CHAPTER -III

MARKETING STRATEGIES OF MAHARASHTRA TOURISM DEVELOPMENT CORPORATION

3.1) Introduction:

Maharashtra Tourism Development Corporation (MTDC) has been established under the Companies Act, 1956, for systematic development of tourism on commercial lines, with an authorized share capital of Rs.2500.00 lakhs. The paid up share capital of the Corporation as on 31st March 2001 is Rs. 1462.38 lakhs. The Corporation receives from the State Government financial assistance in the form of share capital contribution. The Maharashtra Tourism Development Corporation offices received little government financial support, which is extremely essential. The main purpose of MTDC is to promote the tourist products of the State. And for any promotional efforts minus sufficient finances for promotional literature little can done. Again the employees of MTDC are not armed with any professional education in tourism. Naturally most of its publications are created and published by professional advertisers and Public Relation Officers. Till two to three years back the promotional literature was of a very poor quality due to lack of funds. However, since last two years MTDC has started producing quality promotional literature. But unlike Department of Tourism, Government of India this literature is not free of charge and is sold to all those who are interested. As in most regions another major problem is that the counters of MTDC at the airport and railway station are not
manned. Hence though the MTDC board is displayed there is no staff to run these counters and distribute the publication.

The State Government has entrusted all commercial and promotional tourism activities to this Corporation. MTDC has been equipped with different marketing cell which are as follows:

3.1.1 Promotion/Marketing Cell of MTDC

MTDC’s existing marketing department would handle promotion and publicity campaigns directed towards both tourists and investors. This department would work closely with other departments such as forests, ASI, arts and culture and promote tourist attractions related to all these departments.

3.1.2 Market Research, Planning and EIA Cell

The market research and planning department of MTDC would undertake feasibility study and detailed project reports for short-term projects. This cost can be recovered from the private investors taking up that project. This cell would also perform an essential function of continuous monitoring of the impact on environment of a particular destination due to increase in the tourist inflow and setting up of new tourism projects. This continuous monitoring would be essential to assess the carrying capacity of that particular destination in terms of tourist arrivals or tourism projects after which any increase in either would have a negative impact on the environment. When such a point in the development of any destination is reached, the EIA cell would, advice the TDCC
The marketing strategy would thus involve

(a) Destination Prioritization (Time of implementation)

(b) Target customer – Location (Foreign/ Inter state/ Local/ Weekend)

(c) Target Customer – Income Group

(d) Target Customer – Purpose of travel (Pilgrimage/ Leisure/ Business/ Special Interest/ Nature)

(e) Targeted Tourist inflow

(f) Target investment inflow at each destination

(g) Marketing strategy to attract investors

Marketing department of MTDC could target private entrepreneurs, funding agencies like TFCI, MSFC, World Bank, ADB etc for investments in different types of projects in Maharashtra. Several initiatives can be conceived to reach out to the potential investors to offer them opportunities to invest in tourism projects in Maharashtra.

1. Seminars, presentations and exhibitions showcasing investment opportunities in Maharashtra at national and international travel and tourism exhibitions
2. Presentation to various organizations in the tourism industry such as Indian Association of Amusement Parks and allied Industries (IAAPI), FHRAI etc and conveying to them the perspective plan proposed by the Government.

3. Distributing printed brochures to potential investors providing

- Information on tourist destinations
- Current and potential tourist inflow
- Projects identified and investments required
- Incentives and assistance given by the government
- Investment procedure

3.2) Media Publicity planning

Publicity in the print and audio-visual media could be used to promote individual destinations, circuits and even the entire state. Such promotion of destinations could serve a dual purpose of attracting tourists as well as investments to that destination. The promotion campaign could promote selected destinations depending upon the target audience and development priority of that destination. E.g. If development of tourism in the Lonar crater will become the priority in the next 3 years, promotion of Lonar should also be done at that stage. A combination of media tools should be used depending on the destination type and the target audience. This is necessary to achieve the exact degree of repeat exposure and acceptance so as to create a "desire to
visit” in the minds of the target customer. It should be noted here that a good promotion campaign is only successful if a sound distribution network backs it. Similarly, in tourism industry, a good promotion campaign will attract tourists on a sustainable basis only if it is backed by good accessibility to destinations, tourist infrastructure and Tourist retaining capability. In addition to this, Maharashtra as a destination should be promoted amongst international tourism writers. Tours should be hosted for travel writers from East Asian and European countries. The two regions that should be targeted as the primary attractions for foreign tourists are the Buddhist caves of Ajantha - Ellora and the beaches.

3.3) Road shows and exhibitions

Maharashtra tourism department should take part in international tourism exhibitions to propagate and enhance the “Maharashtra Unlimited” brand image amongst international tourists and tour operators.

3.4) Newspaper articles and interview

Interviews and articles on particular destinations or tourism policy on the whole can be used as a tool to invite private investors in the tourism sector. Such articles and interviews can appear in publications of associations related to tourism industry, travel magazines and other business magazines and newspapers. Such a publicity campaign can address the target audience of private entrepreneurs and other funding agencies. This can be particularly used
in promoting medium and long-term destinations and projects such as Lonar, Lake District development project, and IT Museum in Pune.

