

**REVISED GUIDELINES
FOR
IMPLEMENTATION
OF
THE SCHEME
FOR
CENTRAL FINANCIAL ASSISTANCE
TO
IHMs/FCIs/IITTM/ICI/NCHMCT/
ITIs/POLYTECHNIC
INSTITUTES/UNIVERSITIES/GOVT.
COLLEGES/GOVT. VOCATIONAL
SCHOOLS/PSUS ETC.**

F. No. 1 (21)/2012-HRD

Government of India

Ministry of Tourism

HRD Division

Sub: Scheme of Financial Assistance to the IHMs/FCIs/IITTM/ICI/NCHMCT/ITIs/Polytechnic Institutes/Universities/Govt. Colleges/Govt. Vocational Schools/PSUs etc.

The following broad guidelines are prescribed for grant of Central Financial Assistance by the Ministry of Tourism for projects under the Scheme of Financial Assistance to the Institute of Hotel Management (IHMs)/Food Craft Institutes (FCIs)/Indian Institute of Tourism & Travel Management (IITTM)/Indian Culinary Institute (ICI)/National Council for Hotel Management & Catering Technology (NCHMCT)/ Industrial Training Institutes (ITIs)/Polytechnic Institutes/ Universities/Govt. Colleges/Govt. Vocational Schools/Public Sector Undertakings (PSUs) etc.

I. Scope:

The Ministry of Tourism, under the Scheme of Financial Assistance to the IHMs/FCIs/IITTM/ICI/NCHMCT/ITIs/Polytechnic Institutes/ Universities/ Govt. Colleges/Govt. Vocational Schools/PSUs, etc., extends central financial assistance for the following:

- i) Setting up of Central/State Institutes of Hotel Management & Catering Technology & Applied Nutrition (IHMs) including Hostels, Principal's residence and staff quarters, Campus development works etc.
- ii) Expansion/Addition & Alteration of building and replacement/upgradation of equipment of Central IHMs
- iii) Setting up of Food Crafts Institutes (FCI) including Hostels.
- iv) Setting up new Centres/branches of Indian Institute of Tourism & Travel Management including National Institute of Water Sports along with Hostels and staff quarters, Campus development work etc..
- v) Expansion/Addition & Alteration of building and replacement/upgradation of equipment of Centres of IITTM.
- vi) Expansion//Addition & Alteration of existing building and replacement/upgradation of equipment of National Council for Hotel Management & Catering Technology.
- vii) Setting up of Indian Culinary Institute and its Centres/Branches including Hostels, and staff quarters.

- viii) Expansion//Addition & Alteration of existing building and replacement/upgradation of equipment of ICI Centres
- ix) To Polytechnic Institutes/ Universities/ Govt. Colleges/Govt. Vocational Schools/PSUs for broad-basing of hospitality education.
- x) For upgrading Food Craft Institutes into State Institutes of Hotel Management.
- xi) Any other Institutions to be set up under the administrative control of the Ministry of Tourism for imparting education in the field of Tourism, Hospitality and Allied Sector.
- xii) Any other institutions to be set up by the State Government for imparting education in the field of Tourism, Hospitality and Allied Sector, provided the Project Appraisal Committee satisfies that the Institution to be set up is broadly covered under the Scheme.

II. Eligibility

A Society formed by the Central/State Government/ UT Administration registered under the Societies Registration Act 1860 to manage an IHM/FCI etc. shall be eligible for Central Financial Assistance. The autonomous societies formed by the Central Government, namely the Indian Institute of Tourism & Travel Management, National Council of Hotel Management & Catering Technology, Indian Culinary Institute etc. are covered under the Scheme.

Section A - (I) Central Financial Assistance for setting up new IHMs.

