

GOA

ESTABLISHED IN 1962
Monday, January 24, 2022
THE NAVHIND TIMES
THE NEWSPAPER YOU CAN TRUST

24.01.2022

Make travel expenses tax deductible: FHRAI

Ahead of Budget 2022-23, on February 1, the hotel and restaurant industry has urged the centre to make travel expenses deductible under IT returns in Budget 2023.

Notably, the sector has been heavily battered due to the COVID-19 pandemic and the subsequent restrictions imposed to check the infections' spread.

According to Gurbaxish Singh Kohli, vice president, Federation of Hotel and Restaurant Associations of India (FHRAI), since foreign travel is at least 12-15 months away from returning to the pre-pandemic levels, the centre should give impetus on domestic travel.

"We have requested the finance minister, Nirmala Sitharaman to allow domestic travel for individuals and corporates to be a deductible expense in their IT returns. This tax incentive could be offered for a fixed number of years until hospitality comes back to pre-pandemic conditions," said Kohli.

He added that, the move will encourage the 28 million-plus people who otherwise travel out of the country, to holiday in India. "We also ask for a review of the decision to introduce LTC cash vouchers in lieu of LTC fare to the Central Government employees," informed Kohli.

FHRAI has also asked for the hospitality industry to be granted

infrastructure status. At present, only those hotels built with an investment of Rs 200 crore or more have been accorded infrastructure status. "This threshold has to be brought down to Rs 10 crore per hotel to give a fillip to the budget segment hotels. This will enable hotels to avail of term loans at lower rates of interest and also have a longer repayment period," he said.

"We have also requested that hospitality should be accorded an industry status and set up a corpus fund to incentivise all states to align their policies and set off any losses that may occur due to its implementation. The lower cost of operations spread over a higher payback period will reduce the cost of our supply which will boost demand."

Among other measures, the industry has requested for working capital support with a guarantee from the centre to banks and NBFCs.

In addition, it has asked that the Rs 60,000 crore 'Loan Guarantee Scheme for COVID affected sectors be notified with immediate effect.

On January 19, the directorate general of civil aviation (DGCA) extended the suspension of international flights further till February 28. Flights under air bubble arrangements will however continue, said the DGCA.