3.5) FAM tours for tour operators

National and international tour operators should be called for a free visit to priority destinations of the state government and information regarding the destinations should be disseminated to them. Tour operators should be encouraged to visit the priority destinations more often through alliances between tour operators and MTDC. Special efforts for promotion.

Destinations in Maharashtra are primarily domestic destinations confined to tourists from within the state. Maharashtra needs to market its destinations throughout India to attract interstate visitors. More stress must be laid to address tourists from other states. Moreover, within Maharashtra, the “word of mouth” plays a big role in promoting the tourist destinations. Destinations in Maharashtra can be marketed in other states and throughout India through television game shows. Sponsoring all expenses paid tours to destinations in Maharashtra to winners of TV game shows could be one of the ways to market Maharashtra destinations to medium and high-income groups. Maharashtra tourism could also be marketed by holding road shows and exhibitions on Maharashtra tourism in states like Gujarat and West Bengal. Alliances with transporters, international airways, and international tour operators MTDC could go in for alliances with international and domestic transporters and tour operators outside Maharashtra for Joint destination promotion campaigns.
MTDC has, since its inception, been involved in the development and maintenance of the various tourist locations of Maharashtra. MTDC owns and maintains resorts at all key tourist centers and having more resorts is on the plan.

3.6) Action Plan :-

The following action plan will be implemented in the next five years to achieve the above objectives and the long-term vision for 2025.

1. **Development Of Infrastructure At Tourist Destinations** - Various tourism facilities such as accommodation facilities, eateries, toilets, information centres, etc. would be developed at all destinations. For this, the incentive policy proposed will encourage private partnership in tourism related activities and infrastructure development. Access to weekend destinations (hill-stations, beaches etc.) near major cities in Maharashtra would be given preference.

2. **Accessibility To Tourism Destination And Wayside Amenities.** – Approach roads would be identified to various tourist destinations in Maharashtra. The roads would be assessed for suitability (carrying capacity, quality, etc.) and would be considered for further development. Wayside amenities would also be planned while developing roads.

In addition, rail linkages and air connectivity to important tourism destination must be strengthened by co-ordination with the concerned departments and ministries.
3. **Development Control Regulation At Destinations.** - `Development Control Regulations` would be prepared to work as guidelines for development at and around important tourism destinations/ areas.

4. **Strengthening Of Bed And Breakfast Scheme** – The Bed and Breakfast scheme creates facilities for travellers at remote destinations (where hotel accommodation is not available) and provides income to the local people. With the increasing interest in the rural way of life and the advent of rural tourism, the Bed and Breakfast Scheme offers excellent potential for the mutual benefit of tourists and the local population. This Scheme will be strengthened to form a part of rural micro-financing projects.

5. **Recreational Facilities At Destinations** – Entertainment facilities such as children’s sports, horse rides, light and sound shows (based on feasibility) will be arranged at selected destinations. Providing recreation and entertainment at tourism destinations can convert day tourists into staying tourists.

6. **Public-Private-Partnership** – Specific destinations and monuments would be identified where public-private-partnership is possible. Conservation plans would be prepared for the identified monuments. The concept of Public-Private-Partnership would also be applied to the development of resorts at select destinations and for the organisation of festivals.

7. **World Heritage Sites** – Conservation and tourism development of three heritage sites (Ajanta, Ellora and Elephanta) are covered under external funding. Special attention will be given to the newly declared site – Chatrapati Shivaji Terminus. A detailed conservation and tourism plan will be prepared to showcase it as one of Mumbai’s tourist attractions.
Other monuments that are suitable to be promoted as world heritage sites would be identified in co-ordination with the concerned agencies such as ASI, State Directorate of Archaeology, etc.

8. Cultural Tourism – Distinctive aspects of Maharashtra’s rich culture and tradition would be identified and promoted as an integral part of Maharashtra’s tourism.

Identify and promote the State’s folk dance and music programmes at tourist destinations:

- State government would identify the artistes in the state and the details (name, art/dance type, contact details, etc.) of these artistes would be recorded in the tourism portal.
- Register the artist or his/her group.
- Arrange cultural programmes at MTDC resorts/destinations involving local art forms.
- Prepare and organize a calendar of festivals specially focused to attract tourists.
- Local cuisine would be identified and promoted at MTDC resorts Food festivals showcasing various types of Maharashtrian cuisine would be organized.
- Identify local meals/ festivals that have been traditionally held for many years to showcase these traditions.
9. Crafts – Since Maharashtra has a number of exclusive handicrafts; the government would undertake the following activities to promote the handicrafts industry in the state:

- Appoint a design agency to develop products based on local crafts.
- Based on their recommendation, training will be arranged for artisans to develop various products.
- Develop and promote the State’s handicrafts industry through e-commerce.
- Handicraft artisans of various crafts would be identified. Quality of the products would be standardized and products would be marketed through e-commerce.
- On-line / e-commerce application would be develop and backward linkages would be established with the artisans.
- Simultaneously, marketing support in terms of providing common sale outlets like bazaars and haats would be provided for handicraft products.

