OPERATIONAL GUIDELINES FOR IMPLEMENTATION OF UTTAR PRADESH TOURISM POLICY 2018
Disclaimer

Directorate of Tourism is the Nodal agency identified for implementation of the Uttar Pradesh Tourism Policy – 2018, do hereby unequivocally and clearly states that;

The contents of the UP-Tourism Policy 2018 and the Operational Guidelines for Implementation of UP Tourism Policy 2018 enunciated therein may be read carefully by all the stakeholders and Tourism Units registering themselves under the said Policy. Accordingly, it is hereby clearly understood that the applicant Tourism Units have carefully gone through the Policy & Guidelines and the contents thereof and they fully understand the implications thereof.

The Tourism Units are hereby informed that mere registration of their Units under this Policy does not ipso-facto guarantee extension of any financial or monetary benefit to the Units. The applications made by the Tourism Units under the provisions of this policy shall be appraised and scrutinized under the extant provisions of the Policy and each case shall be evaluated purely based on its merits and the compliance with the Policy and Guidelines for availing subsidy, subject to the availability of requisite funds. It is also clearly understood that the Policy & Guidelines may undergo changes from time to time without any prior intimation to any stakeholder or constituent.

It is, therefore, advised that the applicant units may in their own interest carry out thorough business survey and carry out necessary due diligence to ensure the techno-economic and commercial viability of their projects and compliance with the Policy & Guidelines. The prospective applicants are advised to prepare their project proposals regardless of the subsidy and incentives factor to ensure the financial viability and bankability of their projects. This disclaimer needs to be signed by the Authorized Signatory/ies of all the Tourism Units and Stakeholders at the time of registering their units with the Department of Tourism, Govt. of Uttar Pradesh.
1. Title
These guidelines will be named as the Operational guidelines for Implementation of UP Tourism Policy, 2018 (hereinafter referred to as the Operational Guidelines 2019).

2. Commencement & Duration
The guidelines shall be effective for the period of 5 years from 16.02.2018 (policy effective date) or until amended by the Uttar Pradesh Government.

3. Definitions
3.1 “State Government” means the Government of Uttar Pradesh and “Central Government” means the Government of India.
3.2 “Nodal agency” means the Directorate of Tourism, Government of Uttar Pradesh.
3.3 “The Department” means Department of Tourism, Government of Uttar Pradesh.
3.4 “Tourism Unit” means a legal entity under the relevant law, engaged or to be engaged in providing any service related to travel and tourism. It shall mean a legal entity in the form of a registered company under the Companies Act, Partnership Firm, or a Trust or a legally registered society, or a proprietorship.
3.5 “Categories of Tourism Units” as defined in Chapter 9 of the UP-Tourism Policy 2018.
3.6 “Commercial operations date” means the date on which the tourism unit is open to customers on a commercial basis, after due testing, trial running and commissioning under the relevant government rules.
3.7 “Effective date” means the date of notification of the Uttar Pradesh Tourism Policy, 2018. i.e. 16.02.2018.
3.8 “Effective Period” means the 5-year period from 16.02.2018 or until amendment or repeal thereof by the State Government.
3.9 “Existing Tourism Unit” means unit undergoing expansion of more than fifty percent (50%) of its existing capacities (Built up area and investment).
3.10 “New Tourism Unit” means a tourism unit which is set up and which commences commercial operations during the effective period.
3.11 “Eligible Tourism Unit” means New Tourism Unit and Existing Tourism Unit Undergoing Expansion during the operative period of this policy would be considered as Eligible Tourism Units.
3.12 “Heritage Properties” means old Buildings/ Forts/ Havelis/ Kothis/ Castles constructed prior to 1950 and having the heritage value. The facade, architectural features and general construction should have the distinctive qualities and ambience in keeping with the traditional way of life of the area.

3.13 “Capital investment” means the investment made in fixed assets to create an asset held with the intention of being used for producing or providing goods or services and is not held for sale in the normal course of business-like building, infrastructure facilities, plant & machinery etc except land.

3.14 “Building” means a new building constructed for the project, including administrative building.

Note: The cost of new buildings constructed for installation of plant and machinery, R&D activities, in-house testing facilities, storage facilities, and other buildings related to the tourism purpose, shall be considered as per the actual expenditure incurred.

3.15 “Plant & Machinery” means new indigenous /imported plant and machinery, utilities including cost of transportation, foundation, erection, installation and electrification.

Note: The value of plant and machinery as erected at tourism unit site shall be considered.

3.16 “Infrastructure facilities” means new roads, sewer lines, water drainage, power lines, such other facilities (essential for operation of unit), which link the undertaking’s premises with the main infrastructure trunk lines. It shall also mean Effluent Treatment Plant, sewage treatment plant, transformer and power feeder installed for self-use by the applicant undertaking.

3.17 “First Transaction” in the context of stamp duty incentive means the first transaction on sale/lease/transfer of land in respect of the tourism unit and excludes any subsequent such transaction.

3.18 “Cost of Land” means the actual purchase price of the land as per the registered deed of the land.

3.19 “Eligible Capital Investment” means capital investment made by the tourism unit under the heads as mentioned in Section 6 below.

3.20 “Rural/ Urban area” means area as defined under the relevant government notification.

3.21 “Financial Year” means the year commencing from 1st April and ending on 31st March following.

4. Applicability
The Operation Guidelines 2019 will be applicable to all the eligible tourism units as per UP Tourism Policy 2018.

