

Record note of discussion of the IATO Interactive meeting on Tuesday 7th July 2020 at 4 pm

An interactive meeting of all members was organised on Tuesday, 7th July 2020 via Zoom Video Conferencing

Mr. Rajesh Mudgill, Hony. Secretary called the house to order and welcomed all at the interactive meeting with members. He informed members on the meeting Mr. Pronab Sarkar had with Mr. Amitabh Kant, CEO, Niti Aayog and that the members have been updated on the key points.

Mr. Pronab Sarkar said that besides the meeting with Niti Aayog there was also an update on the MDA Scheme which IATO has shared with FAITH also. Shortly a meeting with Ministry of tourism is expected on the criteria of recognition of tour operators with new normal. Work from home to be allowed with minimum staff. Members can give their suggestion.

Mr. Mukesh Goyal enquired on the MDA scheme

Mr. Rajiv Mehra said requirement of 5% cumulative increase in foreign exchange earnings in last 3 corresponding years has been removed. Ministry has agreed to increase the reimbursement ceiling to Rs. 4 lakhs for all those who are attending international fairs. Lodging expenses on overseas tour to increase to Max. 5 nights with an upper ceiling of room rate at Rs. 10,000/- per night, 90% of Economy class air fare and Cost of built up / furnished stall, electricity and water charges, participation fee, etc., at travel fair / exhibitions held overseas to be reimbursed. IATO recommended the ministry to increase the number of claims to 4 in one financial year, which Ministry in the draft has agreed for 3 claims. For digital marketing instead of 50% of the total cost with an upper ceiling of Rs. 50,000/- per financial year subject to actuals, IATO requested that 75 % of the total cost with an upper ceiling of Rs. 100,000/- per financial year subject to actuals may be considered. It was clarified that the removal of the clause of 5% cumulative increase is in the draft form, yet to be implemented but deemed to be approved.

Mr. Mukesh Goyal wanted to know about the 20 lakh Cr announced by the Hon'ble Prime Minister?

Mr. Mehra said that we are covered under MSME Scheme. IATO wrote to Ministry of Tourism that MSME loan should be applicable to all and not just for those who have already taken loans.

Mr. James said Loans for travel and tourism not being given under MSME

Mr Sarkar said that IATO has taken up with the Ministry of Tourism and with NITI Aayog. RBI considering relaxation on the travel and tourism front. We may expect some outcome within 7 to 10 days. The MSME limit is 25 Cr for seeking loans.

Mr. James said SEIS for 2019-20 has still not opened up? Increase in rates have been recommended, what is the position now.?

Mr Sarkar said that IATO has taken up with the Government and NITI Aayog. IATO directly interacted with the Hon'ble Minister and has been assured help. Renewal of the registration and certificate have already been issued to the companies valid till 31st of March 2021. The percentage part is still under consideration at the Ministry of Finance. IATO is following up with Ministry of Tourism, Ministry of Commerce and NITI Aayog in the matter.

Mr. Mehra informed that some action has been taken on the recent recommendations of IATO to NITI Aayog.

Mr. Mudgill said that the government is facing a financial crunch hence our hopes may be belied.

Mr. James asked that for SEIS is the registration opened or yet to be opened?

Mr Sarkar clarified that for the current year certificate one has to obtain for application and that registration is open. If one has availed that then one has to wait for the actual filing of the case,

that date is to be announced and this announcement will come only when the percentage is decided, so when the percentage is decided then only they are going to open it till then one has to wait.

On the point of Mr Mudgill, Mr James said that the government needs money but it is not that they are hard pressed and that nothing can be given for tourism? MSME loans have been given to other industries then why not tourism?

Mr. Sarkar again emphasised that the Reserve bank of India is working on this maybe in a week's time or ten days' time some news may come in. Government is aware of all the problems. No direct benefit has been given to any industry, all indirect only.

Mr EM Najeeb said that our industry should come out openly and announce that if no support is given we close by 31st of July, thus giving a time limit for action from the side of government.

In response Mr. Mehra said that the government is fully aware and is sympathetic, in the meeting Mr Kant told IATO what is possible and what is not, accordingly IATO offered its recommendations.

Both Mr Mehra and Mr Sarkar said that the industry should have patience and keep their hopes alive.

Mr. Pandian wanted to know about the All India Tourist Transport permit to be available online, is there an official notification?

Mr Mehra said that the notification has come and it will be sent.

Mr. Vivek Wadhawan said that IATO should ask for benefit for all, why only for those who are recognised by Ministry of Tourism?

Mr Sarkar said that a reply has already been sent to him on the subject, further it is as per the instruction of the Ministry of Tourism, there is no accurate data on the tour operators in the unorganised sector spread across India, hence they cannot give it for all. In the new policy even the state recognised tour operators

can avail the benefit. What prevents one to get recognition from Ministry of tourism?

Rules for recognition are a hindrance, Mr Wadhawan said

Mr Sarkar said that IATO has taken up the issues of office space, staff requirement, minimum billing, earnestly with the Ministry of tourism and asked Mr Wadhawan to send his views on what should be the criteria for recognition of tour operators, IATO will incorporate and further take it up.

