



# NATIONAL RESTAURANT ASSOCIATION OF INDIA

NRAI / 26-1

21 March 2020

Smt. Nirmala Sitharaman  
Hon'ble Finance Minister  
Government of India  
Ministry of Finance  
136-A, North Block  
New Delhi - 110001  
Email: [fmo@nic.in](mailto:fmo@nic.in) ; [appointment.fm@gov.in](mailto:appointment.fm@gov.in)

**Subject: Appeal for immediate relief to Restaurant Industry in view of the Corona Virus**

Hon'ble Minister,

1. Greetings from **National Restaurant Association of India**. NRAI is the Indian Restaurant Industry's leading Association. Founded in 1982 and headquartered in Delhi, we are the **voice of the restaurant industry** representing the interests of 5,00,000+ restaurants pan India. The restaurant industry, with an annual turnover of ~ INR 4 Lakh Crore is the third largest after retail and insurance in the service segment, providing direct employment to over 7 million Indians.
2. At the outset, we would like to **appreciate and thank your Government's initiatives in tackling the COVID-19 pandemic**, including setting up of the Economic Task Force by the Hon'ble Prime Minister, Shri Narendra Modi.
3. While we all sincerely hope for a quick normalisation of the situation, we would like state that the food service industry, already battling through tough times for the past couple of years, is now **facing a challenge of mere survival**. We are staring at unmeasurable losses, prospect of several businesses closing down and most importantly, a scary spectre of **job loss to millions in the sector** employing more than seven million people.
4. **These are unprecedented times**. While we totally understand that the healthcare of people and preventing spread of the deadly Corona Virus should be the top priority of the Government at this hour, we also need to protect our businesses from total ruin. **It is a matter of our survival**. We need some urgent measures so that we live to fight subsequent battles for revival of the restaurant industry.

**ANURAG KATRIAR**  
Executive Director & CEO  
deGustibus Hospitality  
Pvt. Ltd.  
**President**

**KABIR SURI**  
Co-Founder & Director  
Azure Hospitality Pvt. Ltd.  
**Vice President**

**PRATIK POTA**  
CEO  
Jubilant FoodWorks Ltd.  
**Hony. Secretary**

**NITIN SALUJA**  
Founder Chaayos  
Sunshine Teahouse  
Pvt. Ltd.  
**Hony. Jt. Secretary**

**MANPREET SINGH**  
Director  
K S Hotels Pvt. Ltd.  
**Hony. Treasurer**

**PRAKUL KUMAR**  
**Secretary General**



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5. Our **initial requests, aimed at our mere survival** are as follows:

- a) **Total and immediate deferment of all statutory dues**, whether GST, Advance Tax payments, PF, ESIC, customs duties at the Central Government level and State excise and the renewal of liquor licenses, and VAT at the State level for a period of twelve months. This will leave the businesses with some cash flows to take care of more pressing expenditures like wages, payment to contractual labour and small marginal suppliers such as farmers of vegetables etc.
- b) **Restoration of Input Tax Credit (ITC) on GST** in the sector is critically important. As an Industry, we are anyways plagued with a very high proportion of fixed operating expenses which makes our business very high-risk upon revenue fluctuations, denial of ITC makes it even worse because it increases several of our key fixed expenses like rent on property, hiring of services etc, by a whopping 18%. This needs to be done immediately.
- c) **Unemployment Pay Cover for our employees**, especially the ones who are at the lower end of the spectrum, and are covered under ESIC scheme is requested to be facilitated by the Govt through the corpus available with the ESIC or any other welfare scheme such as MNREGA. We don't want the employees to suffer but at the same time we are not left with enough resources to take care of their needs. We request this **partnership with the Govt** in the larger interest of the millions of people working in the sector.
- d) **General notification allowing invoking of *force majeure*** due to the unforeseen and unprecedented global crisis caused by COVID-19 is also a major need of the hour. This will help us in mitigating some major fixed operating expenses, which otherwise **carry the potential of taking down the entire sector** and lead to mass litigation. This will help us in containing our losses to a certain degree, which is what we desperately need to remain afloat and survive to fight another battle.
- e) **Total and immediate deferment of all payments for utilities**, such as electricity, water, gas etc, supplied either by state, state run corporation, PSU or private entities.
- f) **Moratorium of repayment of all types of loans and facilities** for a period of twelve months and an immediate suspension on interest charged on term loan or working capital for a period of three months.

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Once the crisis is over, we request for **doubling of our working capital** exposure on no interest and no collateral basis.

- g) **Immediate and urgent settlement of claims** by both public and private sector insurance companies for covers taken by businesses on loss of business due to such unforeseen circumstances. We also request an **immediate freeze on any increase in insurance premiums** for a period of one year.

Madam, we as an industry are in a very precarious situation currently, fighting a battle of survival. **We desperately seek your intervention and support** at such a crucial time **to prevent loss of jobs and save dreams of many young entrepreneurs** due to this calamity.

We sincerely request you to consider the above suggestions favourably and give necessary directions for their quick implementation. **We also request for an appointment to meet you in person at your earliest convenience** to explain the seriousness of this matter in greater details.

Thanking you,

Yours sincerely,

**Anurag Katriar**  
**President**

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