri, Kurseong and Darjeeling (Hill circuit). Such projects will require collaboration of private sector and the Indian Railways.

## 10. Amusement Park

Amusement Park means a unit which has at least any six of the following activities:

Water sports, e.g white water rafting, canoeing, kayaking, water skiing, yachting, windsurfing, rowing, paddle boating etc; aquarium, aqua park, swimming pool; aero-sports e.g ; flying, a hand gliding, para-gliding, para-sailing etc; skiing, ice-skating; roller skating; sports like tennis, table tennis, badminton, billiards, bowling alley; angling; children's corners including crèche, park, indoor game and other recreational facilities; landscaped gardens and orchards; jogging tracks/nature trails; convention/conference facilities; auditorium; restaurant.

## 11. Art & Craft Village

Art & Craft Village is set up in and around a place of tourist interest to promote indigenous art and craft

which will include souvenir shop, live demonstration area, but will exclude manufacturing in any form.

## 12. Tea Tourism

Tourism unit set up on a land leased out to a tea garden and which has been recognised by the government as a tea tourism unit. These units shall enjoy incentives as available in category 'D' areas irrespective of location.

## 13. Tourist boats/Launches/Cruise Boats/House Boats

A tourist boat or a launch or a cruise boat or a house boat would mean such boats or launches or cruises that has accommodation for at least 4 persons, at least one general toilet, cabins with attached toilets, kitchen, dining space, water and arrangement for garbage disposal. This boat/launch/cruise would be used for conducting river cruises for the tourists.

## 14. Convention centre

A convention centre is a large civic building or group of building designed

for conventions, industrial shows, travel & trade shows and the like, having large unobstructed exhibit areas with conference rooms, hotel accommodations, food court, parking and other facilities.

## 15. Wayside facilities

A wayside facility should have at least 10 rest rooms, car parking, toilet, drinking water and restaurant.

## 16. Home Stay

Home stay is any private house located in rural and urban areas, where the owner/promoter of the establishment along with his/her family is physically residing in the same establishment and letting out minimum one room and maximum 6 rooms (12 beds) each with attached toilet facility reasonably furnished and ready for letting out to the tourists/guests. The standard size for double and single bed room accommodation is 120 sq. ft. and 100 sq. ft. respectively and 30 sq. ft. for bathroom/toilet.

## 17. Other projects

Any other project that may be approved by the government.

## GLOSSARY OF TERMS

1. "Tourism unit" means a project or a unit under commercial operation related to tourism activities as defined in Annexure I and as may be further notified by the tourism department.
2. "Eligible unit" means both a new tourism unit or expansion of an existing unit having a registration certificate issued by the Director of Tourism to this effect and an eligibility certificate issued by the WBTD, or any competent authority as the case may be, provided construction of such project or commercial operation of such unit started on or after the effective date of this incentive scheme.
3. "New unit" means a tourism unit having investment in fixed capital assets which exists in West Bengal and which start commercial operation in its expanded portion on or after the effective date of this incentive scheme.
4. "Existing unit" means a tourism unit having investment in fixed capital assets which exists in West Bengal and which starts commercial operation in its expanded portion on or after the effective date of this incentive scheme.
5. "Expansion of existing unit" means expansion of the capacity of an existing unit which involves increase in fixed capital investment by 50% or more, or Rs 30 lakhs whichever is higher.
6. "Expansion portion" means the portion expanded with additional capacity commercial operation of which is started on or after the effective date of this incentive scheme.
7. "Fixed capital investment" will mean the investment made in building and plant and machinery and also on equipment installed for pollution control measures in the tourism unit.
8. "Mega unit" means an eligible unit of special characteristics set up with a fixed capital investment exceeding Rs 100 crores in areas under Group A and B, exceeding Rs 50 crores in areas under Group C and D and Rs 25 crores or above in "Special Area"
9. "Special Area" means the districts of Paschim Medinipur, Bankura, Purulia & Blocks under Sunderbans area in both North 24 Parganas & South 24 Parganas districts.

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New Projects: BURDWAN ■ KOLKATA



### PUNJABI CUISINE HAS UMPTEEN TAKERS IN KOLKATA

**KOLKATA:** While ilish (hilsa) and rosogolla (balls of sweets dipped in syrup) are the hallmark of the Bengali food culture, robust flavours of Punjabi dishes too have a mass appeal and legacy here, far away from the North Indian plains.

Thus, piping hot daal maakhni, smoking skewers of kebabs cooked in tandoori style, aromatic sarson da saag and a range of breads infused with spices and other ingredients - all with the sheen of generous dollops of clarified butter or ghee - and more were on offer at a just-concluded Punjabi food fest here.

And, instead of elaborate seating arrangements and signature décor, kiosks of seven restaurants handed out small portions of fast-moving Punjabi dishes to foodies in the open-air arena of a popular city mall.

“People in Kolkata are more inclined towards Punjabi food than Mughlai since items like tikkas and kebabs cooked in tandoor (clay ov-

ens) can be had on the go,” Abhro Guhathakurta of the relatively new Rang De Basanti Dhaba (RDBD) chain told IANS.

Apart from the usual roster of Dilli ki paneer makhani, Dilli ki butter chicken, dhaba chicken curry, RDBD serves its signature breads - hari mirch ki roti (green chilly flatbread) and lal mirch ka paratha (red chilly flatbread).

“Though the staples are always in demand, there is a fair amount of experimentation that is going on,” Guhathakurta noted.

Then, there’s Sanjha Chulha, an established name in North West Frontier spread. In addition to Punjabi staples like sarson da saag and makki di roti, it offers juicy chunks of jugalbandi kebab - a fusion of minced mutton and chicken seekh kebab.

“Punjabi food is extremely popular among Bengalis as well as the north Indian community in Kolkata,” Sanjha Chulha chain co-owner Asif

Ahmed told IANS.

On offer at Honey Da Dhaba are chicken butter masala, mutton boti kebab and lehsuni kebab, among others.

“Kebabs and tikkas are among the most popular items and move fast. Since the cooking is done in authentic clay ovens, there isn’t too much oil used,” restaurant in-charge Dhiraj Joshi told IANS.

Though themed restaurants with faux ‘dhaba’ ambience are popping up across the city, renowned food critic, columnist and restaurateur Rakhi Purnima Dasgupta pointed out that the city’s gourmands have always relished the mouth-watering taste of Punjabi dishes.

“After partition, immigrants and refugees came to the city from the Pakistani part of Punjab and since then, the food culture has really diversified. Some are more Calcuttan than Punjabis and, naturally, the food has also evolved,” Dasgupta told IANS.

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# IS THE HOTEL INDUSTRY COMING OUT OF THE TROUGH?

The 'HVS-FHRAI report notes that despite the expansion in supply (more than 10% in the branded segment) over 2012-13, sub-5% GDP growth in 2013-14, and high inflation rate of 5.9% the hotel industry has reported strong performance which underscores the growth in demand and the strength and resilience of the industry.

**T**he FHRAI Indian hotel industry survey 2013-14 “reflects a positive change indicated by key operating statistics”. It adds that this could be an early indicator of a turnaround for the Indian hotel industry. The survey, representing 1,295 hotels in various cities across different star categories in India, presents key statistics for the industry. It provides information about financial performance, marketing media usage patterns, guest segmentation, etc.

The all-India average occupancy, in this year's survey remained unchanged compared to 2012-13, in contrast to its declining trend since 2010-11. However, the redeeming feature was the average room rate of Rs 4,729 in 2013-14 which happens to be the highest in the last five years.

The 'HVS-FHRAI 2014 Hotels in India Trends and Opportunities Report' notes that despite the expansion in supply (more than 10% in the branded segment) over 2012-13, sub-5% GDP growth in 2013-14, and high inflation rate of 5.9% the hotel industry has reported strong performance which underscores the growth in demand and the strength and resilience of the industry.

## Indian Hotel Industry - Country Trends

- Unchanged occupancy and increased average rate- The occupancy for 2013-14

remained unchanged at 60.4% compared to that in 2012-13. The average room rate (ARR) was the highest in the last five years, increasing by 4.9% to close at Rs 4,729. It is important to note that the increase in ARR was recorded across all start categories (except Heritage).

- Increasing contribution of non-rooms revenue: There has been a continued change in the revenue composition over the past few years. Although ARRs saw a marginal increase, the trend of declining revenues from the rooms division continued in 2013-2014, falling from 52.2% in 2012-13 to 51.3% in 2013-14. The contribution of Food and Beverage (F & B) revenue, on the other hand, has increased marginally from 41.2% in 2012-13 to 41.9% in 2013-14 with rising contribution from Banquets and Conferences. Additionally, Other Revenue that includes laundry, gift shop, business centre, health club and rentals also saw a slight growth from 6.6% in 2012-13 to 6.9% in 2013-14.
- Rising departmental expenses as percentage of revenues: Departmental expenses as a percentage of total revenues at an all-India level have increased over the last three years. This trend has continued in 2013-14, with room expenses growing to 20.7% (as a percentage of rooms revenue) as compared to 19.3% in 2012-13. Similarly, F & B expenses have increased from 55.2% in

2012-13 to 40.2% in 2013-14. Thus, the overall departmental expenses as a percentage of revenues have increased from 35.4% in 2012-13 to 37.1% in 2013-14, resulting in a decline in departmental income from 64.66% in 2012-13 to 62.9% in 2013-14. This trend may be attributed to the higher costs of manpower, energy and the inflated commodity prices, combined with a relatively sluggish growth in revenues.

- **High energy costs:** The survey reveals that energy expenses on all-India PAR basis have increased by 13.2% in 2013-14. Over the past five years, the energy cost on a PAR basis has grown at a CAGR of 10.5%. High energy costs are a major concern especially in cities such as Chennai and Pune where they are a major factor in declining profitability of hotels. This year's survey reveals that among the use of various technological applications, the use of energy management systems (EMS) has witnessed the highest increase on an all-India level. However, increasing energy costs, in spite of higher use of EMS points to the need for training, efficient use of EMS, and effective implementation of 'Green Building' designs and 'Green Practices' to reduce their energy costs as well as their carbon and water footprint. Green practices would have to be both in sourcing the energy (renewable sources like solar) and water (tapping rainwater and using treated grey water) as well as efficiently managing these resources through departmental practices.