5. Tourism Circuits
Within 20 Kilometres of all tourist sites, as per the notification attached with from the Department of Tourism, Government of Uttar Pradesh. The distance of 20 Kilometres (km) shall be the aerial distance for each destination.
1. The Ramayana Circuit
   A. Ayodhya – 10 units each
   B. Chitrakoot – 10 units each
   C. Shringverpur – 5 units each
   D. Bijethua Mahaviran (Sultanpur)-5 units each
   E. Bithoor (Kanpur)-10 units each

2. The Krishna/Braj Circuit
   A. Mathura – 10 units each
   B. Vrindavan – 10 units each
   C. Govardhan – 10 units each
   D. Gokul – 5 units each
   E. Barsana – 5 units each
   F. Nandgaon – 5 units each
   G. Baldev Mandir (Mathura)-10 units each
   H. Mahaban (Mathura)-10 units each

3. The Buddhist Circuit
   A. Kapilvastu – 10 units each
   B. Sarnath – 10 units each
   C. Kushinagar – 10 units each
   D. Kaushambi – 10 units each
   E. Shravasti – 10 units each
   F. Sankisa – 5 units each
   G. Atranji Khera (Etah)-5 units each
   H. Devdeh (Maharajganj)-5 units each

4. Wildlife & Eco Tourism Circuit (Within 20 KM from the boundary of all Wildlife Sanctuaries and National Parks)
   A. Dudhwa National Park – 10 units each
   B. Pilibhit Tiger Reserve – 10 units each
   C. Bakhira Sanctuary – 5 units each
   D. Chandra Prabha Wildlife Sanctuary – 5 units each
   E. Hastinapur Wildlife Sanctuary – 10 units each
   F. Kaimoor Sanctuary – 10 units each
   G. Katarniaghat Wildlife Sanctuary – 10 units each
   H. Kishanpur Wildlife Sanctuary – 10 units each
   I. Lakh Bahosi Sanctuary – 10 units each
   J. Mahavir Swami Sanctuary – 10 units each
   K. National Chambal Wildlife Sanctuary – 5 units each
   L. Nawabganj Bird Sanctuary – 10 units each
   M. Parvati Arga Bird Sanctuary – 5 units each
   N. Patna Bird Sanctuary – 5 units each
O. Ranipur Sanctuary – 5 units each
P. Saman Sanctuary – 5 units each
Q. Samaspur Sanctuary – 5 units each
R. Sandi Bird Sanctuary – 5 units each
S. Sohagi Barwa Sanctuary – 5 units each
T. Suhelva Sanctuary – 5 units each
U. Suraha Tal Sanctuary – 5 units each
V. Vijai Sagar Sanctuary – 5 units each
W. Shekha Jheel, Aligarh – 5 units each
X. Sur Sarovar Pakshi Vihara, Agra - 10 units each
Y. Amangarh Tiger Reserve, Bijnor - 5 units each
Z. Blackbuck Conservation Reserve, Meja (Prayagraj) -10 units each
AA. Lion Safari Park, Etawah -10 units each

Note: Construction of hotels shall be permitted only beyond the reserve area. All the laws pertaining to Forest and wildlife protection will be complied.

5. The Bundelkhand Circuit
   A. Charkhari (Mahoba) (Repeat) – 5 units each
   B. Chitrakoot (Repeat) – 10 units each
   C. Kalinjar – 5 units each
   D. Jhansi – 10 units each
   E. Deogarh – 10 units each
   F. Lalitpur (Repeat) – 10 units each

6. The Mahabharata Circuit
   A. Hastinapur – 5 units each
   B. Kampil (Farukhabad) – 5 units each
   C. Ahichchhatra – 5 units each
   D. Barnava (Baghpat) – 5 units each
   E. Mathura (Repeat) – 10 units each
   F. Kaushambi (Repeat) – 10 units each
   G. Gonda (Repeat) – 5 units each
   H. Lakshagraha Handia (Prayagraj)-5 units each
   I. Keechakvadh Sthal, Raath (Hamirpur)-5 units each
   J. Vidur Kuti (Bijnor)-5 units each

7. The Shakti Peeth Circuit
   A. Vindhyavasini Devi (Vindhyachal) – 10 units each
   B. Pateshwari Devi Devipatan (Balrampur) (Repeat) – 5 units each
   C. Kadavasini (Kaushambi) (Repeat) – 5 units each
   D. Lalita Devi (Naimisharanya) – 10 units each
E. Jwala Devi (Sonbhadra) (Repeat) – 10 units each
F. Shakumbhari Devi (Saharanpur) – 5 units each
G. Shivani Devi (Chitrakoot) (Repeat) – 10 units each
H. Katyayini Devi (Mathura) (Repeat) – 10 units each
I. Sheetala Chaukia Dham (Jaunpur) – 10 units each
J. Sita Samahit Sthal (Bhadohi) – 10 units each
K. Alopri Devi (Prayagraj) – 10 units each
L. Lalita Devi (Prayagraj) – 10 units each
M. Vishalakshipri Devi (Varanasi) – 10 units each
N. Belha Devi (Hamirpur) – 5 units each
O. Gayatri Shaktipeeth (Sumerpur) – 5 units each
P. Bairagarh Mata Konch (Jalaun) – 5 units each
Q. Chandika Devi Buxar (Unnao) – 10 units each
R. Kushmanda Devi Ghatampur (Kanpur Dehat) – 10 units each
S. Devkali Mandir (Auraiya) – 10 units each
T. Maa Tarkulha Devi Dham (Gorakhpur) – 10 units each
U. Maa Sheetla Mata Sthal (Mau) – 10 units each