10. Pilgrimage Circuits – Maharashtra is known for its pilgrimage centres like the Jyotirlingas, the Ashta Virayaks and other famous temples at Shirdi, Pandarpur, Kolhapur, etc. Pilgrim circuits can be developed, connecting these pilgrimages.

Maintaining sanctity and cleanliness at the place of pilgrimage is of utmost importance to provide an enhanced experience and attract more tourists. The responsibility for development of pilgrimage centres has been entrusted to the Urban Development Department or Rural Development Department vide G.R.No. MIS 7896/1830/CR-78/96/UD-18, dated 17th May, 1996. Maharashtra
tourism would assist the Urban Development Department and Rural Development Department for preparing a development model which can be applied to all pilgrimage sites. However, the nodal department will be the Urban Development Department/ Rural Development Department.

11. **Rural Tourism** – Rural Tourism, Agricultural Tourism & Wine Tourism will be promoted considering state potential & varieties existing in our state.

12. **Fort / Fort Circuits** – Maharashtra has a large number of forts which are valued not only for their historical significance but also for their architectural excellence. These forts will be conserved and developed by the Archaeological Survey of India and State Archaeology respectively. The Tourism Department will support the schemes wherever necessary.

13. **Application of Information Technology for Tourism** – Effective utilisation of the website/ portal for tourism promotion of Maharashtra in India and abroad would be ensured. Online advertising material would be prepared by MTDC and posted on the portal. Online bookings for the Deccan Odyssey as well as all MTDC resorts will be operationalised.

14. **Information Kiosks** – Government of Maharashtra would create kiosks at important airports, railway stations, bus stations and important public places to provide tourism information on an interactive basis with links to the tourism portal and on-line booking systems.

15. **Creating Awareness** – Create awareness among people about the importance of tourism, how to identify and plan tour options and on how to be an enlightened tourist. This would also include creating awareness about safety and environmental awareness.
16. Safety and Security – The Tourism Department will formulate the guidelines for the safety of tourists on the beaches of State as well as the those tourists venturing into water sports activities.

17. Training and Capacity Building – Carry out training needs assessment for tourism staff and plan for training programmes, with a view to capacity building of all partners and stake holders in the tourism sector. This will be in co-ordination with the "Atithi Devo Bhava" programme of the Central Government.

18. Coordination and Monitoring – State Government would form a committee involving the Department of Tourism, MTDC, and other related departments to play a coordinating role. This committee would also identify developmental needs (either infrastructure or site facilities) at various destinations.

Special Task Forces would be created for the following activities: Public-private-partnership, arts and crafts, pilgrimage tourism, Development Control Regulations at destinations.

19. Organisational Review – A thorough review of institutional and staffing requirements of the Department of Tourism and MTDC would be taken up for restructuring the roles and functions of departments/individuals, based on the needs of tourism development in the State.

20. Nodal Office in New Delhi – A Nodal Office in New Delhi will focus on marketing for the Deccan Odyssey and bookings for Maharashtra Tourism and MTDC resorts apart from liaising with other departments and agencies and handling promotional activities.
21. **Single Window Clearance System** – The Government will create a system for single window clearance for facilitating tourist projects in consultation with all concerned departments.

22. **Tourist Survey Statistics** – Periodic tourism statistics are not readily available in Maharashtra. A mechanism would be developed to collect tourism statistics in the State. Availability of periodic statistics will help in analysis and deriving recommendations for better tourism management. Certain statistics are available through sale of tickets. To get complete statistics, MTDC would:

- Tied up with various tourism related institutes such as ASI, State Directorate of Archaeology.
- Develop information requirement formats and send to the above agencies.
- Develop a computerized database to store and analyse the data collected.
- Collect monthly data/information.
- Conduct periodic (may be yearly/once in two years, etc.) tourist surveys and impact analysis.

23. **Evaluation And Outcome Budgetting** – From the financial year 2005-06, Government of Maharashtra has initiated the process of evaluating each department by the outcome of their schemes. The emphasis has shifted from merely spending funds to the actual utility and outcomes of the funds spent. Accordingly, parameters would be identified and reviewed such as tourist arrivals, increase in employment generation, district (area) domestic products etc. Studies would be regularly held either through Government Departments or Universities, Colleges and private agencies to assess the impacts and
outcomes of tourism projects on a sample basis. Also, feasibility studies would preferably be undertaken before embarking on tourism projects where huge investment is required so that unfruitful expenditure can be avoided.

3.7) Coverage

Coverage under the Tourism Policy-2006 – Tourism Projects in the Private Sector, State Public Sector/Joint Sector and the Co-operative Sector but not in the Central Public Sector will be considered for the incentives under "The Tourism Policy-2006". The proposed tourist facilities shall be open to all and shall not be confined to the exclusive use of any particular individual or members of any group or club or have any such other restrictions.

