

# COVID-19 BULLETIN

11 MAY 2021, ISSUE NO 6

The pandemic has affected two major factors of growth – health and economic activities. Tourism is one such sector that has been deeply affected since 2020. With the ongoing second wave, recovery of the sector is in question. CII has therefore made a number of recommendations to strengthen the tourism sector, which is a major contributor to the country's GDP.

This bulletin highlights some of the imperatives for the tourism sector, along with COVID news and updates.

## CII Recommendations

### Tourism Sector

The tourism sector has been one of the worst hit due to the pandemic since last year. With the objective of reducing stress of the sector, CII has made several recommendations to the Government.

- **Statutory dues/licenses and permits**

CII recommends a blanket exemption for 12 months and auto-renewal of licenses without any fees for this financial year as well as waiver of any property taxes, license fees payable, etc. Further, waive off statutory dues related to customs duties at the Central Government level or at any state government level excise fees, levies, taxes, power & water charges, across the tourism, travel, hospitality & aviation industry.

- **Emergency Credit Line Guarantee Scheme (ECLGS) 3.0**

CII recommends, as the scheme is announced to save the entities in the sector, the current NCGTC operational guidelines & FAQ which prescribe DPD (Days Past Due) or NPA restrictions as on the date of sanction/disbursement of the ECLGS facility, should be either revoked or amended suitably. Also, the current scheme is upto INR 500 crore with a borrowing limit of 40% and can be increased to Rs. 1,000 crore.

- **SFIS (Served from India Scheme)**

CII recommends the period of using scrips to be extended to a period of one year from the expiry of the scrips, as hotels will take time to re-start their businesses during/post pandemic that will once again allow them to start normal spending and go in for imports.

- **One time restructuring of loans**

CII recommends waiver of debt parameters for 3 years till FY24 as industry recovers. Also, post FY24, the measure of credit worthiness of a borrower may be ascertained on the basis of meeting any 3 of 5 suggested covenants, and no default should be triggered. The borrower should continue to be classified as a standard asset. This can be also clubbed with the investment grade rating by any of the RBI / SEBI recommended rating agencies. Also, borrowers classified as standard assets as of March 2020 should be allowed to elongate repayment schedule with benefit of reduced ROI and not be classified as restructured assets. This waiver can be given subject to hotels' credit rating, no default / NPA in past / leverage / investment by promoters. Reduction in provisioning requirements on lenders, which would encourage the community to favourably discuss and explore ways to opt for the scheme. Extension of time limit of availing the OTR from Dec 2020 to Dec 2021.

- **Infrastructure status to hotel industry**

The Reserve Bank of India has equated the hotel sector with real estate and this leads to lending at high interest rate from banks. Currently, only projects with cost of > Rs. 200 crores (excluding land) enjoy infra status. It has been a long demand of the industry to bring down the criteria of infrastructure status for hotel projects with investment of more than ₹50 crore. This will help in raising long term debt at lower interest cost, thereby bridging the gap between return expectations and debt cost.

- **Industry status**

Hotel industry is classified as commercial in most states leading to higher operational expenses. Maharashtra government has taken a step in this direction. If hotels are permitted industry status, it will assist in better revival of the sector with relief in electricity tariff, electricity duty, water cess, property tax, development and non-agricultural taxes, etc. and will enable hotels to provide better quality facilities.

- **Services Export Incentive Schemes (SEIS)**

SEIS benefit to sectors where commercial activities have still not started is being held back. With the tourist visas still under lockdown conditions and sentiments for travel still strongly negative till such time the vaccines have not been inoculated extensively, this remains the most distressed sector on a longer-term basis. Therefore, CII recommended that in order to save this extremely distressed sector and with that 9.2% of the GDP employing 8.16% of the country's workforce, if the SEIS subsidy for the financial year 2019-21 could be released at the earliest, as that will give a much needed relief to the sector.

- **Reduction in stamp duty and transaction charges**

High land acquisition costs deter new projects resulting in abysmal returns. CII recommends the reduction and standardization of land acquisition costs like stamp duty, FSI, and TDR across states would result in development and growth of industry as organization and entrepreneurs would be encouraged to take up new projects.

- **Exemption/deduction under Income Tax on travel spending**

CII recommends the Government to allow a tax exemption as allowed in Oct 2020, for AY 2022-23 and 2023-24 to all employees with a maximum limit of INR 50,000 per person provided the employee spends a sum equal to three times the allowable exemption amount on hotel accommodation, airfare or any other travel related booking including tour packages which carry GST rate of at least 5% from a GST registered hotel, airline or a travel agent; it can promote travel spending. Alternatively, allowing a deduction of INR 1,00,000 under Chapter VI of Income Tax Act towards the expenses on hotel accommodation, airfare or any other travel related booking including tour packages which carry GST rate of at least 5% from a GST registered hotel, airline or a travel agent.