### The Big Seven Bengaluru

Bengaluru, the 'Silicon Valley of India' and the IT/ITES capital of the country, houses a number of multinational companies like Infosys, Wipro, Cisco, Oracle, Accenture, Intel, Aricent, Nokia, Honeywell amongst

## Hotel industry's medium term outlook subdued: ICRA



Indian hotel industry's revenues are likely to increase by 7-9 per cent in 2014-15 mainly driven by incremental rooms and food and beverage income, ratings agency ICRA has said.

"The outlook for the Indian Hotel Industry over the next 12-18 months is expected to remain subdued given the gap between supply and demand. However, measures by the government to drive tourism through several strong policy initiatives could bring in stronger demand, supporting the industry over the next 12-18 months," ICRA said in a report.

Growth is expected to accelerate to 9-12 per cent over the next two years, it added. Average Room Rates (ARRs) are expected to be largely flat while occupancies are estimated to improve by 2-4 per cent during 2014-15, ICRA said.

Industry occupancy levels have witnessed improvement in the current fiscal. However, it has been geographically concentrated in pockets like Mumbai. But there continues to be lack of traction in ARR's even in markets like Mumbai, which has been maintaining a steady Rs 100-200 discount on year-on-year basis,

it pointed out.

Domestic demand has showcased a growth of over 10 per cent, driven by both business and leisure travellers during 2014-15. However, falling global economic sentiments have affected inbound travel and with a booking window of 8-12 months for western leisure travel, the impact is expected to be felt in 2015-16 as well.

ICRA expects easing visa and policy norms will support inbound travel into India even as a weaker global economy curtails traveller budget, it said.

Foreign tourist arrivals growth increased from 5.9 per cent in 2013 (calendar year) to 7.1 per cent during 2014, the rating agency said. As per ICRA Research, India has over 29,000 premium rooms under construction- to be launched over the next six years.

As a result of supply-demand mismatch, ICRA said, industry players have been resorting to significant belt tightening by keeping a check on key cost drivers like payroll expenses, which have gone up only by an estimated 4 per cent over the last three fiscals. (PTI)

# AVERAGE ROOM RATES AND OCCUPANCY RATES IN 30 CITIES

## • Agra

Room Rates	Occupancy Rates
2009-10: 2,482	2009-10: 57.0%
2010-11: 3,968	2010-11: 63.2%
2011-12: 3,974	2011-12: 68.3%
2012-13: 4,381	2012-13: 60.3%
2013-14: 3,988	2013-14: 57.7%

## • Ahmedabad

Room Rates	Occupancy Rates
2009-10: 3,367	2009-10: 65.7%
2010-11: 3,234	2010-11: 67.6%
2011-12: 3,650	2011-12: 65.1%
2012-13: 3,902	2012-13: 63.0%
2013-14: 3,106	2013-14: 60.4%

## • Aurangabad

Room Rates	Occupancy Rates
2009-10: 2,850	2009-10: 57.9%
2010-11: 2,612	2010-11: 59.5%
2011-12: ID	2011-12: ID
2012-13: 3,203	2012-13: 49.0%
2013-14: ID	2013-14: ID

## • Bengaluru

Room Rates	Occupancy Rates
2009-10: 6,766	2009-10: 52.6%
2010-11: 5,838	2010-11: 53.8%
2011-12: 6,849	2011-12: 58.7%
2012-13: 5,533	2012-13: 56.6%
2013-14: 6,300	2013-14: 59.7%

## • Bhopal

Room Rates	Occupancy Rates
2009-10: 3,110	2009-10: 66.1%
2010-11: ID	2010-11: ID
2011-12: 3,827	2011-12: 78.0%
2012-13: 4,300	2012-13: 72.4%
2013-14: 3,366	2013-14: 67.7%

## • Chandigarh

Room Rates	Occupancy Rates
2009-10: 4,780	2009-10: 69.1%
2010-11: 4,544	2010-11: 70.4%
2011-12: ID	2011-12: ID
2012-13: 3,639	2012-13: 65.4%
2013-14: 4,396	2013-14: 54.9%

## • Chennai

Room Rates	Occupancy Rates
2009-10: 4,083	2009-10: 65.6%
2010-11: 5,508	2010-11: 64.8%
2011-12: 4,365	2011-12: 69.1%
2012-13: 4,345	2012-13: 69.8%
2013-14: 4,043	2013-14: 68.2%

## • Coimbatore

Room Rates	Occupancy Rates
2009-10: 3,236	2009-10: 75.5%
2010-11: 3,989	2010-11: 72.8%
2011-12: 4,100	2011-12: 66.5%
2012-13: 3,655	2012-13: 61.3%
2013-14: 2,987	2013-14: 59.3%

## • Jodhpur

Room Rates	Occupancy Rates
2009-10: 4,552	2009-10: 43.2%
2010-11: 5,519	2010-11: 49.2%
2011-12: 7,005	2011-12: 48.8%
2012-13: 8,431	2012-13: 46.3%
2013-14: 11,350	2013-14: 45.0%

## • Delhi - NCR

Room Rates	Occupancy Rates
2009-10: 6,985	2009-10: 64.6%
2010-11: 6,763	2010-11: 59.0%
2011-12: 7,319	2011-12: 61.4%
2012-13: 7,455	2012-13: 57.1%
2013-14: 8,282	2013-14: 57.7%

## • Goa

Room Rates	Occupancy Rates
2009-10: 4,757	2009-10: 63.1%
2010-11: 7,807	2010-11: 64.4%
2011-12: 5,856	2011-12: 69.5%
2012-13: 5,749	2012-13: 67.7%
2013-14: 5,643	2013-14: 69.9%

## • Hyderabad

Room Rates	Occupancy Rates
2009-10: 5,137	2009-10: 58.8%
2010-11: 4,152	2010-11: 53.3%
2011-12: 4,020	2011-12: 55.4%
2012-13: 3,856	2012-13: 55.7%
2013-14: 3,367	2013-14: 56.9%

## • Indore

Room Rates	Occupancy Rates
2009-10: 1,814	2009-10: 65.2%
2010-11: 1,869	2010-11: 65.4%
2011-12: 2,590	2011-12: 57.9%
2012-13: 2,631	2012-13: 61.4%
2013-14: 2,032	2013-14: 55.8%

## • Kochi

Room Rates	Occupancy Rates
2009-10: 2,806	2009-10: 64.4%
2010-11: 1,528	2010-11: 74.2%
2011-12: 1,536	2011-12: 81.1%
2012-13: 2,882	2012-13: 71.5%
2013-14: 2,186	2013-14: 68.4%

## • Jaipur

Room Rates	Occupancy Rates
2009-10: 4,059	2009-10: 57.7%
2010-11: 3,071	2010-11: 64.0%
2011-12: 3,447	2011-12: 59.4%
2012-13: 3,490	2012-13: 58.6%
2013-14: 3,878	2013-14: 57.3%



## Kolkata

Room Rates	Occupancy Rates
2009-10: 4,880	2009-10: 64.5%
2010-11: 4,788	2010-11: 65.4%
2011-12: 5,302	2011-12: 67.1%
2012-13: 5,461	2012-13: 67.1%
2013-14: 5,230	2013-14: 70.1%

## Lucknow

Room Rates	Occupancy Rates
2009-10: 5,109	2009-10: 58.7%
2010-11: 2,393	2010-11: 59.8%
2011-12: 2,966	2011-12: 63.3%
2012-13: 3,047	2012-13: 65.0%
2013-14: 3,426	2013-14: 68.8%

## Mount Abu

Room Rates	Occupancy Rates
2009-10: 2,159	2009-10: 67.5%
2010-11: 2,821	2010-11: 63.0%
2011-12: ID	2011-12: ID
2012-13: ID	2012-13: ID
2013-14: ID	2013-14: ID

## Mussoorie

Room Rates	Occupancy Rates
2009-10: 6,078	2009-10: 45.9%
2010-11: 5,817	2010-11: 52.5%
2011-12: 4,807	2011-12: 39.4%
2012-13: ID	2012-13: ID
2013-14: ID	2013-14: ID

## Shimla

Room Rates	Occupancy Rates
2009-10: 1,790	2009-10: 48.0%
2010-11: 2,267	2010-11: 42.7%
2011-12: 1,904	2011-12: 47.8%
2012-13: 2,636	2012-13: 56.5%
2013-14: 2,139	2013-14: 53.1%

## Thiruvananthapuram

Room Rates	Occupancy Rates
2009-10: 1,422	2009-10: 55.3%
2010-11: 1,380	2010-11: 61.8%
2011-12: 2,330	2011-12: 60.9%
2012-13: 1,474	2012-13: 57.1%
2013-14: 2,590	2013-14: 53.6%

## Mysore

Room Rates	Occupancy Rates
2009-10: 2,637	2009-10: 67.7%
2010-11: 4,634	2010-11: 71.4%
2011-12: 1,973	2011-12: 62.4%
2012-13: 3,738	2012-13: 65.7%
2013-14: ID	2013-14: ID

## Udaipur

Room Rates	Occupancy Rates
2009-10: 3,543	2009-10: 47.0%
2010-11: 7,406	2010-11: 55.2%
2011-12: 2,081	2011-12: 52.1%
2012-13: 4,449	2012-13: 59.5%
2013-14: 9,698	2013-14: 50.9%

## Nagpur

Room Rates	Occupancy Rates
2009-10: 3,132	2009-10: 61.5%
2010-11: 2,314	2010-11: 76.6%
2011-12: ID	2011-12: ID
2012-13: 3,018	2012-13: 54.1%
2013-14: 1,654	2013-14: 60.9%

## Vadodara

Room Rates	Occupancy Rates
2009-10: 4,360	2009-10: 65.6%
2010-11: 3,703	2010-11: 77.8%
2011-12: 3,901	2011-12: 71.7%
2012-13: 3,698	2012-13: 68.0%
2013-14: 3,454	2013-14: 60.6%

## Pune

Room Rates	Occupancy Rates
2009-10: 3,921	2009-10: 53.2%
2010-11: 3,140	2010-11: 53.3%
2011-12: 3,293	2011-12: 53.2%
2012-13: 2,724	2012-13: 57.8%
2013-14: 2,963	2013-14: 58.3%

## Visakhapatnam

Room Rates	Occupancy Rates
2009-10: 2,809	2009-10: 62.1%
2010-11: 5,431	2010-11: 76.3%
2011-12: ID	2011-12: ID
2012-13: 3,367	2012-13: 63.3%
2013-14: 4,371	2013-14: 59.0%

## Raipur

Room Rates	Occupancy Rates
2009-10: 1,521	2009-10: 39.0%
2010-11: ID	2010-11: ID
2011-12: ID	2011-12: ID
2012-13: ID	2012-13: ID
2013-14: ID	2013-14: ID

## Mumbai

Room Rates	Occupancy Rates
2009-10: 5,833	2009-10: 67.2%
2010-11: 5,087	2010-11: 69.0%
2011-12: 6,063	2011-12: 73.5%
2012-13: 5,971	2012-13: 71.5%
2013-14: 5,397	2013-14: 72.9%

## Gurgaon

Room Rates	Occupancy Rates
2009-10: ID	2009-10: ID
2010-11: ID	2010-11: ID
2011-12: 8,122	2011-12: 65.5%
2012-13: 7,776	2012-13: 61.0%
2013-14: 7,691	2013-14: 58.2%

ID: Insufficient Data: \*New Delhi - NCR data including Faridabad, Ghaziabad, Gurgaon and NOIDA (Shaded Portion), rest excluding Gurgaon data  
 \*\*Gurgaon- included with Delhi-NCR for 2009-10 and 2010-11(source: FHRAI-HVS India)



others. Room night demand is dictated by well-defined micromarkets. Overlap of demand among these markets has been primarily limited to the extended stay segment.