- i. Central Financial Assistance for setting up an IHM will be considered only after registration of the IHM Society under the Societies Registration Act 1860 by the Central Government /State Government/ UT Administration. IHM Society registration and land transfer documents in the name of IHM Society should accompany the proposal. Wherever, it is not possible to transfer the land in the name of Society, the land should be clearly demarcated for IHM and atleast in the possession of the State Government/UT Administration concerned, in the name of Tourism Department. The reasons for difficulties to transfer the land to the Society should be recorded in writing and it should be acceptable to the Central Govt.
- ii. Assistance shall be considered for the setting up of an IHM proposed by a State Government / UT Administration to run the Institutions by the State Government Society/UT Administration Society only after the State Government/UT Administration concerned has transferred a piece of developed land, free from all encumbrances, necessary for the purpose, measuring not less than five acres and has also committed to provide basic services/utilities like electricity, water supply, provision of sewerage etc.” In the case of Central IHM also, the State Government/ UT Administration concerned

has to provide the land with all basics facilities as in the case of State IHM to the Society.

- iii. In hilly areas and in the six cities classified as large (UA), namely Mumbai, Bengaluru, Hyderabad, Chennai, Kolkata and Delhi, a piece of developed land, free from all encumbrances, measuring not less than 2 (two) acres would be considered as adequate for the setting up of a SIHM. This special dispensation would, however, be subject to a very strict adherence to the norms of affiliation related to academic and equipment infrastructure including the covered areas.
- iv. Central Financial Assistance shall be limited to the maximum ceiling of Rs. 1250 lakh for the setting up of a new IHM run by State Government/UT Administration. If the cost of the project exceeds the amount of assistance granted by the Ministry, the remaining expenditure shall be met by the State Government/UT Administration concerned.
- v. The utilization of assistance to a new State IHM proposed by the State Govt. / UT Administration shall be subject to further ceilings of Rs. 1000 lakh on construction and Rs. 250 lakh on purchase of equipment.
- vi. Additional financial assistance of upto Rs.400 lakh is given for construction of hostel Block.
- vii. Inter-component adjustments of assistance ceilings, subject to a maximum of 10%, prescribed for construction of academic block, construction of Hostels and purchase of equipment will be allowed on case-to-case basis as a pre-sanction dispensation and no flexibility will be allowed after the sanction of the project.
- viii. There shall be no ceiling on quantum of assistance for the setting up of a Central IHM by the Ministry of Tourism, Government of India, or for Expansion/Addition & Alteration of building and replacement/upgradation of equipment covered under Grants for Creation of Capital Assets for Central IHMs. In the matter of land, the State Government should transfer the required land free of cost in the name of Society of Central IHM.

Section – A (II) Central Financial Assistance for setting up SIHM in an existing Building:

- (i) Central financial assistance shall also be considered for the setting up of a State IHM in an existing building by the State Government/UT Administration concerned for the purpose, provided the building is suitable for housing the IHM. The central

financial assistance will be limited to Rs.6.00 crore or 75% of the cost of construction, whichever is less, for the academic block in the existing buildings,. The maximum financial assistance of Rs.2.00 crore for construction of hostel and Rs. 2.00 crore for purchase of equipment will be provided.

- (ii) The grant of CFA for the project shall be further subject to the other conditions as stipulated in the case of setting up of IHM as detailed at Section A(I).

Section –A (III) Central Financial Assistance for setting up SIHM by upgradation of existing FCI:

- (i) Central Financial Assistance shall be admissible for upgradation of an existing FCI into SIHM provided the proposal is justified and found feasible by the Central Government. Such proposals shall be considered subject to the following:
- (ii) The State Government shall dissolve the existing FCI Society and form a new Society in the name of SIHM and register the same under the Societies Registration Act 1860.
- (iii) CFA released earlier will be adjusted for upgradation for overall ceiling against each component, provided in the scheme guidelines.
- (iv) The grant of CFA for the project shall be further subject to the other conditions as stipulated in the case of setting up of IHM as detailed at Section A(I).

Section B (I) Central Financial Assistance for Setting up new FCIs

- i) Central Financial Assistance may be granted for setting up of FCI by the Central Government or by a State Government / UT Administration.
- ii) Central Financial Assistance for setting up FCI will be considered only after registration of the FCI Society under the Societies Registration Act 1860 by the State Government. Society registration in the name of FCI Society and land transfer documents in favour of FCI Society should accompany the proposal. Wherever, it is not possible to transfer the land in the name of Society, the land should be clearly demarcated for FCI and atleast in the possession of the State Government/UT Administration concerned, in the name of Tourism Department. The reasons for difficulties to transfer the land to the Society should be recorded in writing and it should be acceptable to the Central Govt.
- iii) Assistance shall be considered for the setting up of an FCI proposed by a State Government / UT Administration only after the State Government/UT Administration concerned has transferred in the name of the FCI Society, a piece of developed land,

free from all encumbrances, necessary for the purpose, measuring not less than three acres and has also committed to provide basic services/utilities like electricity, water supply, provision of sewerage etc.