8. The Aadhyatmik Circuit

A. Gorakhpur – 10 units each
B. Balrampur (Repeat) – 5 units each
C. Ghazipur (Hathiyaram, Bhudkura) – 5 units each
D. Goriya (Mathura) (Repeat) – 10 units each
E. Sant Ravidas Sthal (Varanasi) – 5 units each
F. Mauni Baba, Chochakpur (Ghazipur) – 5 units each
G. Pavhari Baba Ashram (Ghazipur) – 10 units each
H. Kinaraam Ashram (Chandauli) – 5 units each
I. Triveni Sangam (Prayagraj) – 10 units each
J. Bhardwaj Ashram (Prayagraj) – 10 units each
K. Ghuisarnath Dhaam (Pratapgarh) – 10 units each
L. Bhrigu Rishi Ashram (Fatehpur) – 5 units each
M. Vyaaspeeth Kalpi (Jalaun) – 10 units each
N. Gola Gokarn Nath (Lakhimpur Kheri) – 10 units each
O. Maa Parmeshwari Devi (Azamgarh) – 10 units each
P. Bhrigu Ashram Baleshwar (Ballia) – 10 units each
Q. Dugdeshwar Shiv Sthal (Deoria) – 5 units each
R. Makhauda Dhaam (Basti) – 5 units each
S. Shiv Mandir Shrankhla, Bateshwar (Agra) – 10 units each
T. Soron Ashram (Kasganj) – 5 units each
U. Sheetla Mata Mandir (Mainpuri) – 5 units each
V. Hanumat Dham (Shahjahanpur) – 10 units each
W. Hanuman Mandir (Shaml) – 10 units each
9. The Sufi/Kabir Circuit
   A. Jayas (Amethi) – 5 units each
   B. Maghar (Sant Kabir Nagar) (Repeat) – 5 units each
   C. Salim Chishti Dargah (Fatehpur Sikri) – 5 units each
   D. Dewa Sharif (Barabanki) – 5 units each
   E. Dargah Marehra Sharif (Etah)-5 units each
   F. Dargah Sufi Shah Sharif(Firozabad)-5 units each
   G. Dargah Shafi Shah Sharif (Firozabad)-10 units each
   H. Lahartara Ashram Kabir Janam Sthali(Varanasi)-10 units each
   I. Khanqah-e-Niyazia (Bareilly)-10 units each
   J. Kichhauchha Sharif (Ambedkarnagar)-10 units each

10. The Jain Circuit
   A. Deogarh (Repeat) – 5 units each
   B. Hastinapur (Repeat) – 5 units each
   C. Vahelna (Muzaffarnagar) (Repeat) – 5 units each
   D. Baghpat (Repeat) – 5 units each
   E. Bateshwar (Repeat) – 5 units each
   F. Kampil (Farrukhabad) (Repeat) – 5 units each
   G. Parshwanath(Varanasi)-5 units each
   H. Shreyansanatha(Varanasi)-5 units each
   I. Suparshvanatha(Varanasi)-5 units each
   J. Chandraprabhu (Varanasi)-10 units each
   K. Chandrarvar Jain Mandir(Firozabad)-5 units each
   L. Bahubali Jain Mandir (Firozabad)-10 units each
   M. Mangalayatan Jain Mandir (Hathras)-10 units each
   N. Ahikshetra Parshwanath Digambar Jain Mandir (Ramnagar)-10 units each

11. Craft Circuit
   A. Marble Inlay and Zardozi (Agra)-10 units each
   B. Glass Craft(Firozabad)-10 units each
   C. Glass beeds Craft,Purdil Nagar (Hathras)-10 units each
   D. Tarkashi Craft (Mainpuri)-10 units each
   E. Brass Craft (Moradabad)-10 units each
   F. Brass Craft and Tala (Aligarh)-5 units each
   G. Wooden Craft (Saharanpur)-10 units each
   H. Muda Craft (Hapur)-10 units each
   I. Hathkargha,Pilkhuwa (Hapur)-10 units each
   J. Banarasi Saree (Varanasi)-10 units each
   K. Gulabi Meenakari (Varanasi)-10 units each
   L. Wooden Toys(Varanasi)-10 units each
   M. Stone Carving (Varanasi)-10 units each
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N. Zari work (Jaunpur)-10 units each
O. Brass Utensils (Mirzapur)-10 units each
P. Pottery Udyog (Chunar)- 10 units each
Q. Brass Craft, Jakhora (Lalitpur)- 10 units each
R. Brass Craft, Amra (Jhansi)- 10 units each
S. Silverfish Craft, Maudaha (Hamirpur)-5 units each
T. Shazar Stone Craft (Banda)- 10 units each
U. Paper Craft, Kalpi (Jalaun)-5 units each
V. Glazed Pottery (Rampur)- 10 units each
W. Carpet Craft (Amroha)- 10 units each
X. Khurja Pottery (Bulandshahr)- 10 units each
Y. Carpet Craft (Sambhal)- 10 units each
Z. Terracotta (Gorakhpur)- 10 units each

12. Swatantrata Sangram Circuit
   A. Meerut-10 units each
   B. Shahjahanpur-10 units each
   O. Kakori-10 units each

As per government order No. 176/2018/3480/41-2018-01(Policy)/2017 dated 16.10.2018, Kakori under Swatantrata Sangram Circuit, Agra’s Marble Inlay and Jardozi under Craft Circuit has been included to provide fiscal incentives & benefits.

**Note:** A few locations fall under two or more tourism circuits. All such locations are marked as (Repeat) i.e. repeated locations. Any tourism unit will be entitled to obtain subsidy only under one tourism circuit.

