

# Deregulation

## That Builds Destinations

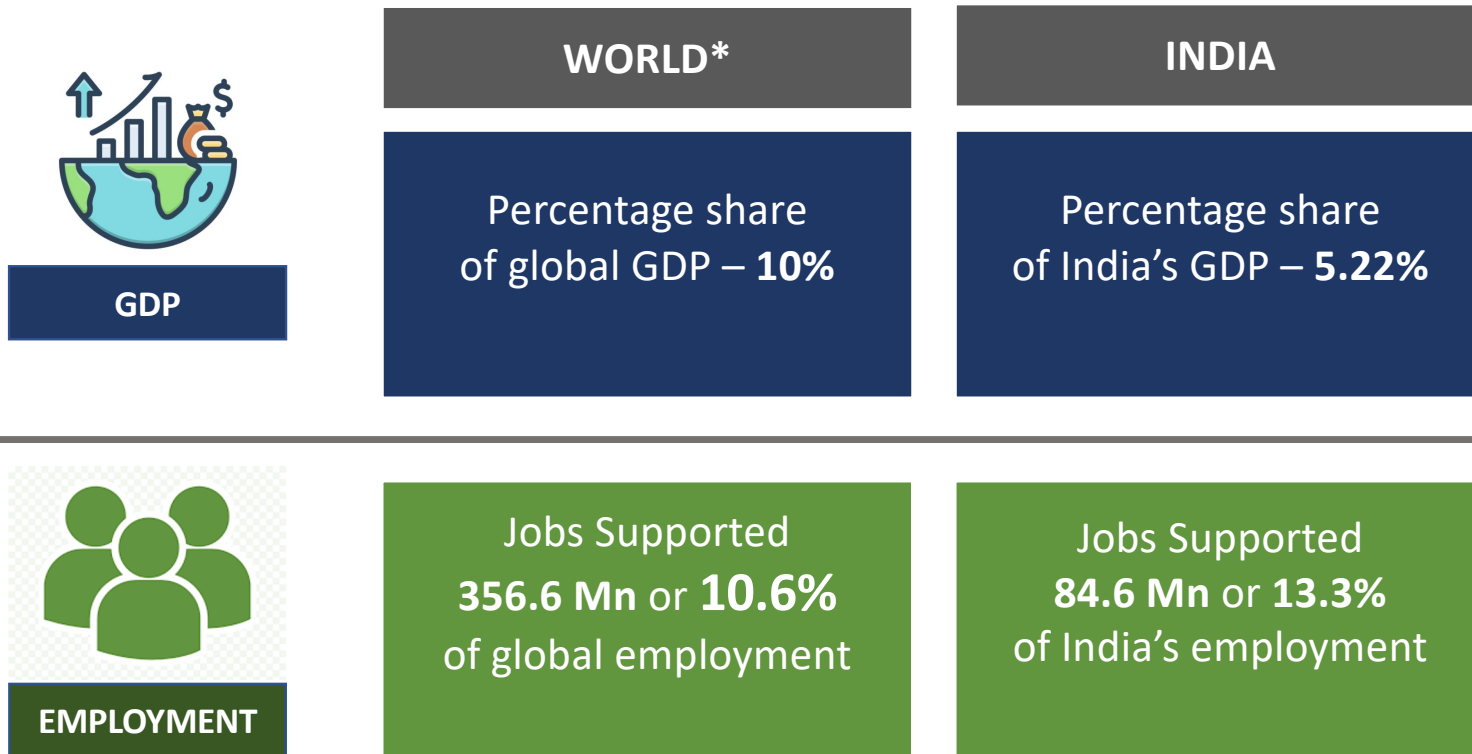
Simplifying EODB Bottlenecks for Hotels &  
Hospitality