In 2013-14, 1350 branded rooms were added. Future supply in the city is estimated to grow by approximately 7,000 hotel rooms over the next five years of which 66% is being actively developed. While this is expected to put pressure on ARR in the short term, business sentiment is expected to improve with the development of the US \$ 20 billion IT Investment Region (spread over 10,000 acres at Devanahalli near the airport and the continuous addition to office stock in Whitefield and Outer Ring Road (ORR) areas.

### **Chennai**

Chennai, over the past two to three years, has witnessed a substantial increase in supply mainly in the luxury

and upscale segments, which has put immense pressure on occupancy and average rates in hotels across the city. As a result, the city witnessed one of the sharpest declines in RevPARs amongst the major metros of the country in 2013-14.

The traditional central business district (CBD), which has the highest concentration of hotels, witnessed the sharpest decline in occupancy. Guindy, which has received the largest influx of supply in recent years, is fast becoming a preferred micromarket for business travellers as it is located at a convenient distance from the CBD, airport and the demand generating areas of Sriperumbudur and Old Mahabalipuram Road (OMR). The IT corridor of the city, OMR, also saw a decline in occupancy and average rates.

Going forward, ARR in CBD and Guindy are expected to witness a small correction in the short term. As de-

mand from the manufacturing sector grows, the city-wide average rates are expected to increase steadily in the medium to long term. The performance of hotels along OMR, however, will remain under pressure and is expected to witness a further decline as another 1,500 rooms (actively under development) are expected to enter the micro-market over the next three years.

### **Delhi-National Capital Region (NCR excluding Gurgaon)**

Delhi continues to be a strong market for hotels. Delhi has witnessed the commissioning of the first hospitality district in the country (Delhi Aerocity) where four hotels started operations in 2013-14. Delhi saw a modest increase in occupancy in 2013-14. Sharp spurt in transient visitors and MICE demand by the Aerocity hotels highlight the quantum of latent demand in these mar-

ket segments. Going forward, business is expected to grow with pick-up in demand from government bodies, diplomatic missions and public sector companies. On the supply front, over 3700 rooms will be added, predominantly in the Aerocity area, over the next few years. Outlook for the market remains positive in the medium to long term.

Continuous improvement in infrastructure and the construction of new residential projects have made NOIDA and Greater NOIDA attractive for investment. With sluggish increase in demand and a steady growth in supply (1,700 rooms to be added over the next five years), this micromarket will continue to face occupancy and rate pressures.

### Goa

Over the last couple of years, with charter movement gaining strong momentum, supplemented by an upswing in demand generated by the MICE and domestic leisure segments, the hotel market in Goa exhibited robust growth in RevPAR. Outlook for the market remains positive in the medium to long term.

### Kolkata

Historically, business activity has been concentrated in the CBD while the past four-five years have seen rapid development along the city's eastern periphery into areas of Rajarhat and Salt Lake.

Overall, Kolkata retained its top position as the best performing hotel market in terms of occupancy (72%) in 2013-14. However, the average rate depicted a sharp decline of approximately 7%. Commercial segment is the largest contributor to the total demand pie, followed by the Meetings and Conference segment.

Going forward, the city is expected to witness an increase in supply of 2,500 rooms (over the next five years), of which 75% are under active development. In a market where the demand

primarily stems from the low-paying PSU and IT/ITES sectors, the need of the hour is more budget and economy hotels. Contrary to this, a large percentage of the future supply is in the upscale category. HVS anticipates a decline in both occupancy and average rate in the short term, with the entry of six new hotels and a combined inventory of over 1,400 in the next two to three years. As supply pressures ease in the medium to long term, we forecast market-wide occupancy to steadily improve.

### Mumbai

Mumbai continues to retain its position as the largest hotel market of the country. Going forward, majority of the new commercial supply expected to enter is located within the north Mumbai micromarkets such as Bandra-Kurla complex, Andheri, Malad, Goregaon and Santa Cruz. In the last fiscal, south Mumbai hotels exhibited resurgence of demand, stemming primarily from the leisure, social events and commercial segments. However, average rate witnessed a marginal correction.

Going forward, in the short term, additions to supply include the JW Marriott and the Taj Airport Hotel at the international and domestic terminals respectively and Radisson Blu

**With development of the metro and mono rail, upgradation of the existing airport and opening of the Santa Cruz-Chembur Link Road and Eastern Freeway, our outlook for the Mumbai hotel market remains optimistic**

Plaza in Kanjurmarg. In the medium to long term, there is a likelihood of hotel developments at the Mumbai International Airport Limited (MIAL), Bandra-Kurla Complex and Lower Parel.

The newly opened Terminal 2 and the proposed convention centre currently being developed in proximity to the domestic airport are further expected to augment airline and MICE demand for the city. With development of the metro and mono rail, upgradation of the existing airport and opening of the Santa Cruz-Chembur Link Road and Eastern Freeway, our outlook for the Mumbai hotel market remains optimistic.

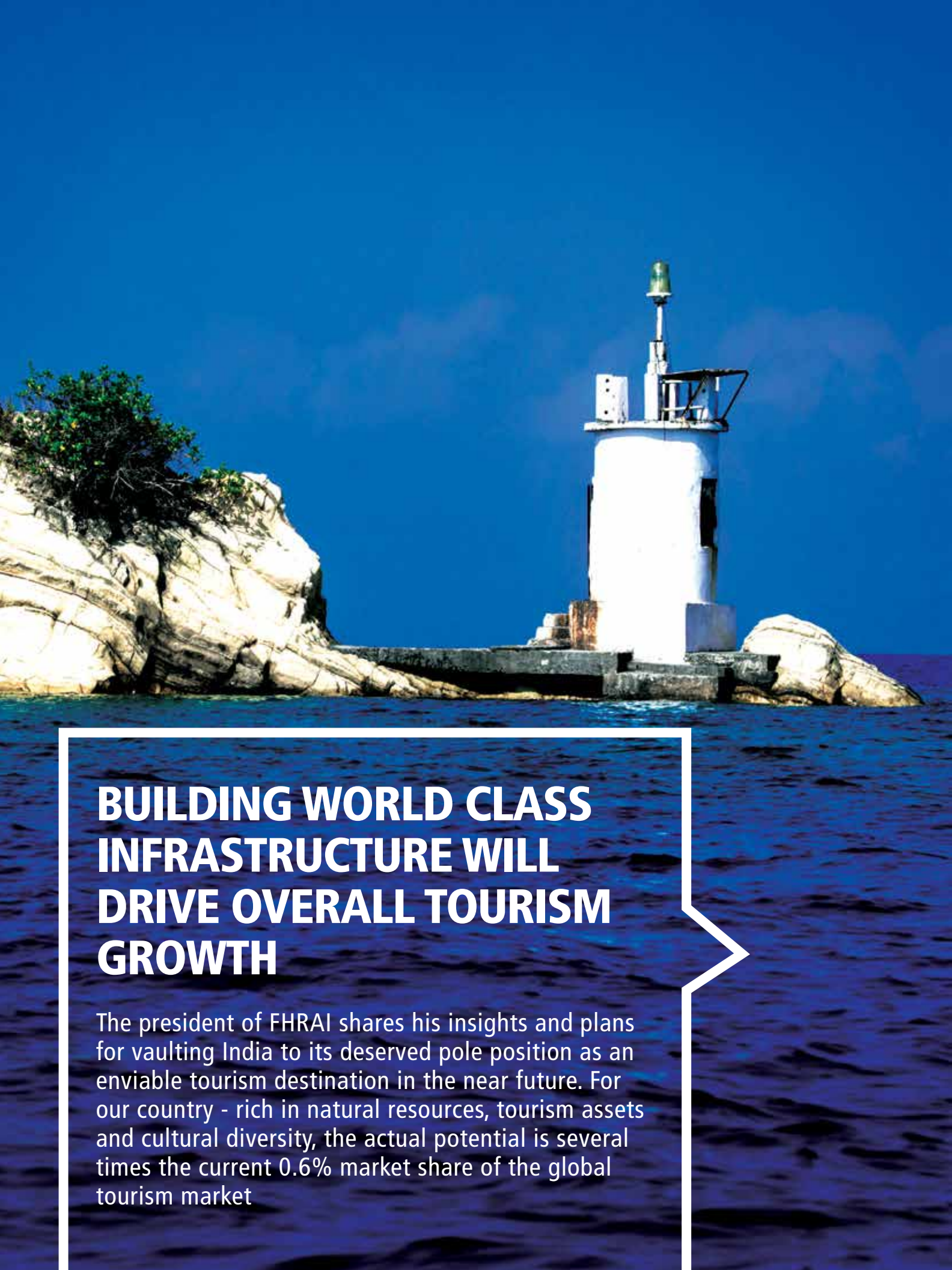
### Pune

Traditionally regarded as a manufacturing base for major automobile companies, Pune is expanding along its eastern and western peripheries (Kharadi and Hinjawadi) and gradually transforming into a major IT/ITES and biotech centre. Scattered commercial development has led to the creation of multiple hospitality clusters in the city with their respective neighbouring areas acting as primary feeder markets. Hotels located in the eastern part capture demand generated by IT/ITES companies located along Nagar Road, Magarpatta, Hadapsar and Kharadi as well as the manufacturing zones located in Ranjangaon, Talegaon and Chakan.