6. Eligible Capital Investments
   The eligible capital investment shall be expenditure incurred on the following:
   i. Permanent structure for the project under the ownership and for use of the tourism unit, erected on land owned by the tourism unit and which is essential for its commercial operation;
   ii. Boundary wall;
   iii. Internal roads, drainage, entrance gate/s;
   iv. Swimming pool/s;
   v. Store/s;
   vi. Kitchen/s;
   vii. Water supply system (pipeline, tanks, pump house, water treatment plant etc.);
   viii. Boiler room and chimney;
   ix. Sewerage treatment plant and waste management system;
   x. Centralized air conditioning;
   xi. Power sub-station, transformer, electric line, electric pole;
   xii. D.G Power back up for self-use;
xiii. Telecommunication tower (self-established for own use);
xiv. Hot & cold-water supply system, gas / steam supply line;
 xv. Establishment of sound, light, public address, internet system and network of fixed nature;
 xvi. Installation of fire detection and fire-fighting system;
 xvii. Installation of non-shift able plant & machinery for the infrastructure such as kitchen, laundry, health club, spa, convention hall, exhibition hall, etc.;
xviii. Establishment of stationery swing sets, climbing walls, amusement/ playing structure, permanent tents, etc. in play areas and parks;
 xix. Other fixed structures, plant & machinery that are essential for commercial operation of the unit;
 xx. Fees paid for obtaining technical know-how;
xxi. Installation charges of machinery / equipment / services;
xxii. Approach road, expenditure incurred for power supply including construction of sub-station, pipeline laid, water supply, water tank, pipeline for discharge of waste water & sewerage (on land where ownership is with the hotel);
xxiii. Fixed residential tents for tourists, meant for use round the year and not for temporary use like mela, events or seasonal camps, etc.;
xxiv. Solar / Bio energy system;
xxv. Rain water harvesting system.

7. In-eligible Capital Investment

The following expenditures with respect to the unit shall not be eligible for incentives:
 i. Working Capital;
 ii. Pre-operative expenses and preliminary expenses;
 iii. Second-hand plant machinery purchased or shifted from within or outside country;
 iv. Interest capitalized;
 v. Vehicles, furniture and fixtures, cutlery, crockery and utensils
vi. Consumable stores; inventories for maintenance or repairs;
 vii. Investment on land required for setting up the unit, inclusive of the cost of the land;
 viii. Any construction which is in the nature of real estate transactions, e.g., shops, flats, offices, etc. meant for sale/lease/rent.
8. Fiscal Benefits
8.1 Capital Investment Subsidy\(^1\) to Eligible Tourism Units

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Eligible Capital Investment (Excluding the Cost of Land)</th>
<th>Minimum Project Expenditure (Capital Investment in INR Crore)</th>
<th>Percentage of Subsidy Against Fixed Capital Investment</th>
<th>Maximum Ceiling of Subsidy (in INR Crore)</th>
<th>Other Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Capital investment subsidy for establishing a new hotel</td>
<td>10-50</td>
<td>15%</td>
<td>7.5</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Above 50</td>
<td>15%</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Capital investment subsidy for establishing a new budget hotel</td>
<td>2-10</td>
<td>15%</td>
<td>1.5</td>
<td>Locations where only 10 units are eligible.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2-10</td>
<td>20%</td>
<td>1.75</td>
<td>Locations where only 5 units are eligible.</td>
</tr>
<tr>
<td>3.</td>
<td>Capital investment subsidy for establishing a new resort</td>
<td>10-50</td>
<td>15%</td>
<td>7.5</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Above 50</td>
<td>15%</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Capital investment subsidy for establishing a new sports resort</td>
<td>1</td>
<td>10%</td>
<td>1</td>
<td>Only on equipment cost.</td>
</tr>
<tr>
<td>5.</td>
<td>Capital investment subsidy for establishing new tented accommodation</td>
<td>0.20</td>
<td>20%</td>
<td>0.50</td>
<td>Only on successful permanent installation (Example: Swiss cottage)</td>
</tr>
<tr>
<td>6.</td>
<td>Capital investment subsidy for</td>
<td>2-50</td>
<td>15%</td>
<td>7.5</td>
<td>-</td>
</tr>
</tbody>
</table>

\(^1\) As per the percentage of Eligible Capital Investment
<table>
<thead>
<tr>
<th>S. No.</th>
<th>Eligible Capital Investment (Excluding the Cost of Land)</th>
<th>Minimum Project Expenditure (Capital Investment in INR Crore)</th>
<th>Percentage of Subsidy Against Fixed Capital Investment</th>
<th>Maximum Ceiling of Subsidy (in INR Crore)</th>
<th>Other Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.</td>
<td>establishment of a new wellness centre</td>
<td>Above 50</td>
<td>15%</td>
<td>10</td>
<td></td>
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<tr>
<td>8.</td>
<td>Capital investment subsidy for establishment of convention Centre</td>
<td>Up to 50</td>
<td>15%</td>
<td>7.5</td>
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<tr>
<td></td>
<td></td>
<td>Above 50</td>
<td>15%</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Capital investment subsidy for establishment of adventure tourism project, Cruise tourism unit, house boat</td>
<td>1</td>
<td>10%</td>
<td>1</td>
<td>Creation of infrastructure &amp; installation of permanent facility/acquisition of equipment.</td>
</tr>
<tr>
<td>10.</td>
<td>Capital investment subsidy for establishing a theme park</td>
<td>2</td>
<td>10%</td>
<td>1</td>
<td>Creation of infrastructure along with installation of equipment.</td>
</tr>
</tbody>
</table>

**Note:**
- Single unit shall not be granted capital investment subsidy under multiple tourism projects.
- Such unit shall not be entitled to claim the Interest Subsidy.
- 100% Capital Investment Subsidy shall be granted post the successful start of commercial operations of the eligible tourism units.
8.2 Interest Subsidy
(Bank loan amount should not exceed INR 5 Crore)

@5% of the Loan Amount with maximum amount of INR 25 Lakh per annum for a period of five (5) years for eligible tourism units.
The above interest subsidy would be permissible to a maximum of INR 5 crore loan and admissible subsidy to a maximum of 25 Lakh, for 5 years.