3.8) Eligible Units

1. Hotels, Heritage Hotels, Resorts and Health Farms, Health and Wellness spa and units registered under the Bed and Breakfast scheme of MTDC.


3. Apartment Hotels/Service Apartments.


5. Arts and Crafts Villages.


7. Camping, Caravanning and Tent Facilities.

8. Arial Ropeways.


11. Adventure Tourism Projects.


15. Projects approved by classification Committee of the Tourism Department of the State Government or Government of India.

3.9) Eligible Capital Investment

The term "eligible capital investment" means investment in capital assets acquired and paid for and shall include investment in:

1. Land/area in effective possession with legitimate legal rights as per the requirement of the project.

2. Building i.e. any built-up area used for the eligible unit including administrative building, residential quarters, and accommodation for all such facilities as required for the running of the unit.

3. Plant and Machinery, Amusement rides/games, Air-conditioning equipments and other equipments as are necessarily required and exclusively used for sustaining the working of the eligible unit but will not include vehicles, furniture and fixtures, cutlery, crockery and utensils.

4. The cost of development of the site of the location of the eligible unit, such as fencing, construction of internal roads, landscaping and other infrastructural facilities which the eligible unit has to incur under the project.
5. Existing hotels which have not got any incentives either from SICOM or MTDC in the past, will be encouraged to convert themselves into at least three star category hotels by offering them incentives for a period of 3 years only, limited to 75 per cent of their eligible Fixed Capital Investment [Gross block as on 31st March 2007]

6. Consultancy charges/ feasibility report charges (not more than 2 per cent of total project cost)

7. Installation charges.

8. The amount paid as non-refundable interest-free deposit to the electricity service provider or other Power Supply Company for supply of power to the eligible unit or to any other agency for similar purpose.

9. Above investment should be made by an eligible unit during the operative period of the scheme. Investment prior to or subsequent to the operative period will not be eligible for incentives.

3.10) Not Eligible

The following investment shall not be eligible for incentives viz. (1) Working Capital, (2) Goodwill, (3) Preoperative expenses, (4) Second-hand plant and machinery purchased or shifted from within the country, (5) Interest capitalized, (6) Trucks, cars, vans, trailers, tractors and transport vehicles except approved sight-seeing buses operating in Municipal Corporation areas which are registered as such and approved by the concerned transport authorities.
- Any investment in any asset, which has a life span of less than five years, except Tents.

- Eligibility period – means the period of 3 years (or 5 years in case extension is granted) with effect from the date of eligibility certificate or such lesser period as may be prescribed, provided that the last date shall not fall after completion of the operative period.

The effective steps shall comprise of (a) initial and (b) final steps:

A. The initial effective steps will include:

   i. Effective possession of land by an eligible unit free from all encumbrances and with legitimate legal rights.

   ii. Registration in respect of company/co-operative society/Trust with the respective registering authority. In respect of partnership firm, evidence of execution of a partnership deed and requisite application with the payment of necessary registration fees with the Registrar of firms.

   iii. Submission of project, report specifically mentioning the category of tourism activity (coverage) and the incentives that are proposed to be availed of by the eligible unit with all relevant details.

   iv. Copy of permissions from all concerned statutory and executive authorities from whom permission is required under various laws.

   v. Registration with the respective authority.
B. The final effective steps shall mean and include:

i. Clearances, if any, from Central/State Government and other concerned authorities for implementing the project.

ii. Arranging of finance for the project to the satisfaction of the incentives sanctioning authority.

iii. Acquisition of fixed assets at site to the extent of 10 per cent of the total fixed assets envisaged for the project, and

iv. Evidence regarding expenditure on the project, including advances and pre-operative expenses paid, aggregating to at least 25 per cent of the capital cost envisaged for the project.

3.11) Implementing Agency

For the purpose of registration and claiming of incentives under the package scheme, the Maharashtra Tourism Development Corporation Ltd. (MTDC) is notified as the Registration Authority.

The tourism unit after taking initial effective steps, shall apply to the MTDC for registration for incentives in the prescribed form.

MTDC shall charge a service charge for processing the application as approved by the State Government.

3.12) Fiscal Incentives

Tax exemption will be available to new units and expansion of existing units (as per the conditions set out earlier) in respect of the following taxes, up to 100
per cent of capital investment or completion of the eligible period of 5, 7 or 10 years, whichever is earlier. The certificate of entitlement and the eligibility certificate shall automatically stand cancelled on completion of the above period or the limit prescribed for eligible investment.

3.13) List of Taxes

1. Total exemption from Luxury Tax (as applicable to Hotels) for a period of 7 and 10 years depending on the location of the tourism project in the B and C zones respectively and 50 per cent exemption for a period of 5 years in A zone.

2. Total exemption from Entertainment Tax/Amusement Tax for a period of 5, 7 and 10 years depending on the location of the tourism project in the A, B, and C zones respectively.