- **Withdrawal of TCS on sale of Foreign Tour Packages and foreign travel spending under Liberalized Remittance Scheme of RBI (LRS)**

The Budget 2020 (i.e. The Finance Act 2020), which was announced just before the start of COVID-19 crisis in India, introduced TCS @5% on sale of overseas tour packages by tour operators and on foreign exchange remittances under LRS of RBI by authorized dealers (Banks). CII recommends that in order to save overseas tour packages business and related jobs in India, the TCS provisions under section 206C (1G) sub-clause (a) and (b) on remittances under LRS and sale of overseas tour packages respectively, may be withdrawn.

- **Tourism Fund**

A tourism fund to be created to help the sector when in crisis. This fund can ensure sustenance and liquidity in the sector.

## State Interventions

### Regional Updates

Some key issues have been taken up by the **CII Eastern Region** to facilitate the industry functioning and carry out relief work in the region. It has sought permission and support in Bihar for exporting oxygen concentrator from a USA based NGO. It has submitted a proposal for essential/exempt services for exporting units in West Bengal. CII Young Indians - Kolkata are facilitating RT-PCR tests and distributing foods for the needy. Relief work is also being carried out in the region.

**CII Western Region** has been working actively to provide relief and assistance to the district communities, government hospitals, municipal corporations, police department and railways, in addition to the vulnerable sections of the society including migrant workers and underprivileged individuals. It has so far distributed 15.14 lakh Meals, 11.12 lakh Soaps & Sanitisers; 6.93 lakh Masks, 19,200 Gloves, 14,055 PPE kits; 1 lakh RT-PCR testing kits; 2,357 beds including ICU Beds, 1,771 Ventilators, 6,565 Oxygen Cylinders, 340 Oxygen Concentrators; 5 Mortuary Chambers; 1 Oxygen Generation Plant, 1 Oxygen Audit for Hospital; 2 RT-PCR Testing Machines; 1 RNA Extraction Machine; Tele-ICU Project is saving lives of critically-ill COVID-19 patients in select hospitals in Solapur, Jalna, Aurangabad, Bhor, Nagpur and Manchar.

Click on the link below for more details:  
[Eastern Region](#)  
[Western Region](#)

## Updates, Notifications and Advisories

The below newsletters present a compilation of Central and State Government notifications and advisories.

[COVID-19 Updates, Notifications and Advisories: Issue No.17, 10 May](#)  
[COVID-19 Updates, Notifications and Advisories: Issue No.18, 11 May](#)

## Indian Industry's Initiatives

### Facebook

On April 27, Mark Zuckerberg announced a \$10 million grant for emergency response efforts in light of the COVID-19 situation in the country. Facebook is partnering with organizations such as United Way Delhi and United Way Bengaluru, Swasth, Hemkunt Foundation, I Am Gurgaon, Project Mumbai and US-India Strategic Partnership Forum (USISPF) to deploy these funds to help augment critical medical supplies with 5000+ oxygen concentrators and other life-saving equipment like ventilators, BIPAP machines and to increase hospital bed capacity. In addition, it is providing people access to authoritative information on COVID-19 symptoms and vaccines. Facebook's COVID-19 Information Centre carries the most updated and relevant information pertaining to India. Facebook has also launched a Vaccine Finder tool on the Facebook mobile app in India, in partnership with Government of India. The tool can help support MyGov to reproduce their Corona Helpdesk on WhatsApp. The MyGov Corona Helpdesk provides verified information on vaccination including on efficacy and safety and allows citizens to also locate vaccination centers in their vicinity. The Helpdesk acts as a one stop resource for citizens on the latest guidance put out by the Government of India in providing COVID relief assistance and guidelines on COVID care and COVID appropriate behaviour.

### Bayer

Bayer is supporting 130 COVID-care beds across various locations. Along with the Government of Maharashtra it has converted its plant at Chititegaon, Aurangabad into an 80-bed COVID-care facility. To support, those in need, the organization has also sponsored beds in major hospitals across multiple cities for emergency support. In collaboration with the Government of Maharashtra, NASSCOM and WNS Global Services, Bayer is supporting 30 ICU beds in one of the district hospitals through its existing 200 NM3/hr Nitrogen plant at its manufacturing facility at Vapi. This will also provide a permanent source of oxygen supply to a local hospital. Additionally, Bayer will help provide oxygen concentrators to Primary Health Centers (PHCs) to serve communities across rural India

The company has provided 15,000 PPE kits to 175 hospitals across 6 states; 6 lakh N-95 masks to police personnel and 206 hospitals in 12 states; 5,000 pairs of gloves to frontline workers; 5,500 ration kits to migrant workers and 45,000 cooked meals to quarantined individuals and frontline workers. It has set up a mental health helpline to provide psychological support for frontline hospital staff and farming community.

