

INCREASE IN ENTRY FEE FOR ASI MONUMENTS POSTPONED WITH THE REQUEST OF IATO

There was a proposal by Archaeological Survey of India (ASI) to increase the monuments entry fee by 300 per cent for the foreign visitors for all their monuments. On 31st July 2015, a notification was issued by ASI which they had put it on their website and sought public opinion/objections if any within 45 days from the date of issuance of the notification. However, this came to our notice on 15th September 2015, which was the last date to send the objections/suggestions.

IATO immediately swung into action and objected to such an exorbitant increase especially for the foreign tourists, which was proposed to be increased by 300 per cent. IATO wrote not only to Dr. Rakesh Tewari, Director General, ASI; but also to Dr. Mahesh Sharma, Minister of State for Tourism and Culture (IC) and Civil Aviation; Narendra Kumar Sinha, Secretary, Ministry of Culture; Vinod Zutshi, Secretary, Ministry of Tourism; and Nripendra Mishra, Principal Secretary to the Prime Minister of India.

The matter was constantly being followed up with the Minister and

all their officials as the proposal was to make this increase effective from 1st November 2015. A high priority meeting was called by Dr. Mahesh Sharma, Minister of State for Tourism and Culture (IC) and Civil Aviation where senior officials of Ministry of Tourism, Ministry of Culture and ASI were also present. The Minister has agreed to IATO's suggestions to postpone this implementation from 1st November 2015.

During the meeting, following decisions were taken:

- It is proposed to increase the entry fee from 1st April 2016
- There is a huge gap in entry fee for the domestic and foreign tourists. This gap needs to be narrowed and made realistic; may be gradual increase in step-wise manner.
- A joint meeting of officials of Ministry of Culture, Ministry of Tourism and IATO would be held where all these issues will be discussed.

On behalf of the Executive Committee and members of IATO, Subhash Goyal, President, IATO thanked the Minister and all the officials for listening to their problems.

AIR INDIA CREATES HISTORY, BEGINS DELHI-SAN FRANCISCO DIRECT OPERATIONS

Flag Carrier Air India created history as it commenced the first ever non-stop flight operations between Delhi and Silicon Valley hub, San Francisco with international connections. With the commencement of Delhi-San Francisco operations, Air India became the first airline to offer direct connections from India to the west coast of the United States.

Flight AI 173, a B777-200LR aircraft took off from Indira Gandhi International Airport, Delhi with 230 passengers at 0235 hours. A special cake was cut to celebrate the occasion and passengers were presented with a rose bud each at the time of check-in.

Starting journey from Bengaluru, the flight will travel non-stop from Delhi to San Francisco and passengers travelling to San Francisco will undergo customs and immigration formalities at Bengaluru airport for their onward journey. Flight AI-173 from Bengaluru to Delhi will depart on Tuesdays, Thursdays and Saturdays from Bengaluru at 2115 hours with a A321 aircraft. The flight will arrive Delhi at 2345 hrs.

AI-173 to San Francisco will leave Delhi on Wednesdays, Fridays and Sundays at 0235 hrs and will be operated with B777-200LR aircraft. This flight will arrive San Francisco at 0600 hrs (local time) on the same day. The return flight will depart at 1030 hrs and arrive at Delhi next



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FROM THE PRESIDENT'S DESK

Dear Members,

Greetings from IATO!

Since conclusion of our Convention, our members also became very busy with Madhya Pradesh Travel Mart, ITB Asia in Singapore and Maharashtra Travel Mart. Interactive meetings in course of these events were very useful for our members. Our members could raise specially with the state governments Maharashtra, Madhya Pradesh various issues and challenges being faced by tour operators in offering packages for these states specially for Madhya Pradesh about Tiger Safaris and for Maharashtra about shortage of guides, road taxes etc.

IATO delegation led by Pronab Sarkar, Secretary held a meeting with Chief Minister of Delhi and Tourism Minister of Delhi and apprised them of issues and latest development related to increase in luxury tax, safety issues. Poor road infrastructure and continuous decline in business due to negative publicity in Press about Delhi. There were trade delegations for China, Ethiopia and we could meet them over lunch and discuss matters of mutual benefit.

Soon after that World Travel Market (WTM) London took place from 2-5 November 2015. I am happy to share that Ministry of Tourism represented 'Team India' at this year's WTM London with a participation of 13 State Tourism Boards and Union Territories, 3 Public Sector Undertakings (PSUs) and 30 Private Stakeholders, making it the biggest contingent so far. IATO members also actively participated in large numbers at the Mart.

IATO has been successfully able to defer the increase in entry fee for ASI monuments. There was a proposal by Archaeological Survey of India (ASI) to increase the monuments entry fee by 300 per cent for the foreign visitors for all their monuments. IATO immediately swung into action and objected to such an exorbitant increase. The matter was constantly being followed up with the Minister and all their officials as the proposal was to make this increase effective from 1st November 2015. A high priority meeting was called by Dr. Mahesh Sharma, Minister of State for Tourism and Culture (IC) and Civil Aviation where senior officials of Ministry of Tourism, Ministry of Culture and ASI were also present. The Minister has agreed to IATO's suggestions to postpone this implementation till 31st March 2016.

Moving ahead with market penetration, our members participated in China International Travel Mart (CITM) where India was the Guest of Honor country. Dr. Mahesh Sharma, Minister of State for Tourism (Independent Charge), Culture (Independent Charge) and Civil Aviation, led the Indian delegation to Yunnan, China. Our members were present in good numbers and also took booth in India Pavilion and held B2B sessions with tour operators in the region. The event is expected to increase arrivals from China as a follow up to the India Festival in China.

