



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆ

1951ರ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳ ಕಾಯಿದೆ ಅನ್ವಯ ಸ್ಥಾಪಿತ

KARNATAKA STATE FINANCIAL CORPORATION

Established under the State Financial Corporation' Act, 1951

ಸಂಖ್ಯೆ : ಕ.ರಾ.ಹ.ಸಂ./ಪ್ರ.ಕ./

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CIRCULAR NO. -1044

Sub: Financial Assistance to Hotel & Resort Projects.

**Ref: Karnataka Tourism Policy 2020-26,
Govt. of Karnataka**

The Corporation is extending financial support to hospitality sector [Tourism sector] activities like Hotel, Resort, Restaurant, Ropeway facilities, Amusement etc. Presently, the Department of Tourism, GoK has developed Tourism Policy 2020-26 and focused to develop hospitality sector in the state and also encouraging establishments of hotel, resort, adventure tourism, wayside amenities, wellness centre etc., in the state.

As per Karnataka Tourism Policy 2020-26, some of tourist spots are focused for establishment of hospitality sector activities. It is hereby instructed to all the concerned to follow below mentioned instructions, specifically for hotel and resort projects.

- 1 Encourage hotel and resort projects as per focus tourism destinations mentioned in Table-1 of annexure.
- 2 Promoters shall adopt all the guidelines about hotel / resort viz : definitions and mandatory specifications of hotel / resort [budget and premium categories], particularly hotel / resort [budget category] must have minimum 20 lettable rooms and hotel / resort [premium category] must have minimum 30 lettable rooms. Refer annexure, for more details about definitions and mandatory specifications.
- 3 Only loan proposals of hotel / resort - [budget / premium categories] shall to comply mandatory specifications as mentioned in annexure.

ಪ್ರಧಾನ ಕಛೇರಿ : ಕೆ.ಎಸ್.ಎಫ್.ಸಿ. ಭವನ, ನಂ. 1/1, ತಿಮ್ಮಯ್ಯ ರಸ್ತೆ, ಕಂಟೋನ್ಮೆಂಟ್ ರೈಲ್ವೆ ನಿಲ್ದಾಣದ ಹತ್ತಿರ, ಬೆಂಗಳೂರು - 560 052.
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Presently, the Corporation has extending financial support to hotels / resorts under special schemes. Considering more scope for development of these facilities to entrepreneurs, It is advised to all the concerned to encourage hotel / resort [budget / premium categories] projects. It is also instructed to follow the mandatory specifications of Tourism Policy 2020-26 while processing the loan proposals. All these processes will enable the entrepreneurs to avail capital investment subsidy from the Tourism Department.

Details of focus tourist destinations in Karnataka State, eligible capital investment subsidy and mandatory specifications for hotel / resort projects as per Tourism Policy 2020-26 are provided in the ANNEXURE. In addition to above, all the existing norms and guidelines of the Lending Policy 2020 for hospitality sector are to be followed strictly.


Managing Director

TO,

All Section Heads / Consultants at HO,
BMs / AGMs of all Branch Offices,
AGMs/HoDs of all IACs,
All the General Managers: C-I, C-II, C-III, C-IV & [P&A],
The HoD[IT&MIS],
The HoD[IA].

ANNEXURE

Details of Definition & Mandatory Specifications of Hotel / Resort activities, Focus tourism destination and Eligible Project Cost and guidelines / norms to avail capital investment subsidy as per Tourism Policy 2020-26, GoK are detailed below:

I. Following are hotel and resort definition and other mandatory specifications have to be adopted to avail eligible capital investment subsidy:

1. Definition: Hotel / Resort Project – Budget Category:

"Hotel" is an establishment providing accommodation, meals, and other services for travelers and tourists.

"Resort" is a hotel used for relaxation, recreation, attracting visitors for vacations and/or tourist.

"Hotel or Resort Project – Budget" means Hotel or Resort classified under 1 star or 2 star classification of hotels or resort as per the guidelines of Ministry of Tourism, Government of India.