Note:
• Tourism Units availing Interest Subsidy shall not be entitled to claim the Capital Investment Subsidy.
• Small hotels are encouraged to avail the Interest Subsidy.

8.3 Stamp Duty Exemption
Eligible Tourism Units will qualify for 100% exemption of Stamp Duty and Registration Fee on sale/lease/transfer of land for the first transaction only during the effective period of this Policy. The exemption shall be processed in accordance to government order issued by Stamp & Registration Section – 2, order number-20/2018/525/94–स्टाम्प&रजिस्ट्रेशन–2–2018–700(60)/2018 dated 06.06.2018.

8.4 Conversion and Development Charges
Land use conversion and development charges shall be waived off for all new tourism units. The waiver shall be processed in accordance to government order issued by Housing & Urban Planning Section – 1, order number-465/आवास–1–2018–59 विविध/2018 dated 25.05.2018.

(Leasehold tourism units shall be allowed freehold as per the by-laws of the Development Authority)

8.5 Support for Sustainable Tourism for carrying out Energy Audit
A. Assistance will be extended to eligible tourism units up to 75% of the cost of carrying out Energy Audit by a recognized institution/consultant, Water Harvesting/Conservation and Environment-friendly practices like Green Buildings, Solar and other Renewable Energy measures, to a maximum token amount of INR 50,000 per unit. It shall be disbursed once during the effective period of the Policy. This assistance would be limited to maximum of two (2) individual units per year post submission of certificate stating sustainability of the unit. Moreover, such units will be accorded special recognition by the State Government.
The recognized institution/consultant for conducting energy audit should be accredited under Bureau of Energy Efficiency. The compliance report shall also be submitted by the tourism unit bi-annually.

B. Reimbursement of 20% of the capital cost of setting up effluent/sewerage treatment plant subject to a maximum of INR 20 Lakh. Subject to a maximum of two (2) projects in a year. This shall be extended on first come first serve basis. A unit once extended the benefit shall not be eligible again for the same incentive.
8.6 Incentive for Promotion of Innovation

The policy proposes promotion of technological innovation, by providing an incentive to:
A. Technology introduced for the first time in the state; or
B. Significant leveraging of information technology; or
C. Technology products having negligible carbon footprint.

<table>
<thead>
<tr>
<th>Project Cost</th>
<th>Number of people directly employed</th>
<th>Incentive Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment between INR 10-50 Crore</td>
<td>50</td>
<td>INR 10 Lakh</td>
</tr>
<tr>
<td>Investment between INR 1-10 Crore</td>
<td>30</td>
<td>INR 5 Lakh</td>
</tr>
</tbody>
</table>

It will be a one-time incentive, to be disbursed after the successful commissioning of the Project. Due recognition and publicity will be accorded by the State Government to innovative projects.

8.7 Support for Marketing and Promotion

All Tourism Service Providers operating in the state and registered with Department shall be eligible for this incentive. At the start of each financial year, the State Government will notify the name and number of such domestic and international events for which this incentive will be provided.

A. 50% of the space rent paid subject to a maximum of INR 30,000 per national event or INR 60,000 per international event.
B. The above incentive will be provided to two (2) events in one financial year.

Each year one National and International events shall be eligible for the above incentive. All the applications shall be received before the event and the approval for participation by the service provider shall be taken prior to event. The amount shall be reimbursed only after the event, on submission of the documents stating the participation of the service provider. This shall be extended on first come first serve basis. A unit once extended the benefit shall not be eligible again for the same incentive. For above reimbursement, selection of the events would be done by the Director General, Tourism. One company can claim for maximum two events in one financial year.

8.8 Skill Development

Short time skill development courses offered by various institutes shall be recognized by the Department of Tourism, along with the association of UPHRA, FHRAI, HRANI, TAAI, IATO and TAFI for employment generation.

A. Reimbursement of 100% of hospitality related course fees, for up to INR 10,000 per person per course, with the course duration of fortnight or more. This amount would be limited to 1,000 participants each year. 60% of the total amount will be given to the institution (50% of the amount eligible to the institution will be given prior to start of
the course and remaining 50% after completion of the course) and remaining 40% to the participant. Approval shall be given to proposals submitted by the participant prior to start of the course and the reimbursement would be made based on the actual number of participants.

B. Training to tourist guides from local areas with a one-time stipend of INR 5,000, only to tourist guides registered with the Department. The reimbursement shall be limited to training for 100 service providers for three years.

C. Tourism courses would include courses for personnel working in hotels, resorts, restaurants, transportation booking, marketing, tourist guide, ticketing and any other related course as notified by the State Government from time to time.

D. Third-party skill assessment of trainees after completion of course will be a condition precedent for the reimbursement of course fees. This assessment will be done by the nominated agency of Department of Tourism from time to time.

Under this component, skill training providers shall be recognised by the Department of Tourism on the recommendation of the committee constituted as under:

1. Director General, Tourism – Chairperson
2. Managing Director, UPSTDC – Member
3. Finance Controller, Directorate of Tourism – Member
4. Vocational Education & Skill Development, Uttar Pradesh nominated Representative – Member
5. Institute of Hotel Management, Representative – Member

8.9 Incentives for ICT Enablement

A. The State Government will duly facilitate and support international and national level conferences, exhibitions and other events in Uttar Pradesh for the promotion of usage of ICT in the tourism sector. Financial assistance for conducting such conferences/events shall be provided to the maximum limit of INR 5 Lakh per event, as may be approved by the State Level Committee.

