

Uniform GST for hotel rooms, eco-friendly initiatives, CSR fund use: pre-budget expectations

As the Indian hospitality industry gears up for the upcoming Union Budget, it has put forth several key expectations to the government. These include a uniform Goods and Services Tax (GST) rate for hotel rooms, incentives for eco-friendly initiatives, and greater flexibility in the utilization of Corporate Social Responsibility (CSR) funds.

Uniform GST Rate for Hotel Rooms

The hospitality sector has long advocated for a uniform GST rate on hotel rooms, irrespective of the tariff. Currently, the GST rates vary based on the room tariff, with a higher 28% rate applicable for rooms above INR 7,500 per night. Industry stakeholders argue that a uniform GST rate would simplify the tax structure, improve transparency, and enhance the overall competitiveness of the sector.

Incentives for Eco-Friendly Initiatives

The industry is also seeking greater government support for the adoption of sustainable practices. This includes incentives and subsidies for investments in renewable energy, water conservation, and waste management initiatives. By incentivizing eco-friendly measures, the government can encourage the hospitality sector to further its commitment to environmental sustainability.

Flexibility in CSR Fund Utilization

Another key expectation is the need for more flexibility in the utilization of CSR funds. Currently, the hospitality industry faces challenges in aligning its CSR activities with the prescribed guidelines, which often do not align with the sector's specific needs. Providing greater flexibility in CSR fund usage would enable the industry to better address local community development and environmental conservation efforts.

By addressing these expectations, the government can play a pivotal role in fostering a more conducive environment for the growth and development of the

Indian hospitality industry. This, in turn, will contribute to the overall economic progress and sustainable development of the country.