

Businesses can't function with restrictions: Mr. Kunal Gujral

Over the last 21 months, the hospitality and restaurant industry has suffered the most due to the lockdowns and the various restrictions imposed. Stakeholders are hoping to go back to generating pre-Covid level revenues to sustain and meet their day-to-day expenses, pay off loans and recover losses incurred since the beginning of the pandemic. For the recently appointed secretary-general of The Hotel and Restaurant Association of Western India (HRAWI), Mr. Kunal Gujral, policy advocacy with the government to mitigate hardships caused to members due to the pandemic is of utmost importance. Additionally, with his new responsibility, he feels that growing HRAWI's footprint is significant.

“The industry is reviving at a slow albeit encouraging pace. 25 to 30 percent of businesses have not opened yet, but revenues have returned to 50 percent of the pre-Covid levels for operational establishments. Resort locations are doing well, however, hotels in cities continue to register moderate occupancies due to International travel restrictions, which is a bit disappointing,” he stated.

According to him, even when restaurant footfalls have gone up 70 percent, the problem of capital and workforce shortage due to migrant labourers continues to haunt the industry. Topping that, the fear of the new Omicron variant and the restrictions gradually again being imposed has given rise to uncertainty.

In such a grim situation, Mr. Gujral opines that government intervention is extremely crucial for resurrecting the hospitality industry. “The industry needs reliefs, incentives and financial support through RBI policies and schemes urgently. It also needs for the Government to lift restrictions imposed from time to time on domestic and international travel and social gatherings at venues. Businesses can't function with restrictions,” he added.

The hospitality industry was the first to adapt to the CAB as per Government norms and also the first to conduct Covid training in the year 2020. The government's decisions directly impact hotel occupancies and restaurant footfalls which translate into revenues. “Going forward the Government should

allow the hospitality industry to function normally like any other industry since we are well adapted and are taking all the necessary precautions and following all the required protocols,” he expressed. Mr. Gujral further commented on the tussle of input credit tax for restaurants. Earlier, when the GST Council revised GST to 5 percent for restaurants under the Composition Scheme, it was welcomed by the restaurateurs. However, restaurants are now not allowed to claim ITC under this scheme. While this change does not affect traditional hoteliers much who own their premises, brands that have to pay a lease or pay a percentage of the sales cannot claim ITC under the scheme and hence are losing revenue.