

**GOVERNMENT OF INDIA  
TOURISM  
LOK SABHA**

STARRED QUESTION NO:123

ANSWERED ON:30.11.2006

LOW BUDGET HOTELS

Rao Shri Kavuru Samba Siva;Singh Shri Prabhunath

**Will the Minister of TOURISM be pleased to state:**

(a) Whether middle class tourists are experiencing difficulties in locating economy class accommodation at places/ cities of tourist interest; and

(b) If so, the steps proposed to be taken to make available low budget tourist hotels?

**Answer**

THE MINISTER OF THE STATE IN THE MINISTRY OF TOURISM AND CULTURE (SMT. AMBIKA SONI)

(a) and (b) : A statement is laid on the table of the Sabha.

STATEMENT IN REPLY TO PART (a) and (b) OF LOK SABHA STARRED QUESTION NO.123 ANSWERED ON 30.11.2006 REGARDING LOW BUDGET HOTELS.

(a)and(b) : Yes, Sir. Due to the paucity of hotel rooms in the budget category, tourists may sometimes face some difficulty in finding accommodation in this category. However, the Ministry of Tourism has asked all the State Governments and other land owning agencies including Indian Railways to allocate land for building hotels especially in the budget category. Ministry of Tourism also has a scheme `Incentive to Accommodation Infrastructure` under which subsidy of 10% of the principal loan is given to the hotel of budget and low-budget categories, subject to a maximum assistance of Rs. 25 lakh for one star hotels; Rs. 50 lakh for 2 star hotels and Rs. 75 lakh for 3 star hotels. Further, in order to increase the number of rooms in the budget category, Ministry of Tourism has a scheme for the approval of Guesthouses and Incredible India Bed & Breakfast establishments. The State Governments have been advised to follow investor friendly land policies and single window approach for promoting hotel projects and also for allotting sites on revenue sharing basis, granting extra FSI/FAR for hotels, permitting extra commercial usage in the hotels etc.