

## **FHRAI pitches for infrastructure status to hospitality sector**

The hospitality sector needs to be accorded infrastructure status by the Centre to help it avail long-term funds under the RBI infrastructure lending norm criteria, according to Federation of Hotel & Restaurant Associations of India.

In its pre-Budget demand, the Federation of Hotel & Restaurant Associations of India (FHRAI) said although industry status has been accorded to tourism and hospitality by many state governments, the incentives and privileges associated with an industry have not been conferred to the sector.

"The industry needs infrastructure status to be accorded by Government of India to enable the hospitality sector avail long-term funds under the RBI Infrastructure lending norm criteria," FHRAI Secretary Mr. General Jaison Chacko said in a statement. This will enhance quality accommodation supply and therefore, stimulate higher global and domestic travel demand, he added.

Mr. Chacko further said tourism and hospitality should be placed on the concurrent list of the Constitution to make tourism into a national agenda. "It will ensure better coordination between the Centre and the state for fund allocation and implementation of projects and programmes aimed for the holistic development of the tourism sector in the country," he added.

Similarly, Hotel and Restaurant Association of Western India (HRAWI) President Pradeep Shetty said the sector is looking forward to relaxations in Minimum Alternate Tax (MAT) waiver for two years from April 2023 to March 2025 in the upcoming Union Budget.

"This will help reduce the tax burden and provide marginal relief to the hospitality sector," he said adding, the Budget should also extend investment-linked benefits for brownfield hospitality projects to the ongoing capex of hotels and resorts as it would "immensely benefit high-quality brownfield capex and capacity expansion, accelerating investment and employment in the sector".

Mr. Shetty also said the Budget should modify the Leave Travel Allowance (LTA) rules to include the amount spent on hotel stays to be considered as LTA expense, and payments by foreigners in rupees at hotels should also be considered as foreign exchange earned for the purpose of EPCG scheme.