B. The Tourist Service Provider providing audio/video guide will be eligible for one-time assistance for up to the extent of 25% of the cost of procuring the equipment/content creation or INR 25 Lakh, whichever is less. Incentive can be availed only once by the operator during the effective period of the Policy. This incentive will be initially taken up for a few monuments only on a pilot basis.

8.10 Assistance for Research in the Tourism/Hospitality Industry

Financial assistance for up to the maximum limit of INR 10 Lakh will be provided to Recognized Travel Associations/Hotel Associations/Chamber of Commerce/Other Travel & Hospitality Bodies to carry out market research studies on travel and tourism/hospitality sector in Uttar Pradesh. The subject matter would be finalized as per the relevance and requirements of the Industry. Not more than three (3) such studies will be sanctioned each year. Preference to be given to direct hospitality association and institutes.
8.11 Employment Generation Subsidy

A. 75% reimbursement (for male worker) & 100% reimbursement (for female workers) of EPF expenditure (Employer’s contribution) for a period of five (5) years for workers who are domicile of the State, to units employing more than 50 employees. Subsidy will be given only for those employees who are eligible to be member under Employee Provident Fund section 26(1)(A).

B. Employment contribution includes contribution for pension fund, provident fund, 0.5% EDLI charges, 0.65% EPF administrative charges, 0.01% EDLI handling fees.

8.12 Special incentive for Disabled

Payroll assistance of INR 500 per month per worker to units employing differently abled workers, subject to a maximum of five (5) workers in a unit.

8.13 Support to Eco Tourism

100% reimbursement on achieving the certifications and standards from the Ecotourism Society of India, for up to an amount of INR 1 Lakh, subject to a maximum of two (2) units per year.

8.14 Support for reviving the scarce Art, Music, Craft, Folk Dance and Cuisine of Uttar Pradesh

Subsidy of INR 5 Lakh will be granted to individual/group involved in reviving indigenous and scarce art, music, craft, folk dance and cuisine of Uttar Pradesh. For availing the incentive, the recommendation will be provided by the committee constituted under the chairmanship of the District Magistrate of the specific district.

9. Fiscal Benefits for Heritage Properties

Heritage property which has the potential of developing into a heritage tourism place or not, its examination, project proposal and regular monitoring will be done by The District Level Committee constituted under the Chairpersonship of the District Magistrate. However, the approval for grant of subsidy will be through the State Level Committee (SLC).

9.1 Capital Investment Subsidy

A. Amount equal to the capital funding of 25% of the capital cost of the project cost or INR 1.5 Crore, whichever is less, will be given by the Government of Uttar Pradesh, under the capital investment subsidy for the construction/expansion of heritage property. 120% amount of the loan obtained by a promoter from a nationalized bank for any project of construction/extension of heritage hotel, will be considered as the project cost.

B. 25% of only that portion of this total project cost will be given by the state government as capital investment subsidy, expenditure of which is proposed to be under the capital head. The maximum limit of capital investment subsidy would be INR 1.5 Crore.
9.2 Interest Subsidy

A. In the event of getting project appraisal from financial institutions licensed and approved by the Reserve Bank of India (RBI) and on taking loan from such institutions for construction of heritage property in the state, 5\% interest subsidy would be given in favour of heritage property owner, for 5 years.

B. The liability of interest subsidy would be permissible up to a maximum of 5 years period, from the date of approval of loan. The above interest subsidy would be permissible to a maximum of INR 5 Crore loan and admissible subsidy to a maximum of 25 Lakh, for 5 years.

*Note:* Heritage properties are entitled to avail, both the Capital Investment Subsidy and the Interest Subsidy. Protected monuments will not be considered under this policy.

9.3 Energy Benefit

Heritage properties can avail benefit under ‘The Uttar Pradesh Solar Power Policy 2017’.

9.4 Exemption in Stamp Duty

If for establishing a heritage property, any building and its appurtenant land is purchased, then on such transfer deeds, 100\% of the payable stamp duty will be exempted in the form of subsidy by the Department, provided the owner of the building and its appurtenant land is the same person.

9.5 Land Use Conversion Charges

If in any development area, where land-use is demarcated, and old properties of heritage value are converted into heritage hotel, then the concerned Development Authority would give 100\% waiver in conversion charges, terming such land-use of the converted property as ‘Heritage Property’. The waiver shall be processed in accordance to government order issued by Housing & Urban Planning Section – 1, order number-465 /आद–1–18–59 विविध /2018 dated 25.05.2018.

9.6 Excise License Fee

For bar license in their premises, 100\% waiver would be given in ‘License Fee’ for the first 5 years to the heritage hotels set up in the rural areas. The waiver shall be processed in accordance to government order issued by Excise Department Section – 2, order number-28 /2092 ई–2 /तेजर–2014–75 /2013 dated 18.11.2014.

9.7 Road Link Route

The state government would give preference to the arrangement of better and encroachment free link roads to the heritage hotels. It will also be ascertained that the roads built by the Public Works Department (PWD) would be for public traffic and proposed roads should not be personal property.
9.8 **Publicity & Broadcasting**

The Department would do the publicity broadcasting of products and activities related to the heritage tourism, through mediums like the Department’s tourism literature, website, etc.

