

EC No.1417

FIFTH REPORT

**ESTIMATES COMMITTEE
(2004-2005)**

(FOURTEENTH LOK SABHA)

MINISTRY OF TOURISM

**(Action taken by Government on the recommendations
contained in the Fifteenth Report of Estimates Committee
(Thirteenth Lok Sabha) on the Ministry of Tourism-
'Development of Infrastructure for Growth of Tourism-
Development of Ajmer City')**

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Presented to Lok Sabha on 02.12.2004.

**LOK SABHA SECRETARIAT
NEW DELHI**

December , 2004/Agrahayana , 1926(S)

CONTENTS

	PAGE
Composition of the Estimates Committee (2004-2005)	(iii)
Introduction	(v)
Chapter I Report.....	1 - 16

APPENDICES

1. Minutes of sitting of the Estimates Committee held on 27.09.2004.
2. Minutes of sitting of the Estimates Committee held on 13.10.2004.
3. Minutes of sitting of the Estimates Committee held on 17.11.2004.
4. Analysis of the action taken by Government on the recommendations contained in the Fifteenth Report of Estimates Committee (Thirteenth Lok Sabha).

COMPOSITION OF ESTIMATES COMMITTEE
(2004-2005)

Shri C. Kuppusami - CHAIRMAN

MEMBERS

2. Shri A. Sai Prathap
3. Shri B. Vinod Kumar
4. Shri Chander Kumar
5. Shri Lalmuni Chaubay
6. Shri Adhir Ranjan Chowdhury
7. Shri Anant Gudhe
8. Shri Jai Prakash
9. Shri N.N. Krishnadas
10. Shri Samik Lahiri
11. Shri Bhartruhari Mahtab
12. Shri Sunil Kumar Mahato
13. Shri Sanat Kumar Mandal
14. Shri Zora Singh Mann
15. Shri Prabodh Panda
16. Shri Mahendra Prasad Nishad
17. Shri Sukhdeo Paswan
18. Shri Annasaheb M.K. Patil
19. Shri Harikewal Prasad
20. Prof. M. Ramadass
21. Shri K.S. Rao
22. Shri Iqbal Ahmed Saradgi
23. Shri Jyotiraditya Madhavrao Scindia
24. Shri Manabendra Shah
25. Shri Laxman Singh
26. Shri Sartaj Singh
27. Shri M.A. Kharabela Swain
28. Shri Akhilesh Yadav
29. Shri V. Kishore Chandra S. Deo
30. Shri Vijay Krishan

SECRETARIAT

1. Shri John Joseph - Additional Secretary
2. Smt. P.K. Sandhu - Joint Secretary
3. Shri A.K. Singh - PCPI
4. Shri Cyril John - Under Secretary
5. Smt. Meenakshi Sharma - Committee Officer

(iii)

INTRODUCTION

I, the Chairman of the Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present this Fifth Report on action taken by Government on the recommendations contained in the Fifteenth Report of Estimates Committee (Thirteenth Lok Sabha) on the Ministry of Tourism – ‘Development of Infrastructure for Growth of Tourism- Development of Ajmer City’.

2. The Fifteenth Report (Thirteenth Lok Sabha) was presented to Lok Sabha on 25th April, 2004. The Government furnished their replies indicating action taken on the recommendations contained in that Report on 5th February, 2004.

3. The Committee took evidence of the representatives of Ministry of Tourism, Ministry of Road Transport and Highways, Ministry of Urban Development and the Department of Tourism, State Government of Rajasthan on 13th October, 2004 on the action taken by Government on the recommendations contained in the Report. The Committee wish to express their thanks to the officers of the Government of India and the Government of Rajasthan for placing before them the information desired in connection with the examination of the subject.

4. The Draft Report was considered and adopted by Estimates Committee (2004-05) at their sitting held on 17th November, 2004.

5. The Report has been divided into the following Chapters:
- I. Report;
 - II. Recommendations/Observations which have been accepted by the Government;
 - III. Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies;
 - IV. Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee; and
 - V. Recommendations/Observations in respect of which final replies of Government are still awaited.

