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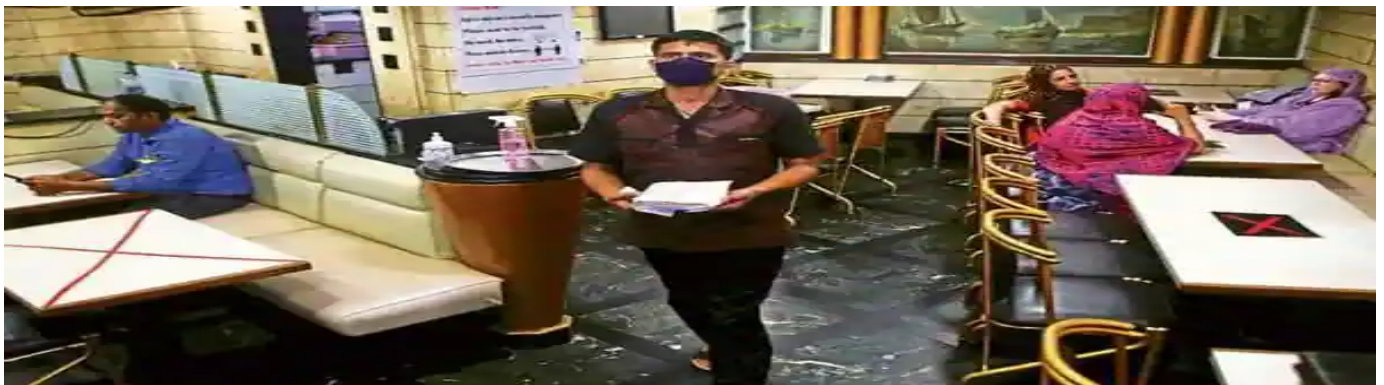
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## Hospitality sector disappointed as it gets only ECLGS extension



Hospitality and related services, especially those by micro and small enterprises, are yet to return to their pre-pandemic level of business (Photo: Reuters)

3 min read . Updated: 02 Feb 2022, 12:33 AM IST

Varuni Khosla

Hospitality and tourism businesses had pinned their hopes on some relief in terms of tax waivers etc to speed up recovery

## NEW DELHI : The [Union Budget](#) for 2022-23 has extended the emergency credit line

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This announcement is likely to benefit the hospitality and tourism sector that falls under its purview, but it has not brought much cheer for the industry.

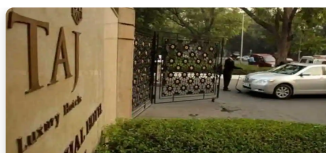
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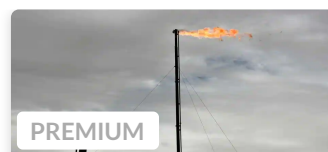
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In her budget speech on Tuesday, the finance minister said hospitality and related services, especially those by micro and small enterprises, are yet to return to their pre-pandemic level of business. She said the emergency credit line will be extended up to March 2023 and its guarantee cover will be expanded by ₹50,000 crore to total cover of ₹5 lakh crore, with the additional amount being earmarked exclusively for the hospitality and related enterprises.

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HOME

LATEST

BUDGET

PREMIUM

Vineet Verma, executive director and CEO, Brigade Hospitality, said the sector has most regrettably been given the short shrift in the Union Budget 2022-23. "Except for the extension of ECLGS till March 2023, there is no other announcement that could have provided the much-needed succour for sectors that have been the worst hit," he said. Brigade owns properties like Sheraton Grand in Bengaluru and Four Points by Sheraton in Kochi, among others.

Hospitality and tourism businesses had pinned their hopes on some relief in terms of tax waivers etc to speed up recovery.

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CARE Ratings estimated a revenue loss of ₹1.25 trillion for the tourism industry in CY2020.

Dipak Deva, managing director of Travel Corporation India Ltd, said, "We have been disappointed once again as the tourism sector was one of the worst hit during the pandemic and has not received a booster shot from the government."

promotion and publicity of India which has been slashed from ₹668.72 crore in 2021-2022, to ₹416 crore now. "Overseas marketing, which is critical to restart business to India, has been further reduced. The budget of overseas marketing has shrunk from

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BUDGET

PREMIUM

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He added that issues like tax collected at source from inward remittances on in-bound tourism has not even been considered. "We would have expected the government to grant us export status considering the industry has a \$30 billion earning potential. We have given up our golden chance by ignoring this industry – China is not attracting people and we could have gained a lot in the next 12 months if the government had given us the tools," Deva said. [OPEN APP](#)

The restaurant industry is similarly disgruntled. Ajit Shah, partner at restaurant business White Panda Hospitality which owns Tera Vita, Kiko-Bā and Dadel in Delhi, said their industry remains fragile and is faced with inflation, higher utility bills, wages and raw material costs. The industry had hoped to get a much-needed tax

Kabir Suri, president of the National Restaurant Association of India (NRAI) and co-founder and director of Azure Hospitality that runs Mamaoto, said the restaurant

HOME

LATEST

BUDGET

PREMIUM

e-commerce policy for the survival and revival of the restaurant sector.

But the one-year moratorium extension for loans availed under the ECLGS scheme may only ease liquidity issues of just some businesses which have existing credit lines or outstanding sanction available loans. "It was very disappointing to see that no specific announcements were made for the restaurant industry and we are yet again left to fend for ourselves," he said.

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The whole tourism travel and hospitality industry is feeling quite dejected, said Nakul Anand, chairman of the Federation of Associations in Indian Tourism & Hospitality. "The union budget provides some relief and medium to long term infrastructure measures to stressed tourism travel & hospitality industry but there was an immediate opportunity for more direct intervention to support the highly stressed tourism travel and hospitality companies and their employees. This could have come in the form of wage support for employee of tourism travel and hospitality companies till tourism revival happens, abolishment of TCS on outbound travel, Infrastructure status to hotels, E visa fees waiver for all tourist visas till inbound revival happens, Domestic income tax travel credit for Indian citizens and Indian companies, Export status for tourism export earnings, Global bidding fund for Indian mice companies & Setup of GST review committee to re-examine the tourism travel & hospitality GST