

## **Indian restaurant industry bogged down by varied and complex licensing and taxation laws, says White Paper**

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Indian restaurant industry is bogged down by Complex maze of licensing and taxation laws which differ from state to state. There are issues of infrastructure, including cold chain, power and water supply, besides shortfall of quality, trained and employable manpower.

According to the recently released White Paper on the Indian Restaurant Industry 2010, with increase in disposable incomes of the average Indian consumer, the market size and potential of restaurants is only expected to rapidly grow in the future. However, the industry does not get its share of support and encouragement either by way of legislation or by way of enabling infrastructure.

The key recommendations of the White Paper are single window licence clearance, rapid implementation of GST, recognition of restaurant sector as an industry, investment in relevant training institutes and uniform implementation of standards by the industry.

The restaurant industry is estimated at Rs 43,000 crore, with a growth rate of 5-6% per annum, The organised segment of the industry is estimated at Rs 7,000-8,500 crore.

The objective of the White Paper is to document the size, nature and potential of the industry. There is also a need to highlight the importance of restaurant industry in terms of the employment it provides and its role in promoting tourism.

The sector also contributes to the overall delight of consumers as eating is one of the top 3 leisure activities enjoyed by Indians across the country.

The restaurant industry offers tremendous scope for growth, and could be a much larger source of tax revenue to the government, if its growth potential is adequately tapped. Further, additional tax of up to Rs. 4200 crore can be generated by converting unorganised to organised players. It is also one of the major employment providers. Further, it serves as a source of entertainment and enjoyment to both Indian consumers and to international tourists and is one of the factors that tremendously enhance revenue earned from tourism. Therefore, it is critical that the contribution of this industry be acknowledged by the government and other stakeholders, and concrete efforts are made to help catalyse its growth potential, according to the White Paper.