

No. HRAO / C / 1102 / 2020

31st October 2020

Sri Prahlad Singh Patel,
Hon'ble Minister of State (IC),
Ministry of Tourism, Govt. of India

Greetings from Hotel & Restaurant Association of Odisha (HRAO)!

Appeal for Amendment in Emergency Credit Line Guarantee Scheme (ECLGS)

Hon'ble Sir,

While expressing our gratitude to you for taking very pro-active measures to take the tourism industry forward, we would like to mention here that the hotel industry is bleeding profusely during this extra ordinary pandemic situation and it will take a longer time to pick up than other industries. The revenue earnings of the hotel industries are completely dried out and unable to pay their employees' salaries, managing their other fixed overheads and statutory payments.

The operational guidelines of Emergency Credit Line Guarantee Scheme (ECLGS) may kindly be revised / modified increasing the upper ceiling of loans outstanding from Rs.50 crore to Rs.100 crore for which Govt. will not have any major loss as the Govt. is giving only 20% of the outstanding term loan, but more than 50% of the hotel industry who are under the MSME will be benefited. These hotels are badly in need of such loan / fund for immediate renovation, repair & maintenance of all machineries and equipments, statutory payments to both central as well as state governments (which have not been exempted).

During these 8 months of lockdown period when all hotels were closed with zero income, various govt. authorities have been forcefully demanding hoteliers to pay Minimum Demand Charges on electricity, Bar License Fee, Holding Tax, ESIC, PF etc., putting further huge financial burden on hoteliers.

All hoteliers are also incurring huge expenses towards disinfection and sanitization of hotel buildings as well as every public area / restaurants, rooms, conference halls etc.

Further, announcement of RBI for six 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 because after opening of the lockdown people are not travelling and next six months will be bad due to scare of transmission of the virus.

APPEAL

As the hotel industry which is highly labour and capital intensive and is also one of the largest backbones of the tourism sector, **we appeal before your honour to increase the upper ceiling of loans outstanding from Rs.50 crore to Rs.100 crore which will definitely benefit the hotel industry for their survival at this crisis and oblige.**

Thanking you

Yours sincerely


J.K. Mohanty, MHCIMA

Chairman – Hotel & Restaurant Association of Odisha & IATO Eastern Region

Co-Chairman – FICCI National Tourism Council / Convenor – CII (Tourism Panel)

Member – State Tourism Promotion Council & Tourism Advisory Committee, GoO

Hony. Secretary, Hotel Association of India