I wish you all best wishes for Merry Christmas and New Year 2016.



Subhash Goyal

IATO SUBMITS BUDGET RECOMMENDATION FOR 2016-2017

Indian Association of Tour Operators (IATO) presented its suggestions for Union Budget 2016-17 on behalf of the tourism industry.

1. Exemption of Service Tax on Foreign Exchange earned by the tour operators for inbound and outbound tours: The operators are being heavily taxed under various heads including the service tax and are paying between 27-30% taxes to the government for transport by road, rail and air; providing hotel accommodation; providing food facilities in restaurants; providing cabs; and visit to monuments and guide services.

Recommendation: It is suggested that the conditions of rule 6A for export of services in the case of tour operators may be relaxed and the services of tour operators earning foreign exchange for the country may be accorded with the status of export of services and accordingly may be exempted from whole of service tax.

2. Extension of CENVAT credit benefit to tour operators paying service tax on abated value: Tour operators providing services in relation to tour are presently required to pay service tax on the abated value. The abatements are available to tour operator only if he does not avail the facility of CENVAT credit on inputs, capital goods and input services used for providing the taxable services. In absence of availability of CENVAT credit, the tour operator by implication has to deposit service tax on the abated value in cash.

Recommendation: It is recommended that as in the case of hotels, the tour operators may be allowed benefit of CENVAT credit in respect of service tax charged by all the service providers including counterpart tour operators, hotels, cab operator/transporter, rail/air travel agent, tourist guide, foreign currency sellers/ money changers etc.

3. GST on tourism industry: As regards GST model that is proposed by the Govt. for implementation from April, 2016, we learn that a dual GST structure with defined functions and responsibilities of the Centre and the States is recommended by the Joint Working Group of Goods and Services Tax. The GST will have two components- one levied by the Central Govt. (Central GST) and the other levied by the State (State GST). We further learn that the rates for Central GST and State GST would be prescribed appropriately, reflecting revenue considerations and acceptability. The dual GST model may be implemented through multiple statutes— one for Central GST and State GST for every State. Since Central GST and State GST will have be treated separately, the taxes paid against Central GST will be allowed as Input Tax Credit (ITC) against output Central GST. The same principle will apply to the State GST. Cross utilization of Input Tax Credit between the Central GST and State GST would not be allowed. The Association has gathered these salient features of the proposed GST framework from the first discussion paper of Goods and Service Tax in India released by the Central Govt. in November, 2009.

As far as the tourism industry is concerned, it is undisputed that the tour operators through conducting in-bound tours are earning prestigious foreign exchange for the country through their services to the overseas tourists in relation to their tours in India and neighboring countries. The payment for the services extended to the foreign tourists/foreign agencies are realized by the tour operators' community in convertible foreign exchange. With a view to give further boost to the tourism industry in the country, the recommendation of IATO is that the services of tour operators earning foreign exchange for the country may be accorded with the status of export services and accordingly exempted from whole of both Central GST and State GST. At this stage, we would like to recall that prior to 01.03.2003, the foreign exchange earned by

tour operators were fully exempted from service tax by the earlier NDA Govt. under the leadership of then Prime Minister, Atal Bihari Vajpayee. We, therefore, urge the Ministry of Finance for re-introduction of tax exemption from the proposed GST in respect of foreign exchange earnings of tour operators.

We would like to highlight the rates of GST/VAT which is 0% in Malaysia and Singapore on the tourism sector and tabulated as under:-

S.No.	Name of Country	Rates of GST in general	Foreign Tourist Arrival in 2013 (in millions)	Rate of GST on export of Goods and Services
1.	Malaysia	6%	25.72	0%
2.	Singapore	7%	15.50	0%
3.	India	18% (Govt. proposed)	6.41	IATO recommends 0%

Just to apprise you that:-

- Interstate Passenger tax, State Road Tax and Toll Tax are not covered in GST- Therefore, our demand of Seamless travel and uniform road tax would not be possible if this is not covered under GST.
- Petroleum products, crude oil, spirit Air Turbine Fuel (ATF) and High Speed Diesel (HSD) should be covered under GST with uniform policy for petroleum products like ATF and HSD for aircraft and tourist vehicles.
- If these are not included in GST and maintained, the airfare and transport cost will not be rationalized and keep fluctuating.

The benefit of GST shall not have any impact on tourism since operational expenses in the form of government taxes are not covered under GST i.e. Tax on Patrol, diesel, ATF, Airport Tax, interstate road tax and toll tax. The main purpose of GST is to avoid multiple/double taxation and tourism is being charged multiple taxes and all taxes being levied, directly or indirectly should be covered under GST to avoid multiple/double taxation.

Recommendation: IATO recommends that 0% GST may be applied on the Export of Services against foreign exchange earning so that this will help firstly, avoid multiple taxes on tourism services and secondly, we can compete with our neighboring countries and attract more International Tourists to our country and earn valuable foreign exchange.

4. Double taxation on Outbound Tours: Indian tourist those who wish to visit abroad come in contact with the tour operators in India. The payments are being received by the Indian tour operators but substantial amount (roughly 90%) is spent by Indian tour operator for making all arrangements. This situation leads to the double taxation on the outbound tour, firstly in India and secondly outside India, whereas the objective of the proposed provision, as per the guidelines of the Government is to avoid double taxation.

