

Interactive Session with Shri. Sanjeev Sanyal, Principal Economic Advisor, Ministry of Finance on September 3rd, 2020

As you are aware that the FHRAI organised an Interactive Session with Shri. Sanjeev Sanyal, Principal Economic Advisor, Ministry of Finance on September 3rd, 2020. We are sharing here-below the Salient Points which were discussed during the interaction.

- 1. Overhauling of the Government System:** The session kicked-off with a positive note and affirmation from Shri. Sanyal that the government is ready to intervene in case the systems and solutions put in place to help and support different industries to survive during the pandemic is not working for any particular sector.
- 2. Issues with Financial Institutions on One-time Restructuring of Loans :** Commenting specifically on issues raised by FHRAI on the non-cooperation of banks to extend the one-time restructuring of loans which is announced by the government and [the Reserve Bank of India](#), Shri. Sanyal said that the government has announced these measures so that businesses across sectors can benefit from it, and if it is not working well for any reason, it is ready to monitor the reasons behind it. He asked the FHRAI to flag specific cases with the details of the banks, branches, so that the government can act upon them.
- 3. Working Capital Issues:** Referring to the fund crunch that the industry is facing, Shri. Sanyal said that it has to be bifurcated into MSME and large hospitality businesses, the government has to think of a different funding system for the MSME segment of the industry which has no loan exposure to benefit from the restructuring, and at the same time banks are reluctant to offer fresh working capital loans because of the grim outlook of the segment.
- 4.** Shri. Sanyal specifically mentioned that he understands the structural issues faced by the hospitality industry, especially the restaurants, are facing, especially in terms of plethora of approvals and licencing issues and suggested that it is the opportune time to flag those issues to get addressed.

- 5. Extension of Moratorium Period and Waiver of Interest Rates:** Against the request of Federation for extension of moratorium period and waiver of interest rates during the moratorium period, Shri. Sanyal said that the Government also has genuine limitations on the resource side and also need to play a real balancing act for all the sectors. However, it is sympathetic towards the problems of the sector and is trying its level best to provide maximum possible help to the most distressed sectors. He said that the issue of how to provide some real relief to such sectors is still being deliberated in the Government. He also suggested the industry to give some workable solutions to the Government.

- 6. Redressal Forum:** FHRAI requested Shri. Sanyal to set-up a redressal forum to address the specific issues faced by the hospitality industry. Being the worst hit amongst other industries, a mechanism to address specific issues is a need of the hour.

FHRAI is now working on preparing and submitting a dossier to Shri. Sanyal which will include specific and most important points which needs to be addressed at the earliest to support the hospitality industry.