The micromarket in the west, thrives on demand primarily generated by the dense cluster of IT/ITES firms located within Hinjawadi with a portion of demand coming from the older manufacturing zone in Pimpri-Chinchwad.

Going forward, on account of the central as well as the state governments focussing on reviving the manufacturing sector, strong momentum gained by the services sector and limited new supply entering the market, our outlook for Pune remains positive in the medium to long term.

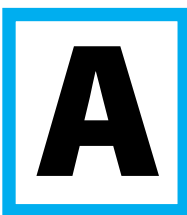
(source: FHRAI-HVS India)

A white lighthouse with a green light on top, situated on a rocky island in the middle of the ocean. The sky is a clear, deep blue, and the water is a vibrant blue with some whitecaps. The lighthouse is cylindrical with a small square window and a metal railing on top. It sits on a dark, rectangular concrete base. To the left of the lighthouse, there is a large, light-colored rock formation with some green foliage growing on it. The overall scene is bright and clear, suggesting a sunny day.

## **BUILDING WORLD CLASS INFRASTRUCTURE WILL DRIVE OVERALL TOURISM GROWTH**

The president of FHRAI shares his insights and plans for vaulting India to its deserved pole position as an enviable tourism destination in the near future. For our country - rich in natural resources, tourism assets and cultural diversity, the actual potential is several times the current 0.6% market share of the global tourism market

T.S. WALIA



All of us will readily agree that India, with its captivating topography, scenic beauty, cultural diversity, peerless historical and spiritual heritage as well as our centuries-old tradition of warm hospitality, is a veritable embodiment of a tourist paradise. However, if we convert these strengths into a competitive advantage it will give our country's tourism sector a big boost.

In 2013, India received a mere 6.96 million foreign tourists, ranking 41st in the world, with a paltry 0.6% global market share. Comparing this performance with some of our competing destinations: Singapore-15.5 million; Malaysia- 25.7 million; Thailand-26.7 million and Turkey- 35.6 million foreign tourists shows the unrealised growth potential of our tourism sector as a whole.

Building tourism infrastructure is critical if we want to realise the full revenue potential of tourism which in turn will be a key driver of our economic growth. The government has set a target of doubling India's foreign tourist arrivals and domestic tourist visits within the next five years. Achieving this ambitious goal will require massive public and private investments in 360-degree development of tourism-related infrastructure.

For instance, we must make tier II and tier III cities more accessible by developing a network of low-cost airports, ensuring seamless last mile connectivity to tourist hotspots, providing world class wayside amenities and creating an ecosystem for better conservation of our historical and cultural sites and structures.

In the context of tourism infrastructure, policymakers often overlook or sidestep a stark reality— the



**I am convinced that the Indian hospitality industry has the wherewithal, clear vision and entrepreneurial dynamism, to catapult our country to its rightful position of a world leader in tourism**



acute shortage of quality tourist accommodation. India has one of the lowest per capital availability of hotel rooms in the world. Believe it or not, our country's total inventory of branded hotel rooms is less than the number of hotel rooms in global cities such as Beijing, New York, London and Las Vegas! While the whole of India currently has only 1,03,800 branded hotel rooms, Las Vegas alone has more than 1,50,000 rooms, Beijing 1,29,000, London 1,23,000 and New York 1,10,600 hotel rooms. Our limited inventory of classified hotel rooms is the primary reason why India is placed at a low rank of 65 in the World Economic Forum's Global Travel & Tourism Competitiveness Index.

As per our projections, India will face a shortage of about 1,80,000 hotel rooms by 2020, particularly in the mid-market and budget segments. On behalf of FHRAI, I have proposed a practical and viable three-point action plan for bridging this impending shortfall in supply of hotel rooms.

**1. ACCESS TO CAPITAL:** Our prevailing lending norms and debt-funding structures for hotels do not adequately take into account the fact that hotel projects are highly capital-intensive with a long gestation and payback period and that the hospitality industry is inherently cyclical. Therefore, we have recommended that all hotels with a project cost of Rs 20 crore or more should be included in RBI's Infrastructure Lending List. This will ensure that they have access to multiple sources of lower cost long term funding and can avail specialised financial assistance such as take-out financing, external commercial borrowings etc. The government also must offer higher tax incentives and capital subsidies to budget hotels and heritage properties. I have also suggested that a National Tourism Entrepreneurship Fund be set up whose



mandate will be to provide equity, quasi-equity and soft loans to innovative hospitality entrepreneurs.

**2. AVAILABILITY OF LAND:** The scarcity and exorbitant cost of land is a critical impediment for our industry. In India, land alone can often account for as much as 40-60% of the total development cost of a hotel as opposed to 15-20% which is the norm internationally. In this regard, my suggestions are:

- Urban local bodies and other land-owning agencies of the government in states and Union territories should earmark suitable land parcels as 'hospitality development sites'. Such sites should be offered to promoters on long term graded lease basis rather than the auction route. Additional incentives such as higher FSI/FAR and relaxed parking norms must be allowed to make hotel projects financially viable in the long run.
- Surplus land which is available

with various government departments and PSUs can be deployed for construction of budget and mid-market hotels under the public-private partnership model, particularly in areas which are being developed as integrated tourist circuits/clusters.

**3. SINGLE WINDOW CLEARANCE:** The World Bank ranks India 142 out of 185 countries in terms of ease of doing business, and this problem is perhaps most vividly reflected in our hospitality industry! In some states, hotels can require as many as 80-100 approvals, licences and permits to set up and commence operations. The presence of multiple agencies, archaic laws and rigid guidelines invariably lead to significant time and cost overruns for projects, causing additional financial burden and great anxiety for entrepreneurs.

FHRAI recommends that the Central and state governments must move towards introduction of a uni-

form approval and licensing system across the country, with minimum local/regional permissions and sanctions required for hotel development, which can bring about homogeneity, reduce delays and result in an investment-friendly environment. A streamlined, empowered and accountable single window mechanism must be provided which can fast-track the grant of all requisite project clearances, licences and statutory permissions.

I am convinced that the Indian hospitality industry has the wherewithal, clear vision and entrepreneurial dynamism, to catapult our country to its rightful position of a world leader in tourism. All that we need is a supportive policy and regulatory ecosystem at the Central and state and local levels to ensure a coordinated and wholesome growth of the travel and tourism industry.

■ Mr T. S. Walia is the president of FHRAI and managing committee member of HRAEI



**The suspension of incentives available under NEIIPP would also amount to a major setback to the government's avowed objective of integrating North East with the mainstream national economy**

#### SUDESH PODDAR

It is heartening to note that NEIIPP, 2007 “has neither been cancelled nor withdrawn”. The ministry of commerce and industry, government of India has clarified in a letter dated February 1, 2015 that the “matter for revoking suspension is under the consideration of the government” (see photocopy of the letter displayed in this article).

Members will recall that HRAEI President had submitted a memorandum on December 16, 2014 to Ms Nirmala Sitharaman, Minister of State (Independent Charge), Ministry of Commerce & Industry, urging the government to revoke the suspension of NEIIPP, 2007 at the earliest and dispel any ambiguity over the continuation of NEIIPP.

We had forcefully argued in our memorandum that the uncertainty over continuation of North East Industrial and Investment Promotion Policy (NEIIPP) 2007 was adversely impacting the growth of tourism industry in North East. The suspension of incentives available under NEIIPP would also amount to a major setback to the government's avowed objective of integrating North East with the

## **NEW AVATAR OF NEIIPP, 2007 ON THE CARDS?**



mainstream national economy.

Highlighting the positive outcomes of NEIIPP, our memorandum had stated that it played an important role in positioning North East as a viable and competitive investment destination for the hospitality sector and helped in attracting capital investment in manufacturing and services sectors. It has had a positive multiplier effect on the region's economy, by way of large-scale job-creation, youth empowerment through increased opportunities of skill development, infrastructure augmentation and strengthening social stability. It had also generated substantial revenue for the national exchequer.

In this context, it would not be out of place to recall the bold vision of our Hon'ble Prime Minister which he articulated eloquently during his recent tour of several north-eastern states. He had then strongly emphasized the latent potential of this region and described it as a "natural economic zone" and a "strategic gateway to

South-East Asia". In fact, the natural and cultural assets of the North-East equip it with a comparative advantage to leverage tourism for equitable and inclusive growth. The tourism potential of the region is evident from the growth rate of foreign tourist arrivals in the NE over the 2011-13 period, which has clearly outperformed even the national growth rate in FTAs. (see chart)

It is also worth recalling that the North-East has, over the years, confronted a series of complex challenges and systemic impediments like insurgency, geographical isolation and paucity of infrastructure which have significantly slowed down the pace of its socio-economic development vis-à-vis other parts of the country. It is to bridge this widening regional disparity and effectively address the local aspirations that a differentiated and liberal policy framework has been advocated for the region supported by a broad consensus across the political spectrum nationally.

To sustain the growth momentum, it is imperative for the North Eastern

states to draw large investments in the hospitality industry. Infrastructure deficit occurring in the region's tourism industry in a big way needs early correction. An independent study done by Matt MacDonald, on behalf of the Ministry for Development of the North-Eastern Region (DONER) had specifically recommended that NEIIPP 2007 should be optimally deployed as a facilitative and streamlined institutional mechanism to incentivize private investments in thrust areas such as tourism, hospitality and allied sectors.

Our memorandum had argued that the sudden suspension of incentives available under NEIIPP will put in peril prospective investments of a whopping Rs. 30,000 crores. NEIIPP was introduced by the Government of India in April 2007. The policy provides a special package of fiscal incentives, subsidies and other concessions, with the objective of promoting industrialization of North East. The policy covers Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim.