Recommendation: It is recommended that in case of outbound tour, as per the Government policy decision stated in Instructions F. No. B. 43/10/97-TRU, dated 22-8-1997 only the service portion, which is rendered in India, should be taxed and rest should be out of the service tax. This may kindly be reintroduced.

5. Service Tax Litigations: Litigations in service tax department are increasing due to frequent changes in service tax laws.

Recommendation: It is therefore suggested that the Service Tax Laws should be made simple so that tax payers are not confused and they can understand and follow the rules. This would reduce the litigation part.



IATO ORGANIZES ITS LAST LUNCHEON MEETING FOR THE YEAR 2015

Indian Association of Tour Operators (IATO) organized its last luncheon meeting for the year 2015 on 2nd December at Hotel The Royal Plaza, New Delhi. Sarab Jit Singh, Senior Vice President, IATO; Pronab Sarkar, Secretary, IATO; Ravi Gosain, Joint Secretary, IATO; and Amaresh Tiwari, Treasurer, IATO were present at the meeting.

Sarkar gave the opening remarks and made some in-house announcements like resolving of the guide issue. "We have been able to resolve the guide and the fees issue. Tourist Guide's Federation of India (TGFI) has raised some points and therefore we are having a Guide Committee meeting on 10th December 2015 to take things forward," he said.

He also updated the members on the issues related to delay in biometric process at the airports, IATO budget recommendations and recommendations for the Civil Aviation Policy. The issues related to Electronic Tourist Visa (e-TV) were also discussed like the need for Multiple Entry Visa as most of the tourists who take India holiday package often add visit to neighboring countries like Nepal, Sri Lanka, Bhutan, Bangladesh etc. and extending the validity for minimum 60 days and preferably for 90 days.

Practice of dual tariff for luxury trains by Karnataka State Tourism Development

Corporation (KSTDC), Maharashtra Tourism Development Corporation (MTDC) and Rajasthan Tourism Development Corporation (RTDC) was also discussed during the meeting. The state governments have set a tariff for the luxury train in foreign currency (US Dollars). The matter was taken up with the state government officials that there should be only one INR Tariff, both for Indians and foreign tourists as members are losing money on payments. Raj Bajaj, EC Member, IATO updated the members on his recent meeting with the MTDC officials who has agreed to follow INR for all nationalities, which they will confirm soon.

While addressing the meeting, Sarab Jit Singh informed that during their recent meeting with the Secretary, Ministry of Civil Aviation, certain decisions have been taken to support the airlines by charging zero landing fees and zero VAT on Air Turbine Fuel (ATF) at Tier II and Tier III tourist destinations.

Anjana Gosain highlighted the issues related to guide problems at Fatehpur Sikri and policy decision for future guides. Indranil Roy, President and Publisher, Outlook Group gave a presentation on their upcoming Outlook Traveller Responsible Tourism Summit on 09 December 2015 and invited the members in large numbers. Mamta Pandey from Madhya Pradesh Tourism informed the members about the upcoming Water Festival to be held from 12-21 February 2016 at Indira Sagar.



SWACHH BHARAT CESS COMES INTO EFFECT

The levy of 0.5 per cent Swachh Bharat Cess (SBC) on taxable services came into effect from November 15, 2015. With the imposition of the cess, the service tax rate will go up from 14 per cent to 14.5 per cent on all taxable services. It is expected to fetch the exchequer about Rs. 3,800 crore in the remaining months of the fiscal.

It will translate into a tax of 50 paise on every Rs.100 worth of taxable services. Service tax on restaurant bills will go up from 5.6 per cent to 5.8 per cent following the levy of 0.5 per cent Swachh Bharat, or Clean India, cess.

The Finance Ministry has clarified that for restaurants or eating joints having air-conditioning facility, the cess would be 0.5 per cent of 40 per cent of the billed amount that is 0.2 per cent. "The cumulative service tax and Swachh Bharat Cess liability would be 5.8 per cent (14.5 per cent of 40 per cent) of the total amount charged," it said.

On Thursday, the Ministry, however, clarified that the cess will not apply on those services for which payments have been received prior to

November 15 and invoices raised before November 29. It would mean that the Railway and flight tickets booked before November 15 will not attract the additional levy. The Swachh Bharat cess, the statement said, will be levied only on the portion of taxable services (after abatement) and will go towards funding of the cleanliness drive, a pet project of Prime Minister Narendra Modi. "Swachh Bharat Cess will come into effect from November 15, 2015, at the rate of 0.5 per cent on all services, which are presently liable to Service Tax. This will translate into a tax of 50 paise only on every one hundred rupees worth of taxable services. The proceeds from this cess will be used for financing and promoting Swachh Bharat initiatives," the Ministry said in a statement.

The Ministry clarified that all provisions including those related to computation of taxable value, assessment, exemption, payment, penalty applicable to service tax would apply to Swachh Bharat Cess. Explaining the provisions, it said, the cess would be calculated on the abated value or value arrived as per the Service Tax (Determination of Value) Rules, 2006.