3. Total exemption from Stamp Duty for the projects located in B and C zones and 50 per cent exemption from stamp duty for projects located in zone.

3.14) Electricity Concessions

Electricity duty will be levied at industrial rates for the respective period.

Other Concessions

1. 75 per cent exemption from registration charges and 50 per cent concession from payment of permit charges for sightseeing buses registered as such as approved by the transport authority, having
minimum seating capacity of 25 seats and operating in Municipal Corporation areas and hill stations.

2. Total exemption from Property Tax and Non-Agricultural Tax to all tourism projects run/owned/ by MTDC.

3. The water rate/tariff shall be levied at maximum Industrial Rate.

4. Property Tax shall be charged at Residential Rate.

3.15) NDZ

Many tourism areas can attract a number of foreign as well as domestic tourists provided suitable areas/plots can be offered to such projects. As Government has allowed IT activities in No Development Zones (NDZ), tourism activities such as entertainment centres which include small golfing facilities, tourism villages, handicraft displays with no extra FSI should also be considered in the NDZ.

3.16) Renewal of Licences

Tourism projects require various licenses and clearances like lodging house license, eating house license, Police permissions, license under the Shop and Establishment Act, license under the Food and Drug Admin. Act etc. These licences have to be renewed every year. By this Policy 2006, these licenses/permissions will require renewal every 5 years instead of the present annual renewal.
3.17) Mega Project

Tourism was given the status of industry vide G.R.NO. MTC-0399/C.R.201/Tourism dated, 7th April 1999. The Cabinet has recently approved a policy for mega projects in the industries sector. Since tourism is also regarded an industry, and has the greatest employment generating potential, a policy similar to the policy for industrial mega projects, is proposed for the tourism sector. The proposed structure will be:

<table>
<thead>
<tr>
<th>Area (as proposed in tourism policy 2006)</th>
<th>Investment (rs. In crores)</th>
<th>Employment generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>100</td>
<td>500</td>
</tr>
<tr>
<td>B</td>
<td>50</td>
<td>300</td>
</tr>
<tr>
<td>C</td>
<td>25</td>
<td>100</td>
</tr>
</tbody>
</table>

a. The Tourism project should be eligible for `Mega Project’ either by way of investment or by way of employment generation.

b. The indirect employment generation in tourism industry is very high. Of the employment generation indicated above, not more than 25 per cent employment will be considered as indirect employment.

c. The tourism sector is an employment intensive sector. A single room of 3 to 5 star hotel creates 9 direct employments and 18 indirect employments. Moreover, apart from the skilled, even the un-skilled, and semi-skilled can be absorbed in the tourism sector.
Considering the above, it is proposed that the benefits/ incentives of `Mega Project' as envisaged by Industry Department, should be made available to tourism projects also (as per the table above). A separate proposal would be devised accordingly.

3.18) Special package for Sindhudurg district and other declared tourism areas:

The Government of Maharashtra has declared additional incentives to promote tourism in the rural and backward areas of the state,. The areas that would be developed by MTDC would be called `Tourism Areas'. Sindhudurg district has been declared a Tourism District.

The package scheme of incentives and benefits as mentioned in para 10 will be available for a period of 10 years. Additional incentives as shown below shall also be available in Sindhudurg District and other tourism areas for a period of 10 years.

1. No increase in water and electricity tariff for a period of 10 years. However any actual increase in the cost of operation of these services shall be recovered from the user as per the guidelines issues by the concerned Departments.

2. The capital subsidy scheme which is given to the small scale industry in Sindhudurg, shall be made applicable to the approved projects in the tourism sector.

3. Entry tax on vehicles shall be fully exempted for 10 years.
4. All tourism units will be provided electricity at the industrial rate. Electricity duty shall be levied as per the policy.

3.19) Procedure for Applying for Incentives

1. Tourism units eligible for the incentive scheme will apply to the MTDC Ltd., Mumbai which will scrutinize the applications and issue Provisional Registration adopting the following procedure:

2. MTDC shall give Provisional Registration Certificate in the first instance up to 3 years to the eligible unit after scrutinizing the application received under the scheme.

3. If such a unit is not in a position to complete the project and start commercial operations during the initial validity period, such a unit may apply for extension along with their progress report. MTDC may grant extension for a period of upto 2 years after examining the difficulties experienced by the individual unit in implementing the project and also recording the reasons thereof in writing. However, no extension beyond 2 years shall be granted without Government approval.

4. The unit shall become eligible to apply for Provisional Registration only after taking the initial effective steps as stipulated at 7 (a).

