

No. HRAO / C / 996 / 2020

13th April 2020

Sri Vishal Ku. Dev, IAS,
Comm.-cum-Secretary,
Dept. of Tourism, Sports & YS, Govt. of Odisha

REVISED MEMORANDUM Impact of COVID 19 on Indian Travel and Hospitality Industry and RECOMMENDATIONS FOR SURVIVAL

Respected Sir,

On behalf of the members of the travel trade, I wish to express our sincere gratitude to your esteemed-self for sparing your valuable time for a tele conference with us. We also wish to place on record our appreciation for what the State Government is doing to fight COVID 19. We wish to thank you as OSD to Chief Secretary and simultaneously focusing on the tourism sector to bail us out.

With reference to the tele conference meeting, I wish to put the following few points for your kind reference to enable you to take it with the various State Government Departments, Banks, Central Government etc.

1. Waiver / Deferment / Moratorium with respect to the following payouts to hoteliers at different levels of Central & State Government level.
 - a. **Deferment of Bank loans:** The announcement of RBI for three months moratorium on payment of EMIs is not at all adequate for the hotel industry. The industry needs a minimum of 1 year moratorium on all working capital, principal, interest payments, loans and overdrafts. Collateral & interest free loan upto 5 years for SMEs in tourism which will help them sustain and rebuild. Also CIBIL should not be spoiled / affected in the current business environment. **(Finance Department may write to all the banks for extending relief urgently as posted above.)**
 - b. **Waiver of SGST by the State Government:** SGST should be waived off till the time the situation becomes normal. It will show signs of positivity from the Government side to support tourism and hospitality industry. The State Government should also try and convince the Central Government for a similar step.
 - c. Waiver of fees for any upcoming licenses/permits renewal for the hospitality and travel industry across the state till the time revival happens.

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Regd. No. – 1078-296 of 1985-86

- I. BMC Holding Tax, which has been collected / yet to be collected during the COVID 19 period
 - II. BAR Licence Fee
 - III. Ground Water Fee,
 - IV. Electricity Fee (**What we want is a waiver of Minimum Demand Contract Rate for three months**).
- d. A complete GST Tax Holiday for the Tourism, Travel & Hospitality Industry for the next twelve months till the time recovery happens.
- e. The Urban Development Dept. may be requested that all tourism projects which are going to approve by the planning authority like BMC, BDA etc., should give 50% discount in payment of all statutory fees.
- f. We would also like to express our sincere gratitude to your esteemed self for committing during the teleconference that the issues regarding deferment in payments of Holding Tax, Bar License and Energy Bills are being taken by the different departments and will be communicated by the next week.

2. SALARY to staff

Among all payouts for hotel owners, this component is around 25-30% of the revenue generation. The Govt. has given a general “request” circular to all hoteliers that no salary cut or no retrenchment and even if some unit are closed down, still they have to keep paying salaries to staff. Under such directive, HRAO proposes that Government should consider for extending financial assistance (**INTEREST FREE**) to the stake holders for payment of Salary/ Wages, ESIC, etc., of affected employees from “**Odisha Labour Welfare Fund**” for at least 06 (six) months period.

2. (a) In the notification from the Employees’ Provident Fund Office that companies having less than 100 employees with 90% staff getting minimum salary of Rs.15,000/- shall be paid EPF for both side (i.e. employees and employer’s contribution) by the Govt. of India. However, this is not justified, we propose that employees getting a basic salary of Rs.15,000 “**UPTO 500 EMPLOYEES**” in any company should be eligible under **Pradhan Mantri Garib Kalyan Yojana** (PMGKY).

3. MARKETING PLAN :

A Comprehensive marketing plan must be in place before the lockdown is lifted, so the moment lockdown is lifted this plan can be rolled out instantly without wasting any time. This shall be short term & long term. Major thrust areas to be domestic, Indian corporates with proper guidelines and various incentives for MICE segment. E.g. The Odisha based all corporates [PSUs & Private sectors both] can be given directives to hold all their meetings, seminars, conference, dealers meet etc., all ONLY inside the state of Odisha for next 2 years . Similar out of the box different plans to be chalked out. **The State Government and the State Tourism Department may start a massive advertisement campaign (Post COVID 19) that Odisha is safe for tourists.**

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3 (a). Declaration of a robust Tourism Policy with incentive can be a major thrust to boost the tourism infrastructure of the State.

4. COVID TASK FORCE

A Task force of 5/6 members from HRAO to be formed with endorsement from DOT who are to be interacting on all points related to revival package post lockdown with Govt. & monitor the implementation.

4 (a). The Government, in order to fight COVID 19 effectively, may consider providing Personal Protection Equipments (PPE) to the tourism industry so that our employees and tourists can be protected from COVID 19.

5. INTERACTION WITH OTHER DEPTS

Upon advise & consultation with Secretary Tourism, HRAO should have the opportunity to interact with other Secretaries of the Govt., like Energy, Excise, Finance, BMC etc in presence of Sec-Tourism on conference call during the lockdown period, to facilitate & fasten the pace of revival of the hotel industry.

Thanking you
Most sincerely yours


J K Mohanty, MHCIMA

Chairman – Hotel & Restaurant Association of Odisha & IATO Eastern Region
Co-Chairman – FICCI National Tourism Council
Member – State Tourism Promotion Council & Tourism Advisory Committee, GoO
Hony. Secretary, Hotel Association of India

Copy forwarded for kind information to

1. Sri Asit Ku. Tripathy, IAS, Chief Secretary, Govt.of Odisha
2. Sri Ashok K K Meena, IAS, Principal Secretary, Finance Dept., Govt. Of Odisha
3. Sri G. Mathi Vathanan, IAS, Principal Secretary, Housing & UD, Govt. Of Odisha
4. Sri Bishnupada Sethi, IAS, Principal Secretary, Dept. of Energy, Govt. Of Odisha
5. Sri Nikunja Bihari Dhal, IAS, Principal Secretary, Dept. of Health & FW, Govt. Of Odisha
6. Sri S. R. Jadhav, IAS, Director & Addl. Secretary, Dept. of Tourism, Govt. of Odisha
7. Smt. Subhra Mohanty, OAS, Jt. Secretary, Dept. of Tourism, Govt. of Odisha

Most sincerely yours


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