Tiger Safari issues in Madhya Pradesh taken up with the state government

Subhash Goyal, President, Indian Association of Tour Operators (IATO), in a letter addressed to Veera Rana, Principal Secretary, Madhya Pradesh Tourism, wrote about the deteriorating tourist facilities, wildlife viewing in Wildlife Parks in Madhya Pradesh. Goyal recently in his Facebook post praised about the destination stating that with the present leadership, Madhya Pradesh will soon become the No. 1 destination in India. The post got many likes and comments but one comment by Satyendra Tiwari was disturbing which read as: Wildlife destinations are in bad shape. Too costly, too many rules and regulations facilities on paper not provided to tourists very disturbed habitat where seeing of a tiger are very low. All in all wildlife destinations do not worth to spend that much money. Khajuraho, Madhya Pradesh Government share in promoting that place is very little tourist get hassled by hawkers at all the points Mandu still have water problem for 5-6 months in a year. Potential of Sanchi is not encashed so far. So I don't know on what ground it will be No. 1 in tourism. It can be only if Madhya Pradesh is in race.

Goyal has asked the Principal Secretary to send him an update on various initiatives taken by Madhya Pradesh Tourism and how recently concluded Madhya Pradesh Travel Mart (MPTM) got these suggestions from travel trade got attention. He also asked for updates on the Tourism Policy that has embarked on revamping tourism in Madhya Pradesh.



LIST OF FAIRS IN BENELUX AND SCANDINAVIAN COUNTRIES DURING 2015-16

India Tourism, Amsterdam, would be participating in most of the important fairs in Benelux and Scandinavian countries during 2015-16. The participation fees for interested co-exhibitors have been calculated as per the guidelines of Ministry of Tourism (MoT). Accordingly, the details of the participation fee for each fair category-wise are given below:

Category A

Name of the Fair	Date of the fair	Space taken	No. of expected participants	Charges fixed in Euros	Deadline for booking of space
Reiselivsmessen	Jan. 15-17	60	8	750	2 months prior to fair
Vakantibeurs	Jan. 13-17	60	8	700	2 months prior to fair
Matka	Jan. 21-24	60	8	700	2 months prior to fair
Ferie for Alle, Herning	Feb. 26-28	60	8	500	2 months prior to fair
TUR	Mar. 18-20	60	8	700	2 months prior to fair

Category B

Name of the Fair	Date of the fair	Space taken	No. of expected participants	Charges fixed in Euros	Deadline for booking of space
Vakanz, Luxembourg	Jan. 15-17	36	4	250	2 months prior to fair
Vakantiesalon Antwerp	Jan. 21-25	36	4	250	2 months prior to fair
Holiday Fair Brussels	Feb. 4-8	36	4	250	2 months prior to fair

IATO PRESIDENT HIGHLIGHTS THE ISSUES RELATED TO E-TOURIST VISA

Subhash Goyal, President, IATO, in a letter addressed to Dr. Mahesh Sharma, Minister of State for Tourism & Culture (IC) and Civil Aviation, Government of India, highlighted the issues related to Electronic Tourist Visa (e-TV). "We were expecting that with the implementation of e-Tourist Visa scheme, the international tourist arrivals will grow by 50 to 100% but this has not happened due to various reasons," he said.

Following are the reasons and the problems faced by tourists coming to India on e-Tourist Visa:

- There is problem for the tourists coming on e-Tourist Visa at the immigration counter as it is taking more than two hours to complete their biometric process.
- Some of the Biometric machines are not in working order/are defective.
- Number of counters at all the airports where e-Tourist Visa facility is provided is not sufficient considering the increasing traffic availing e-Tourist Visa.
- Some time computers are down and it takes long time to return to normal functioning.
- It is taking 7-8 minutes per person resulting it is taking hours for a tourist to come out of immigration.
- Due to above reasons, baggages are removed from the belt and kept aside and tourist are not getting their baggage on time and they have to search for their baggage before they come out.
- Above delay has given a negative message to foreign tourists that e-Tourist Visa is taking more tiresome time upon arrival, especially handling large groups like we handled DRV and SITE Conferences.
- Normal visa counters get free quickly but they are not equipped to handle e-Tourist Visa as they do not have any bio-metric facility available. During rush hours all immigration counters should have bio-metric machine as it will help ease out biometric process during the peak hours of arriving tourists.
- It was informed to us by the Bureau of Immigration, Govt. of India that it won't take more than 2-3 minutes to complete the biometric process at any of the airport but this is not happening in real.



- This is to request you that necessary action may please be taken to ensure that all the biometric machines are properly working. Further it is requested that number of counters be increased and it should be ensured that time taken for the biometric process should be between 2-3 minutes.
- We are ready to join for any meeting with Bureau of Immigration any time suitable to them to apprise them with the practical problems faced by the tourists upon arrival and suggestions can be given to improve the service for e-Tourist Visa on all India basis.
- Due publicity need to be given by our Indian Embassies and High Commissions overseas. The e-Tourist Visa application should be in Dual Language i.e. in English and in local language i.e. English/Chinese, English/Korean, English/German etc.

The main suggestions are as follows:-

- To open window of e-Tourist Visa application 180 days in advance instead of 30 days
 - To allow Multiple Entries instead of single entry
 - Duration of stay under the E-Tourist Visa scheme to be increased from 30 days to 60 days
 - Biometric process for all kind of visas including normal visa be done only on arrival at international airports in India
 - To extend e-Tourist Visa facility at Sea Ports in order to boost cruise tourism
 - Relaxation in Conference Visa and Medical Visa
 - Time duration at the immigration counter for biometric process and completing the formalities at the International Airports for e-Tourist Visa holders be reduced from current 7-10 minutes to 2-3 minutes especially at airports in Delhi, Mumbai, Chennai.
- Goyal further said that an immediate action needs to be taken as this is the peak tourist season and we should ensure that tourists do not feel harassed upon arrival at the airport in our country. The image of our country need to be positive in order to welcome more and more foreign tourist to our country.