for  
NITI AAYOG  
&

Ministry of Tourism, Government of India

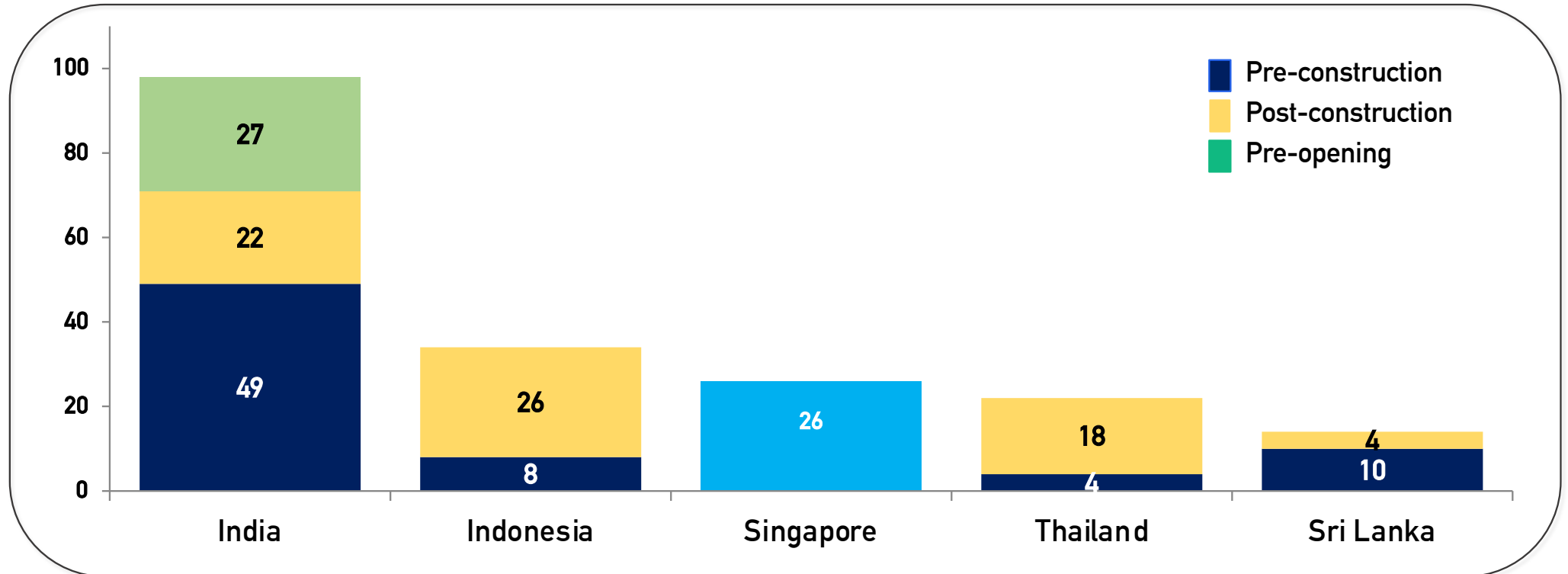
6 February 2026

# Travel & Tourism's contribution to GDP & Employment (2024)



Source: \*Global data WTTC | India Data: MoT, India Tourism Data Compendium 2025

# Indicative Hotel approvals count by lifecycle stage India vs competition



**India**  
 (49 pre + 22 post  
 + 27 pre-opening)  
 total of ≈100+ often

**Indonesia**  
 8 pre + 26 post  
 = 34 approvals

**Singapore**  
 Maximum 26  
 approvals

**Thailand**  
 4 pre + 18 post  
 = 22 approvals

**Sri Lanka**  
 10 pre + 4 post  
 = 14 approvals

Note: Phase classification is indicative; some approvals are commissioning gates & may shift by project type | Singapore values represent a range of 26 services/approvals (services-based). . – Source WTTCII White Paper 2023 (<https://tinyurl.com/mvxyz3z7>)

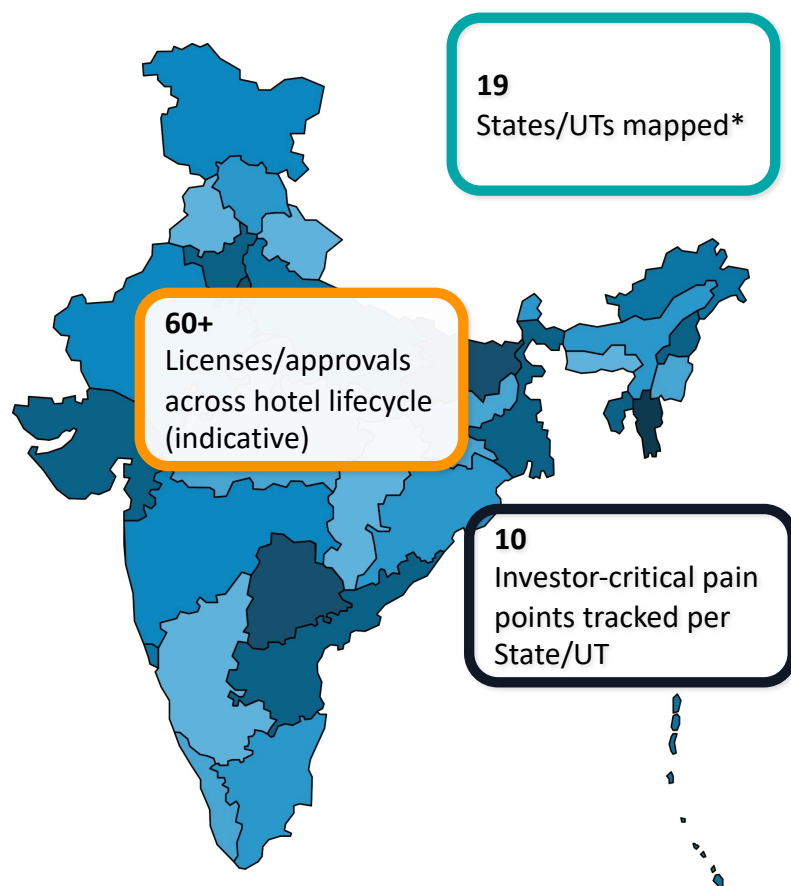
# Deregulation at States

Simplifying EODB  
Bottlenecks for Hotels &  
Hospitality



WORLD  
TRAVEL &  
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# State level deregulation/EODB issues



## KEY PROBLEM AREAS

### 1. Licences & Approvals

### 2. FAR/FSI & Parking Norms

### 3. "Industry Status"

## ISSUES

Fragmented, sequential approvals (60+ clearances) leads to unpredictable timelines, higher costs, delayed openings

Hotels treated as "commercial projects"— FAR/FSI & Parking vary within State by Urban Local Bodies, creating ambiguity & inflating cost for Budget segment

Varies by State—benefits hard to claim due to non availability of Eligibility Certificate & weak inter-department execution

Source WTTCII Research & White Paper 2023 (<https://tinyurl.com/mvxc3z7>) | \*WTTCII rapid reality-check

# Recommendations for State level deregulation/EODB issues

## 1. Licences & Approvals

- Single nodal owner (State Tourism): All hotel permissions via one State single-window, with parallel processing, statutory timelines and escalation.
- NSWs end-to-end visibility: Onboard all State/ ULB/Local body permissions onto the National Single Window System (NSWS) for complete tracking.
- Accountability + incentives: Deemed approval (where appropriate) on timeline lapse;
- Link Central support to State performance on BRAP based on NSWS integration.

