

HAI
CREATING LANDMARKS
OF PROGRESS



Hotel Association of India



HOTEL ASSOCIATION OF INDIA CREATING LANDMARKS OF PROGRESS

Liberalization of the Indian economy in the mid 90s ushered in economic reforms that opened up vast vistas of growth in all sectors, except the hotel sector, which seemed bogged down in the absence of Infrastructure Industry Status, non-availability of land and multiplicity of taxes that the hotels were subjected to, among other factors.

In this backdrop, the Owners and CEOs of Corporate Hotel Groups (EIH, IHCL, ITC, LEELA, LALIT & PARK) met in Delhi in the later half of 1996 to review the situation. They unanimously felt that a stronger hotel-specific voice was the need of the hour which could lead to the re-orientation of the mindset of decision makers.

Hotel Association of India was that voice !

HAI's latest and most significant milestones is the Letter to the Hon'ble Prime Minister by Mr. P. R. S. Oberoi, seeking 7 key reforms to energise tourism and hospitality sector as a growth engine for achieving US \$ 5 trillion economy envisaged for India, which are also reflected in the Economic Survey presented on 4th July, 2019 and the Union Budget 2019-2020 presented on 5th July, 2019.

Conceptualized and founded in 1996 by the doyens of the hospitality industry: Mr. P.R.S. Oberoi, Mr R.K. Krishna Kumar, late Capt. C.P.K Nair and late Mr. L. P. Gupta, Hotel Association of India has come a long way and created many new milestones of progress in hospitality sector enumerated in the pages that follow:

VIKRAM OBEROI
President
Hotel Association of India



Mr. PRS Oberoi presented HAI's Memorandum to the Honourable Prime Minister on July 01, 2019, recommending key reforms to energise tourism and hospitality sector by:

- Rationalising GST in Hotels at 12% taxation on a globally competitive basis;
- Including Hotel Industry in “Infrastructure Sector” category under Section 80/1A of I.T. Act;
- Enhancing hotel room accommodation on a fast track basis;
- Enlarging skill development facilities in hospitality industry to engage skilled, semi-skilled and unskilled job-seekers and for employment of women;
- Improving tourist places to international standards and opening up of new areas to enlarge employment opportunities;
- Current rate of 30% Corporate Tax be reduced to 25% for hotel companies;
- Revising Hotel industry's reward points under the Service Exports from India Scheme (SEIS) from 5% to its original level of 10%.

**ECONOMIC SURVEY 2018-19
PRESENTED IN PARLIAMENT
ON
JULY 4, 2019**

**MESSAGE
FOR
HOSPITALITY INDUSTRY**

- **Make the taxation regime on hospitality industry globally competitive.**
- **State governments need to be sensitised about tourism being a major driver of employment and poverty alleviation;**
- **Land should be made available for hotels and furthermore, land should be reserved for hotels in all new townships under planning;**
- **Giving fast-track clearances for hotel projects;**
- **Increasing skill development efforts to train more persons.**

**UNION BUDGET 2019-2020
PRESENTED IN PARLIAMENT
ON JULY 5, 2019**

**MESSAGE
FOR
HOSPITALITY INDUSTRY**

- **Infrastructure development holds the key to economic growth and job creation;**
- **17 iconic tourism sites to be developed as world-class tourist centres;**
- **UDAN Scheme to be further fortified by inclusion of additional smaller airports to augment regional air connectivity, thereby generating an increase in inbound and domestic tourism;**
- **Focus on overall transportation infrastructure with far reaching initiatives such as “Bharatmala” for roads and “Sagarmala” for waterways, along with massive rail modernization and safety measures will have long-term positive outcomes for the industry and the country;**
- **As for the aviation industry, emphasis on FDI, aircraft financing and leasing, policy interventions for providing maintenance, repair and overhaul in India for better connectivity to key tourist destinations, and thus give the much-needed boost to the industry.**