9.9 **Committees for Approvals of Heritage Hotels**

A. Heritage zones will be earmarked, and by-law will be prepared under the below mentioned Committee:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Designation / Department</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Principal Secretary/Secretary Tourism</td>
<td>Chairman</td>
</tr>
<tr>
<td>2.</td>
<td>Principal Secretary/Secretary Urban Development</td>
<td>Member</td>
</tr>
<tr>
<td>3.</td>
<td>Principal Secretary/Secretary Housing</td>
<td>Member</td>
</tr>
<tr>
<td>4.</td>
<td>Principal Secretary/Secretary Culture</td>
<td>Member</td>
</tr>
<tr>
<td>5.</td>
<td>Director, Directorate of Archaeology</td>
<td>Member</td>
</tr>
<tr>
<td>6.</td>
<td>Director, Culture</td>
<td>Member</td>
</tr>
<tr>
<td>7.</td>
<td>Director, Museum</td>
<td>Member</td>
</tr>
<tr>
<td>8.</td>
<td>Chief Town Planner</td>
<td>Member</td>
</tr>
<tr>
<td>9.</td>
<td>Director General – Archaeological Survey of India, or a nominated representative</td>
<td>Member</td>
</tr>
<tr>
<td>10.</td>
<td>Director General – Tourism</td>
<td>Member Secretary</td>
</tr>
</tbody>
</table>

B. To convert heritage building into heritage hotel, approval and classification from a two-tier Committee will be mandatory. The committee constituted will be:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Designation / Department</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>District Magistrate</td>
<td>Chairman</td>
</tr>
<tr>
<td>2.</td>
<td>Sub District Magistrate</td>
<td>Member</td>
</tr>
<tr>
<td>3.</td>
<td>Executive Engineer, PWD</td>
<td>Member</td>
</tr>
<tr>
<td>4.</td>
<td>Manager, UPSTDC</td>
<td>Member</td>
</tr>
<tr>
<td>5.</td>
<td>Director, Directorate of Archaeology</td>
<td>Member</td>
</tr>
<tr>
<td>6.</td>
<td>Regional Tourist Officer</td>
<td>Member Secretary</td>
</tr>
</tbody>
</table>

10. **Processing, Sanction and Disbursement Procedure**

10.1 **Registration of the unit**

10.1.1 The tourism units who wish to apply for the incentives and concessions shall be required to register with the nodal agency and obtain a registration certificate from the Director General, Tourism, in either of the following cases:

i. Before the start of construction of the unit;

ii. Before the start of operations of the unit;

iii. Within 6 months of the start of operations.

The application form for registration of the tourism unit, need to be submitted to the Region Tourist office or Directorate of Tourism along with the required documents:

a) DPR/Preliminary report
b) Company Profile, Area of business, Financial Turnover, Copy of Udyog Aadhar for units investing upto INR 10 Cr, For units investing above INR 10 Cr copy of IEM is required

c) Location of the Project

d) Experience of similar projects

e) Debt profile

f) Land requirement, Nature of Land (Government/Private)

Per Government Order no. 7320/15-2-1281(3) iii/T.T./2018 dated 15th February 2019, the following committee has been constituted for providing report to the nodal agency for registration of the tourism unit –

i. District Magistrate or nominated representative of the district of proposed tourism unit – Chairperson

ii. Vice Chairman/ Controlling officer of the Development Authority or nominated representative of the region of proposed tourism unit – Member

iii. Joint Director/ Deputy Director/ Regional Tourist Officer of the concerned region – Member

10.1.2 On receipt of the application for registration of any Tourism Unit, the nodal agency shall scrutinize the application along with the documents submitted by the applicant unit. On being satisfied that the application is in order, with respect to the Uttar Pradesh Tourism Policy 2018 and this Operational Guidelines, shall register the applicant unit with a number and issue a certificate to the applicant for such registration.

10.1.3 The application form for registration of the unit has been appended.

10.1.4 The registration of the unit does not guarantee that the unit will be entitled for the subsidy.

10.2 Application for subsidy/ incentives/ assistance

10.2.1 All applications for incentives along with the necessary supporting documents, shall be submitted in the prescribed format to -

| The Director General |
| Department of Tourism, |
| Government of Uttar Pradesh |
| Paryatan Bhawan |
| C-13, Vipin Khand, Gomti Nagar, Lucknow – 226010 |

10.2.2 Application for availing incentives/ subsidy shall be made post commercial operations of the eligible tourism units.

10.2.3 The applicant unit would have to submit the factual position of the capital investment.
10.2.4 The application forms for various subsidy, incentive and assistance have been appended.

10.3 Processing & Scrutiny of subsidy/ incentives/ assistance

10.3.1 For scrutiny of all incentives/ subsidy other than the Promotion of Innovation (Point No. 8.6 above) and Incentives for ICT Enablement (Point No. 8.9 above), an inspection committee will inspect the tourism unit. The inspection committee shall comprise of the following:

i. District Magistrate of the district of proposed tourism unit – Chairperson
ii. Regional Officer of the Tourism Department, Government of Uttar Pradesh – Member
iii. One Officer nominated by the Director General Tourism – Member
iv. One Valuer/Chartered Engineer nominated by DG Tourism from amongst the panel maintained by him for this purpose – Member
v. One Chartered Accountant nominated by DG Tourism from amongst the panel maintained by him for this purpose – Member

10.3.2 The committee’s report along with the proposals shall be presented to Director General Tourism for necessary action.

10.3.3 The Nodal Agency shall go into the merits of each case to decide whether the tourism unit qualifies for grant of the subsidy/ incentives/ assistance under the framework of the Uttar Pradesh Tourism Policy 2018 and will determine the quantum of subsidy to the tourism unit.

10.3.4 The nodal agency shall submit the proposal for subsidy/ incentives/ assistance to the State Level Committee through Administrative Department of the State Government for considering the sanction of the incentives.