## 2. FAR/FSI & Parking Norms

- One clear rulebook for hotels: standardise land-use and building limits (FSI/setbacks/height) across State - Ex. Maharashtra Unified Development Control and Promotion Regulations (UDCPR)
- Fix hotel parking rules in UDCPR, base it on real need (rooms + public areas), allow stilt/structured/shared parking
- Nuanced approach for North East & Hill States

## 3. "Industry Status"

- Use the Ministry of Tourism handbook as the benchmark for a standard "industry status" benefit framework.
- Issue one State Government notification that defines the complete benefit bundle & provide one single online Entitlement Certificate (EC) for eligible units.
- Make execution automatic: embed the EC in the State single-window, mandate all departments to honour it, & disburse benefits within 30 days through clear SOP & timelines.

Source: Source \*MOT Handbook, INDUSTRY STATUS TO THE TOURISM & HOSPITALITY SECTOR, 2024 | WTTCCII Research & White Paper 2023 (<https://tinyurl.com/mvxyzc3z7>)

# Strengthen National Single Window Systems for Hotels & Tourism

उद्योग संवर्धन और आंतरिक व्यापार विभाग  
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE

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National Single Window System

CENTRAL APPROVALS  
Issued by Ministries of Govt. of India

STATE APPROVALS  
Issued by States of Govt. of India

GOVERNMENT SCHEMES  
Avail the benefits by Govt. of India

PM GATI SHAKTI

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Generating Sponsorship Letter by Indian companies for sponsoring foreign professionals for e-Production Investment Visa is now available

Access over [698 Central](#) Approvals and [7435 State](#) Approvals

**Explore, Apply and Get all the approvals required to start your business in India**

Don't know which approvals are required? [Click Here & Know Your Approvals](#)

"We are laying a red carpet for all global companies to come and establish their presence in India. Very few countries will offer the kind of opportunities India does today."

Hon'ble Prime Minister Narendra Modi

Currently Hotel/tourism permissions routed through State Tourism + State Investment + NSWS website.

## Recommendation:

- Onboard ULBs/Municipalities & rural local bodies onto NSWS/State Single Window.
- **Single nodal ownership:** State Tourism as the nodal department with one point of contact for escalation & resolution.

# Deregulation at Centre

Simplifying EODB  
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## Environmental Clearance (EIA) Stage: Pre-Construction Approvals

### Problem Statement

- Current clearance timeline: **9–12 months**
- Involves **MoEFCC, State Environment Impact Assessment Authority (SEIAA) & local bodies**
- **PARIVESH /NSWS portal** interface but delays persist
- Especially sensitive zones require **6-monthly updates/compliance reporting**

### Proposed Solution

- **Fast-track mechanism for hotels:**
  - Clear **low-impact / brownfield** projects
  - Enable predictable ToR & defined SLAs
- Expedite clearances to less than 6 months
- Regularize compliance tracking in **sensitive zones** with automated 6-month updates



### CRZ Clearance (as applicable) Stage: Streamlining Pre-Construction Approvals

#### Problem Statement

- Current timeline: **~120 days**
- Involves **MoEFCC, State Coastal Zone Management Authority (SCZMA) & ULBs**
- Clearance via **PARIVESH/NSWS (CRZ module)**, but time-consuming
- Lack of tracking consistency & SLA enforcement

#### Proposed Solution

- Use **pre-notified CRZ maps** for faster assessment
- Enable **single-window tracking** with integrated portal access
- Define & enforce a **strict SLA**
- **Target clearance timeline: < 90 days**



### Forest Clearance / Forest NOC (as applicable) Stage: Streamlining Pre-Construction Approvals

#### Problem Statement

- Current clearance timeline: **almost 9–12 months**
- Process involves **Central Forest interface + State Forest Department**
- Portal: **PARIVESH (Forest Clearance module)**
- Delays due to sequential steps, lack of GIS integration & SLA adherence

#### Proposed Solution

- **GIS-based upfront screening** to eliminate ineligible sites early
- Allow **parallel processing** of applications
- Apply **standard mitigation measures** where applicable
- Introduce and enforce a **clear SLA**
- **Target clearance timeline:  $\leq 3$  months**



### Project Approval + Hotel Star Classification

*Stage:* Pre-Construction + Pre-Opening

#### Problem Statement

- **Project approval & Star Classification** required before hotel opening
- Multiple agencies involved: **MoT / HRACC / NIDHI +**
- Current timeline:
  - **Project Approval:** ~90 days
  - **HRACC Rating:** Timeline **not defined**
- Delays in classification affect hotel launch timelines
- Lack of **standardised service level agreements (SLAs)** & escalation mechanisms

