

**GOVERNMENT OF INDIA
TOURISM
LOK SABHA**

UNSTARRED QUESTION NO:1518

ANSWERED ON:05.03.2010

INFRASTRUCTURE STATUS TO HOTEL INDUSTRY

Adsul Shri Anandrao Vithoba; Dharmshi Shri Babar Gajanan; Owaisi Shri Asaduddin

Will the Minister of TOURISM be pleased to state:

- (a) whether the Government has accorded infrastructure status to the hotel industry;
- (b) if so, the details thereof;
- (c) whether the grant of infrastructure status would boost the hotel industry;
- (d) if so, the details thereof;
- (e) whether the Government proposes to provide tax exemptions to tour operators hit by the global economic slowdown; and
- (f) if so, the details thereof alongwith the action taken by the Union Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF TOURISM(SHRI SULTAN AHMED)

(a),(b),(c),(d),(e) and (f): In order to give a boost to the hospitality sector, the Government had in the budget 2007-08, announced a 5 year Tax Holiday under the Income Tax Act to new hotels of two, three and four star category hotels and Convention Centres coming up between 1.4.2007 to 31.3.2010 in the NCT of Delhi and some neighbouring districts of the NCR. Subsequently, a 5 year Tax Holiday was also announced for all hotels of 2, 3 and 4 star category located in all UNESCO declared World Heritage sites (except Mumbai and Delhi) which start operating w.e.f. 01.04.2008 to 31.3.2013. Further, the Reserve Bank of India (RBI) has issued revised Guidelines on classification of exposures as Commercial Real Estate (CRE) Exposures indicating the principles for treating an exposure as CRE exposure or otherwise. Thus, RBI has classified exposures to hotels outside the CRE Exposure.