

GOVERNMENT OF INDIA  
MINISTRY OF TOURISM

**RAJYA SABHA**  
**UNSTARRED QUESTION NO.3183**  
ANSWERED ON 19.03.2026

**CURBING UNFAIR PRACTICES IN HOSPITALITY SECTOR**

3183 MS. SWATI MALIWAL:

Will the Minister of **TOURISM** be pleased to state:

- (a) whether Government has taken cognizance of excessive surge in pricing by hotels and short-term accommodation providers during peak seasons, festivals and major events and if so, the details thereof;
- (b) whether any study has been conducted on the impact of such price surges on domestic tourist footfall, foreign tourist arrivals and India's competitiveness and if so, the details thereof;
- (c) whether Government proposes to introduce a framework for tariff transparency, mandatory all-inclusive price disclosure and a time-bound grievance redressal mechanism for tourists and if so, the details thereof; and
- (d) the corrective measures taken to prevent unfair trade practices in the hospitality sector?

**ANSWER**

THE MINISTER OF TOURISM

(SHRI GAJENDRA SINGH SHEKHAWAT)

(a) to (d): Operation of hotels is primarily a private sector activity. The Ministry of Tourism, Government of India only classifies operational hotels under its voluntary scheme of classification/approval of hotels, on the basis of the facilities and services provided by them.

The hotel prices are decided according to the demand-supply condition. In order to further augment supply of hotel accommodation, the Ministry of Finance, Government of India, on 7th October, 2013 notified the Harmonized Master List of Infrastructure Sub-Sectors to boost supply of hotel rooms in the country which includes three Star or higher category classified hotels located outside cities with population of more than 1 million.

In addition, many States/UTs have granted industry status to the hospitality sector in order to promote investment and hence increase the capacity of the hospitality sector.

In order to supplement the hotels, the Government has also put in place schemes to promote homestays viz. MUDRA Loans for homestays and the Pradhan Mantri Janjatiya Unnat Gram Abhiyan (PMJUGA).

The Government of India, through the Ministry of Consumer Affairs is continuously working for consumer protection and empowerment of consumers by enactment of progressive legislations. With a view to modernize the framework governing the consumer protection in the new era of globalization, technologies, e-commerce markets etc., various legal provisions are put in place by Department of Consumer Affairs.

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