NUMBER OF FOREIGN TOURIST VISITS (FTVs) TO NE STATES*					
State/UT	2011 FTVs	2012 FTVs	2013 FTVs	Growth Rate 12/11	Growth Rate 13/12
Arunachal Pradesh	4,753	5,135	10,846	8	111.2
Assam	16,400	17,543	17,638	7	0.5
Manipur	578	749	1,908	29.6	154.7
Meghalaya	4,803	5,313	6,773	10.6	27.5
Mizoram	658	744	800	13.1	7.5
Nagaland	2,080	2,489	3,304	19.7	32.7
Sikkim	23,602	26,489	31,698	12.2	19.7
Tripura	6,046	7,840	11,853	29.7	51.2
Total of NE States	58,920	66,302	84,820	12.5	27.9

\*Source: State/UT tourism departments



# HRAEI INITIATIVES



**Mr T S Walia, President, FHRAI and Mr Sudesh Poddar, President, HRAEI recently met the Union Minister of State (I/C) for tourism & culture, and MoS for Civil Aviation Dr Mahesh Sharma**



**Mr T S Walia, President, FHRAI and members of HRAEI met **Shri Ashok Chandra Panda**, Minister of State (Independent Charge), Tourism & Culture and Hotel and Restaurant Association of Orissa (HRAO) members at Mayfair Lagoon, Bhubaneswar.**



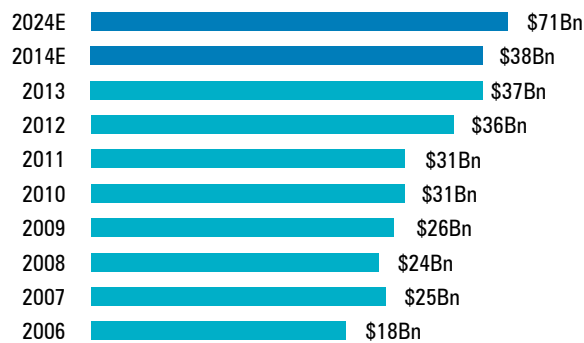
**Mr T S Walia, President, FHRAI and **Mr Sudesh Poddar**, President, HRAEI with Union Minister of State (I/C) for petroleum and natural gas, **Mr Dharmendra Pradhan****

# TOURISM AND HOSPITALITY INDUSTRY IN INDIA

## Direct contribution of tourism and hospitality to GDP

The tourism and hospitality sector's direct contribution to GDP totalled US\$ 37.3 billion in 2013.

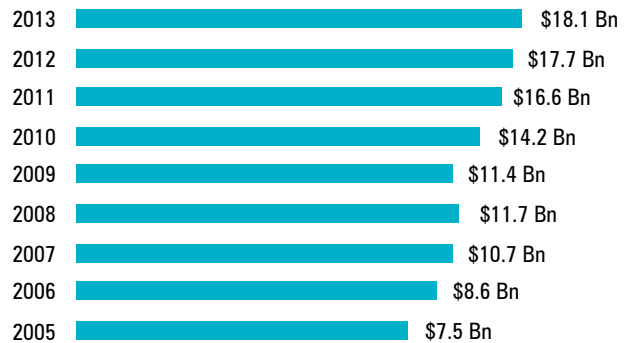
**TOURISM AND HOSPITALITY CONTRIBUTION to GDP CAGR 10% ('06-'14E)**



## Foreign exchange earnings from tourism in India

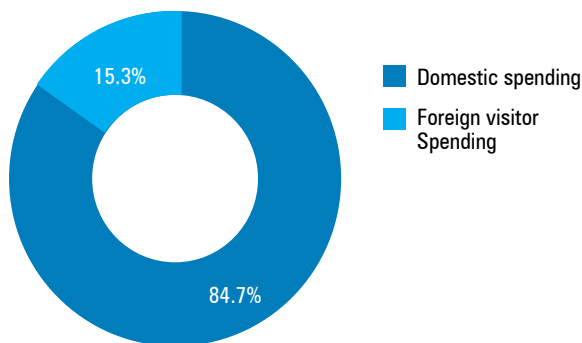
Total foreign exchange earnings from tourism grew to US\$ 18.1 billion in 2013.

**FEE FROM TOURISM CAGR 11.7%**



## Expected share of tourists by expenditure

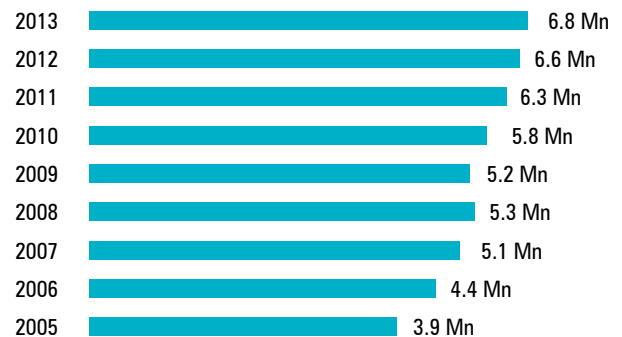
Domestic travellers are expected to contribute around 84.7 per cent to total tourism revenues by 2024.



## Foreign tourists arriving in India

Over 6.8 million foreign tourist arrivals were reported in India during 2013.

**FOREIGN TOURISTS ARRIVAL CAGR 7.2%**



SOURCE: IBEF

# STATE-WISE TAX STRUCTURE

STATE	VAT ON F & B	SALES TAX (ST) ON LIQUOR	LUXURY TAX (L.T.) on Room SERVICE TAX (S.T.) on Room*	SERVICE TAX ON AC RESTAURANT WITH BAR
ANDAMAN & NICOBAR ISLAND	N.A.	N.A.	L.T. NOT APPLICABLE Rs. 1000/- AND ABOVE Service Tax 7.416%	4.94%
ARUNACHAL PRADESH	12.5%	20%	L.T. NOT APPLICABLE Rs. 1000/- AND ABOVE Service Tax 7.416%	4.94%
ASSAM	FOOD - 5% BEVERAGE -13.5%	30%	Rs. 1000/- TO Rs. 1999/- Luxury Tax 5% ON PUBLISHED TARIFF Rs. 2000/- to Rs. 2999/- Luxury Tax 8% ON PUBLISHED TARIFF Rs. 3000/- AND ABOVE Service Tax 7.416%	4.94%
BIHAR	13.5%	N.A.	FROM Rs. 500/- TO 999/- Luxury Tax 5% ON ROOM TARIFF FROM Rs. 1000/- & ABOVE Luxury Tax 10% ON ROOM TARIFF Rs. 1000/- AND ABOVE Service Tax 7.416%	4.94%
JHARKHAND	14%	N.A.	Luxury Tax 12.5% ON ACTUAL TARIFF Rs. 1000/- AND ABOVE Service Tax 7.416%	4.94%
MANIPUR	13.5%	N.A.	Luxury Tax 20% ON ACTUAL TARIFF Rs. 1000/- AND ABOVE Service Tax 7.416%	4.94%
MEGHALAYA	13.5%	N.A.	Luxury Tax 20% ON ACTUAL TARIFF Rs. 1000/- AND ABOVE Service Tax 7.416%	4.94%
MIZORAM	X	X	X	X
NAGALAND	13.5%	N.A.	L.T. NOT APPLICABLE Rs. 1000/- AND ABOVE Service Tax 7.416%	4.94%
ORISSA	13.5%	N.A.	L.T. NOT APPLICABLE Rs. 1000/- AND ABOVE Service Tax 7.416%	4.94%
SIKKIM	12.5%	N.A.	L.T. NOT APPLICABLE Environment ( Sikkim Cess) @ 1% on Actual Tariff Rs. 1000/- AND ABOVE Service Tax 7.416%	4.94%
TRIPURA	13.5%	N.A.	Rs. 100/- AND ABOVE Luxury Tax 10% ON ACTUAL TARIFF Rs. 1000/- AND ABOVE Service Tax 7.416%	4.94%
WEST BENGAL	14.5%	27%	Rs. 1001/- TO Rs. 3000/- Luxury Tax 5% ON ACTUAL TARIFF Rs. 3001/- & ABOVE L.T. CHARGE 10% ON ACTUAL TARIFF Rs. 1000/- AND ABOVE Service Tax 7.416%	4.94%

\*Service tax on room rent is 12.36%. Net of 40% abatement, effective service tax works out to 7.416%

# Assam: Primed to leverage 'Act East' policy



**A**SSAM is a sleeping giant whose energy is yet to be tapped”, an Assam government ‘Vision Document 2025’ states matter-of-factly. At the beginning of the post-Independence era, Assam was ranked among the prosperous States of the country.

The per capita income in Assam in 1950-51 was 4% above the national average but it dropped gradually to the all India average level in 1954-55 and slipped down further in the following years. In 1996-97 it stood at Rs.1628 which was 41% below the all India average of Rs.2761. The growth rate of the Gross Domestic product (GDP) in Assam since 1987 has been declining.

Growing unemployment has been a serious cause of concern. Around 9.85 lakh educated persons were registered with the various employment exchanges in the State in 1997. Population density in Assam was 286/sq.km as against the national average of 267/sq.km in 1991. The reasons for this unusual growth are well known. Overall result of this growth has been the breakdown of the State’s economy. The population of the State is expected to reach around 4 crore by 2025 which would put tremendous pressure on land and infrastructure.

The infrastructure development in the State has been extremely slow. It has been lagging behind almost every State of the country except that of Orissa, Rajasthan, Madhya Pradesh, Himachal Pradesh, Jammu & Kashmir and other North Eastern States. Power generation and distribution is not adequate to support the growth of industry in the State. The conditions of roads and bridges are not at all conducive for promoting any worthwhile economic activity like tourism.

The Vision Document 2025 envisages a partnership with the private

sector to tap their resources and technology, particularly in the areas of power, communication, transport and industry. The existing resources available with the Government are far from adequate to establish the infrastructure for rapid industrial growth. Therefore, the sectoral strategy is specially designed to dovetail the private sector capabilities into the economic growth process. The Government will play the role of a facilitator for augmenting private sector participation.

The sectoral strategy lays utmost emphasis on sectors like Tourism and Handloom where Assam traditionally enjoys comparative advantage. Assam combined with the whole of North East, has enormous potential to become a tourist’s paradise. It can provide large number of direct and indirect employment even in the remotest part of the state. The state’s traditional handloom and handicraft products have immense potential for generation of higher value in the world market if it is packaged and marketed professionally.

### **Infrastructure and connectivity**

Assam is the gateway to the North Eastern part of India. By road one has to travel through Assam to all states except Sikkim. It shares its borders with all these 6 States and West Bengal.

### **Major Airports in Assam are:**

#### **Guwahati Airport:**

The Lokapriya Gopinath Bordoloi International Airport at Guwahati is 18 km from the city centre and is well connected to New Delhi, Kolkata, Mumbai and Chennai. Air India also operates an international weekly flight between Bangkok and Guwahati. It also acts as a base for the Indian Air Force.

#### **Kumbhirgram Airport, Silchar**

This is another major airport located in Assam, in the Silchar region, known as Kumbhirgram Airport. It connects the city to areas like Guwahati, Agartala, Imphal, Aizawl and Kolkata.

