



Confederation of Indian Industry

Tourism Sector Recommendations to the Minister of Finance

(10 May 2021)

The Tourism and Hospitality Sector has undergone a severe stressed fiscal situation, because of a sharp decline in revenue collections due to the COVID-induced economic slowdown.

CII through its office bearers is continuously engaging with the relevant stakeholders at the center and state level. In the recommendations submitted to the Ministry of Finance, the following were highlighted: -

1. Statutory dues/licenses and permits

CII recommended a blanket exemption for 12 months and auto-renewal of licenses without any fees for this financial year as well as a waiver of any property taxes, license fees payable, etc. Further, waive off statutory dues related to customs duties at the Central Government level or any state government level excise fees, levies, taxes, power & water charges, across the tourism, travel, hospitality, and aviation industry.

2. Emergency Credit Line Guarantee Scheme (ECLGS) 3.0

CII recommended, as the scheme is announced to save the entities in the sector, the current NCGTC operational guidelines & FAQ which prescribe DPD (Days Past Due) or NPA restrictions as on the date of sanction/disbursement of the ECLGS facility, should be either revoked or amended suitably.

3. Served from India Scheme (SFIS)

CII recommended extending the period of using scrips for one year from the expiry of the scrips as hotels will take time to re-start their businesses during/post-pandemic.

4. One Time Restructuring of loans

CII recommended waiver of debt parameters for three years till FY'24 as industry recovers.

5. Infrastructure Status to Hotel Industry

It has been a long demand of the industry to bring down the criteria of infrastructure status for Hotel projects with an investment of more than INR 50 crore.

6. Industry Status

If hotels are permitted industry status, it will assist in the better revival of the sector with relief in electricity tariff, electricity duty, water cess, property tax, development, and non-agricultural taxes, etc. will enable hotels to provide better quality facilities.

7. Services Export Incentive Schemes (SEIS)

CII recommended releasing the SEIS subsidy for the financial year 2019-21 at the earliest.

8. Reduction in Stamp duty and transaction charges

CII recommended reduction and standardization of land acquisition costs like stamp duty, FSI, TDR across states.

9. CII recommended allowing a tax exemption as allowed in October 2020, for AY 2022-23 and 2023-24 to all employees with a maximum limit of INR 50,000 per person provided the employee spends a sum equal to three times the allowable exemption amount on hotel accommodation, airfare or any other travel-related booking.

10. CII recommended that to save overseas tour packages business and related jobs in India it is recommended that the TCS provisions under section 206C (1G) sub-clause (a) and (b) on remittances under LRS and sale of overseas tour packages respectively, may please be withdrawn.

11. Tourism Fund

A tourism fund to be created to help the sector when in crisis. This fund can ensure sustenance and liquidity in the sector.