6. An analysis of action taken by Government on the recommendations contained in the Fifteenth Report of Estimates Committee (Thirteenth Lok Sabha) is given in Appendix IV. It would be observed therefrom that out of 19 observations/recommendations made in the Report, 12 recommendations, i.e. 63.16% have been accepted by Government. Final Replies of Government in respect of 7 recommendations, i.e. 36.84% are still awaited.

NEW DELHI
December 1, 2004
Agrahayana 10, 1926(S)

C.KUPPUSAMI,
Chairman,
Committee on Estimates.

CHAPTER I

REPORT

1.1 This Report of the Committee deals with the action taken by Government on the recommendations contained in their Fifteenth Report (Thirteenth Lok Sabha) on the Ministry of Tourism-`Development of Infrastructure for Growth of Tourism – Development of Ajmer City`.

1.2 The Committee's Fifteenth Report was presented to Lok Sabha on 25th April, 2003. It contained 19 observations/recommendations. Action Taken notes on all these recommendations/observations have been received from the Ministry of Tourism.

1.3 The Committee also took oral evidence of the representatives of Ministry of Tourism and other related Ministries/Departments on the action taken by Government on the recommendations/observations contained in the Report.

1.4 Replies to the observations and recommendations contained in the Report have been categorized as under:-

(i) Recommendations/Observations which have been accepted by the Government:

Sl.Nos. 1 to 7,9 to11,15,17

(Total 12, Chapter II)

(ii) Recommendations/Observations which the Committee do not desire to pursue in view of Government's reply:

NIL

(Total NIL, Chapter III)

(iii) Recommendaitions/Observations in respect of which Government's replies have not been accepted by the Committee:

NIL

(Total NIL, Chapter IV)

- (iv) Recommendations/Observations in respect of which final replies of Government are still awaited.

Sl.Nos.8,12 to 14,16,18,19

(Total 7, Chapter V)

1.5 The Committee will now deal with the action taken by Government on some of the recommendations.

Road Transport Facilities

Observation/Recommendation (Sl.No.9, Para No.6.9)

1.6 Keeping in view the fact that roads and road transport facilities play a vital role in the development and growth of tourism, the Committee had recommended as follows:

“The Committee need hardly point out that road transport facilities play a vital role in the development and growth of tourist destinations. While there is a good network of roads in Ajmer and Pushkar, those need to be augmented and strengthened and the fleet and quality of public transport system which mainly consists of ordinary Government buses and average quality private buses need to be improved. The Ministry of Road Transport and Highways have reportedly initiated a study for inventorisation and improvement of the condition of National Highway No. 89 connecting Ajmer and Pushkar. The Committee desire that the work for improving the geometrics of the road on the basis of the study should be taken up and completed expeditiously. The Government of Rajasthan through an Asian Development Bank project is improving the roads in entire Rajasthan including the roads connecting Ajmer. Three National Highways namely NH 8, NH 79 and NH 89 are touching Ajmer. Major portions of NH 8 and NH 79 form part of the Golden Quadrilateral component of the National Highway Development Project, which will have at least four lanes, major portion of which shall be completed by December, 2003. The riding quality of the remaining portion of the National Highways is being improved and is expected to be completed in two years.

The Committee are hopeful that improvement of roads in Ajmer and Pushkar would give necessary boost to tourism in the absence of air connectivity available to tourists.”

1.7 In their action taken reply, the Ministry of Tourism had stated as under:

“The issue was taken up with the Ministry of Road Transport and Highways. They have reported that Kishangarh to Ajmer is about 30 Km. (Km.366/0 to 396/0). Out of these 30 Km, riding quality of 10 Km. (Km366/0 to 376/0) was improved during 2001-2002. Remaining 20 Km. i.e.Km. 376/0 to 396/0 was improved during 2002-03 along with strengthening of the section. Also in Km 377/0 to 388/0 road stretch has been widened with provision of hard shoulders for smooth flow of traffic. Thus, the road stretch between Kishangarh to Ajmer has been kept with good riding quality. The traffic in the stretch is 23000 PCUs with 7400 CVD which just qualifies for four laning. Four laning will be taken up based on availability of funds and inter-se priority. The work of Golden Quadrilateral is continuing.”

