

GOVERNMENT OF INDIA
MINISTRY OF TOURISM

C-1 Hutments
Dalhousie Road
New Delhi-110011

No.14.TH.II (1)/2009

Dated 26th May, 2010

NOTIFICATION

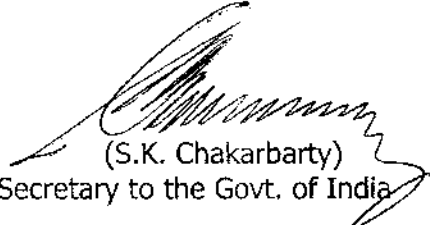
In view of the forthcoming Commonwealth Games, Delhi - 2010, and in order to encourage growth of budget accommodation of the Approved / Licensed Guest Houses in the NCT of Delhi, the President of India is pleased to announce the "Interest Subsidy Scheme for the Upgradation of Guest Houses" in the NCT of Delhi.

The details of the Scheme for grant of Interest Subsidy to Approved / Licensed Guest Houses are as follows:-

1. The Scheme would be effective for the period w.e.f. 26.05.2010 of 11th Five Year Plan and 12th Five Year Plan period.
2. The Scheme would apply to all Licensed Guest Houses in the NCT of Delhi which have been approved by the Department of Tourism, Govt. of Delhi / Ministry of Tourism (MOT), Govt. of India as per the schemes for Approval of Guest Houses.
3. The scheme will be operated through TFCI and Scheduled Banks. The applicants shall apply directly to the concerned financial institutions who will process the applications as per their prevailing procedures / norms & guidelines.
4. Interest Subsidy would be applicable for loans taken to upgrade the existing facilities which are allowed as per the prevailing civic bye-laws of DDA / MCD / NDMC etc. In order to be eligible for the Interest Subsidy, the permissions, if any, of the concerned civic authorities on civil works to be undertaken (wherever applicable) should be obtained by the applicant Guest House.
5. The interest on loan would be charged as per policy of the Financial Institution (FI) and the rate of interest charged by the FI and the terms and conditions of the loan agreement between the lender and the borrower would be as per the Government policy. The Ministry of Tourism would only be concerned with regards to the rate of disbursement of the rate of subsidy at a uniform rate of 5% as proposed irrespective of the rate of interest involved on the loan.
6. Interest Subsidy proposals will take into account number of rooms as licensed by MCD / Delhi Police. MOT would provide Interest Subsidy on loan of maximum Rs. 2 lakh per room basis. Guest House may seek higher loan but the payment of Interest Subsidy would be calculated at Rs. 2 lakh per room subject to an overall upper limit of Rs. 60 lakh per Guest House.
7. The Guest House would require to incur a minimum of 7.5 % of the loan amount availed from the Financial Institution towards the improvement / beautification of façade / outside improvements, synages, lighting etc. as per the permissible norms of the local urban body like MCD/DDA / NDMC etc. as applicable.
8. Since the proposed Interest Subsidy scheme is meant for the upgradation of Guest Houses for the Commonwealth Games 2010, the subsidy will be applicable for loans that are sanctioned and first installment released by 31.07.2010. Further, the Interest Subsidy shall be applicable only if the upgradation work is completed by

Contd. 2/-

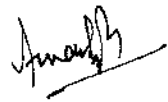
- 20.09.2010. A certificate of completion of the upgradation works is to be furnished by the FI for availing the Interest Subsidy.
9. Inspection and a full scale videography of the works of upgradation for which loan has been raised would be carried out by a team consisting of officials of Govt. of NCT of Delhi and an official from the office of Regional Director (North), Indiatourism, Delhi as a mandatory member. A similar videography of the works after the upgradation has been undertaken would be carried out to corroborate the improvements.
 10. The period of repayment of loan by Guest Houses to the FI should not exceed more than 8 years. The Interest Subsidy would be available only if the repayment of loan installments / interest is as per the approved repayment schedule and the Terms and Conditions of the loan agreement and provided there is no default by the Guest House in the repayment of loan.
 11. The Interest Subsidy would be applicable to loans for upgradation of rooms (flooring, furniture like bed, table, chair, luggage rack / cupboard, bathroom fixtures including WC and wash basin, geyser, RO machine for drinking water, A/C, electric light fittings), common areas like lobby / reception area, façade, and infrastructure development like supply of electricity, water and installation of solar heating and lighting etc.
 12. The subsidy will be released on quarterly basis by the Ministry of Tourism directly to the Financial Institution / scheduled bank on submission of claim in the prescribed manner.
 13. This issues with the approval of Integrated Finance (Tourism) vide their U.O. No. 343 dated 24.05.2010.


(S.K. Chakarbarty)
Under Secretary to the Govt. of India

The General Manager
Government of India Press
Maya Puri
New Delhi

Copy to:-

1. The Secretary (Banking and Insurance), Ministry of Finance, New Delhi with a request to bring the scheme to the notice of the Scheduled Banks
2. TFCI/Scheduled Banks
3. P&AO (T)/ IF (T)/AO (B&A)
4. The Director of Audit, Office of the Principal Director of Audit, AGCR Building, New Delhi
5. Principal Secretary (Tourism), Govt. of NCT of Delhi, Secretariat, New Delhi
6. Commissioner MCD, Town Hall, Chandni Chowk, New Delhi
7. Chairman NDMC, Palika Bhawan, Jantar Mantar, New Delhi
8. Addl. Commissioner (Licensing), Delhi Police, Defense Colony Police Station, New Delhi
9. Regional Director (North), Indiatourism Delhi
10. President - FHRAI/HAI/IHHA
11. Sanction file


(Amar Singh)
Assistant Director (H&R)