The following are the mandatory specifications, which are mandatory for a Hotel or Resort Project - Budget Category:-

1. The minimum project site area shall be 6,000 sq. ft. Land conversion required for the purpose of construction and operation of the Hotel / Resort must be done.
2. The Hotel / Resort must have minimum 20 lettable rooms, all rooms with outside windows / ventilation.
3. The minimum size of each room should be 130 sq. ft.
4. The minimum size of attached toilet for each room should be 40 sq. ft.

2. Definition : Hotel / Resort Project – Premium Category:-

"Hotel" is an establishment providing accommodation, meals, and other services for travelers and tourists.

"Resort" is a hotel used for relaxation, recreation, attracting visitors for vacations and/or tourism.

"Hotel / Resort Project – Premium" means Hotel or Resort classified under 3 star or above classification of hotels or resort as per the guidelines of Ministry of Tourism, Government of India.

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The following are the mandatory specifications, which are mandatory for a Hotel or Resort Project - Premium Category :-

1. The minimum project site area shall be 10,000 sq. ft. Land conversion required for the purpose of construction and operation of the Hotel / Resort must be done.
2. The Hotel / Resort must have minimum 30 lettable rooms, all rooms with outside windows / ventilation.
3. The minimum size of each room should be 150 sq. ft.
4. The minimum size of attached toilet for each room should be 40 sq. ft.

II. Following are focus tourism destinations in each district at the outset of Karnataka Tourism Policy 2020-26.

Tabel-1

Sl.No.	District	Focus Tourism Destinations in the District
1	Ballari, Belagavi, Chamarajanagar, Chikkamagaluru, Dakshina Kannada, Davangere, Dharwad, Hassan, Haveri, Kalaburagi, Kodagu, Ramanagara, Shivamogga, Tumakuru, Udupi, Uttara Kannada, Vijayanagar and Vijayapura.	Entire District
2	Bagalkot	Aihole, Badami, Pattadakal, Kudala Sangama
3	Bengaluru Rural	Dobbaspeta, Doddaballapura
4	Bengaluru Urban	Not identified any destination
5	Bidar	Bidar, Basavakalyan
6	Chikkaballapur	Chikkaballapur, Gauribidanur, Muddenahalli, Nandi Hills
7	Chitradurga	Chitradurga, Hiriyur

Tabel-1[Cont.]

Sl.No.	District	Focus Tourism Destinations in the District
8	Gadag	Dambal, Gadag, Lakkundi
9	Kolar	Avani, Kolar, Kolar Gold Fields
10	Koppal	Anegundi, Itagi, Koppal, Munirabad
11	Mandya	Adichunchunagari, Kokkarebellur, Melukote, Srirangapatna, Shivanasamudra
12	Mysuru	Bylakuppe, Mysore, Nanjangud, Somanathapura
13	Raichur	Hatti, Maski, Raichur
14	Yadgir	Shorapur, Yadgir

III. As per Tourism Policy 2020-26, details of capital investment subsidy available for different categories hotel and resort activities of the hospitality sector as detailed below:

Tabel-2

Sl. No.	Tourism Project	Minimum Eligible Project Cost [EPC] Investment for project	Percentage of Capital Investment Subsidy against EPC (%)	Maximum Ceiling Amount of Capital Investment Subsidy	Locations where Capital Investment Subsidy shall be Provided
1	Budget Hotel / Resort Project (1-star or 2-star classification)	Rs.5.00 Crore	15%	Rs.2.00 Crore	Focus Tourism Destinations [Excluding Municipal Corporation limits of Bengaluru, Hubli-Dharwad, Mangaluru and Mysuru].
2	Premium Hotel / Resort Project (3-star or above classification)	Rs.10.00 Crore	15%	Rs.5.00 Crore	Focus Tourism Destinations (Excluding Municipal Corporation limits of Bengaluru, Hubli-Dharwad, Mangaluru and Mysuru).

NOTE: The hotel / resort must obtain requisite star classification as per guidelines of Ministry of Tourism, GoI to be eligible for capital investment subsidy.