Railway transportation infrastructure was set up by the British in view of the export potential of tea, oil and other raw material. Assam has a railway network connecting the state to the rest of the country. There are train services from Kolkata, New Delhi, Mumbai, Chennai, Bangalore, Cochin and Trivandrum. B.G. line connection is up to Dibrugarh and M.G. line with Haflong and Silchar.

A network of National Highways and other roads connect Guwahati with all the important places of Assam and India. It is the connector city of NH - 31, 37 and 40 with the other cities of India by road.

Assam has 1600 km of waterways that are navigable by the steamers. These waterways are primarily used for ferrying cargo and passengers, and also luxury cruise for the tourists.

### **Tourism**

Several efforts have been made by the Government of Assam to identify and develop tourist spot and to classify them as per availability of tourist resources. On the basis of the available tourist resources in the state, the department has categorized tourism as follows: wildlife tourism, cultural tourism, pilgrimage tourism, adventure tourism and tea tourism. The Shakti peeth Kamakhya and Kaziranga National Park constitutes the most attractive points for both domestic and foreign tourists. Adventure and tea tourism are the two new areas, which have been adopted by the tourism department for development.



## Circuits identified by dept of tourism

The Department of Tourism, Govt of Assam has identified the following interstate travel circuits linking the tourist places of nearby states and intrastate circuits:

### Interstate Travel Circuits:

1. North East Circuit No. 1 (Eco Tourism Circuit): Shillong- Guwahati- Kaziranga- Tezpur- Bhalukpong- Tawang- Majuli- Sivsagar- Kohima
2. North East Circuit No. II (Riverrine and Hill Circuits): Dubri- Goalpara- Guwahati- Silchar- Karimaganj- Hailakandi

### Intrastate Travel Circuits:

1. Wildlife Circuit: Manas- Kaziranga- Dibrugarh
2. Buddhist Circuit:
  - Jorhat- Titabor- Shivsagar- Ledo- Lekhpani
  - Guwahati-Rangpara-Tawang
  - Guwahati-Hajo-Suryapahar
3. SrimantSankardev- Madhavdev Circuit
  - Coochbehar- Madhupur- Barkota-Hajo-batadwara- Majuli

### Inter State Circuits:

Guwahati being the main entry point to the 7 states, features in most cir-

cuits. The most commonly visited circuits are as below:

- **Guwahati- Shillong- Kaziranga**
- **Guwahati- Shillong- Kaziranga- Majuli-Jorhat**

This is one of the most popular tourist circuits existing also, with established destinations. Majuli also added a key destination in circuit.

As time permits Umiam Lake-Cherrapunjeeetc are added.

- Guwahati- Tezpur- Bomdilla-Tawang
- Guwahati- Shillong- Kaziranga- Majuli- Tezpur- Bhalukpong- Bomdilla-Tawang

These two are among the most popular tourist circuits existing also, with established destinations.

## Identified main tourism sites

The Department of Tourism has identified 31 sites of tourist's interest for development, as laid in the Tourism Master Plan. The main sites are:

1. Guwahati and its surrounding, covering spots like Kamakhya temple, Umananda, Sukreswar temples, Basisthashram, Nabagraha temple, State Zoo, State Museum, Gandhi Mandap,

planetarium, Gita mandir, Balaji temple and SankarDevKalakhetra developed within the city environment

2. Sualkuchi, the most important center of indigenous Assamese silk industry

3. Hajo, the unique meeting place of Hinduism, Islam and Buddhism and also known for its historic monuments, bell metal and brass products prepared by local artisans

4. Chandubi, a nature spot and known for its lake (dubi) and an ideal picnic spot

5. Pabitora, a small wildlife sanctuary having more rhino density than that of kaziranga

6. MadanKamdev, an important archaeological site

7. Manas, a world heritage site and only tiger reserve in Assam

8. Barpeta, known for its Vaishnav monastery and craft

9. Tezpur, one of the beautiful towns of the Brahmaputra valley, possesses a number of archaeological sites, pilgrimage and scenic spots in an around it

10. Bhalukpong, a nature and adventure site and known for Nameri national park



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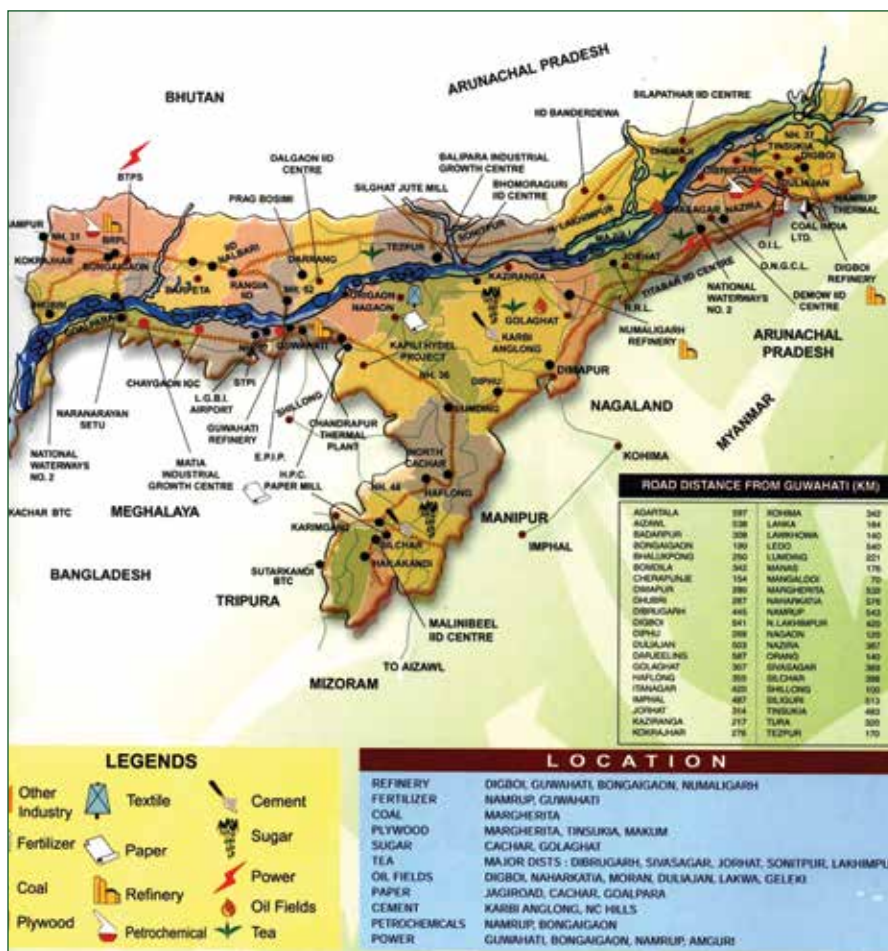
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11. Orang national park, having third highest population of Asiatic one-horned rhinoceros
12. Bardowa, the celebrated place of pilgrimage possesses some of the relics associated with the life and works of the saint Sri Sankardeva
13. Kaziranga, well known for its national park and the important tourist destinations of central Assam
14. Garampani, the promising tourist destination of the state having a few natural hot spring and a wildlife sanctuary
15. Majuli, a river island and important centers of Vaishnava culture
16. Sibsagar, the capital of Ahom kingdom having some of the important historical monument sites of the state
17. Jaysagar, a historic site known

18. Gaurisagar, a historic site
19. AjanPirDargah, known for the Dargahof HajaratAjanPir, the Muslim saint famous for his contribution to the Assamese devotional songs, called Jikir and Jari
20. Gargaon, the capital town of the Ahom kingdom, known for its seven-storied palace
21. Charaideo, the original capital of Ahoms, famous for Maidams or burial vaults of the Ahom kings
22. Dibrugarh, an important city of upper Assam and a commercial, educational and administrative focal point
23. Tinsukia, an important business center of eastern Assam and a transit point for visitors to and having Dib-

- ru-Saikhowa national park in its close proximity
24. Digbaj, known for its oil industry and a war cemetery of World War II
25. Haflong, the only hill station of Assam
26. Jatinga, a nature site and ideal for bird watching
27. Mahur, an ideal place for adventure activity and picnic
28. Maibong, an ideal nature site having archaeological remains of its Kachari king
29. Umrangso, another attractive site for nature lovers and picnickers
30. Diphu, the district headquarters of KarbiAnglong and potential site cultural and adventure tourism
31. Silchar, an important center of economic, cultural and administrative importance in the Barak plain having an archaeological site at Khaspur
32. Bhuban, a pilgrimage and nature site.

## Destination/ Product Development:

The following are the Level-1a priority developments to create the big success stories:

- Guwahati and surroundings including Riverfront development, conference centre, recreational park etc
  - Kaziranga – with more focus on management measures
  - Majuli as a sought after Eco tourism destination
  - BrahmaputraRiver Tourism Development
  - Handicrafts promotion and product development catering to tourists
- Level 1b priorities (areas with high potential, with different level of disturbances) include the following:
- ManasNational Park
  - Haflong Hill Station/ Jatinga
- Level 2 priority developments would include:
- Sibsagar
  - Sualkuchi
  - NameriNational Park/ Bhalukpong& others





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## ASSAM CM SEEKS PM MODI'S INTERVENTION FOR RESOLUTION OF KEY ISSUES

The security scenario in Assam has improved considerably over the past decade. The impact of improved law and order situation in terms of development is obvious to all. The economic growth rate of the State has increased from about 2.6% in 2001-02 to average of 6.7% in the period 2009-13. For 2014-15, it is projected at 7.74%.

### CST compensation:

All the States implemented VAT following the commitment given by the Centre to compensate the States for any loss resulting from introduction of VAT and eventual abolition of CST. But in the post – VAT scenario, the reduction in the Central Sales Tax rate from 4% to 2%, has caused substantial loss of revenue for the State. Accordingly, the Govt. of Assam has been submitting its claim for CST compensation from time to time. Unfortunately, the amount of CST compensation received by Assam is very meagre compared to its actual claim. Against our CST compensation claim of Rs. 1,667crores upto 2012-13, till now State has got only Rs. 485 crores.

In this regard, it may be further mentioned that even the amounts agreed to by the Empowered Committee of State Finance Ministers with Government of India, for CST compensation were not released.

I, therefore, request you to release the CST compensation for the years 2010-11 to 2012-13 without linking it in any manner to the introduction of GST. This I believe will go a long way in enhancing the confidence and comfort level of the States and encourage them to participate in the GST regime without any significant reservation.