#### Proposed Solution

- Introduce defined **SLAs & auto-escalation mechanisms**
- Allow **provisional star ratings** to enable timely hotel launches
- Publish a **clear, standardised checklist** for classification
- Expedite statutory approvals with a **target clearance timeline: 30–45 days**

# EODB issues (5/7)



## Food Safety Licence

*Stage:* Pre-Opening

### Problem Statement

- Licensing through **FSSAI & State Food Safety Dept**; ~60 days clearance
- Complex **renewal cycles** under FSSAI Act, 2006 & 2011 Regulations
- **Schedule IV\* norms** impose factory-grade infrastructure requirements
- **Disproportionate compliance burden** on hotels (e.g., sewage, ventilation)
- **No single-window system** for licenses issued by local bodies
- **Uncertainty** around license renewal → risk of operational shutdown

Central for 5 Star and above | State for State Health/Food Safety Department for all other categories

### Proposed Solution

- **One-time/auto-renew licences** supported by **risk-based audits**.
- **Single digital window:** integrate local-body/State licences into the **FSSAI portal** with **one checklist**.
- **Hotel-fit standards:** shift from **Schedule IV-style** requirements to **outcome-based hygiene norms**.
- **Time-bound SLAs:** fixed timelines for approvals/changes/appeals with escalation.

\***Outdated factory-style norms** mandate specific kitchen layouts, flooring, drainage, and equipment standards — originally designed for food manufacturing units, not hotels or restaurants.

# EODB issues (6/7): Pre-emptive



Ministry of Environment, Forest and Climate Change  
Government of India

## Solid Waste Management Rules, 2026

**Stage:** Operational Implementation

**Positive Move:** Aligns with G20 Sustainability Principles & India's Tourism Sustainability Goals

### Problem Statement

- **4-stream waste segregation** (Wet, Dry, Sanitary, Special Care) made mandatory
- Hotels  $\geq 20,000$  sq.m. or  $\geq 100$  kg/day waste tagged as **Bulk Waste Generators**
- Must **process wet waste on-site** or get **Extended Bulk Waste Generator Responsibility (EBWGR)**
- **certification**, with full digital reporting
- **Vendor unavailability**, especially in Tier-2/3 towns, poses major challenge
- **Smaller hotels** face burden of space, capex, training, and risk of penalties under *Polluter Pays* principle

### Pre-emptive Proposed Solution

- Hold stakeholder consultation with industry
- Permit shared/cluster waste processing models
- Empanel waste management vendors in Tier-2/3 cities, rural/remote cities
- Provide SOPs and compliance toolkits
- Allow phased rollout for small hotels
- Set up CPCB helpdesk for digital reporting
- Fast-track EBWGR via single-window portal



### Copyright Licences for Public Performance

Stage: Pre-Opening + Operational

#### Problem Statement

- Copyright licence needed **pre-opening and during operations** for music/film use in hotels, restaurants, events
- **Multiple stakeholders:** DPIIT, Copyright Office, Police/DM, ULBs
- Timeline:
  - Licence issuance: **2–10 working days**
  - Dispute resolution: **4–12+ weeks**
- **Fee structures vary**; risk of **duplicate demands, refusals**, and high charges
- No single agency; **partial digital integration**

#### Proposed Solution

- Create a **Single National e-Licence** via NSWS & a **Centralised Music Licensing Registry** :
  - One payment, instant QR certificate**
  - Machine-readable tariffs** by usage category
  - Assign **one society per class of work** to avoid overlaps
  - Set up a **DPIIT Licensing Facilitation Cell**
- SLA: **7–15 days** for resolving disputes/refusals
- Issue SOPs to Police/ULBs to accept QR e-licence as compliance
- **Fee rationalization** essential — current charges are **exorbitant**

# EODB issues - Sarai Act, 1867



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MINISTRY OF  
TOURISM

**Gov interface: MHA / MoT / DPIIT**

**State/Local: DM, local police, ULB/health/fire**

**Stage: Operational**

## Problem Statement

- **Sarai Act, 1867:** legacy keeper registration, guest registers, sanitation, police checks
- **Outdated + duplicative** of modern fire/health/municipal rules; **harassment risk**
- **Time: No uniform SLA; discretionary; varies by district**

## Proposed Solution

- **Repeal Sarai Act: MHA** to move repeal in Parliament with **MoT + DPIIT** support

# Infrastructure Status for Hotels (Harmonized Master List – Tourism)

GoI interface: MOF DEA/ RBI

Policy Reference: RBI Notification (F. No. 13/1/2017-INF) dated 11 Oct 2022

Stage : Project Conception

## Problem Statement

- **HML definition:** Tourism infra includes **(i) 3 Star + classified hotels outside 1M+ cities**
- **Coverage gap:** Excludes hotels in major hubs (**60+ cities >1M**) and most **budget/midmarket** projects.
- Infra status unlocks **better loan terms** – interest rate/tenor/Debt Service Coverage Ratio(DSCR); without it, **hotels are treated as commercial real estate**