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Additional Capital Investment Subsidy: In addition to the capital investment subsidy outlined above, new and expansion hotel and resort projects may be eligible to claim additional investment subsidy to following categories:

Table-3

Sl. No.	Criteria for Additional Subsidy	Additional Percentage Subsidy against EPC of the Tourism Project
1	Tourism Project is undertaken by Women, SC, ST or differently-abled Entrepreneur	5%
2	Project is a Hotel Project – Premium that is undertaken at Focus Tourism Destination within district of Kalyan Karnataka region viz., Ballari, Bidar, Kalaburagi, Koppal, Raichur, Vijayanagar and Yadgir.	5%

The maximum ceiling amount of capital investment subsidy for the respective tourist project shall remain unchanged when claiming additional capital investment subsidy. Applicants may claim additional capital investment subsidy under only one of the above mentioned criteria, not both.

IV. Following are other mandatory specifications for both Budget and Premium categories hotel and resort have to be adopted to avail eligible capital investment subsidy:

1. The Hotel / Resort [applicable to both Budget and Premium categories]- must have lounge or seating area in the lobby. The lobby shall have furniture and fixtures which shall include chairs / arm chairs, sofa, tables and fresh floral display.
2. The Hotel / Resort [applicable to both Budget and Premium categories]- must have a clean and hygienic kitchen.
3. The Hotel / Resort [Budget category]- must have minimum one dining room serving all meals.

4. The Hotel / Resort [Premium category] must have at least one multi-cuisine restaurant cum coffee shop.

5. The Hotel / Resort [Premium category] - All 4-star and above category hotel/resorts must have at least one suite, in-room safe, bar (where bar license is not prohibited under state law), in-room tea/coffee making facility, under-belly screening for vehicles, business centre, etc. as part of the facilities and services.

6. The Hotel or Resort [applicable to both Budget and Premium categories]- should be designed to ensure proper access to all people, including differently abled and elderly users. Measures should be taken such that all users can approach, enter, or leave the facility independently and can reach and use its facilities without undue difficulties. The Hotel / Resort should have facilities / infrastructure such as wheelchair accessibility, ramps with anti-slip floors, way finding signage, handrails on staircases, barrier free public washrooms, accessibility to public areas, accessible car park, information available in Braille, etc. to make the Hotel / Resort barrier-free and accessible to all.

7. The Hotel / Resort [applicable to both Budget and Premium categories]- must provide adequate parking facilities in relation to the number of rooms and banquet / convention hall capacity. There should be exclusively earmarked 'accessible parking nearest to the entrance' for differently abled guest.

8. The Hotel / Resort [applicable to both Budget and Premium categories]- should provide stay facilities / dormitories for drivers.

9. The Hotel / Resort [applicable to both Budget and Premium categories]- must adopt eco-friendly practices –

- a. Must have sewage treatment plant.
- b. Must have waste management system.
- c. Must adopt rainwater harvesting measures
- d. Must adopt pollution control methods for air, water and light
- e. Must use non-CFC equipment for refrigeration and air conditioning.

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10. The Hotel / Resort [applicable to both Budget and Premium categories]- must have all necessary licenses / no objection certificate (NOC) from the relevant local authorities and any other concerned authorities, as may be applicable for the respective project.

11. The Hotel / Resort [applicable to both Budget and Premium categories]- must be classified under 1-star or 2-star classification [budget category hotel / resort] and 3-star or 4 star classification [premium category hotel / resort] as per the latest guidelines issued by Ministry of Tourism, Government of India.

Note: Mandatory Specifications means the project specifications that must be mandatorily provided or undertaken by the Eligible Project to be eligible for capital investment subsidy, interest subsidy, exemption of stamp duty, concessional Registration charges and reimbursement of land conversion fees under Karnataka Tourism Policy 2020-26.

[Source - Tourism Policy 2020-26 and Operational Guidelines for Subsidies, Volume 1- of Tourism Policy 2020-26, Dept., of Tourism, GoK.]