5. The eligible unit shall be issued Eligibility Certificate only after the commencement of commercial operations and further capital investment during the operative period shall be considered, subject to the maximum ceiling of 100 per cent as mentioned in clause 10-fiscal incentives.
3.20) Procedure for claiming incentives

The unit eligible for incentives under the scheme shall apply/inform to MTDC within 180 days of the commencement of commercial operation of the project along with necessary evidence. The MTDC on receiving the information and documents will scrutinize the documents and issue Eligibility Certificate so as to enable the unit to obtain the benefits. (The Eligibility Certificate shall be first forwarded to Sales Tax Department, which in turn shall issue Certificate of Entitlement and put proper date of effect for getting the benefits. Thereafter, MTDC will issue a joint document EC (Eligibility Certificate) + CE (Certificate of Entitlement) to the tourism project, with Government’s approval. MTDC and Sales Tax department shall submit quarterly reports to the Government; Department of Tourism about the number of ECs and CE’s issued.

3.21) Other Conditions

The grant of incentives to tourism units under this scheme shall be subject to the following conditions and on breach of any of these conditions, the incentives granted will be withdrawn with immediate effect.

a. The unit availing the incentives under this scheme shall install and effectively operate and maintain pollution control measures as per the standards prescribed by the Competent Authority in this regard.

b. The unit shall remain in commercial operation continuously for at least 8 to 17 years as mentioned in the EC after it is commissioned. However, in cases where the operation is discontinued due to any reason, the unit shall have to repay the amount of incentives availed.
c. The unit shall furnish details regarding commercial operation, employment, or any other information, which the State Government may require from time to time. The unit shall follow guidelines of the employment policy of the Government regarding employment of local persons.

d. The unit, after getting the eligibility certificate must submit quarterly details to the MTDC of the incentives availed during the eligibility period. Any excess claims of incentives by a unit will be recovered with interest of 2 per cent per month.

e. All matters of interpretation, dispute or contention under the scheme shall be referred to the Empowered Committee under the chairmanship of the Chief Secretary and the decision of the Committee will be final and binding on the applicant unit. The Empowered Committee shall comprise of the Chief Secretary, Secretary (Tourism), Secretary (Energy), Commissioner (Sales tax) and Managing Director, MTDC.

f. MTDC shall be responsible for the administration and implementation of the incentive scheme.

g. Departments related to various incentives and exemption under the Scheme of Incentives under the Tourism Policy 2006, shall issue Government Orders, Resolutions/ Notifications as required under the law for such incentives and exemptions, within a period of one month from the date of this notification.
3.22) Monitoring and Review

Monitoring and review of the fixed capital investment and activities of the eligible units will be done in the following manner:

a. An eligible unit shall, within one month from the date prescribed under the Luxury Tax Act for filing returns, submit to MTDC certified true copies of their returns submitted to the Sales Tax Department from time to time.

b. It shall submit along with the above returns, a report duly signed by a responsible person on behalf of the eligible unit, covering information and details regarding activities and sales indicating the period of stoppage of services and/or closures of the unit, if any, with reasons therefore, addition to the fixed capital investment, disposal of fixed assets, any change in the constitution of the eligible unit, etc.

c. MTDC shall be entitled to call for any information and details relating to the operation of the tourism unit for any period at any time. It shall also be entitled to inspect the properties for verification. The Sales Tax Authority shall independently examine the position, from time to time, in order to ensure that the incentives drawn / availed of are well within the ceiling and related to the tourism projects eligible, or as the case may be, under the scheme of incentives under the Tourism Policy, 2006.

3.23) Land Policy for Tourism

1. One of the problems in tourism development is the non availability of encumbrance – free land for the purpose of tourism. A potential investor in
the industrial sector gets industrial land as per his choice in the various industrial areas developed by the Maharashtra Industrial Development Corporation. The MTDC does not have a similar pool of land available with it. Similarly the MTDC does not have powers of land acquisition like the MTDC. Therefore the tourism potential at many places remains unexploited or exploited haphazardly. It is, therefore, proposed to bring an investor friendly land policy for tourism on the lines of the industrial policy.

2. If an investor approaches the MTDC with a viable project on a particular plot of land and undertakes to bear the cost of acquisition and escalation thereof, the MTDC will acquires such land through the Collector and give the same to the private investor on stipulated terms and conditions in accordance with the Government Rules and Regulations.

3. No modification/ alteration/ deletion shall be made in the lands identified and reserved for tourism in the Town Planning in the State without prior consultation and concurrence of the Department of Tourism, Government of Maharashtra.

3.24) State Guest Houses

There exists a considerable network of State Rest Houses/ Guest Houses all over the State. Some State Guest Houses are located at beautiful locations with good tourism potential. In many remote areas, tourists do not have any accommodation to stay overnight. At the same time, it may not be feasible to create additional facilities at these locations. It is, therefore, proposed to identify State guest houses, at such places which can be converted into Tourist Resorts. This will not only boost the tourism activity in that area, but it will also
generate income through the existing Rest Houses. It is proposed to constitute a High Power Committee to identify such guest houses to be handed over to the Maharashtra Tourism Development Corporation to convert into Tourist Resorts. The Constitution of the Committee will be as follows:

Chief Secretary   Chairman
Secretary (Tourism)  Member
Secretary (PWD)    Member
Secretary (Irrigation)    Member
Managing Director (MTDC)  Member
Dy. Secretary (Tourism)  Member Secretary

The Committee’s task would be:

a. To identify PWD and Irrigation Rest Houses in areas of tourism potential:

b. To assess how much area / part of these Rest Houses can be converted into tourist accommodation like resort, holiday home, restaurant etc.

c. To spell out the modality and the terms and conditions for handing over such identified areas to MTDC; and

d. To monitor and guide MTDC to convert these areas into tourism projects.