1.8 Giving the latest position regarding progress of work for improving roads, the Secretary, Department of Tourism, Government of Rajasthan during the evidence held on 13th October, 2004 stated as under:

“....Jaipur-Kishangarh road on National Highway is being turned into a six-lane highway. Work is in full progress. It may not be the entire effort of the State Government, but it is a combined effort of the Government of India and the State Government.”

1.9 The witness further stated:

“.....It is going to be the most ambitious project in the Northern India and between Kishangarh and Ajmer road, the work has been undertaken. It is a good road. The

connectivity on roads between Kishangarh and Ajmer and between Ajmer and Pushkar has also improved. We have also put lighting facilities on these roads for commuters to travel easily at night time.”

1.10 Commenting on road transport in Ajmer and Pushkar, the witness stated as under:

“As far as transport is concerned, we are still partially banking on private operators. We have the buses of Rajasthan Roadways Corporation. Presently, they are enough to cater to the requirements of the inland tourists within Rajasthan. Rest is in the hands of private sector. We have tempos, jeeps and other vehicles. For improving transportation in Ajmer and Pushkar, presently there is no specific scheme with us to start in transport sector particularly in these two cases, but we are concentrating more on the infrastructure to improve the roads. We do not want to get into the transport sector because we find that this sector should be left open to the private sector only, except that we must provide them with basic facilities. They are already getting loans and other concessions from the banks. As a policy, we are not thinking in terms of taking any initiative to have our own transportation except that we want to improve the services of Rajasthan Roadways Corporation and in case, we find that the services is not enough to cater to the entire requirement, we ply extra buses during the festival seasons.”

1.11 On an observation of the Committee that Rajasthan State Corporation buses only ply between Ajmer and Pushkar and this service is not even connected to the Railway Station which causes inconvenience to pilgrims/tourists travelling by trains, the witness stated as under:-

“I would like to say that right now I am not aware of the fact that only one service is plying. But, I can assure you that if there is need for additional services, I at the State level will also request that this service should be increased as per the requirement.”

1.12 The Committee note that action is being taken by the State Government to improve the condition of roads in Ajmer and Pushkar. National Highway No.8 from Jaipur to Kishangarh is being converted into a six-lane highway and road connectivity between Kishangarh and Ajmer and between Ajmer and Pushkar have also been improved. The Ministry of Road Transport and Highways had reportedly initiated a study for inventorisation and improvement of the condition of National Highway No. 89 connecting Ajmer and Pushkar. The Committee would like to be apprised of the progress of work for improving the geometrics of National Highway No.89.

Another recommendation of the Committee was to improve the fleet and quality of public transport system in Ajmer and Puskar which mainly consists of ordinary Government buses and average quality private buses. The Secretary, Department of Tourism, Government of Rajasthan stated during evidence before the Committee that for public transport in Ajmer and Pushkar they rely on Rajasthan Roadways Corporation and on private buses, tempos, jeeps and other vehicles. It has also been brought to the notice of the Committee that buses plying between Ajmer and Puskar are not connected to the Railway Station, which is causing considerable inconvenience to outstation tourists and pilgrims travelling by train. In view of this, the Committee recommend that Rajasthan

Roadways Corporation should take steps to improve the fleet and quality of buses plying in Ajmer and Pushkar. Private bus operators also should be motivated to upgrade the quality of public transport and strengthen their fleet. The Committee also desire that bus routes should be redesigned in such a manner that the buses plying between Pushkar and Ajmer pass through the Railway Station for the convenience of outstation tourists and pilgrims travelling by train. The Committee would like to be apprised of the action taken by Government in this regard.