## Proposed Solution

- Extend infrastructure status to **Ministry of Tourism-classified hotels (1-star & above)** covering both new builds & existing hotel upgrades (renovation, expansion, refurbishment).
- **Destination-ready:** Ensures higher-quality hotel capacity in **Hon'ble Prime Minister's iconic Global Destinations** & sanctioned destinations under **Challenge Based Destination Development (CBDD)** scheme

# GST (Input Tax Credit) – Hotels & Hospitality

GoI interface: GST Council / CBIC (Dept. of Revenue)  
*Stage:* Operational (pricing + cashflows)

## Problem Statement

- **Rooms  $\leq$  ₹7,500/unit/day attract 5% GST without Input Tax Credit (ITC) – hurting for budget & mid market segment**
- **ITC treatment differs across hotel services** (e.g., housekeeping, laundry, F&B supplies, commissions, rents, outsourced manpower, utilities, tech, etc), creating ITC reversal complexity

## Proposed Solution

- **Allow full ITC while retaining 5% GST for tariffs  $\leq$  ₹7,500**
- **Rationalise GST across hotel services & enable seamless ITC flow to reduce compliance complexity.**

# Marketing & Promotions

- Sanction an **adequate, multi-year marketing budget for Ministry of Tourism** & run **two focused, digital campaigns**:
  - **Domestic**: discovery of new destinations (dispersal) & responsible tourism,
  - **International**: targeting **10–15 top** source markets plus **5–7 emerging** markets.
- **Coordinated co-delivery**: Run campaigns together with MOT/Indian Missions/Embassies, States and industry (airlines, hotels, tour operators, OTAs), aligned to each State's destination/product pipeline
- **Measure results**: Use clear KPIs (reach, leads, bookings, arrivals, spend) to track impact & ensure efficient use of funds.
- Execute Marketing Campaigns via an **empowered and autonomous National Tourism Board**.

# THANK YOU

6 February 2026



Maithon, JH, India  
©Paritosh Soren

# Annexure 1: Deregulation at States

Simplifying EODB  
Bottlenecks for Hotels &  
Hospitality



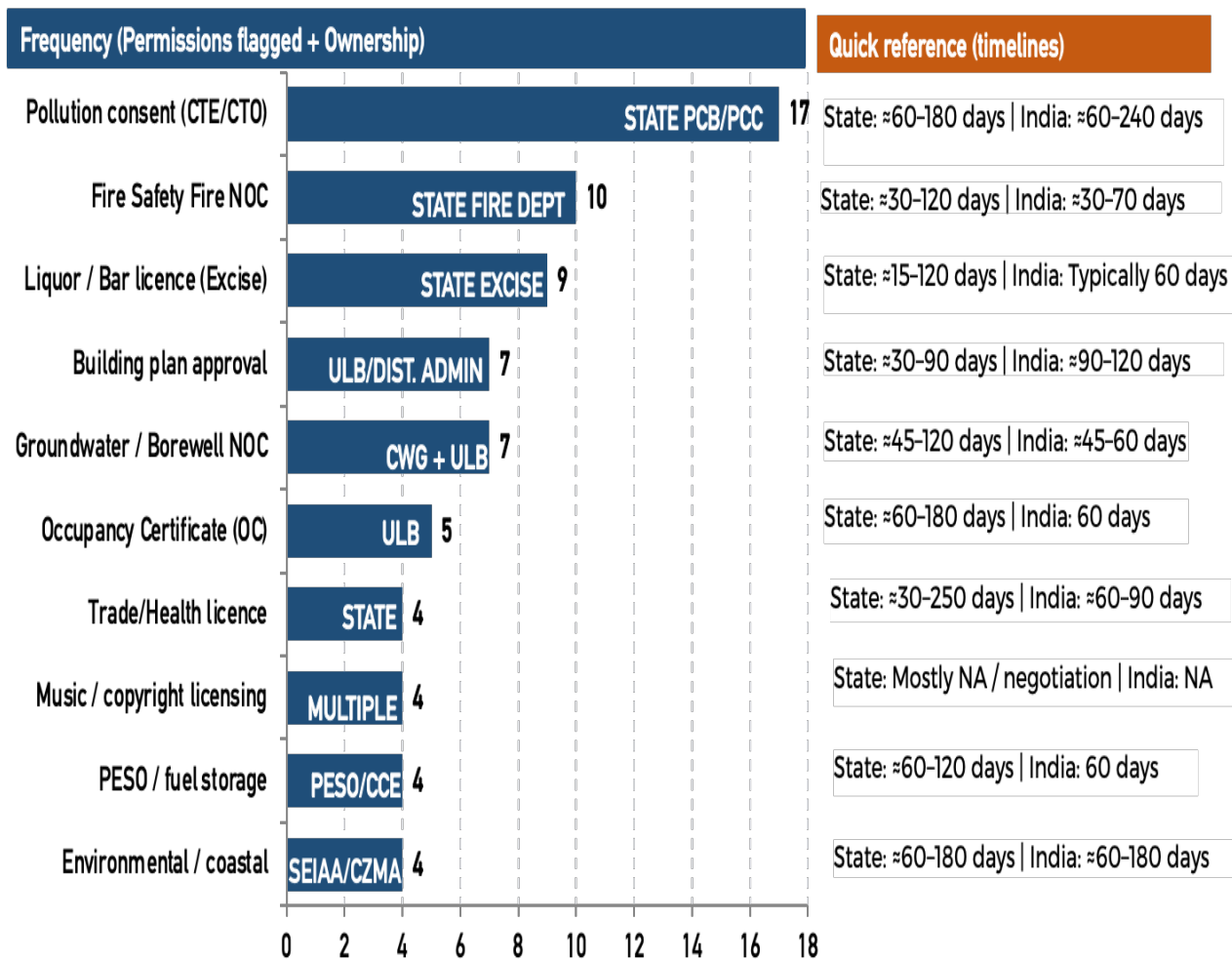
# 1. Licences/Permissions/Approvals



19 States/UTs mapped (rapid reality-check)

60+ Licences/approvals across hotel lifecycle (indicative)