HAI's MILESTONES OF PROGRESS

- **1998:** HAI assiduously worked for the grant of **Export House Status** for tourism and hospitality sector in India. Thereafter, the same year, it also conceptualized the establishment of **Tourism Export Promotion Council**;
- **2001:** Launched an exclusive **HAI Hotels Directory** distributed abroad by the Ministry of External Affairs through all Indian Embassies;
- **2002:** In association with the World Trade Organization (WTO), HAI organized the first ever Workshop for Hoteliers on **Applicability of WTO Rules to Trade in Services** ;
- **1998-2011:** HAI waged a successful legal battle in securing the hotels' right to adopt dual tariff system;
- **2006:** HAI achieved a notable legal success in getting repealed an archaic anti-women provision of the Punjab Excise Act 1914 that barred women

from serving in bars in hotels;

- **2012: Vacation of Ban on Tourism Activities in Tiger Reserves:** HAI successfully spearheaded the legal campaign for vacation of a Supreme Court ban on tourism activities in Tiger Reserves;
- **2012:** HAI orchestrated the strategy leading to the extension of benefit of securing loans for hotels of 3-Star and above categories, thus increasing the availability of funds for the hotel industry;
- **2007: Zero Duty facility for Imports by Hotels** was granted by the Government after sustained efforts made by HAI to allow zero duty import facility to hotels under "**Served From India Scheme**" (SFIS). The industry continues to draw benefits under that scheme which has now been rechristened as **Service Exports From India Scheme (SEIS)**.
- **2004:** Drafted the **Model Code of Conduct Governing Mutual Relations among Hoteliers, Travel Agents and Tour Operators** and helped evolve a consensus among various sub-sectors of Tourism for its adoption;

- **2004: Hotel Expenditure Tax (HET)** imposed by the Union Government on hotels, was abolished at the initiative of HAI;
- **2009: Luxury Tax Reduced in Delhi** through HAI's relentless efforts to persuade the Government of Delhi to rationalize the Luxury Tax in hotels in Delhi and reduce it from 12.5 per cent to 10 per cent;
- **2003:**HAI drafted the Constitution of **CITTI: Confederation of Indian Travel and Tourism Industry**, now called **FAITH – Federation of Associations of Indian Tourism and Hospitality** as an umbrella organization of all tourism entities. HAI is thus a founder Member of FAITH;
- **2012: Hotel Industry Moved Towards Infrastructure Industry Status** pursuant to HAI's untiring efforts to seek Infrastructure Industry status for the hospitality industry under Section 80-1(A) of the Income Tax Act. RBI in 2012 notified "Hotels of 3-Star & above categories located in cities having a population of more than one million" in the Harmonized Master List of Sub Sectors of Infrastructure. A year later, the List was updated by the Union Finance Ministry to include "Hotels with

project cost of more than Rs. 200 crore each in any place in India and of any star rating”.

- **2010: Active Support for Commonwealth Games:** The Government of India entrusted HAI with the responsibility of coordinating with all hotels in Delhi and identify accommodation for visiting sports-persons who visited Delhi for the mega event. The Organizing Committee of the Games also sought the help of HAI’s experts in the timely completion of accommodation facilities for athletes in the Games Village;
- **2017: HAI** successfully persuaded the Supreme Court in amending its order prohibiting the sale of liquor within 500 metres of national and state highways. Subsequently, the Hon’ble Court clarified that the ban did not apply to hotels.

REGIONAL CO-OPERATION INITIATIVES

- **1999: HAI** became prime mover in the establishment of the **SAARC Hotels Association**; organized SAARC Seminars on **Hygiene Management in Hotels** in partnership with the

World Health Organization;

- **2000:** Pioneered the concept of **Healthy Hotels** in association with the World Health Organization;
- **2000:** HAI Organized the **First Afro-Asian INFOTECH HOTELS EXPO** to underline the role of Information Technology in Hotels;
- **2001:** Signed Memorandum of Understanding with the Hotel Association of Nepal and Uganda Investment Authority for exchange of information on developments and innovations in hospitality sector;
- **2008:**Published the first ever **Guidelines for Security Measures in Hotels** in India drawing upon the best international practices;
- **2002:** Organized an **All India Survey Among Foreign Tourists on Safety in Hotels in India** in the wake of terror attacks of 9/11 (USA) and 13/12 Parliament attack in New Delhi (India);