Budgetary allocation for development of tourism

Observation/Recommendation(SI.No.17, Para No.6.17)

1.13 Taking note of the limited resources and severe financial constraints faced by Rajasthan Government for investing in tourism sector in recent years, the Committee had recommended as follows:-

“The total allocation during the Ninth Five Year Plan for tourism sector in Rajasthan was Rs. 36.04 crore and the actual expenditure was Rs. 33.66 crore . The expenses incurred by the State Tourism Department on fairs and festivals in Ajmer and Pushkar registered an increasing trend from 1998 to 2000, but came down in 2001. However, the Government of Rajasthan, taking a right view on tourism, has dedicated 2002-2003 to tourism and doubled the budget allocation for tourism from Rs. 10 crore in the previous year to Rs. 20 crore in the current year. Even this allocation is not considered to be adequate and needs to be enhanced considerably to meet the needs of tourism sector in the State. While taking a sympathetic view of the severe financial constraints faced by Rajasthan Government in recent years due to drought and other factors beyond its control, the Committee would like to emphasise that in terms of generating income, tourism industry pays higher dividends for the investment made in this sector. In view of the limited resources available, they suggest that the Department of Tourism should chalk out other alternatives for mobilising the required investment in the tourism sector. Keeping in view the fact that tourism has been identified by the Government as a high priority industry for private investment, the Committee recommend that private sector should

be encouraged to invest in tourism projects in order to upgrade the infrastructure facilities. The Committee also recommend that in order to attract more investment, the possibility of offering more incentives and concessions to private sector in the tourism sector should also be considered. Since allocations made for the development of other sectors like roads, public utilities, civil aviation, urban development, etc. also contribute towards development and growth of tourism, the Committee stress that limited resources of other Departments of the Central and State Governments should also be utilised in a coordinated manner so as to help development of infrastructure for growth of tourism.”

1.14 In their action taken reply, the Ministry of Tourism has stated as under:

“The State Government has reported that liberal concessions have been extended in the ‘New Investment Policy’ of the State Government and that the budget of Pushkar Fair was enhanced to Rs.10 lakhs for 2003. Besides the Ministry of Tourism, Government of India in order to, inter-alia encourage investment by the private sector is providing assistance for large revenue generating projects and has also rationalised its old scheme of ‘Interest Subsidy Scheme’ for hotels and substituted with ‘Incentive for Accommodation Infrastructure’ in which scheme, Capital Subsidy is provided to eligible hotel units.”

1.15 Elaborating on the 'New Investment Policy', the Secretary, Department of Tourism, Government of Rajasthan stated during evidence as follows:-

"..... We are already having an 'Investment Policy-2003' but that is applicable to all the sectors, including tourism. We are, now working on a specific investment policy for tourism sector and that would contain the policy of promoting the private sector-both as a stand-alone participation as also in the form of public and private partnership."

1.16 He further stated as under:-

"... Primarily, Sir, it is to provide exemptions in luxury, that is, tax exemption of 50 per cent, stamp duty, conversion charges, etc. In the Budget, the State Government has also reduced the luxury tax for hotels from 10 per cent to 8 per cent for expansion of accommodation sector."

1.17 Commenting on the response of private sector towards the incentives offered, the witness stated as under:

"The response has been very good as far as the bigger hotel chains are concerned. We are having too many investments as far as small budget accommodation or hotels are concerned..... The pace is picking up. New areas are also picking up.I would say that we still have to do a lot of promotion of the investment policy and the concessions that we are giving. May be, we have not been fully able to promote these concessions and remissions. But all this we have incorporated in our policy to the people at large. We are not trying to propagate that."

1.18 The Committee desired to know as to whether the allocation made for the tourism sector was proportionate to the contribution of the tourism industry to the SDP in the State of Rajasthan. The witness replied as under:

“We have a plan of about Rs.5600 crore. We have a total plan outlay for Rs.22.5 crore. As I mentioned earlier, that is pretty meagre.”

1.19 The Committee further enquired about the percentage of allocation earmarked for tourism to which the witness replied:

“It is 0.5 per cent.”

1.20 On being further asked whether it was much less than the contribution of tourism sector to the economy in the State, the witness replied in affirmation.