To accelerate the vaccination process, Bayer is mobilizing communities by conducting awareness drives highlighting the benefits of immunization and reinforcing COVID Appropriate Behaviour (CAB). These efforts will complement Bayer's ongoing initiative to facilitate vaccination for all employees and their families. In addition to vaccination, Bayer's other employee welfare measures include enhanced health insurance coverage, teleconsultation services, comprehensive health check-ups and vaccination programs for all its employees, their families and all contracted associates.

### Canara HSBC Oriental Bank of Commerce Life Insurance

The company has introduced a two-day COVID vaccination leave as a small step towards employee welfare, to ease the anxiety around vaccination. It has also taken an additional COVID Kawach or COVID cover for its employees in CL788 (initial) bracket. The cover is a comprehensive COVID specific policy which covers both hospitalization and home care treatment.

### Wave Group

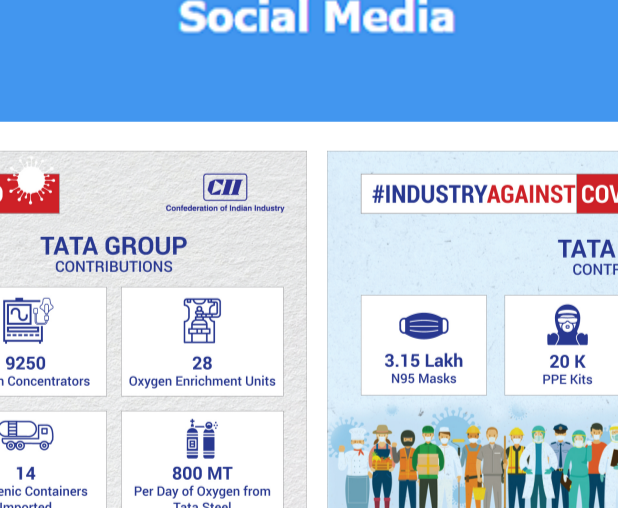
Wave Group joined hands with district authorities across Delhi, Noida, and the Department of Industries, Lucknow to ramp up oxygen, medicines and water supply in Uttar Pradesh. The company has distributed 60 oxygen concentrators and 50 more in the pipeline. It is also providing monetary assistance for medicines, and has delivered thousands of mineral water bottles at places like crematoriums, health centres, district hospitals, and government testing centres.

### Celebi Aviation

In addition to actively engaging in handling special freighters and other relief material coming into India, Celebi has imported CE certified Oxygen concentrators to support its own employees and their families. It has also donated the concentrators to COVID Care Centres. In the first phase of vaccination drive the company has vaccinated employees of 45 years and older. The second phase to vaccinate all employees is being worked out, and 3,000 employees have signed up for the same. Celebi is providing 24\*7 medical advisory services and immunity boosters to all its employees.

## Media

### Tamil Nadu lockdown; industry experts evaluate impact on business



### CII donates PPE kits, essentials to health care workers

In continuation of its efforts to support the administration and Government in fighting the Covid-19 crisis, Confederation of Indian Industries (CII), Ludhiana Zone has now starting donating essential safety equipment, consumables and other material to the urban health care centres and dispensaries in the district. [Read more](#)