10 Investor-critical pain points tracked per State/UT



**KEY ISSUE:**  
Even where State Single Window Systems exist, hotel approvals remain layered across departments, many permissions are still manual/not available end-to-end online & recurring renewals further compound prolonged, uncertain timelines & weak SLA accountability.

**RECOMMENDATION:**  
Create a single national baseline for hotel compliance—prune duplicate rules, make renewals faceless & digital with self-certification, shift to risk-based audits, and route all approvals via NSWS/State Single Window with parallel processing, statutory SLAs and deemed approval, led by an empowered State Tourism nodal officer.

Source: "State:UT License permission Time line Consolidated – 18 Jan 2026" (WTTICII).

## 2. FAR/FSI Norms



State / City	FSI/FAR	Setback Norms
Andhra Pradesh	1.00 - 3.00	12m - 30m location dependent
Goa	0.33 - 0.80	3m - 6m dependent on height of building
Gujarat	2.00 - 2.25	7.5m–37m front setback (by adjoining road type)
Himachal Pradesh	2.00	N/A
Karnataka	1.75 - 3.35	20% of the land parcel
Kerala	2.50 - 4.00	1.5m
Madhya Pradesh	1.20 - 2.50	6m on all sides
Mumbai	1.00 - 6.00	4.5m to 6m in the front, 6m to 9m in the rear & back
New Delhi	1.20 - 2.25	4.5m–60m front setback (by adjoining road type & building height)
Odisha	1.50 - 2.00	2m - 6m in the front, 1m - 3m on the sides & rear
Punjab	2.00 - 3.00	2m on the sides, 3m at the rear
Tamil Nadu	2.00 - 3.25	7m - 20m on all sides depending on the height of the building
Telangana	2.00 - 3.00	12m - 30m depending on the location
West Bengal	1.75 - 3.00	6m in the front
<b>Sri Lanka</b>	<ul style="list-style-type: none"> <li>•Dependent on plot size: 1.5–12 M</li> <li>•Unlimited FSI for Plots greater than 3,000 Sq. Mts</li> </ul>	<b>Front as per road plan; sides 3–9 m (by building height); rear 4 m.</b>

### KEY ISSUE:

Hotels are treated as “commercial,” inconsistent FAR/FSI–setback–height rules (FSI 0.33–6.0) makes buildable area unpredictable—cutting room development and driving redesigns, delays & costs, especially for budget/midmarket.

### RECOMMENDATION:

Notify a dedicated Hotel/Hospitality planning-use and a single, State-wide FAR/FSI–setback–height schedule binding on all ULBs/SPAs (overriding local bylaws) and embedded in the Single Window with statutory SLAs—on the Maharashtra UDCPR model.

Source MOT Handbook, INDUSTRY STATUS TO THE TOURISM & HOSPITALITY SECTOR, 2024 & WTTCCII research

# 3. Parking Norms



State	Parking requirement (hotel)	Basis
Andhra Pradesh	25%–30% of total built-up area (depends on location)	Area %
Goa	1 space per 2–4 rooms (depends on hotel category)	Room
Gujarat	30% of the maximum permissible FSI	FSI
Kerala	1 space per 60–90 sq. m of built-up area (depends on total built-up area)	Area
Maharashtra	5–7 spaces per 5 rooms (depends on location)	Room
New Delhi	3 spaces per 100 sq. m of floor area	Area
Odisha	1 space per 6 rooms	Room
Punjab	2 spaces per 100 sq. m of total built-up area	Area
Tamil Nadu	1 space per 4–10 rooms + 1 space per 100 sq. m of non-room floor area (depends on category)	Hybrid
Telangana	25%–30% of total built-up area (depends on location)	Area %
West Bengal	1 space per 50 sq. m of built-up area	Area
Singapore	1 space for every 530 sq. m. of development	

## KEY ISSUE:

Treating hotels as generic “commercial” projects triggers one-size-fits-all, key/area-based parking norms that force over-parking—consuming FSI, pushing basements/larger plots, tightening height/setback constraints, and inflating costs (worst hit: budget/mid-market).

## RECOMMENDATION:

Request States to amend byelaws/UDCPRs to **replace room/area-based parking with demand-based hotel norms** (key bands + public-area intensity), **remove budget/midmarket penalties, de-penalise stilt/structured parking, and keep basements optional** where safe above-ground/shared/off-site parking suffices.

## 4. Industry Status



State industrial policy treats hospitality/tourism as “industry” for industry-linked benefits.