1.21 In terms of generating income, tourism industry pays higher dividends for the investment made therein than other sectors. In view of the limited resources available for tourism development, the Committee had suggested that private sector should be encouraged to invest in tourism projects in order to upgrade the infrastructure facilities. The Committee note that response of the private sector to various concessions extended in the new Investment Policy announced by the State Government has been encouraging. They trust that as assured by the Secretary, Department of Tourism, Government of Rajasthan during the course of oral evidence that the State Government will draw up a specific investment policy for tourism sector which would promote private sector both for stand-alone participation and in the form of public and private partnership. They desire that the specific investment policy for tourism sector should be formulated at the earliest so as to encourage better private participation in tourism

sector which would help in further development of tourism.

The Committee had also recommended that limited resources of other Departments of the Central Government and that of the State Government should be utilised in a coordinated manner so as to help integrated development of infrastructure for growth of tourism. The reply furnished by Government is silent on the action taken by Government on this recommendation of the Committee. They, therefore, desire that the allocation made for the development of other sectors like roads, public utilities, civil aviation, urban development, etc. should be invested in such a manner that it helps towards integrated development of infrastructure for growth of tourism.

Out of total plan outlay of Rs.5600 crore by the Government of Rajasthan, an amount of only Rs.22.5 crore has been earmarked for tourism which is even less than 0.5%. As already stated by the Committee, the tourism industry pays higher dividends for the investments made in

this sector and plays an important role in the overall development of the region. While expressing their serious concern on the low percentage of allocation being made for tourism sector, the Committee would impress upon the State Government to augment the allocation for tourism development in the State.

Implementation of Recommendations

1.22 The Committee would like to emphasise that they attach the greatest importance to implementation of the recommendations accepted by the Government. They would, therefore, urge that the Government should keep a close watch so as to ensure expeditious implementation of the recommendations accepted by them. In case it is not possible to implement the recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation.

The Committee desire that replies in respect of the recommendations contained in Chapter V of the Report may be finalised and final replies of the Government furnished to the Committee expeditiously.

NEW DELHI
December 1, 2004
Agrahayana 10, 1926(S)

C.KUPPUSAMI,
Chairman,
Committee on Estimates

APPENDIX-I

MINUTES OF SITTING OF THE ESTIMATES COMMITTEE

(2004-2005)

SECOND SITTING

The Committee sat on Monday, the 27th September, 2004
from 1100 hours to 1250 hours.

PRESENT

Shri C. Kuppusami - **CHAIRMAN**

MEMBERS

1. Shri B. Vinod Kumar
2. Shri Lalmuni Chaubay
3. Shri Jai Prakash
4. Shri Bhartruhari Mahtab
5. Shri Sanat Kumar Mandal
6. Shri Prabodh Panda
7. Shri Sukhdeo Paswan
8. Shri Annasaheb M.K. Patil
9. Prof. M. Ramadass
10. Shri K.S. Rao
11. Shri Jyotiraditya Madhavrao Scindia
12. Shri Laxman Singh
13. Shri M.A. Kharabela Swain

SECRETARIAT

1. Smt.P.K. Sandhu - Joint Secretary
2. Shri A.K. Singh - P.C.P.I.
3. Shri Cyril John - Under Secretary
4. Shri M.K. Madhusudan - Assistant Director
5. Smt. Manju Chowdhary - Assistant Director

2. The Committee considered the draft Report on action taken by Government on the recommendations contained in the Fifteenth Report of Estimates Committee (13th Lok Sabha) on the Ministry of Tourism - 'Development of Infrastructure for Growth of Tourism – Development of Ajmer City' and decided to take oral evidence of the representatives of Ministry of Tourism on 13th October, 2004 on the action taken by Government on the recommendations contained in the Report.

- | | | | |
|----|------|------|------|
| 3. | XXXX | XXXX | XXXX |
| 4. | XXXX | XXXX | XXXX |
| 5. | XXXX | XXXX | XXXX |

The Committee then adjourned.

