

Shopping centres, malls seek relief

Pitch for GST rationalisation, finalisation of retail policy

OUR BUREAU

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Ahead of the Union Budget, the Shopping Centres Association of India (SCAI) has urged the government to offer financial relief to the industry through GST rate rationalisation, loan waivers, income tax deductions and relaxation in compliance norms.

In its representation to the Finance Ministry, the industry body, which represents malls and shopping centres, has called for tax holidays for construction of shopping malls and said that an amendment is required in Section 80-ID of the Income Tax Act to "allow deduction in respect of profits and gains from business of malls", which have been constructed in specified areas.

"Income tax deduction should be increased to 50 per cent against rental income from the present 30 per cent. No income tax should be levied on notional rent on unsold or vacant inventory after certification of completion,"



Work-from-home trends due to the Covid-19 pandemic have slowed down demand for commercial properties AP

the SCAI representation added.

Financial stress

Amitabh Taneja, Chairman, Shopping Centres Association of India (SCAI) said that the malls and shopping centres industry continues to reel under financial stress. "By providing adequate financial relief in GST, loan waivers, income tax, relaxations in compliance timelines, additional deductions on CSR, and by incentivising digitisation, the government can help shopping centres, modern retail and associated sectors in recovering and reaching the pre-covid levels," he said.

Taneja said that immediate attention is also required to finalise the national retail

policy. SCAI has urged the policymakers to restructure GST norms to strengthen the industry through interest subsidies and reduction in GST rates.

Stating that the work-from-home trends due to the pandemic have slowed down demand for commercial properties, especially in tier-1 and tier-2 cities, SCAI said, "Input tax credit limitations are against the fundamental objects of GST implementation and the sector is seeking full input tax credit profits as opposed to GST on forecast lease receivable for retail shopping centres and commercial workplaces along with IT/ITeS parks/SEZs and logistics, warehousing and industrial initiatives."