### Benefits expected by Hotels & Hospitality

1. **Registration & stamp duty relief:** lowers upfront transaction cost; reduces equity gap.
2. **Land allotment + conversion + property tax relief :** de-risks title/timelines; cuts statutory costs (one-time + recurring).
3. **Financing access / lender comfort / project bankability:** lower risk + stronger cashflows: better loan terms & faster sanctions.
4. **Capital investment subsidy:** reduces net capex; improves payback.
5. **All applicable taxes at industrial rates**
6. **Interest subsidy:** lowers cost of debt in ramp-up; improves Debt Service Coverage Ratio (DSCR).
7. **Electricity & water tariff relief:** lowers opex; lifts EBITDA.
8. **Employment + skilling incentives:** offsets hiring/training cost; stabilises operations early.
9. **Sustainability incentives / green credits:** offsets required upfront Capex; partially reimbursed or rewarded; reduces long-run opex

### Key Issue

- **“Industry status” isn’t operationalised:** no single cross-department certificate/ID, uneven benefit bundling across States & weak inter-department alignment leads to inconsistent execution.
- **Benefits are hard to realise:** reimbursement-led incentives + heavy compliance (~100 approvals) cause delays, hurting viability, reducing uptake.

### Recommendations

- **Lock the policy upfront:** Co-create with industry + key departments, then issue a single notification defining *eligible units + full benefit bundle*, with an **online Entitlement Certificate (EC)** as the common proof.
- **Make it executable across State Ministries :** Converge departments & embed EC into the **Single Window**; issue departmental orders (power/urban/finance, etc.) to **honour EC** uniformly.
- **Deliver with speed:** SOPs + capacity building within State Departments to **disburse within 30 days**

# Annexure 2: Deregulation at Centre

Simplifying EODB  
Bottlenecks for Hotels &  
Hospitality



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## Centre level deregulation/EODB: Timeline issues 1/3

Sl. No	Permission / Approval	Lifecycle Phase	Major pain point?	Central / Gol interface	State / Local interface	Typical time (India Avg.)	Gol digital interface available?	Possible solution	Primary Gol interface (examples)
1	AAI Height Clearance (as applicable)	Pre-Construction	Conditional	AAI	ULB / Town Planning	~90 days	Yes	GIS-based online clearance; deemed approval after SLA	AAI NOCAS
2	Heritage / Monument NOC (as applicable)	Pre-Construction	Conditional	ASI / NMA	State Archaeology + ULB	~30 days	Yes	Publish regulated-zone maps; online NOC with SLA	NMA online NOC
3	Groundwater NOC	Pre-Construction + Operational	Yes	CGWA / CGWB	Local / ULB	Varied	Yes	Zone-based rules; fast-track small extraction; mandate reuse plan; SLA	CGWA NOC portal (NOCAP)
4	Highway Access Permission (as applicable)	Pre-Construction	Medium	NHAI	State PWD / ULB	~60 days	Partial	Standard access designs; online submission; joint inspection windows; SLA	NHAI/MoRTH online systems (case-specific)

Source WTTCL Research & White Paper 2023 (<https://tinyurl.com/mvxy3z7>) | \*WTTCL rapid reality-check

## Centre level deregulation/EODB: Timeline issues (2/3)

Sl. No	Permission / Approval	Lifecycle Phase	Major pain point?	Central / Gol interface	State / Local interface	Typical time (India Avg.)	Gol digital interface available?	Possible solution	Primary Gol interface (examples)
5	Defence NOC (as applicable)	Pre-Construction	Medium	MoD / Navy	ULB / Town Planning	~90 days	Partial	Pre-notified defence influence zones; single workflow; fixed SLA	MoD case-specific online workflows
6	Telecom Right-of-Way NOC	Pre-Construction	Medium	DoT	ULB RoW	~60 days	Yes	Uniform RoW rules; online fees; deemed approval; standard corridor process	GatiShakti Sanchar / DoT RoW
7	Groundwater NOC	Pre-Construction + Operational	Yes	CGWA / CGWB	Local / ULB	Varied	Yes	Zone-based rules; fast-track small extraction; mandate reuse plan; SLA	CGWA NOC portal (NOCAP)
8	Pollution Consents (CTE + CTO)	Pre-Construction + Pre-Opening	Yes	CPCB framework	SPCB	CTE ~60; CTO ~90 days	No	Risk-based consent; online inspections; third-party audits; deemed approval	State SPCB portals (varies)

Source WTTCL Research & White Paper 2023 (<https://tinyurl.com/mvxyc3z7>) | \*WTTCL rapid reality-check