- iv) In hilly areas and the six cities classified as large (UA), namely Mumbai, Bengaluru, Hyderabad, Chennai, Kolkata and Delhi, a developed piece of land, free from all encumbrances, measuring not less than 1 (one) acre would be considered as adequate for the setting up of a FCI. This special above dispensation would, however, be subject to a very strict adherence to the norms of affiliation related to academic and equipment infrastructures including the covered areas.
- v) The Central financial assistance to an existing FCI to be set up by the State Govt. / UT Administration shall be limited to over-all ceiling of Rs. 550 lakh, out of which Rs. 435 lakh will be for construction of building and Rs. 115 lakh for equipments.
- vi) If the cost of the project exceeds the amount of assistance granted by the Ministry, the remaining cost shall be borne by the State Government/UT Administration concerned.
- vii) Inter-component adjustments of assistance ceilings, subject to a maximum of 10%, prescribed for construction of academic block, construction of Hostels and purchase of equipments will be allowed on case-to-case basis as a pre-sanction dispensation and no flexibility will be allowed after the sanction of the project.
- i) An additional financial assistance of upto Rs.200 lakh is provided in case the same is intended to meet the cost of hostel facilities.

Section – B (II) Central Financial Assistance for setting up FCI in existing Building:

- i) Assistance may also be granted for the setting up FCI in an existing building offered free-of-cost by the State Government/UT Administration concerned for the purpose provided the building is suitable for housing the FCI and the proposal is otherwise feasible.
- ii) The central financial assistance will however be limited to Rs.280 lakh or 75% of the construction cost, whichever is less, for construction of academic block in the existing building.
- iii) In addition to above, the financial assistance upto Rs. 115 lakh on purchase of equipment will be provided.

Section - C Central Financial Assistance for setting up new Centres of IITTM,ICI, NCHMCT etc.:

- i) Central Financial Assistance shall be admissible for setting up new Centres of IITTM, ICI, NCHMCT or any other similar new Central Government Institutions, to be run by Societies.
- ii) Proposal for setting up of a new Centre of IITTM/ICI/NCHMCT etc. can be mooted by the State Government or by the Ministry of Tourism or by the Institute.
- iii) In all cases, Central Financial Assistance shall be considered for the setting up of Centre/Institution only after the State Government/UT Administration concerned has transferred a piece of developed land, free from all encumbrances, necessary for the purpose, measuring not less than five acres and has also committed to provide basic services/utilities like electricity, water supply, provision of sewerage etc. or adequate land is already available in the possession of Societies of Central Government Institution.
- iv) In hilly areas and in the six cities classified as large (UA), namely Mumbai, Bengaluru, Hyderabad, Chennai, Kolkata and Delhi, a piece of developed land, free from all encumbrances, measuring not less than 2 (two) acres would be considered as adequate for the setting up of a Centre of IITTM/ICI/NCHMCT. This special dispensation would, however, be subject to a very strict adherence to the norms of affiliation related to academic and equipment infrastructure including the covered areas.
- v) There will be no limit on the extent of Financial Assistance for setting up/Expansion/Addition & Alteration of existing building and replacement/upgradation of equipment covered under Grants for Creation of Capital Assets for IITTM,ICI,NCHMCT etc. or any other similar Central Government Institutions.
- vi) New Central Institutes face difficulties to run the Institutes in the initial years mainly due to non-receipt/availability of adequate fund to meet the recurring expenditure. In addition to this, existing Central institutes located in the difficult areas and those facing financial difficulties primarily due to their geographic location and under utilization of their intake capacity, financial assistance in the form of grant-in-aid general will be provided to the newly set up central Institutes and those institutes located in the difficult areas. However, the provision for recurring grant will be limited for only initial 2 years for new central institutes not

covering under difficult areas. It will be applicable to only Central Autonomous Bodies under the Ministry of Tourism.

