

Hotel industry demands cut in excise license fee for FY22

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The Hotel and Restaurant Association of Western India (HRAWI) has urged the Maharashtra government for a 50% waiver in the excise licence fee for FY 2021-22.

The association has pointed out that due to the Covid-19 curbs of twelve months, hotels and restaurants were allowed to operate for only one month without any interruptions. With restrictions of varying extent and nature imposed by the Disaster Management Authority on the license holders, hotels and restaurants in only 14 districts out of the 36 could fully operate and that too just for twenty-eight days between April, 2021 and March 31, 2022. The remaining 22 districts across the state continue to operate with restrictions even today, said the association.

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10,500 hotels and 210,000 restaurants. Over the last 24 months, around 3,000 hotels and 60,000 restaurants have permanently shut down. Around 50 lakh employees, roughly 40 per cent directly engaged in the industry in the state, lost their jobs. During the lockdown period, Maharashtra's hospitality industry has suffered a revenue loss of approximately Rs 5,000 crore monthly," Sherry Bhatia, president, HRAWI said.

According to Bhatia, out of

the 365 days in that year, the industry had only 28 fully operational days until March 31, 2022.

Also, the 28 days were applicable to only 14 districts out of 36 districts in the state. "As things stand, it is only fair that the government waives off 50 per cent of the excise licence fee for that FY," he said.

On the other hand, the association has welcomed the state government's decision to partially roll back the increase in the excise fees for the FY 2022-23. The relief of 7.5 per cent of the previously notified fee has come as a huge relief to the restaurant and hotel industry, noted Bhatia.

The association's senior VP Pradeep Shetty said the state government needs to either offer a uniform waiver of 50 per cent or charge license fees for the FY 2021-22 to the extent of duration during which establishments were allowed to operate.