Government of India announces revision of e-Tourist Visa fees

Besides reciprocating the gestures of other countries it is expected that this revision of fee will also help in boosting tourism in the country

Government of India has decided to revise the e-Tourist Visa (e-TV) fee in four slabs of 0, US \$25, US \$ 48, and US \$60 from November 3, 2015. Presently e-TV application fee is US \$ 60 and bank charge is US \$ 2 which is uniform for all the countries. The revision of visa fee has been done on the principle of reciprocity. Bank charges have also been reduced from US \$ 2 to 2.5 % of the e-TV fee. There is no bank charge for zero visa fees.

Government had launched e-TV scheme on November 27, 2014. The scheme has been extended to 113 Countries/Territories. 16 Indian airports have been designated for providing e-TV service till now. Out of 113 Countries/Territories included in e-TV scheme, US \$ 60 has been fixed for 5 Countries/Territories (Mozambique, Russia, Ukraine, United Kingdom and USA). US \$ 48 has been fixed for 86 Countries/Territories (Andorra, An-

guilla, Antigua & Barbuda, Armenia, Aruba, Australia, Bahamas, Barbados, Belgium, Belize, Bolivia, Brazil, Cambodia, Canada, Cayman Island, Chile, China, China- SAR Hong Kong, China- SAR Macau, Colombia, Costa Rica, Cuba, Djibouti, Dominica, Dominican Republic, East Timor, Ecuador, El Salvador, Estonia, Finland, France, Georgia, Germany, Grenada, Guatemala, Guyana, Haiti, Honduras, Hungary, Indonesia, Ireland, Israel, Jordan, Kenya, Laos, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Malaysia, Mexico, Monaco, Mongolia, Montenegro, Montserrat, Myanmar, Netherlands, New Zealand, Nicaragua, Norway, Oman, Palestine, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Republic of Korea, Republic of Macedonia, Saint Christopher and Nevis, Saint Lucia, Saint Vincent & the Grenadines, Slovenia, Spain, Suriname, Sweden, Taiwan, Tanzania, Thailand, Turks & Caicos Island, UAE, Vatican City-Holy See, Venezuela and Vietnam).

US \$ 25 has been fixed for 3 Countries/Territories (Japan, Singapore and Sri Lanka). Zero visa fees has been decided for 19 Countries/Territories (Argentina, Cook Islands, Fiji, Jamaica, Kiribati, Marshall Islands, Mauritius, Micronesia, Nauru, Niue Island, Palau, Papua New Guinea, Samoa, Seychelles, Solomon Islands, Tonga, Tuvalu, Uruguay, and Vanuatu).

Unique thrills await you at one-of-a-kind festival! **Rann Utsav**

There are certain travel experiences that are beyond words to capture. Rann Utsav or the Desert Festival falls into that special category of experiences. Kutch, a district of the Western State of Gujarat in India also happens to be the largest district in the country. Gujarat is emerging as one of the top global tourist destinations with a wide variety of sights, culture and experiences on offer. Kutch is located on the north west of Gujarat and as a region is unique by its own right with the salt desert and generally unusual topography making it a fascinating place on the planet. Within a few years of its inception, Rann Utsav has captured the imagination of tourists with the ethereal and nowhere else features it offers.

Three-Month Grandiose Carnival

Rann Utsav is a three-month grandiose carnival organized in Kutch. The festival offers access to the interior and scenic vistas of the district through the Banni grasslands, beaches and desert landscapes. Travellers are given a breathtaking glimpse into this land that brims with ethnic arts, crafts, music and dance. Folk performers with vibrant costumes, Sindhi bhajan recitals, and an array of stalls selling Kutchi embroidery all go into making the carnival an experience that is to be cherished for a lifetime.

Mystical, Magical and Memorable

This year during the full moon in January the curtain rises on Rann Utsav's mystical, magical and memorable show of events and experiences. Under the full moon the salt desert of Rann shines in white light and shimmers with stunning beauty and charm. With the pleasant wintry chill descends a peace and tranquillity that touches every soul with a sense of enriching joy.

Comfortable and Convenient

Travellers can book their accommodation in the special tents flanking the festival venue. Tents are well equipped with fine amenities fit for truly comfortable and convenient stay apparently right in the middle of nature, in the desert, thereby ensuring an undiluted out of the world experience that the white desert promises. The terrain of the desert is unique with the land appearing to be covered with silvery frost; the layer of salt that forms due to the receding waters from the Arabian Sea covers the entire landscape and seems to stretch endlessly conferring a breathtaking vision as if Moon has descended on Kutch for Holidaying though for a brief period.

Cultural Extravaganza

Besides the cultural extravaganza, this year, the diversions include Camel-Safari, Para Motoring, Rifle Shooting, Hot Air Ballooning, Desert Car Rally, Horse Riding, Trikke, Bungee Run Basketball, Pool, Archery, Star Gazing, and All-Terrain Vehicle Ride. The festival venue offers Wi-Fi connectivity, Spa, Internal transfers in Golf Cart, Kids Entertainment Zone, Conference and Meditation Hall, Cafeteria, etc.

Tourists to Rann Utsav can also explore the nearby exotic and diverse destinations of Mandvi, Dholavira, Narayan Sarovar and Lakhpat.