3.25) Infrastructure for Tourism

Modern tourism is greatly dependent on infrastructural facilities. In order to promote and destination, it is necessary to have infrastructural linkages in place. Although, Maharashtra has a sound infrastructure base, it still needs to
be fine tuned from the tourism point of view. Tourism infrastructure has not yet been perceived as a single package. It takes about 8-10 years for the development of a particular destination and for all necessary infrastructure to become available there. It is necessary to bring down this duration to not more than two years. At present there is no infrastructure Department or Corporation for planning and development of infrastructure taking into account, the needs identified by the Tourism Department. Hence it is proposed that all infrastructure providing Departments (PWD, Irrigation, Power etc.) and Corporations (MSRTC, CIDCO, MMB, etc) shall reserve a minimum of 5 per cent of their annual budget outlay to be spent strictly on projects and development plans prepared by the Tourism Department.

3.26) Public-Private-Partnership for Development of Tourism Destinations

It is essential to attract investment in the tourism sector in order to upgrade infrastructure facilities as well as to market tourism destinations. Many tourist destinations all over the world have been privatised and are running successfully. This model of PPP should be suitably applied to tourist destinations in Maharashtra.

The privatization policy will help tourism in the following respects:-

a. It will develop the destination as a tourist centre and provide necessary amenities
b. It will help to preserve our heritage and culture which require considerable resources

c. The private investor will work to promote the destination in order to recover his investment. This will boost marketing of the destinations in Maharashtra.

3.27) Mumbai Tourism

Mumbai being the financial capital of the country and the biggest business centre, it naturally attracts a large number of visitors all year. Mumbai receives about 35 per cent of the foreign tourist arrivals in India. It is also estimated that about 70 per cent of tourists, from the South-East Asian countries regard Mumbai as a gateway city while visiting India. Maharashtra will aim to tap this potential by promoting its tourism to this captive base of visitors.

Mumbai's glamour and glitter, shopping plazas and malls, the indomitable spirit of its people and the large number of interesting places in Mumbai, make it a destination of choice. This tourism policy envisages a special focus on Mumbai to develop a Convention Centre, a Mumbai Haat, a "Bollywood" Theme Park and other attractions to make Mumbai an unlimited tourism destination.

Apart from the existing tourist attractions in Mumbai, efforts will be made to create additional tourist attractions as follows:

a. The concept of "Bollywood Tourism" will be developed as this forms a great attraction for tourists coming to Mumbai.

b. Night Cruises will be promoted along the illuminated coastline of Mumbai. Water sport facilities by day could be another attraction.
c. A Mumbai Haat will set up along the lines of the Delhi Haat to promote local, arts, crafts and cuisines.

d. A well equipped Convention Centre in Mumbai

e. Festivals and cultural events will be organized and supported by Maharashtra Tourism.

f. The concept of Medical Tourism will be developed and marketed at international tourism for a.

g. The total star room capacity available in Mumbai is 9100 rooms which is quite inadequate. There is an acute shortage of 3 star, 4 star and budget hotels. The Government will encourage hotels in this category by devising a package of incentives.

h. "Mumbai-by the Hour" information booklets.

i. Shopping festivals in Mumbai.

3.28) Tourism Promotion Council

It has been proposed to form a Tourism Promotion Council; an apex body to guide supervise and monitor the development of tourism and various tourism related issues. The terms and conditions of the council will be notified separately by the Government.

The formation of the Council will be as follows:-

1. Chief Minister - Chairman

2. Dy. Chief Minister - Vice-Chairman

3. Minister (Tourism) - Executive Chairman
4. Minister of State for Tourism _ Executive Vice-Chairman
5. Minister of Finance & Planning - Member
6. Minister of Forests - Member
7. Minister of Home - Member
8. Minister of Revenue - Member
9. Minister of Transport - Member
10. Chief Secretary - Member
11. Secretary (Finance) - Member
12. Secretary (Revenue & Forests) - Member
13. Secretary Tourism & Culture - Member Secretary
14. Commissioner, BMC - Member
15. Metropolitan Commissioner, MMRDA - Member
16. Chief Executive Officer, MMB - Member
17. General Manager, Railways – Member

One representative each of the following non-Government and semi-Government organization will also be members on the council:-