Underpayment of royalty, VAT etc. on crude oil. Upstream companies like ONGC and OIL engaged in exploration of crude oil are liable to pay royalty on production of crude oil at 20% on well head price, subject to certain deductions, to the States. Besides, such companies are also liable to pay VAT at 5% on sale of crude oil. The Ministry of P&NG has asked them to pay royalty on crude oil to the States on the basis of such

subsidized price. The amount of discount has at times been as high as 90% or more. This has resulted in cumulative loss of revenue of more than Rs. 10,000 crore to Assam since 2008-09. You would agree that a Special Category State like Assam cannot afford such a huge loss of revenue. Moreover, the oil producing States like Assam should not be denied the benefits of their natural resources and made to compensate for the under recoveries of the Central Oil Marketing PSUs. In the past, I had raised this issue many times with the Petroleum Ministry and Finance Ministry.

It is pertinent to draw your kind attention to the recent decision of the Hon'ble Gujarat High Court on a petition filed by the Gujarat Government, wherein it held that the royalty shall be payable to the State on market price of crude oil and not on post-discount price. Even the Hon'ble Supreme Court has in its interim order directed Oil and Natural Gas Corporation (ONGC) to pay crude oil royalty to Gujarat on pre-discounted crude price beginning from February 1, 2014.

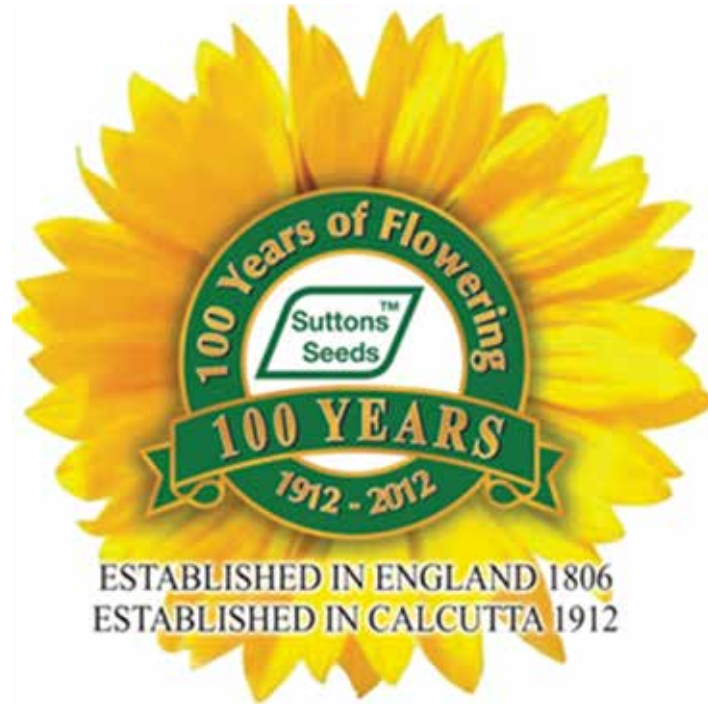
Goods & Services Tax: Government of Assam supports the introduction of GST which is considered to be the most significant indirect tax reform since independence. However, I firmly believe that there is an imperative need to keep the petroleum products outside GST. I, therefore, would like to request you that in order to allay the apprehensions of the States about the future revenue loss on account of introduction of GST, the likely revenue losses may be quantified in consultation with the States and compensation provided against the same.

It is learnt that about Rs 12000 crore has got accumulated in the NLCP account and is proposed to be transferred back to the consolidated fund of India. I would therefore like to urge you to consider allocating the above mentioned amount for sanctioning critical, large infrastructure projects for roads, airports, railways, inland waterways, power, etc , which may help us achieve the twin objectives of addressing our developmental needs

and providing a congenial eco system for better ties between India and South East Asia. We would further like to urge you for the early completion of the portion of East -West Corridor within the State of Assam, as well as for granting a special package for strengthening the National Highways connecting Mizoram, Manipur and Tripura through Assam. The works for the bridges over Brahmaputra at Bogibeel and Dhola Sadia also need to be speeded up.

With regard to air connectivity, while it may be noted that there is considerable scope for development of small airfields and providing hopping flights in different parts of Assam, I would also like to place our long standing request for further improvement of the Lokpriya Gopinath Bordoloi International Airport of Guwahati, which already handles a huge volume of traffic. In particular, there should be facilities for night landing and haltage of passenger aircrafts in Guwahati, which would facilitate better scheduling of flights for the convenience and optimal utilization of the time of passengers. The air connectivity between Guwahati and Silchar also needs urgent attention. The frequency of flights between the two cities needs to be increased not only for the period of the Mega Block imposed by N.F.Railways but also after that on a sustainable basis.

The Government of Assam has submitted a Concept Note for World Bank funding for the comprehensive development of the Inland Water Transport sector in Assam. I understand that the Concept Note for Phase I of the project to be assisted by the World Bank has already been recommended by IWAI to the Ministry of Shipping. I seek your help in expediting the necessary approvals in the Central Government to enable access to World Bank support for the project. To fully develop the economic potential of the North Eastern Waterways, we would also urge a dialogue with neighbouring countries, such as Bangladesh, Bhutan and Myanmar to establish / upgrade the existing protocols for handling all kinds of goods and passenger traffic.



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# ARUNACHAL PRADESH

## LAND OF MEGA DIVERSITY

**A**runachal Pradesh, also known as “Land of the Rising Sun”, has undergone constitutional changes in its evolution to attain statehood. The then North East Frontier Agency (NEFA) became a Union Territory from January 20, 1972 and it acquired legislative status on February 20, 1987. It is one of the most exotic and variegated tribal areas of the country. It is bound by Bhutan to the west, China to the

north and north-east and Myanmar to the east. It has inter-state borders with Nagaland in the east and south-east and Assam in the south.

Arunachal is regarded as one of the 18 mega diversity hot spots in the world. The state has 20% species of the country’s fauna, 5000 species of flowering plants, 23 species of conifers, 89 species of bamboos, 18 species of canes, 400 species of ferns, 52 rhododendron species and more than 600 species of orchids.

Land area of Arunachal is 2.54% of total land area of India and custodian of 23.52% of flowering plants representing 76.93% families of India.

TCS, erstwhile Tata Consultancy Services, has classified the tourism resources of Arunachal into the following categories:

### **Nature-based**

In Arunachal, the proportion of area under forests is the highest in the country at 94%. There are nine

wildlife sanctuaries, one biosphere reserve (Dibang Biosphere Reserve) and two national parks in Arunachal Pradesh. There are two tiger reserves- Namdapha Tiger Reserve and Pakke Tiger Reserve.

The protected areas are: Namdapha National Park and Tiger Reserve, Mouling National Park, Dihang Dibang Biosphere Reserve, Dibang Sanctuary, Pakke Sanctuary, Itanagar Sanctuary, Daying Ering Sanctuary, Mehao Sanctuary, Kane Sanctuary, Eagle's Nest Sanctuary, Kamlang Sanctuary, Sessa Orchid Sanctuary etc.

### Religious

Arunachal Pradesh is fast emerging as one of the most popular tourist destinations in eastern India. Religious tourism is one of Arunachal's major assets. It has an enviable line-up of ancient Buddhist monasteries and temples.

The religious resources are Tawang Monastery, Urgelling Monastery, Bomdila Monastery, Rigylling Monastery, Tokstang Monastery, Brama Dung Chung Ani Gompa, Gyangong Ani Gompa, Singsur Ani Gompa, Gorsam Chorten, Samtem Yongcha, Parasuram Kund, Bhismaknagar, Akashiganga, Malinithan etc

### Cultural

Arunachal Pradesh is a culturally rich state consisting of 26 tribes and several sub tribes that live in as many as 3649 villages. The people of the region are the descendants of Mongolian origin.

Broadly, there are three cultural groups known for their distinct socio-religious practices

- The first group includes the Monpas and Sherdukpens of Tawang and West Kameng districts. They follow the Lamaistic tradition of Mahayana Buddhism.
- The second group comprises people of Adis, Akas, Apatanis, Bangnis,



**PM Narendra Modi launching the AC Express train linking Arunachal Pradesh to Delhi**

## MODI'S LARGESSE TO ARUNACHAL ON STATEHOOD DAY

**ITANAGAR:** The 29th Statehood Day of Arunachal Pradesh was celebrated at Indira Gandhi Park in Itanagar on February 20, 2015. It became a historical moment for the state after Prime Minister Narendra Modi flagged off the AC Express train linking Arunachal Pradesh to Delhi and also launched a 132 KV Power Transmission Project with an estimated cost of Rs 3200 crores along with Rs 100 crore Drinking Water Project for state capital.

In his address, PM Modi said that Arunachal Pradesh has huge power resources and its potential should be suitably tapped. He said Arunachal Pradesh could provide electricity to the entire country and called for development of the state's hydel potential, simultaneously giving proper

compensation to people who get displaced by hydro projects. Modi, who flagged off two trains and laid the foundation of a power project, said "Arunachal Pradesh is getting both 'gati' (momentum) and 'urja' (energy) today."

Further, Prime Minister Narendra Modi informed that 6 agriculture universities and 18 FM radio stations have been sanctioned for the development of the north-east region and opined that Arunachal Pradesh can become an organic farming state. He also emphasized on promoting Make in North East and urged the people of the state to use their natural potential for economic development of the state in particular and country as a whole. (PTI and agencies)



Unidentified Monpa tribal women harvesting maize in a traditional cooperative

Nishis, Mishmis, Mijis, Thongsas etc., who worship Sun and Moon as their gods.

- The third group comprises people of the Noctes and Wanchos tribal communities. They are mostly found in the Tirap district. The people have their strict village society headed by a hereditary chief who plays a significant role in varied situations.

**Arts and Crafts:** The state of Arunachal Pradesh can be divided into three parts from the viewpoint of the various arts and crafts in the state.

- The first part includes the Buddhist tribe.
- The second of this division is the central part. This is the region from east Kameng to Lohit.
- The third portion is the eastern territory

## Historical

Arunachal Pradesh has one of the

oldest histories in India. There are several people who come to this state as a result of the unique historical importance that it occupies. The major historical monuments of Arunachal Pradesh are: Malinithan, Bhismaknagar, Tawang Gompa, Statue of Sakyamuni etc. The other historical resources are: Ita Fort, Talung Dzong, Dzong Building, Bhalukpong, Jameri Megalithic, Dirang Fort, Gyuto Tantric University. Lhagyala Gonpa Morshing etc.