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|-----------------------------|--|
| • Christmas Celebration | December 25 th 2015 |
| • New Year Eve Celebrations | December 31 st 2015 |
| • Kite Flying Festival | January 13 th and 14 th 2016 |
| • Full Moon | January 24 th 2016 |
| • Valentine's Day | February 14 th 2016 |
| • Full Moon | February 22 nd 2016 |
| • Holi Celebration | February 23 rd 2016 |

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DUAL TARIFF ISSUE ON LUXURY TRAINS TAKEN UP WITH RESPECTIVE STATE GOVERNMENTS

The members of the Indian Association of Tour Operators (IATO) are promoting and selling the Luxury Trains like Deccan Odyssey, Palace on Wheels, Royal Rajasthan on Wheels, and Golden Chariot etc. to their valuable overseas clients. However, the members have been raising some serious concerns on the pricing practice which has yet to be resolved. The following are the issues highlighted by the members:

- The state governments have set a tariff for the luxury train in foreign currency (US Dollars). As a government body, we find this to be very incorrect as it indicates a lack of confidence in our national currency and can be construed to be insulting to our nation.
- All Hotels, Airlines and transporters in India quote in our national currency. It is a global norm all over the world to price such products in their home currencies.
- As the Rupee becomes weaker against the Dollar, it makes India a more competitive destination for tourists. By charging in a foreign currency, we are unable to pass on the benefits to the traveler and the train product actually becomes more expensive. This is counterproductive to the Prime Ministers vision of making India a competitive and desirable destination for foreign tourist arrivals.
- In addition, clients from Non-Dollar countries find the Dollar tariff to be insulting as they would prefer to remit payments in their currencies. They find converting their currencies into Dollar to be more costly and inefficient.
- As we quote to clients and tour operators months in advance, the lack of a stable price does not allow us to give a firm price and so our members are discouraging clients from buying the train.
- More importantly, our members are losing real money on payments to the state governments. We are charged an exchange rate HIGHER than what we receive our payments in and our members lose up to 1.5% simply on this.
- The state governments do not have any other product that they price in a similar fashion. Why are the trains an exception?

The matter has been taken up with the Managing Directors of Karnataka State Tourism Development Corporation (KSTDC), Maharashtra Tourism

Development Corporation (MTDC) and Rajasthan Tourism Development Corporation (RTDC) who operate luxury trains in India. It is the mandate of the state government corporations like KSTDC, MTDC and RTDC to promote India and create a positive tourism atmosphere. "We sincerely request that KSTDC, MTDC and RTDC should have tariff in Indian Rupees only, both for Indian and foreign traveller and this step will send a very positive signal to the global tourism industry," said Subhash Goyal, President, IATO.

As a follow up to the request made, Paraag Jain Nainuttia, Managing Director, MTDC, called a meeting with IATO officials. Raj Bajaj, EC Member of IATO and N.S. Rathore, Maharashtra Chapter Chairman, IATO, attended the meeting and raised the pertinent issues. A meeting has been scheduled in Delhi with the officials of the luxury train operators to take the issue forward.



New team in FAITH

The Federation of Associations of Indian Tourism & Hospitality (FAITH), the umbrella association of Indian travel and hospitality industry associations, conducted the election process for the term 2015-17 wherein Nakul Anand, Executive Director, ITC was elected as the Chairman for the second term. Along with Anand, Sarab Jit Singh, Senior Vice President, IATO was re-elected as the Vice Chairman, FAITH. The two new faces on the board are S M Shervani, Former President, FHRAI who will now represent FAITH as its Honorary Secretary. Akshay Kumar, President, Adventure Tour Operators Association of India (ATOAI) has been elected as the Treasurer of FAITH. The decision was taken at the Annual General Meeting at ITC Green Centre in Delhi-NCR.



Subhash Goyal, President, IATO, was invited as the Keynote Speaker for Symposium 2015 organized at Institute of Hotel Management Ahmedabad on 13th and 14th of October, 2015.



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Revised Rates of Service Tax w.e.f. 15th November 2015

As we informed you, the Central Government has imposed a 'SWACHH BHARAT CESS' on all taxable services at a rate of 0.50 % on the value of such taxable services. The revised rates of service tax after giving effect of 'SWACHH BHARAT CESS' w.e.f. 15.11.2015 was circulated on 14th November 2015. However, Government has issued clarifications with regard to applicability of Swachh Bharat Cess on Air Tickets and as per the clarification the calculation of Swachh Bharat Cess on air ticket will be as under.

In respect of certain services like Money changing services, Air Travel Agent, Insurance service and service provided by the lottery agents, the service provider is allowed to pay service tax at an alternate rate. For example, an Air Travel Agent providing services of issuing air travel tickets can pay service tax @ 0.7% of basic fare in the case of domestic bookings and 1.4% of the basic fare in the case of international bookings. This is an alternate rate in place of paying normal service tax on the commission / service charges billed.

In these cases SBC will be payable by the service provider by applying the following formula:-

$$\text{SBC} = \text{Service Tax liability} \times \frac{0.5\%}{14\%}$$

We can illustrate this levy with the help of an example. The alternate rate of paying service tax by an Air Travel Agent in the case of domestic bookings is 0.7% of basic fare. In case the basic fare of the air ticket is say Rs. 10,000/-, service tax @ 0.7% of basic fare is Rs. 70. SBC will be Rs. 2.50 as per the following formula:-

$$\text{SBC} = \text{Rs. 70 (Service Tax)} \times \frac{0.5\%}{14\%} = \text{Rs. 2.50}$$

The combined incidence of service tax and SBC in the case of air travel agent paying alternate tax is Rs. 72.50. For this purpose the Government has issued a separate Notification No. 25/2015-ST dated 12.11.2015 whereby a new sub rule (7D) has been inserted in Rule 6 of Service Tax Rules, 1994. It is further provided that the option once exercised under this

option of paying alternate service tax and SBC, shall not be changed during the same Financial Year under any circumstances. However option can be changed after the close of the Financial Year.