1. FICCI
2. CII
3. Maharashtra Economic Development Council
4. Airport Authority of India
5. Air India
6. Indian Airlines
7. Jet Airways
8. Sahara Airlines
9. Air Deccan
10. FHRAI
11. Film Producers' Association
12. Taxi Union
13. Two leading Tour Operators
14. Two leading Event Manager
15. Two leading Deosthan Trust
16. One person from an organisation having expertise in each of the following sectors (to be nominated by government).
   a. Adventure tourism
   b. Water transport
   c. Wildlife tourism
   d. Medical tourism
   e. Coastal tourism

3.29) Tourism Promotion and Marketing

The marketing and promotional activities for tourism in the State are being undertaken by the MTDC. In order to reiterate our commitment to tourism
development and effective promotion and marketing of tourism in the State, the
following steps will be taken:

(a) Improved Budgetary support of at least Rs. 25 Crores will be ensured in the
State budget of the Tourism Department for marketing and promotion with a 5
per cent increase in the budget allocation every year during the span of this
policy

(b) The Department of Tourism and MTDC will be allowed to participate in a
minimum of 3 important International Tourism Meets/Conventions every
year on the following conditions:

(i) The team will not consist of more than 5 delegates;

(ii) MTDC will not ask for any additional grant or budget for the purpose;

(iii) The Travel Marts or Shows should be globally important events; and

(iv) MTDC will obtain in-principle approval of the Govt. for participation in
specified events at the beginning of each financial year.

(c) M.T.D.C. will identify areas of common interest with other states. The State
Govt. will enter into MOUs that will emphasise the areas of co-operation
between two States, thus maximizing business and promotion of the tourism
sector to mutual advantage. The Corporation will explore the possibility and
viability of having MOU/Collaboration with other national/international
organisations working in the tourism sector, with prior approval of the State
Govt.
(d) Information Technology will be used for the purpose of tourism promotion. The Corporation web site will be further developed and enriched. This will be a dynamic web site giving all necessary information and visuals of tourism in the State. The MTDC will device and implement an online booking system for the Deccan Odyssey train as well as MTDC's resorts in the State. The online booking system can be further extended to the private sector tourism bookings. The Corporation will network all its Regional Offices and important Resorts for instant communication of information.

3.30) TOURIST INFORMATION

a) The type of place (Temple, park etc.)

b) Hotels in the nearby place (this could be picked up from the hotel database)

c) Pictures/movie clips

d) Maps of the place

e) Note of the place - History/ culture/ geography

f) Best time to visit the place

g) Any other reference having tourist interest in and around the place.

The site should have a comprehensive database of all the tourist places in Maharashtra. The information being stored could be The location of place
a. Design should also be done in flash with gimmicks like being able to rotate the image on h. mouse over etc. b.

b. Movie clips - in a streaming media. (Converting the existing movie clips into streaming media and streaming the same on the site)

c. News on the place.

A content management system should be made available to upload all these More parameters will be decided later

a. Bundling together products and services from various service providers.

b. Travel packages to be dynamically created via the Internet that encompasses multiple modes of transportation and accommodation services provided from an array of Travel and hospitality providers The Vendor could look at Collaboration with Government Agencies and Partners: The site should support E-Commerce OLTP (should enable SSL /encryption of required data to ensure security of data and transactions) Creating a Maharashtra Tourism portal with Video, Animation, pictures etc., Digitize all the information and photographs available with MTDC and obtained from other sources etc.,

Providing better visitor management services to enrich the visitor experience. Provide all encompassing tourism portal for information decimation in a self-sustaining revenue model. Designing the tourism information system in order to integrate and exchange data at state and national level. Defining development priorities to facilitate their phased implementation by the concerned agencies. It should be integrated with other Tourism corporations/ bodies within India with the option to connect it with other Government Bodies Links with other
reservation systems like Amadeus/Galileo/Abacus & other international/national systems Indian railways etc The chatting facility is to be provided.

Currency converter solution. Quick search of products and services Time converter solution Broad outline of system specifications.

After visualizing the said policies the study reveals that the presently there are a special funds. Presently there are special funds for publication and printing of promotional literature available to MTDC through the Japanese Bank for International Co-operation. However the published material is safely stored in MTDC’s office without much use for the tourist.

3.31) Publications by Maharashtra Tourism development corporation (MTDC)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>No of Publication</th>
<th>Total no. of Publication</th>
<th>Year of Publication</th>
<th>Quality of Publication</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>02</td>
<td>20,000</td>
<td>1997-2001</td>
<td>Substandard</td>
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<tr>
<td>02</td>
<td>03</td>
<td>20,000</td>
<td>2001-2003</td>
<td>Average</td>
</tr>
<tr>
<td>03</td>
<td>08</td>
<td>50,000</td>
<td>2003-2007</td>
<td>Much better than Average</td>
</tr>
</tbody>
</table>

Source : MTDC Aurangabad

During 1997 to 2001 MTDC published 02 brochures total numbers 20,000 and the quality was substandard. During 2001-2003 MTDC published only 03 brochure again 20,000 publication on Aurangabad and they were average quality and lastly during 2003 to 2007 MTDC published only 08 brochure totally 50,000 brochure but this time the quality was much better than average.
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7. www.expresstravelworld.com
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