APPENDIX-II

**MINUTES OF SITTING OF THE ESTIMATES COMMITTEE
(2004-2005)**

FIFTH SITTING

**The Committee sat on Wednesday, the 13th October, 2004
from 1500 to 1645 hours.**

Present

Shri C. Kuppusami - Chairman

Members

2. Shri Samik Lahiri
3. Shri Sunil Kumar Mahato
4. Shri Sanat Kumar Mandal
5. Shri Prabodh Panda
6. Shri Mahendra Prasad Nishad
7. Shri Sukhdeo Paswan
8. Shri Harikewal Prasad
9. Prof. M. Ramadass
10. Shri K.S. Rao
11. Shri Sartaj Singh
12. Shri M.A. Kharabela Swain
13. Shri Vijoy Krishna

Secretariat

1. Smt. P.K. Sandhu - Joint Secretary
2. Shri A.K. Singh - Principal Chief
Parliamentary Interpreter
3. Shri Cyril John - Under Secretary
4. Shri M.K. Madhusudhan - Assistant Director

Witnesses

MINISTRY OF TOURISM

1. Shri Amitabh Kant - Joint Secretary
 2. Shri G.S. Dhar - Joint Director General
 3. Dr. Venu V. - Deputy Director General(V)
 4. Shri Atul Chaturvedi - Director
 5. Shri Vinod Zutshi - Secretary (Tourism)
- Government of Rajasthan

MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

6. Shri. P. Haldar - Superintending Engineer

MINISTRY OF URBAN DEVELOPMENT

7. Shri S.C. Sharma - Under Secretary

2. The Committee took evidence of the representatives of Ministries of Tourism, Road Transport and Highways and Urban Development on action taken by Government on the recommendations contained in the Fifteenth Report of Estimates Committee (13th Lok Sabha) on 'Development of Infrastructure for Growth of Tourism – Development of Ajmer City'. The evidence was concluded.

3. A verbatim record of the proceedings was kept.

(The witnesses then withdrew)

The Committee then adjourned

APPENDIX-III

**MINUTES OF SITTING OF THE ESTIMATES COMMITTEE
(2004-2005)**

NINTH SITTING

The Committee sat on Wednesday, the 17th November, 2004 from 1100 to 1130 hours.

Present

Shri C. Kuppusami - Chairman

Members

2. Shri B. Vinod Kumar
3. Shri Chander Kumar
4. Shri Lalmuni Chaubay
5. Shri Anant Gudhe
6. Shri Jai Prakash
7. Shri Sunil Kumar Mahato
8. Shri Sanat Kumar Mandal
9. Shri Prabodh Panda
10. Shri Sukhdeo Paswan
11. Shri Harikewal Prasad
12. Prof. M. Ramadass
13. Shri Laxman Singh
14. Shri Sartaj Singh
15. Shri M.A. Kharabela Swain
16. Shri V. Kishore Chandra S Deo

Secretariat

1. Shri A.K. Singh - Principal Chief Parliamentary Interpreter
2. Shri Cyril John - Under Secretary

2. The Committee considered and adopted the draft Report on action taken by Government on the recommendations contained in the Fifteenth Report of Estimates Committee (13th Lok Sabha) on Ministry of Tourism-`Development of Infrastructure for Growth of Tourism – Development of Ajmer City’ without any modification.

3. The Committee authorized the Chairman to finalise the Report in the light of verbal and other consequential changes, if any, arising out of factual verification by the Ministry and present the same to the House.

The Committee then adjourned

APPENDIX IV

(Vide Introduction to Report)

ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FIFTEENTH REPORT OF THE ESTIMATES COMMITTEE (THIRTEENTH LOK SABHA)

I.	Total Number of Recommendations/observations	19
II.	Recommendations/Observations which have been accepted by the Government (Nos.1,2,3,4,5,6,7,9,10,11,15,17)	12
	Percentage	63.16%
III.	Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies	NIL
IV.	Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee.	NIL
V.	Recommendations/Observations in respect of which final replies of Government are still awaited. (Nos.8,12,13, 14,16,18,19)	7
	Percentage	36.84%