SERVICE	SERVICE TAX @ 14 %	S.B. CESS 0.50 %	TOTAL SERVICETAX
TOUR PACKAGE	3.50 %	0.125 %	3.625 %
ROOM ONLY	1.40 %	0.05 %	1.45 %
TRANSOORT ONLY	5.60 %	0.20 %	5.80 %
OTHER MISC SERVICES	14 %	0.50 %	14.50 %
AIR TICKET – DOM (On basic fare)	0.70 %	0.025 %	0.725 %
AIR TICKET - INT'L (On basic fare)	1.40 %	0.05%	1.45 %
ON SERVICE CHARGES	14.00 %	0.50 %	14.50 %

To be charged by the Hotel

Hotel Room	8.40 %	0.30 %	8.70 %
Food	5.60 %	0.20 %	5.80 %

To be charged by the Airlines

Air Tickets (both domestic and international tickets)

Economy Class	5.60 %	0.20 %	5.80 %
Business Class	8.40 %	0.30 %	8.70 %

Please note the following:-


1. Swachh Bharat Cess to be shown separately as 'SB Cess'. Service Tax department will advise the new code for depositing this amount in their account.
2. No CENVAT Credit will be available on the Swachh Bharat Cess.
3. The above taxes will also be applicable in case service tax is being deposited under reverse mechanism.

Note: For the benefit of our members, we are enclosing a note from S. C Kamra, Advocate and Solicitor, giving salient features of Swachh Bharat Cess and its impact on the industry.


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Levy of additional charge of Rs. 150 on commercial vehicles taken up with DIAL

In a move to help prevent touts from harassing people, Delhi International Airport Limited (DIAL) has introduced an additional entry fee of Rs. 150 on commercial vehicles including taxis, entering the T3 arrival terminal. Besides paying the new fee, commercial vehicles are also likely to be towed away or have their tyres clamped if they exceed the time limit of eight minutes they will be allowed at the terminal, DIAL said.

Under the current conditions, the arrival area remains congested with all sorts of commercial vehicles driving in and causing traffic confusion, said DIAL. It added that the main objective in imposing the new fee was to curb the presence of touts who tarnish the image of the airport.

Indian Association of Tour Operators (IATO) has taken up the matter with DIAL and put forth its suggestion that at Arrival allow the tourist coaches to be parked in the first lane for pickup of the group. "As far as the touts are concerned, nothing can be done by all of you as they have now gone to the extent of standing somewhere near our representatives who have gone to receive the client, note down the name of the client and try to get hold of our clients before our representatives are met, by stating that they are from such and such company and client who has travelled by overnight flight travelling for 14 hours and tired, does not have a clue that he is being hijacked by a tout," said Subhash Goyal, President, IATO.

Moreover, even in the parking lots, despite CCTV you will always find one or two unauthorized persons trying to help in putting the baggage



in the boot of the car and expecting tips from the passengers.

In this context IATO mention the following:-

- This entry fee of Rs. 150 should be immediately withdrawn.
- Do not compare Tourist Taxi Permit Holders with local metered taxis for public use available at the airport.
- Further any commercial tourist taxi vehicle, which is parked in your authorized parking, should be permitted free pick up of the guests. They should be given 10 minutes from the parking to the pickup point at the airport and there-

after 10 minutes by showing the receipt of the parking.

- It was mutually decided earlier between GMR/DAPS and IATO that any decision regarding parking fee or levy of additional charge, it would be first discussed with IATO, before it is implemented. However, again in this case decision has been taken arbitrarily without discussion with IATO.

Goyal said that we have to jointly sit down to discuss the matter and put our efforts to eliminate such problems in order to gain our image in front of the foreign tourists.

MoT launches a Comprehensive Sustainable Tourism Criteria for India

The Ministry of Tourism (MoT) has launched a Comprehensive Sustainable Tourism Criteria for India (STCI) for three major segments of tourism industry, namely accommodation, tour operators and Beaches, Backwaters, Lakes and Rivers sectors during the sensitization Workshop for Stakeholders on Sustainable Tourism organized in August, 2014. This information was given by Mahesh Sharma, Minister of State for Culture and Tourism (Independent Charge) and Minister of State for Civil Aviation in a written reply in Rajya Sabha. The criterion has been adopted by the stakeholders. Further, the Ministry has guidelines for approval of Hotel Projects at the implementation stage and also guidelines for classification/re-classification of operational hotels under various categories. As per these guidelines, hotels

at the project stage itself are required to incorporate various eco-friendly measures like Sewage Treatment Plant (STP), Rain Water Harvesting System, waste management system, pollution control, introduction of non-Chloro Fluoro Carbon (CFC) equipment for refrigeration and air conditioning, measures for energy and water conservation etc.

Under the guidelines for project level & classification/re-classification of operational hotels it has been prescribed that the architecture of the hotel buildings in hilly and ecologically fragile areas should be sustainable and energy efficient and as far as possible be in conformity with the local ethos and make use of local designs and material. The tour operators approved by Ministry of Tourism have to sign a pledge for commitment towards Safe & Hon-

ourable Tourism and Sustainable Tourism to fully implement Sustainable Tourism practices, consistent with the best environment and heritage protection standards, such that the present tourism resource requirements optimize both local community benefit and future sustainable uses.

