



**12-month GST holiday can boost tourism, hospitality: VGP MD**

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Coronavirus aka COVID-19 pandemic has left the world shattered and governments across the globe are now scrambling to get their economies up and running in an era of 'New Normal' comprising of masks, social distancing and frequent sanitization. Tourism, hospitality and the entertainment industry have been the hardest hit as they thrive on huge footfalls.

**Trinity Mirror** spoke to a few industry experts to elicit their views on the current situation and the way forward.

First of this series we publish opinions VGP Group of Companies Managing Director, V.G.P. Ravidas shared responding to our questionnaire.



He says, 'the tourism, hospitality and entertainment industry can in fact rejuvenate the morale of the people, who have been forced to face unprecedented situations due to total or partial lockdowns. He also bats for governments (central and state) to provide a 12-month GST holiday to revive these crucial segments of the economy'.

VGP Golden Beach Resort and VGP Universal Kingdom are a much sought after family destination and a big favourite for children and hence the tagline it is Disneyland of India.

## **Excerpts of the interview:**

**With the physical distancing becoming the 'new normal', how can the tourism, entertainment and hospitality sectors implement the same?**

**V.G.P. Ravidas:** Some of the states have started allowing the hotel industry to reopen but with a restricted capacity. In Maharashtra, hotels have been asked to function with 30 percent capacity. The idea is to reduce the number of people gathering on a facility at any given point of time. This capacity restriction cannot be generic to all hotels across the country.

The Resort category, which we have, is established in a vast expanse of land and has individual cottages at wide spread distances. It would be ideal to operate such facilities under 50 to 60 percent capacity utilization as social distancing will not be an issue at all.

**Have owners of tourism, entertainment and hospitality protocols thought of alternate plans on utilizing their spaces for business profitability?**

**V.G.P. Ravidas:** Speaking about our Group, we have ample open space in our resort, which can be used for gatherings such as weddings or family events. We can strictly adhere to restricting gatherings to 50 people as required - this could be a possible revenue stream.

Another idea that we have thought of is to use the large car park in our facility for a drive-in mini theatre.

**How are such facilities coping up with extended periods of lockdown restrictions in terms of managing their staff as well as maintaining facilities?**

**V.G.P. Ravidas:** Managing the staff under the lockdown situation is the most challenging problem. With zero revenue, it is difficult to pay salary of the staff.

It is wise to work with the teams and reduce salaries by 25 to 30 per cent till the business revives rather than layoff employees.

As far as maintenance is concerned, power consumption is the major issue, so have been working on reducing the connected load with the electricity board. This is to minimize fixed charges during this period.

There's are also other areas like security and housekeeping, which are outsourced. Most of the hotels and other facilities have reduced manpower usage on this front to 20 percent.

**Are your seeking assistance from your industry bodies to resolve the crisis?**

**V.G.P. Ravidas:** The challenges faced by the industry have been represented by the respective associations to both the Central and State Governments. The tourism and hospitality industry can provide the much required break from the monotony of life. Keeping in

mind the large workforce deployed in this industry, we need to prepare standard operating procedures under the 'New Normal'. It is our ardent hope that our sectors will be reopened in Unlock-3 from August 1.

**As an industry do you have any specific demands, requests or seeking financial impetus from the governments.**

**V.G.P. Ravidas:** The industry has been seeding financial impetus and economic packages to revive and sustain post pandemic. Some of our requests are: 30 percent reduction in property tax and other state government taxes; and a 12-month GST holiday from the central and state governments.

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