Mr. Subhash Goyal said that one should get registered as MSME, RBI should offer loan without collateral, IATO and FAITH got services sector included in MSME, tackle government in a diplomatic manner and we should take up the case of benefits to be given to all tour operators who pay Income Tax and GST.

Mr. Sarabjeet Singh said that we must know what we can get and then ask for that.

Mr. Sunirmol Ghosh enquired about the airport passes extension for one year

Mr. Mehra said that IATO has written to JS Ministry of Civil Aviation in this regard. It is on the IATO website. The Ministry will come out with a new policy and IATO is following up on the issue.

Mr. Nayal mentioned that the government does not consider the tourism sector to be given direct subsidy. Need for reallocation of budget to the MDA Scheme, MDA and Ministry FAM claims are pending, Money paid as advance as monument and park fees need to be refunded, 19-20 SEIS notification will be of great help.

Mr. Sarkar said that IATO has taken up SEIS with Ministry of Tourism, Ministry of Commerce and Niti Aayog. The focus is for 2019-20 only.

Mr. Sarabjeet Singh said that one has to follow a process to get the recognition from the Ministry of Tourism, it is in the interest of the tour operator to get that recognition, difficult conditions can be discussed, we should brainstorm with 20 to 25 selected members on what can be asked for and what we can get.

Mr. Ranga Rajan from the Ministry came on the zoom and said that though JS was very keen to attend this meeting but as the meeting with the Hon'ble Minister is still going on he regrets that he will not be able to join the IATO meeting this time.

Mr Mudgill wanted to know that what should be the criteria to select those 20 -25 members

Mr Sarabjeet Singh said that this selection should be done by the EC in confidence and the discussion should go beyond the points discussed so far

Mr. Harish Mathur said that there should be definite contingency action plan by IATO such as plan A or B or C, to upskill personnel and be prepared when tourism will come to India in a big way. IATO needs more members for a better representation as a lobby.

Mr. James endorsed the view to call a select member Zoom Meeting and have a strategic group identifying plan 1 or 2 or 3 or a what's app chat group

Mr Mehra said last time such a select meeting was done but when we went to all the members they wanted to know why only select 20 -25 members were called.

Mr. Buddhi Prakash said that the said select committee should have proper representation from across India

Mr. Vishal Yadav said that we should have a committee and have members from all strata, pan India and then do brainstorming and let it be open and not restrict it to 20 - 25

Mr. Mudgill endorsed the concept of Brainstorming

Mr. Manoj Matta said that the privileges for Ministry of Tourism Inbound Operators should be extended to Domestic Tour Operators also and all schemes should be extended till 2021.

Mr. Mehra said that it has already been taken up with the Ministry of Tourism and in principle they have agreed.

Mr. Raj Bajaj mentioned about the Rs 2.46 Cr stuck with the forest department of Rajasthan and action being taken by the local wildlife tour operators dealing with Ranthambhor. Refund of around 5 to 6 crs not being made by the GSAs dealing with Palace on Wheels to DMCs who have to route their bookings through the GSAs, credit shell arrangement is not a solution. For hotels, FAITH and IATO are teaming up and chasing for refund.

Mr. Sarkar outlined that about MDA IATO is hopeful. IATO has recommended the increase the number of tours from 3 to 4 or 5 within total amount of Rs. 12 lakhs per annum, to increase the number of nights from 5 to 7, Ministry said that they will try to accommodate maximum numbers because till now it never touched more than 90 people asking for MDA scheme, now with relaxed conditions that are likely to be implemented, there may be much more. This eligibility limit of Rs 25 Cr during the preceding financial year is recommended to be increased to at least Rs. 50 to 75 Crores for three (03) years i.e. till 31st March 2023, if not 2024, Each application to be auto acknowledged. It should be approved within 3 to 4 working days and one has to apply 21 days before the event, submission of invoices online, followed by original bill, to be acknowledged, photocopy if the original bill is lost and all payment to be made maximum within 45 days if not 30.

All the hotels refunds have been taken up by FAITH and follow ups are being done from FAITH office. Points raised by Mr Harish Mathur, Mr EM Najeeb and Mr. Sarabjeet Singh are appreciated. IATO has done maximum sensitisation through media. Airport passes case is being followed up through Ministry of Tourism with Ministry of Civil Aviation, with new normal, system for airport passes will change, our staff at the airport must be one-year-old in service, on pay role and undergo the requisite training, the dialogue is open and once flight start we shall speed it up for passes on all India basis. We can have a separate brainstorming meeting with the stalwarts of the industry and share it with the members, we have put forward three key points to NITI Aayog connected with three separate ministries – commerce, finance and MSME, direct help may not be possible, indirect through MSME and SEIS is likely, we are aggressive on the media front sensitising the government about our difficulties, we can go to the government with a letter that we are closing down but before that we have to conduct a survey and gather data on staff on reduced salary, leave without pay and retrenchment so that we can consider writing to the government about the correct situation as on date, later on after the brainstorming session with the 20 -25 members we can take a decision on that.

Mr. Najeeb thanked all for joining the meeting and expressing their suggestions, views very strongly and assured that IATO will take up the issues raised positively and move forward with all their recommendations. The next meeting may probably be there after two weeks and we hope by that time something will happen

The meeting ended with thanks to the chair