## Centre level deregulation/EODB: Timeline issues (3/3)

Sl. No	Permission / Approval	Lifecycle Phase	Major pain point?	Central / Gol interface	State / Local interface	Typical time (India Avg.)	Gol digital interface available?	Possible solution	Primary Gol interface (examples)
9	Highway Access Permission (as applicable)	Pre-Construction	Medium	NHAI	State PWD / ULB	~60 days	Partial	Standard access designs; online submission; joint inspection windows; SLA	NHAI/MoRTH online systems (case-specific)
10	Defence NOC (as applicable)	Pre-Construction	Medium	MoD / Navy	ULB / Town Planning	~90 days	Partial	Pre-notified defence influence zones; single workflow; fixed SLA	MoD case-specific online workflows
11	Telecom Right-of-Way NOC	Pre-Construction	Medium	DoT	ULB RoW	~60 days	Yes	Uniform RoW rules; online fees; deemed approval; standard corridor process	GatiShakti Sanchar / DoT RoW
12	LPG / Diesel storage licence (PESO)	Pre-Construction + Pre-Opening	Medium	PESO	State Fire Dept + local storage	~60 days	Yes	Joint PESO + Fire inspection; standard storage designs; SLA	PESO online services
13	Form C / FRRO reporting	Operational	Medium	FRRO (MHA)	Local operational interface	Ongoing	Yes	Integrate with PMS; simplify fields; API-based upload and training	FRRO Form C
14	Fire NOC / Fire licence	Pre-Construction + Pre-Opening	Yes	Central guidance only	State Fire Dept + ULB	~60 (pre) + ~70 (post)	No	National Building Code-aligned checklists; third-party audits; online booking; SLA + renewals simplification	State fire portals (varies)

Source WTTCC Research & White Paper 2023 (<https://tinyurl.com/mvxyc3z7>) | \*WTTCC rapid reality-check

# Annexure 3: Deregulation at Ministry of Tourism, Gol

Simplifying EODB  
Bottlenecks for Hotels &  
Hospitality NIDHI process  
pain points (indicative)

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MINISTRY OF  
**TOURISM**

nidhi<sup>+</sup>  
National Integrated Database  
of Hospitality Industry

NATIONAL INTEGRATED DATABASE OF  
HOSPITALITY INDUSTRY

## MOT/NIDHI level deregulation/EODB issues - Indicative (1/2)

Sl.	Permission / Approval (NIDHI / No pain point)	Central / Government of India interface	State / Local interface	Typical time	MoT-led fix
1	Hotel Project Approval (project stage) + quarterly returns; approval can be withdrawn; inspections without notice	MoT / HRACC	Local clearances needed in practice	2–6 weeks + quarterly	<b>Make compliance “light-touch”:</b> auto-reminders + grace period before any withdrawal; withdrawal only after written notice + appeal window; simple one-page quarterly return with auto-save; clear SOP on inspections and triggers; single helpdesk + escalation.
2	Star Classification / Re-classification; committee + inspection; delays due to “deficiency loops”	HRACC / MoT	State chair for 1–3 star	6–12 weeks+	<b>Speed + predictability:</b> mandatory pre-scrutiny within 7 days; one consolidated deficiency list (no repeated queries); fixed inspection calendar; provisional classification for opening with post-audit; empanel third-party auditors for low-risk categories; dashboard tracking + SLA.
3	Multiple NOCs/licences to upload and keep current (duplication)	Required by MoT for HRACC	Fire/Police/Health/SPCB/ULB/Excise etc.	4–12+ weeks cumulatively	<b>Reduce duplication:</b> accept State single-window certificate where available; integrate DigiLocker/API verification instead of uploads; standardise “minimum document set” by star category; accept “applied/under process” for non-critical NOCs with undertaking; auto-validity tracking and reminders.
4	Affidavits/undertakings + notarised/translated docs add friction	Required on NIDHI/HRACC	Notary/stamp ecosystem	3–10 days extra	<b>Go paperless:</b> replace stamp-paper affidavits with e-declarations and e-sign; accept self-attested docs for low-risk items; accept local-language govt docs with standard translated template or system-generated translation; only notarise for high-risk/legal ownership documents.

Source WTTCCII Research & White Paper 2023 (<https://tinyurl.com/mvxyc3z7>) | \*WTTCCII rapid reality-check

## MOT/NIDHI level deregulation/EODB issues - Indicative (2/2)

Sl.	Permission / Approval (NIDHI / No pain point)	Central / Government of India interface	State / Local interface	Typical time	MoT-led fix
5	Inspection regime intrusive/unpredictable; no deferment; possible overnight stay	HRACC inspection committee	Local logistics	Inspection scheduling up to ~40 working days + report time	<b>Make inspections professional and bounded:</b> published inspection protocol and checklist; advance notice as default (except complaint-based); ban overnight-stay requests; time-boxed visits; allow one reschedule; digital evidence (photos/video) + standard report; rectification window before any adverse action.
6	“Deficiency loop” on portal; repeated send-backs; hard 3-month closure after inspection else rejection	MoT / NIDHI	Local dependencies slow closure	8–16+ weeks; can overrun	<b>End the loop:</b> single consolidated deficiency note (one-time) + one re-submission; “stop-the-clock” rule when MoT raises queries; extend/waive 3-month cap where delays are due to external NOCs; real-time helpdesk; auto-validation of standard docs.
7	Monthly reporting burden post-classification (Occupancy + digital transactions by 20th)	MoT / NIDHI	Minimal	Monthly recurring	<b>Automate + reduce frequency:</b> API integration with PMS/GST/OTA aggregators; shift to <b>quarterly</b> for smaller hotels; “nil return” one-click; penalties only for persistent non-filing, not one-off delays.
8	8-year lock-in for 1–4 star hotels taking govt benefits before upgrading	MoT guideline	States/UTs align benefits	8 years	<b>Make it investment-friendly:</b> replace lock-in with <b>clawback/pro-rata</b> benefit recovery if upgraded early; allow upgrade after 2–3 years with conditions; link benefits to <b>performance outcomes</b> (jobs, GST, quality) instead of category lock.

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