Section D - Applied Training Centre (ATC)

- i) Assistance up to a maximum of Rs 500 lakh would be provided to the Central IHMs for construction of Applied Training Centre (ATC) attached to the Institute. Expenditure over and above this limit would be borne by the Institutes themselves.
- ii) Proposals for setting up of ATC with CFA shall be considered only if 2 acres of surplus land is already available with the Institute or the State Government has provided the additional land required for the purpose.
- iii) However, CFA would be extended only to such Institutes where there are no Hotels in a distance of 2 km.

III. Other general conditions/norms

- i) In respect of all projects to be executed under the Scheme of Financial Assistance to IHMs/FCIs/IITTM/ICI/NCHMCT, etc. a Detailed Project Report should be submitted by the State Government.
- ii) The suitability of the building for the purpose of setting up IHM shall be certified by NCHMCT after inspection of the site by its representative/s. The decision regarding setting up the SIHM in the proposed building will be finally taken by the Ministry of Tourism.
- iii) The proposed site for financial assistance should preferably be selected through the challenge method guidelines of the Cabinet Secretariat. However, while deciding the site, priority will be given to those states which don't have adequate numbers of institutions in the Tourism and Hospitality Education.
- iv) In respect of projects undertaken exclusively with Financial Assistance from the Government of India, no additional work or fresh components should be included in the project without the prior approval of the Ministry of Tourism.
- v) Proposals for additions/alterations/new components, with complete details along with cost on each component, duly approved by the Building Committee and BoG should be referred to the Ministry for approval in respect of projects to be undertaken with CFA from Ministry of Tourism.

Third installment
(subject to submission of
Utilisation Certificate) 20% of the sanctioned amount

IV. Academic Tie Up:

- i) IHMs/FCIs shall follow the academic/admission norms prescribed by the NCHMCT. Admissions to IHMs shall be on the basis of a joint entrance examination. An undertaking to this effect shall be given by the State Government/UT Administration concerned before funds are sanctioned for setting up an IHM. However, a State IHM set up with Central Financial Assistance from the Ministry of Tourism under the aegis of a university will be allowed to award the degree of that university. This will be subject to the condition that the curriculum of the concerned university matches the NCHMCT/IGNOU syllabus and the university is recognised by UGC.

V. Promotional initiatives (For Broad-basing)

- (i) The Ministry of Tourism may consider, on being approached, grant of one time Central Financial Assistance, not exceeding Rs. 240 lakh, for facilitating development of institutional infrastructure to a governmental institute such as ITI, Polytechnic Institute, University, College owned by a government or a University, a Public Sector Undertaking and an Autonomous Body owned by the Central or State or Union Territory Government which offers course(s) specific to hospitality crafts (including management courses) or travel/tourism. The grant of CFA would be subject to the conditions that the Ministry may impose on a case to case basis.
- (ii) Similarly, the Ministry may also consider, on being approached, one time CFA not exceeding Rs. 30 lakh to a government school (including a Kendriya Vidyalaya) which offers hospitality/tourism course at +2 stage, to enable it to develop laboratory and acquire equipments necessary for and specific to course(s) of hospitality crafts or travel/tourism. The assistance shall be subject to such conditions as the Ministry may impose on case to case basis.
- (iii) The assistance under this Section will broadly cover the following :

a) INDUSTRIAL TRAINING INSTITUTES

- (i) Amount of CFA Admissible: For expenditure on civil works, equipment, furniture and fixtures etc. subject to a maximum of Rs. 2.40 crores.
- (ii) Civil works: Assistance limited to Rs.100 lakh
- (iii) For Heavy & Small Equipment, Furniture & Fixtures etc. the Central Assistance is limited to Rs. 140 lakh

b) VOCATIONAL SCHOOLS

- (i) Amount of CFA admissible: For expenditure on civil works, equipment, furniture and fixtures etc. subject to a maximum of Rs. 30 lakh.
- (ii) Civil works: Assistance is limited to Rs. 6 lakh
- (iii) Heavy & Small Equipment, Furniture & Fixtures etc. the Assistance is limited to Rs. 24 lakh