The Ministry of Tourism holds a constant dialogue with State Governments/U.T. Administrations, various tourism related institutions and stakeholders for drawing up strategies for development and promotion of tourism in the country including Sustainable Tourism. The Ministry of Tourism supports from time to time various seminars and events that deliberate or focus on tourism in the country including Sustainable Tourism in rural areas.

SNAPSHOTS

IATO's Annual General Meeting held on 1st October 2015 at The Imperial Hotel, New Delhi



6.5% growth in FTAs in November 2015 over the same period in 2014

Ministry of Tourism compiles monthly estimates of Foreign Tourist Arrivals (FTAs) on the basis of Nationality-wise, Port-wise data received from Bureau of Immigration (BOI) and Foreign Exchange Earnings (FEEs) from tourism on the basis of data available from Reserve Bank of India. Following are the important highlights regarding FTAs and FEEs from tourism during the month of November, 2015:

Foreign Tourist Arrivals (FTAs)

- FTAs during the month of November 2015 were 8.15 lakh as compared to FTAs of 7.65 lakh during the month of November 2014. There has been a growth of 6.5% in November 2015 over November 2014.
- FTAs during the period January-November 2015 were 71.03 lakh with a growth of 4.5%, as compared to the FTAs of 67.94 lakh with a growth of 10.5% in January-November 2014.
- The percentage share of FTAs in India during November 2015 among the top 15 source countries was highest from USA (15.76%) followed by Bangladesh (12.27%), UK (11.00%), Canada (4.52%), Australia (4.22%), Malaysia (3.43%), Russian Fed. (3.42%), Germany (3.34%), France (2.93%), Sri Lanka (2.89%), China (2.83%), Japan (2.51%), Singapore (2.19%), Nepal (1.77%) and Thailand (1.58%).
- The percentage share of FTAs in India during November 2015 among the top 15 ports was highest at Delhi Airport (31.55%) followed by Mumbai Airport (17.71%), Chennai Airport (7.39%), Haridaspur Land check post (7.09%), Bengaluru Airport (6.26%), Goa Airport (4.61%), Kolkata

Airport (3.91%), Hyderabad Airport (3.25%), Cochin Airport (3.10%), Ahmedabad Airport (2.63%), Tiruchirapalli Airport (1.64%), Trivandrum Airport (1.62%), Gede Rail (1.44%), Gaya Airport (1.10%) and Amritsar Airport (0.95%).

Foreign Exchange Earnings (FEEs)

- FEEs during the month of November 2015 were Rs. 11,610 crore as compared to Rs. 12,988 crore in November 2014. The FEEs in Rs. terms during November 2015 registered a decline of 10.6% over November 2014 as compared to positive growth of 8.3% in November 2014.
- FEEs from tourism in Rs. terms during January-November 2015 were Rs. 1,12,958 crore with a growth of 1.0% as compared to the FEE of Rs. 1,11,889 crore with a growth of 15.3% during January-November 2014.
- FEEs in US\$ terms during the month of November 2015 were US\$ 1.755 billion as compared to FEEs of US\$ 2.069 billion during the month of November 2014. The FEEs in US\$ billion in November 2015 registered a decline of 15.2% over November 2014 as compared to positive growth of 6.9% in November 2014.
- FEEs from tourism in US\$ terms during January-November 2015 were US\$ 17.685 billion with a negative growth of 3.8% as compared to the US\$ 18.383 billion with a positive growth of 9.8% during January-November 2014.

Source: Ministry of Tourism, Government of India

E-Tourist Visa scheme registers 2713 per cent growth in November 2015

UK continues to occupy top spot followed by USA, France and Germany amongst the countries availing E-Tourist Visa facility

Tourist Visa on Arrival (TVoA) enabled by Electronic Travel Authorization (ETA), presently known as E-Tourist Visa scheme was launched on November 27, 2014. At present e-Tourist Visa facility is available for citizens of 113 countries arriving at 16 Airports in India. E-Tourist Visa fee structure has been revised w.e.f. November 03, 2015 by clubbing the 113 countries into four groups for charging differential rates viz. US\$ 0, US\$ 25, US\$ 48 and US\$ 60. Bank charges have also been reduced from US\$ 2 to 2.5% of the e-Tourist Visa fees.

The following are the other important highlights of E-TV during November, 2015:

- During January-November, 2015 a total of 3,41,683 tourist arrived on e-Tourist Visa as compared to 24,963 during January-November, 2014 registering a growth of 1268.8%. This high growth may be attributed to introduction of e-Tourist Visa for 113 countries as against coverage of earlier TVoA scheme for 12 countries.
- percentage shares of top 10 source countries availing e-Tourist Visa facilities during November, 2015 were as follows: UK (23.93%), USA (16.33%), Russian Fed. (8.17%), France (7.64%), Germany (5.60%), Australia (4.82%), Canada (4.71%), China (3.26%), Ukraine (2.03%) and Netherlands (1.75%).
- The percentage shares of top 10 ports in tourist arrivals on e-Tourist Visa during November, 2015 were as follows: New Delhi Airport



(45.04%), Mumbai Airport (17.72%), Goa Airport (14.62%), Bengaluru Airport (5.57%), Chennai Airport (5.16%), Kochi Airport (3.56%), Kolkata Airport (2.27%), Hyderabad Airport (2.19%), Trivandrum Airport (1.44%) and Ahmedabad Airport (0.93%).

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