- **2000:** Published a White Paper on **Tariff Systems in Hotels in India** in association with the National Institute of Public Finance and Policy (NIPFP)
- **2001:**Published the **Guidelines for Disabled-Friendly Facilities in Hotels;**
- **2011:** Published a White Paper on **Goods & Services Tax (GST)** with focus on its applicability to the Hospitality Industry;
- **2007:** Organized the **1st HAI Hoteliers' Conclave on Re-shaping the Hospitality Industry to stay ahead in the fast changing Global Economy**, participated by representatives from India and the SAARC countries;
- **2010:** Staged the **2nd Hoteliers' Conclave on Mega Trends in Hospitality Industries;**
- **2013:** Convened the **3rd HAI Hoteliers' Conclave on Technology : Leading the Change** for participants from India and SAARC member countries;

- **2016:** Convened the **South Asian Hoteliers Conclave** to deliberate upon disasters and evolve a template for disaster relief, rescue and evacuation of tourists, if required, through mutual co-operation, aid and assistance.

EDUCATIONAL INITIATIVES

- **2013:** HAI partnered with Switzerland's famous **École hôtelière de Lausanne** to bring world class Executive Education Programmes for Hotel Managers in India;
- **2014:** In association with the "**Hong Kong Polytechnic University School of Hotels**", HAI organized high quality Professional Development Programmes for hotel professionals in India, with an Asian dimension.

SOCIAL INCLUSION INITIATIVES

- **World Hand Hygiene Day May 05** : HAI observes the Day to acquaint school students, residents of orphanages, hotel visitors, guests and staff with the importance of washing hands with soap and water to prevent viral infections and respiratory illnesses, which cost the country over Rs. 10,000 crore annually on healthcare expenditure;
- **World Environment Day June 05** has been celebrated annually by HAI's member hotels for the last 22 years. Students from nearby schools and orphanages are invited to participate along with hotel guests and employees to learn and affirm their commitment to protection of environment;
- **Maintenance of National Monuments** : HAI has identified 34 public Monuments and helped their adoption by HAI member hotels for their cleanliness and enhancement of tourist amenities. **Swachh Smarak Abhiyan**, also being implemented by HAI member hotels, also seeks to achieve the same goals;

- **Swachh Bharat Abhiyan** : This is HAI's flagship public inclusion programme, launched by the Prime Minister, Shri Narendra Modi on 2nd October 2014. HAI has pledged the unanimous support of all its members on a sustained basis to help fulfil Mahatma Gandhi's vision of a 'Clean India' by 2nd October 2019;
- **Swachh Vidyalaya Abhiyan**: HAI has steered its member hotels to the next level of this campaign to provide gender segregating toilets for girl students in schools. Support for it is gaining momentum and a beginning has already been made with an offer to build toilets in a Girls School in Agra.

EXECUTIVE COMMITTEE 2018-19

Parton-in-Chief Hotel Association of India



Mr. P.R.S. Oberoi
Executive Chairman
EIH Limited



Mr. Vikram Oberoi
President
Hotel Association of India &
Managing Director & Chief Executive Officer
EIH Limited



Mr. Puneet Chhatwal
Vice President
Hotel Association of India &
Managing Director & C.E.O
The Indian Hotels Company Limited



Ms. Priya Paul
Corporate Member
Chairperson
Apeejay Surrendra
Hotels Limited



Mr. Nakul Anand
Corporate Member
Executive Director ITC Limited



Mr. Patu Keswani
Corporate Member
Chairman and Managing Director
Lemon Tree Hotel Ltd.



Dr. Jyotsna Suri
Corporate Member
Chairperson & MD
Bharat Hotels Limited



Mr. K.B Kachru
Fellow Member
Chairman Emeritus &
Principal Advisor
Radisson Hotels (South Asia) Pvt. Ltd.



Mr. Anil Madhok
Fellow Member
Managing Director
Sarovar Hotels Pvt. Ltd.



Mr. Rohit Khosla
Member
Senior Vice President (NR)
IHC Limited



Mr. J.K. Mohanty
Member
Managing Director
Swosti Premium Limited



Mr. Suresh M. Talera
Hony. Secretary
Hotel Association of India &
Chairman
Talera Hospitality



Mr. Rupak Gupta
Hony. Treasurer
Hotel Association of India &
Jt. Managing Director
U.P. Hotels Limited



Mr. R. K. Puri
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Mr. Samir M.C
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