c) UNIVERSITIES & OTHER COLLEGES

- (i) Amount of CFA admissible: For expenditure on civil works, equipment, furniture and fixtures etc. is limited to a maximum of Rs. 240 lakh.
- (ii) Amount of CFA admissible for Civil works: Assistance limited to Rs 60 lakh.
- (iii) Heavy & Small Equipment, Furniture & Fixtures etc. Central Financial Assistance is limited to Rs 180 Lakh

d) POLYTECHNICS & PSUs

- (i) Amount of CFA admissible: For expenditure on civil works, equipment, furniture and fixtures etc. is subject to a maximum of Rs. 240 lakh.
- (ii) CFA for Civil works: Central Financial Assistance will be limited to Rs 60 lakh.
- (iii) Heavy & Small Equipment, Furniture & Fixtures etc. the CFA admissible is Rs 180 Lakh

Details terms & conditions for sanctioning central financial assistance to ITI/School/polytechnic/university/college related to broad-basing of hospitality education are appended.

Inter-component adjustments of assistance ceilings, subject to a maximum of 10%, prescribed for civil works and purchase of equipments will be allowed on case-to-case basis as a pre-sanction dispensation and no flexibility will be allowed after the sanction of the project.

VI. Implementation and monitoring of the programme at Central Level.

1. There will be a Technical Support Group (TSG) for project appraisal at National Level. The Technical Support Group will be established with appointment of consultants on contractual basis as per rules and as per the requirements. In order to facilitate effective monitoring and operational support for the scheme, the TSG will also act as a Monitoring and Operational Support Unit. The management costs approved for this scheme at Central level will be utilized for engaging the Consultants and establishing the monitoring and operational support unit. The operational support unit will work very closely with programme division in the Ministry. The Management cost at Central level will be to the tune of maximum 1% of the Annual Budget Estimates of the scheme.
2. In consultation with NCHMCT, a format for submitting the project proposal with norms is being developed to facilitate State/UT Governments for preparation of viable and complete proposals in respect of setting up of new IHMs/FCIs.
3. The society which has been formed to run the new institutions/existing institutions will constitute a Project Construction Committee (PWC) before work is executed for implementation and monitoring of the project at ground level. Composition of the PWC will be decided by the concerned society in consultation with the Ministry of Tourism.
4. For effective monitoring of the programme, an online Management Information System (MIS) is being developed.

**TERMS & CONDITIONS FOR SANCTION OF CENTRAL FINANCIAL ASSISTANCE
TO I.T.I./SCHOOL/POLYTECHNIC/UNIVERSITY/COLLEGE etc.**

Within the framework of the revised guidelines regulating the outflow of assistance under the Scheme of Financial Assistance to ITI/POLYTECHNIC INSTITUTE/ UNIVERSITY/ GOVT. COLLEGE/GOVT. SCHOOL/PSU etc., all proposals for release of Grants-in-Aid related to broad-basing of hospitality education through the aegis of these Institutions will be subject to the following standard terms & conditions which can, however, be added or altered on case-to-case basis, if considered necessary:

- i) Project proposals from institutes other than universities for starting hospitality/tourism courses must be routed through the respective State Govts. duly recommended with the following explicit commitment :-
 - a) That the State Govt. will meet the expenditure on the project over and above that sanctioned by the Ministry of Tourism; and
 - b) That it shall provide faculty for the start of the courses either on regular or on contract basis.
- ii) **Central Financial Assistance will be sanctioned only for starting new/additional hospitality and/or tourism courses in the Institute and not for works & equipments related to already ongoing/running hospitality or tourism courses.**
- iii) Assistance to only such University shall be considered for Central financial assistance which has been created either by the Act of State Legislature or of Parliament.
- iv) A University shall not be eligible for assistance from the MoT unless it proposes to introduce a 3-year degree course in hospitality or tourism & travel education.
- v) Only such Polytechnic Institutes which propose to offer a 3-year Diploma course in Hospitality Education shall be eligible for assistance from the Ministry of Tourism. However, there shall be no bar on conducting additional courses specific to hospitality education.
- vi) Assistance to ITI shall be available for starting new craft courses.
- vii) The assistance shall be released by the Ministry of Tourism in three installments of 40%, 40% and 20%.
- viii) The first installment of 40% shall be released only after the estimates, both for the civil work and equipment, have been worked out. The NCHMCT shall be consulted in the process of firming up of the estimates. To ensure the reasonableness of the civil estimates, the estimates based on the rates of the CPWD/PWD/designated State agency/ Engineering Wing of the University (in the case of a University) alone will be accepted.
- ix) The second installment of 40% shall be released only after:-