10.4 Sanction of subsidy/ incentives/ assistance

10.4.1 The following State Level Committee (SLC) has been formulated for sanctioning of subsidy/ incentives/ assistance:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Designation / Department</th>
<th>Title (SLC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>IIDC – Infrastructure &amp; Industrial Development Commissioner</td>
<td>Chairman</td>
</tr>
<tr>
<td>2.</td>
<td>Additional Chief Secretary/Principal Secretary, Infrastructure and Industrial Development, or its representative</td>
<td>Member</td>
</tr>
<tr>
<td>3.</td>
<td>Additional Chief Secretary/Principal Secretary, Finance, or its representative</td>
<td>Member</td>
</tr>
<tr>
<td>4.</td>
<td>Additional Chief Secretary/Principal Secretary, Culture, or its representative</td>
<td>Member</td>
</tr>
<tr>
<td>5.</td>
<td>Additional Chief Secretary/Principal Secretary, Forest, or its representative</td>
<td>Member</td>
</tr>
<tr>
<td>6.</td>
<td>Additional Chief Secretary/Principal Secretary, Revenue, or its representative</td>
<td>Member</td>
</tr>
</tbody>
</table>
10.4.2 The SLC shall be the competent authority to approve the recommendation of the Nodal Agency for grant of the subsidy/ incentives/ assistance.

10.4.3 The SLC may meet monthly or as per the requirement.

10.4.4 Upon approval a sanction will be issued, with respect to the benefits, by the Administrative Department of the State Government.

10.5 **Disbursement of subsidy/ incentives/ assistance**

The subsidy/ incentives/ assistance will be disbursed to the investor within 30 days, from receiving final approval from the State Government.

10.6 **Expenses**

10.6.1 All expenses towards the preparation and submission of the Application form for availing subsidy shall be borne by concerned tourism unit.

10.6.2 All expenses incurred towards services rendered by empanelled Valuers/Chartered Engineer and Chartered Accountant in respect of clause 10.3.1 above, would be borne by the Directorate of Tourism.

11. **Other Provisions**

11.1 **Existing unit undergoing Expansion**

11.1.1 Existing Tourism Unit taking up expansion of more than fifty (50) percent of its existing capacities (Built up area and investment) shall be eligible for incentives. Only the incremental investment under expansion shall be considered for incentives.

11.1.2 Only one expansion project (Commencing commercial operations within the effective period) of an existing tourism unit will be eligible for assistance during the effective period. Investment for expansion shall be considered asset gross block as on closing of the previous financial year in which the investment is being made. The same shall be validated by a Chartered Accountant Certificate.

11.1.3 Existing Tourism units proposing expansion shall be required to maintain separate books of accounts for the expansion. A new tourism unit granted benefits under these guidelines, shall also be eligible for consideration of benefits in case of expansion during the effective period.

11.2 **Furnishing Information**

All eligible tourism units shall be required to furnish the information as asked by the Nodal agency or State Government from time to time as a condition for disbursement, viz detailed particulars of operations, No of people employed(direct & indirect) by the unit, sales revenue, stoppages, if any closure of unit etc. with clear reasons for same, certified
particulars of increase in fixed capital investment, if any, sale/loss of fixed assets, if any change in constitution of the unit, audited statement of accounts and balance sheet of eligible unit within 6 months of close of each financial year for a period of 5 years from the date of first disbursement of incentives.

11.3 Changes in Project Parameters
Application for any modifications/changes in nature of the project, or in cost of project that effect change in its category, or for changes in registration certificate, etc. will be made by the tourism unit and will be examined by Nodal agency whose decision will be final.

11.4 Concealment/ Misrepresentation of information
If any information submitted by the tourism unit is found to be false, or benefits are found to have been drawn based on concealment of material facts, the Registration Certificate shall be cancelled, and all benefits released to the unit shall become recoverable under the applicable state laws as arrears.

11.5 Power to amend and/or relax/repeal
Notwithstanding anything contained in any of the provisions of this Operational Guidelines, the State Government, may at any time –

11.5.1 Make any amendment to this Operational Guidelines or repeal, revoke, unless otherwise, but the commitments already made for any approved project before the date of repeal shall not be affected by any such amendments or repeal;

11.5.2 Make any relaxation in applying the provisions of this Operational Guidelines on condition, or otherwise, but such relaxation shall be made on the merits of the approved projects in each case, as the State Government, may consider necessary and appropriate;

11.5.3 Issue instructions and guidelines to facilitate implementation, to remove anomalies and to clarify the interpretations of the provisions of the Operational Guideline 2019, as and when necessitated.

12. Miscellaneous
12.1 All benefits mentioned in this operational guideline except those related to exemptions/waivers from duties/fees by the concerned Departments shall be disbursed by the designated Nodal agency. Current operational policy/guidelines of the concerned department shall prevail at the time of disbursement.

12.2 Tourism units availing incentives from any other policy or those sanctioned by any other departments of the State Government, will also be entitled to avail incentives/benefits mentioned in this policy provided the similar kind of benefits/incentives are not being availed from any other policy.

12.3 The eligible tourism unit should operate for tourism and hospitality related business only.
12.4 Finance Department shall allocate head of account for budget provisions under this operational guideline. Department of Tourism shall be the Controlling and Estimates Authority and will submit the budget estimates/revised estimates under the relevant Head of Account as also for Supplementary demands. A provision of 1% from the budget of the subsidy shall be constituted as the contingency/processing fees to meet the administrative expenditure.

12.5 At the start of each financial year, the full amount of budget provision shall be provided to the Nodal Agency in respect of the tourism units.

12.6 The budget provision for benefits pertaining to other departments will be made by the concerned departments.

12.7 All concerned Departments will issue their respective GOs for the implementation of these guidelines.

12.8 In case of any clarification regarding these provisions, the same would be provided by Department of Tourism, Govt. of Uttar Pradesh.

12.9 In case of any amendments or modifications required with Operational Guidelines 2019, the State Level Committee shall be competent to make such amendments or modifications.

12.10 All disputes relating to the scheme shall be subject to the jurisdiction of Lucknow Court.

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