

# Drop in the ocean, rues hotels' body

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The Budget has raised the credit guarantee cover for the hospitality sector by Rs 50,000 crore. However, the hospitality sector, which is already disappointed for not notifying a scheme announced in June, finds this as a "drop in the ocean."

The Budget acknowledged that the hospitality and related services, especially micro and small enterprises, are yet to regain their pre-pandemic level of business. It extended the Emergency Credit Line Guarantee Scheme up to March 2023 and increased its guarantee cover by Rs 50,000 crore to total cover of Rs 5 lakh crore. The additional amount has been earmarked exclusively for the hospitality and related enterprises.

"The Budget has been gravely disappointing," said Gurbaxish Singh Kohli, vice president, Federation of Hotel & Restaurant Associations of India (FHRAI).

According to him, the industry had made multiple representations and extensive meetings with the authorities since the start of the pandemic.

"However, this is just a drop in the ocean for a sector that has been severely battered. Given the massive damages that decimated the entire sector's ecosystem, these measures are not adequate to bridge the losses and offer impetus to the hospitality and tourism industry."

In June, the finance minister had announced a Rs 1.1 lakh crore loan guarantee scheme, of which Rs 60,000 crore was allocated for Covid-affected sectors, including hospitality and tourism. But the government didn't notify the scheme for the hospitality sector.

The industry had asked to permit domestic travel for individuals and corporates to be a deductible expense in their IT returns and inclusion of hotels, tourism-related sectors in the National Infrastructure Pipeline and infrastructure status.