



HOTEL AND RESTAURANT ASSOCIATION (WESTERN INDIA)

HRAWI INITIATES CAMPAIGN #KHADYAGRUHAWACHVA TO HIGHLIGHT LOOMING COLLAPSE OF THE INDUSTRY

Mumbai, June 26: Hotel and Restaurant Association of Western India (HRAWI), the 69 year old apex body of hotels and restaurants of Western India, has announced the launch of a public campaign to highlight the looming collapse of restaurants in Maharashtra. Launched as #KhadyagrahuWachva (#SaveRestaurants), the campaign will act as the voice of the industry, especially the small and medium sized eateries that serve the everyday working class of Maharashtra.

“The Government needs to act not today or tomorrow, but as of yesterday. We are talking about the Tourism industry that is responsible for 10% of the GDP. More than 100,000 estimated small and medium sized eateries serve the everyday working class of Maharashtra. Our assessment is that at least 50 per cent of restaurants in Maharashtra will be unable to reopen. Of those that reopen, a majority will find it difficult to sustain and may end up closing down within six to eight months. The situation is dire, and with each passing day, it gets graver and graver. We understand that these are challenging times, but at times like these leaders need to show spunk and imagination. Nudges and pushes will do nothing. We are talking of more than 100,000 restaurants, small, big, QSRs and bars, among others across Maharashtra closing down. The smallest of restaurants employ eight individuals, so on an average 5 lac residents of Maharashtra are going to be jobless. Add the loss of indirect jobs and closure of vendor businesses, and we are staring at a disaster,” says Dr. Suhas Awchat, Chairman PR and Laisoning Sub Committee HRAWI.

The HRAWI has warned that a majority of the restaurants across Maharashtra are on the brink of closing down and that massive number of people employed by the industry will be rendered jobless.

While restaurants all across India opened on June 8 with restrictions, in Maharashtra they continue to remain closed. It has one of the highest statutory fees and taxes, and these have to be paid in advance.

“In normal times these levies were exorbitant, but at times like these it is simply unaffordable. For instance, the Excise license fee was increased this year by 15 per cent when businesses were shut! Rs.8 lakhs is a significant sum for a small establishment even in the normal course of



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business yet businesses are expected to pay this sum upfront for the coming year. On electricity we pay 21 per cent surcharge which again is exorbitant and in contrast, our neighbouring State - Goa has abolished duties on electricity and water way back in 1999. We also have to pay electricity charges based on the contracted demand rather than the actual consumption. Establishments also are burdened by the property tax in Mumbai which is the highest taxed among all cities in the country,” says Gurbaxish Singh Kohli, President, HRAWI.

“An average restaurant employs 20 heads which include waiters, cleaners and cooks, accountants, managers, delivery boys, security and gardeners. The average monthly outgoings are around Rs.3 to 4 lacs which include maintenance bills, utility bills, electricity and salaries. A business closed for three months translates to on-going expenses plus zero revenue,” says Pradeep Shetty, Jt. Hon. Sec., HRAWI.

“Restaurants and small eateries are a part of Mumbai’s infrastructure. Access to food - hygienic food to all classes of society - is one of the important features of Mumbai and one that helped the city become the financial capital of India. If the food industry collapses it will pose a new set of challenges for both the residents and industries of Mumbai when lockdown ends,” Mr Shetty.

“We are the highest employers of unskilled and skilled youths in Maharashtra. However, we are the ones who pay the highest rentals and power bills in all of Asia. Although the Government calls us as the hospitality industry, no benefits, reliefs, sops or subsidies are given to us. Electricity charges are levied on the very high commercial rates when ideally it should be on industrial rates. The Government gets maximum revenue from restobars in spite of unwarranted discriminatory Dry Days causing revenue loss to restaurant owners. Tourism is directly proportional to the number of good restaurants serving hygienic authentic Indian regional food in traditional ambience with music and dance. Restaurants are capital intensive, energy intensive and labour intensive but the Government remains insensitive,” concludes Dr. Awchat.