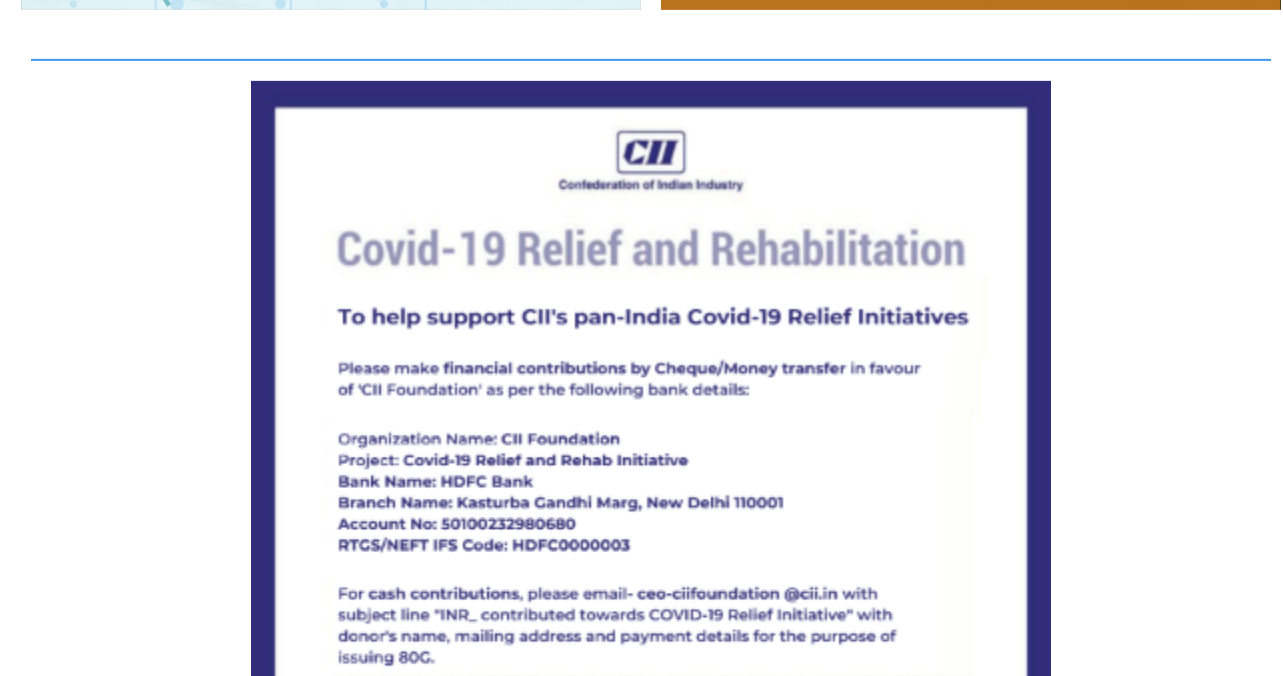
### CII aiding gov in its fight against Covid

As India's COVID cases spike, several states have imposed fresh restrictions. A recent addition to the list is Tamil Nadu. The State Government has announced a complete lockdown for 2 weeks starting May 10. All private offices and shops, except for provision and grocery will remain closed. [Read more](#)

### CII appreciates Goa Government's support to industry

Confederation of Indian Industry (CII) appreciated Goa Government's efforts in initiating measures in the interest of industry and the efforts of the Government and all the dedicated healthcare workers for tirelessly being on the frontline to treat patients and further to contain the spread Covid-19 virus in the state. [Read more](#)

## Social Media



**CII Covid-19 Relief and Rehabilitation**

To help support CII's pan-India Covid-19 Relief Initiatives

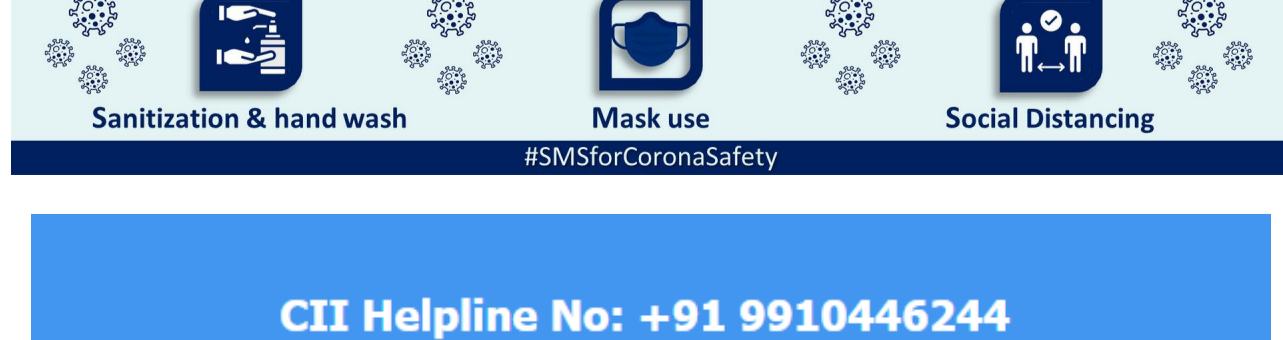
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Organization Name: CII Foundation  
 Branch: CII Foundation  
 Bank Name: HDFC Bank  
 Branch: New Delhi  
 Account No: 3010022000000000  
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For each contribution, please email: [www.cii@india.org](mailto:www.cii@india.org) with subject line: "Relief", contributed towards COVID-19 Relief Initiative" with donor name, mailing address and payment details for the purpose of issuing ROC.

To donate in kind, please contact: [info@india.org](mailto:info@india.org)

#SMSforCoronaSafety



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