

FHRAI seeks loan moratorium for pandemic-hit hospitality sector

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Mumbai

Hospitality industry body FHRAI on Tuesday said it has asked Finance Minister Nirmala Sitharaman to consider a moratorium for loans taken by players in the sector and a special resolution framework for restructuring of loans as part of immediate measures to support the pandemic-battered industry.

In a representation submitted to the finance minister, Federation of Hotel & Restaurant Associations of India (FHRAI) also sought moratorium extension of minimum one year for loans availed under Emergency Credit Line Guarantee Scheme (ECLGS) citing the successive waves and continued disruptions have created a volatile economic environment in the sector, making survival the key focus.

Also, FHRAI said it has requested Sitharaman for working capital support with a guarantee from the



Centre to banks and NBFCs.

It also demanded that Rs 60,000 crore loan guarantee scheme for the COVID-affected sector be notified with immediate effect and that there should be direct benefit transfer of basic pay to employees of the hospitality sector.

The demands of the sector come ahead of Union Budget 2022-23, which will be presented in Parliament on February 1.

Commenting on the demands of the sector, FHRAI Vice-President Gurbaxish Singh Kohli said, "We are presently in the midst of the third wave and the in-

dustry just will not be able to sustain another storm. In anticipation of the extent of losses and to merely be able to survive the repercussions of the third wave, we request the FM (finance minister) to immediately announce special measures for our sector." As the sector was inoperative due to restrictions, he said it is not in a position to repay loans already taken.

"Our foremost request is for a moratorium of minimum one year for repayment of loans along with interest for the hospitality industry. In addition to this, we request that in view of the unparalleled situation of the tourism and hospitality sector, another round of resolution framework be announced for the sector for restructuring of its loans," Kohli added.

The hospitality industry has been severely impacted with the first lockdown and restrictions putting the sector at a standstill for almost eight months, he said.