- a. The Utilization of at least 75% of earlier grant released and submission of Utilization Certificate to this extent;
 - b. There is an acceptable physical progress on the project.
- x) The final installment of 20% shall be released after the institute has furnished a certificate showing 75% utilization of the total fund released earlier and has additionally acquired all the equipments sanctioned.
 - xi) The Institute shall complete the project within two years of the sanction of the project. It will also be a condition that the Institute shall start the sanctioned courses latest by that time.
 - xii) Institutes proposing to start 3-Yrs. Degree/Diploma course in Hotel Management must possess at least 2200 Sq. Mtrs. (23,672 Sq. ft.) of dedicated space for Class rooms & Labs for the proposed course.
 - xiii) The Central financial assistance will, under no circumstances, be utilized for meeting recurring and/or establishment expenditures.
 - xiv) Those institutions which are already running Tourism and Hospitality related courses, the proposal will be considered only after starting a new course or increase in intake in the existing courses requiring additional infrastructure.
 - xv) The Project Proposal must provide explicit information on the points listed in the **ANNEXURE** to enable the Ministry of Tourism to process the request for central financial assistance.

ANNEXURE

Proposals from I.T.I/GOVT. SCHOOL/POLYTECHNIC/UNIVERSITY/ COLLEGES for Central Financial Assistance must contain a detailed write-up providing information on the following aspects for examination by the Ministry of Tourism:-

- 1. In case of a University, please indicate whether the University was created either by the Act of State Legislature or of Parliament.**
- 2. Details of courses being currently conducted by the Institute.**
- 3. Physical Infrastructure details of the Existing Institute (Please provide details of the land available, No. of classrooms, Labs, Library facilities etc. already available)**
- 4. Details of Courses proposed to be started/ increase in intake in the existing course requiring creation of additional infrastructure/equipment with Central Financial Assistance along with the duration thereof. Please provide information on the following related points :-**
 - (a) Whether proposal approved by the University Administration.
 - (b) Yearly intake of students in each course.
 - (c) In case of existing course, total increase in intake requiring additional infrastructure/equipment. (Copy of approval should be attached)
 - (d) Whether Faculty available for the proposed course OR whether necessary faculty positions would be created. What will be the staff structure?
 - (e) Whether University Administration has formally committed to meet the recurring expenditure including Salaries?
 - (f) Whether the course will start from the ensuing academic session?
 - (g) If Degree Courses proposed, will be the course content thereof follow the syllabus prescribed by NCHMCT.
 - (h) Who will be the Affiliating Body for the Degree Courses proposed?
 - (i) If Diploma Courses proposed, will be the course content thereof follow the syllabus prescribed by NCHMCT.
 - (j) Who will be the Affiliating Body the Diploma Courses proposed?
 - (k) FEE structure for various courses.
 - (l) Level of Travel & Tourism courses, if proposed.
- 5. Details of the proposed Site for running the courses (Area Details for each class, Lab etc. to be provided. Please see condition no.XI of the terms & conditions)**
- 6. Details of Civil Works proposed :**
 - (a) Whether Construction work estimates prepared?
 - (b) Whether prepared on the basis of CPWD/PWD Schedule of rates?
 - (c) Who will be the executing agency for the Construction works?
 - (d) Total Plinth Area (in Sq.ft.) proposed for addition/alteration.
 - (e) Break-up of Expenditure to be incurred on Construction.

(f) Timeline for completion of the Construction work.

7. **Details of the Machinery & Equipments along with cost of each item. (Please ensure that the list of Machinery & Equipments corresponds exactly to the courses proposed)**
8. **Source of funding to meet the expenditure over and above the Central Financial Assistance.**
9. **Does the Institute propose to apply/Has the Institute applied for/obtained grants for this purpose from any other authority of the Govt. of India.**