The major archaeological ruins of Arunachal Pradesh are the remains in Bhishmak Nagar and Malinithan.

## Adventure

The terrain of Arunachal is appropriate for adventure enthusiasts and nature seekers.

**Trekking:** Arunachal Pradesh is endowed with great trekking routes. The main treks in Arunachal Pradesh are:

Tribal Villages Trek, High Altitude Trek, Siang Valley Trek, Talley Valley Trek and Cultural Tours. The other trekking route in operation is Bomdila-Pangma-Chander-Dirang.

**River Rafting:** The land of Arunachal Pradesh boasts of the mighty river Brahmaputra which comes down from Tibet to this North Eastern state of India. The popular sites for river rafting in Arunachal Pradesh are: Kameng (Seppa-Bhalukpong), Subansiri (Taliha-North of Daporijo), Siang (entire course) and Dibang (Anini Assam Border).

**Fishing and Angling:** Arunachal Pradesh offers ample opportunities for angling. Fishes such as Mahseer and Trout are found in plenty here. The water at the higher altitudes of the state is rich in golden and the rainbow trout. The famous spots for fishing are Tezu (Lohit river), Tipi and Bhalukpong (Bhoroli river) and

Pasighat (Siang river).

### Hill Stations

Arunachal Pradesh is adorned with beautiful green surroundings of picturesque hill stations. Some of the hill stations in the region are Along,

Pasighat, Ziro, Tawang etc

### Fairs & Festivals

The fairs and festivals in Arunachal Pradesh are a fine reflection of the state's zest for life. Arunachal Pradesh celebrates almost all religious, agricul-

tural and socio-cultural occasions. A few of the important festivals celebrated in Arunachal Pradesh are listed below

Losar festival, Torgya, Choekhor, Monpa festival, Sangken festival, Tamladu festival, Saga dawa, Khan festival etc



**Arunachal Pradesh Governor and CM Nabam Tuki receiving PM Modi at Itanagar**

## ARUNACHAL CM SUBMITS 15-POINT MEMORANDUM TO PM

**ITANAGAR**, Feb 21: Chief Minister Nabam Tuki has requested the Centre for providing developmental packages and establishment of various institutions in the state. CM Tuki placed and called upon Prime Minister Narendra Modi to consider a 15-point memorandum for the rapid growth of the state.

He was addressing a mammoth gathering at IG Park Itanagar along with Prime Minister Narendra Modi during the 29th Statehood day celebrations.

Detailing the natural resources of the state, the CM stated that Arunachal has 82 percent quality forest, with huge potential in Agriculture and Horticulture both temperate and tropical, unique geology

with high quality reserves of Coal and Oil in addition to other minerals such as graphite, dolomite, etc., tourism potential, medicinal plant, the perennial rivers.

Stating that due to institutional bottlenecks – unfavorable policies, protracted procedure for clearances and perceived low priority region, the resources are yet to be sustainably harnessed, Tuki said it has resulted in deprivation to the people of both the State and Nation.

The memo requested for continued support in completion of all projects under the Prime Minister's Special Economic Package-2008 and early start of Green Field Airport in Itanagar, better surface,

air communication and telecommunication, proposal for providing drinking water supply, special package for border infrastructure, hydropower development and power issues, special package for realizing the Agro-Horticulture potential, Organic farming, Spice etc. Tea & rubber, setting up of Central Government Complex (CGO Complex) in Itanagar, master plan for exploration of minerals such as coal, oil, graphite etc. in Arunachal Pradesh.

Tuki further called for establishment of Sainik school, AIIMS like institution, IIT, IIM in the State, Regional Centre for Skill Development, three Smart Cities, Regional Film & Television Institute with comprehensive sports development.

Lastly, the CM appealed for a solution to the issue of Asian Development Bank/ World Bank/Japan International Cooperation Agency and window for alternate funding. Tuki expressed hope that the Centre would add in for the development initiatives and demands for a developed Arunachal and a nation.

Requesting the Prime Minister to provide the state government with the technical expertise in preparation of the Arunachal Vision 2030 document, Tuki informed that the state government has recently taken decision to prepare a realistic vision of the State for the next 15 years and named it the Arunachal Vision 2030 with medium and long term Development Vision for the state.

(source: Arunachal Times)

# HOTEL CLASSIFICATION GUIDELINES (REVISED)

## CHECKLIST OF FACILITIES FOR CLASSIFICATION/ RE-CLASSIFICATION OF HOTELS

Facilities & services	1*	2*	3*	4*	5*/5*D	Yes/ No	Comments
<b>GUEST ROOM</b>							
<b>TV-CABLE IF AVAILABLE</b>			N	N	N		Mandatory for 3*, 4*, 5* and 5* Deluxe category and TV must have remote. <b>Exception:</b> For eco and nature resort, TV cable is not mandatory for 3*, 4*, 5* and 5* deluxe category. However, it is mandatory that they provide a TV with cable in lobby and other common area.
<b>BATHROOM</b>							
<b>CLOTHES-HOOKS IN EACH BATH/SHOWER ROOM</b>	N	N	N	N	N		The bathrooms of all star hotels shall have hooks for at least 3 garments in the bath room.
<b>Bath tubs</b>				D	D		From 01.04.2017 all new hotels and from 01.04.2023 all existing hotels shall have bath tubs in following percentage: All 4 Star category hotels will provide bath tub in 10% of total number of rooms. All 5 Star hotels will provide bath tub in 25% of total number of rooms. All 5 Star Deluxe hotels will provide bath tub in 50% of total number of rooms.
<b>ROOMS AND FACILITIES FOR THE DIFFERENTLY ABLED GUEST</b>							
<b>BATHROOM</b>	N	N	N	N	N		Door width for room of the differently abled persons and bathrooms of such rooms should allow wheel chair made available by the hotel to enter easily. However, for new hotels coming up after 01.04.2017 the minimum door width of such rooms and their bathroom shall be minimum 90cm. In existing hotels the door width of the room for differently abled persons & bathrooms of such rooms shall have minimum width of 90cm w.e.f. 01.04.2023. The almirah in differently abled rooms shall be sliding in cases where no sufficient space is available for opening the almirah doors by the differently abled person.



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# HOTEL CLASSIFICATION GUIDELINES (REVISED)

Facilities & services	1*	2*	3*	4*	5*/5*D	Yes/No	Comments
<b>PUBLIC RESTROOM</b>	N	N	N	N	N		All star category hotels should have a public rest room for differently abled guests (unisex) with minimum door width which allows wheel chair made available by the hotel enter easily. However, for new hotels coming up after 01.04.2017 the minimum door width of such public rest room (unisex) shall be minimum 90cm. For existing hotels, the minimum door width of public rest room (unisex) shall be mandatory after 01.04.2023.
<b>FOOD &amp; BEVERAGE</b>							
<b>4 STAR CATEGORY (WITH ALCOHOL SERVICE OR WITH NO ALCOHOL SERVICE)</b>							<b>Grade A cities:</b> One multi-cuisine restaurant-cum-coffee shop open from 7am to 11pm; one speciality restaurant and 24 hr room service <b>Other than A cities:</b> One multi-cuisine restaurant open from 7am to 11pm and 24 hr room service
<b>5 STAR CATEGORY (WITH ALCOHOL SERVICE OR WITH NO ALCOHOL SERVICE)</b>							<b>Grade A cities:</b> One 24 hr multi-cuisine restaurant cum coffee shop; one speciality restaurant and 24 hr room service. <b>Grade B cities:</b> One multi-cuisine restaurant cum coffee shop open from 7am to 11pm and 24 hr room service. One speciality restaurant would be desirable. <b>Other than A&amp;B cities:</b> One multi-cuisine restaurant open from 7am to 11pm and 24hr room service
<b>5 STAR DELUXE CATEGORY</b>							<b>Grade A cities:</b> One multi-cuisine restaurant cum coffee shop; one speciality restaurant and 24hr room service. <b>Grade B cities:</b> One multi-cuisine restaurant cum coffee shop open from 7am to 11pm and 24hr room service. One speciality restaurant would be desirable. <b>Other than A&amp;B cities:</b> One multi-cuisine restaurant cum coffee shop open from 7am to 11pm and 24hr room service. One speciality restaurant would be desirable.
Grade A- Delhi**, Mumbai, Kolkata, Chennai, Bangalore, Pune, Hyderabad, Secunderabad. Grade B- Cities in the rest of the country excluding Grade A cities Grade C- Cities in the rest of the country							Note- The ministry of tourism may review and revise the cities falling under the Grade A-Grade B from time to time. **Delhi would include the hotels falling in Gurgaon, Faridabad, Ghaziabad, NOIDA and Greater NOIDA
<b>Note 1:</b> All hotels should clearly indicate on their websites the facilities and amenities provided to guests "free of cost" like complimentary breakfast (indicating broad classification like Indian breakfast, Continental breakfast or American breakfast), iron and iron board facility, shoe cleaning facility shoe horn and slippers, other "free" facilities like dental kit, shaving kit etc. If any facility is provided only on "on request" but is included in the room rent, this should be mentioned on the hotel's website under the head "Facilities and Amenities provided on complimentary basis" and also mentioned to the guest when the hotel staff introduces the room to him/her on arrival. In case the "complimentary" breakfast is not a buffet, the guest must be shown a list stating in English the name of all complimentary items. (All hotels shall submit a compliance of Note 1 in the form of a screenshot of their website showing the "Facilities and Amenities provided on complimentary basis". <b>Note 2:</b> It will be mandatory for all the hotels classified under the categories 1 to 4 Star to display their classification status prominently outside the hotel and at the reception from 1.4.2014 as per a scheme to be evolved in consultation with FHRAI and HAI.						<b>Note 3:</b> It will be mandatory for all classified hotels to show the classification status on their website under a separate icon on the opening page, which on the click will display the order of classification issued by the ministry of tourism, government of India. <b>Note 4:</b> If any hotel is found to obtain classification on a false pretext or on the basis of misrepresentation of facts or is found to display wrong classification status or found to promote marketing of hotel on the basis of wrongful claims then the unit/hotel will stand declassified with immediate effect and it shall be debarred for a minimum period of two years from the date of debarment by the competent authority i.e. the chairman, HRACC. <b>Note 5:</b> All the hotels shall be required to submit an affidavit with respect to clearances along with their applications for classification/re-classification/hotel project approval, as given in Annexure VII. <b>Note 6:</b> D- Desirable; N- Necessary There is no relaxation in the 'Necessary' criteria except as specified in the comment column.	



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