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HOTEL & RESTAURANT ASSOCIATION OF ODISHA  
(Regd. No. 1078-296 of 1985-86)

HRAO / SG / 1125

10<sup>th</sup> December, 2020

To  
**The Principal Secretary**  
Excise Department  
Govt. of Odisha  
Bhubaneswar

**Ref. : Your mail dated 4<sup>th</sup> December, 2020**

**Sub : Discussion on Excise Policy 2021-22**

Respected Sir,

We are grateful to your Chair for giving us an opportunity for putting forth our suggestions to be incorporated in the Excise Policy for 2021-22 on behalf of the On License Holders both Hotel On & Restaurant On.

This financial year has been a very bad for the entire world and also for the global economic due to ongoing COVID-19 pandemic with business coming to us standstill due to lockdown being imposed.

Though, the Govt. did not announce any new policy for the year 2020-21 and extended the policy of the 2019-20 for the year 2020-21. Our various representations with regards to waiver of License Fees for the year 2020-21 is still pending for consideration and we are hopeful that the Govt. will take a realistic & sympathetic view on the payment License Fee for the year 2020-21 and will support the Industry in this difficult time by announcing a waiver of the same.

We are also not sure as to how long this pandemic will continue and all expert opinions by leading economists say that it will take at least another 2 to 3 years for the economy to come back on track.

The Govt. took a very bold & innovative decision of allowing home delivery of liquor in this state and also imposing additional COVID-19 fee which must have helped Govt. generate additional revenues.

We feel that with home delivery of liquor now customer of liquor consumers have become more relaxed and also the fear of going out in the pandemic will restrict business in coming times when Bars are allowed to open. Also imposition of social distancing norms have drastically reduced the covers available in the Bar premises hereby resulting in lesser business volume.

With the new traffic rules & regulations being implemented in the Country has also taken the toll on our hotel industries specifically related to Bar operations. With the huge fine for drink & driving customers are refraining to come to the Bar after 10 O' Clock. There is 50% drop in sales during the last months.

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The illegal selling of liquor by non-license holders Dhabas, Roadside eateries and the OFF-SHOPS which have become virtually ON-SHOPS has further effected our foot-falls and sales. People are buying chilled Beers from OFF-SHOPS and all other facilities of snacks & other accompaniments requirement are available in the absolute nearby vicinity making them virtual ON-SHOPS. So, customers find it more cheaper and convenient to consume liquor in front of OFF-SHOPS with all facilities.

Taking into view all the above scenario the biggest loser is the ON-SHOP license holders. Our sales are drastically dropping the fees and other payment structure of license are increasing and overheads are increasing thereby making it unviable for the ON-SHOP holders to even pay the present license fee structure.

Therefore, keeping in mind the unprecedented situations and huge financial losses suffered by On-Shop Holders who had to undergo a change in their NATURE OF BUSINESS from a On-Shop License Holders to a virtually Off-Shop License Holders who does not have any customer base to sell sealed bottled liquor.

Therefore, we suggest the following for your kind consideration in the policy of 2021-22.

1. **License Fee** : We propose that License Fee for the year 2021-22 for the first six months i.e. April to September, 2021, we completely waived off and 25% of the fee structure applicable for the policy year 2019-20 should be made applicable for the balance period i.e. October 2021 to March, 2022.
2. **Renewal Fee** : We have paid renewal fees for the year 2020-21 hence we would request you to kindly waive of any renewal fees for the year 2021-22.
3. **Additional Bar Counter** :  
In our representation during formulation of policy and subsequent discussion will be Hon'ble Secretary Sir, it was assured that the fee for additional Bar Counter would be reduced. But it still remains as Rs. 2 lakhs per annum. We proposed that the same should be reduced to Rs. 25,000/- per annum and also **Restaurant On License Holders may also be permitted to avail this benefit. Also a provision for the existing License Holders to avail an additional Bar counter on a temporary daily basis should also be provided for with a very nominal fee to meet the demand for serving liquor in Banquets & Lawn parties.**
4. **MGQ Matter** : While MGQ has been waived for the hotels with Bars, we request for similar way for **waiving of MGQ on Restaurant with Bars.**
5. **Online Application** : We are thankful to the Govt. for starting of renewal of licenses in online portal. However, we would request for complete digitalization of the entire process of renewal along with generation of renewed license and also for application of new licenses.

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6. **Extended Bar Timings** : We thank the Government for giving extended timing upto 1.00 p.m during the New Year Eve of December 31<sup>st</sup> and also during the world cup which has helped the industry and also given a big boost to **TOURISM**. We therefore propose to have extended Bar timings upto 1.30 a.m on a permanent basis be allowed in these cities of Cuttack & Bhubaneswar and other major cities of this state. The timings in other cities of other states are upto 2.30 am hence, and we feel as now Bhubaneswar having international flights which arrive at Mid-night extended Bar timings **will further boost TOURISM in the state.**

Also though there is provision in Excise Rule for availing extended Bar timings by paying extra cost but the procedure for obtaining the permission of the same is unpractical and very lengthy. It should be made online and the permissions should be granted or rejected within 24 hours of making such online applications for the same.

Also on special occasions like New Year's Eve, Christmas, Dussehra and other important events the Bar timings should be extended at least till 2 am without applying for any permission.

7. **OSBC** : We are thankful to the Govt. for implementing online token generation and online generation of orders at OSBC Depots. We would request that this system of generating this orders may change as we first create the orders and the value thus arrived that may be paid before submitting the orders, which is vice-versa right now. Smooth operations are required at the OSBC Depot. The time taken at present for procurement is very high time taking. This may kindly looked into and streamlined. Separate allocation of Brands to be made available for On-Shops with OSBC viz. Imported Red & White Wine option can be of different brands. We hardly go twice in a month for lifting, where we don't get most of the popular and regular brands. During Summer getting variety of Beer is a Challenge. The situation is even worse in upcountry depots where most of the stocks is not available. Hence we request that some permanent solution for this problem has to be found. We suggest that a change in policy that license from other districts can lift stocks from other nearby depot where stock is available.

Also creation of separate Depot for the Khurda District which contributes to the major lifting may be separated from the existing Depot. Also the process of placing the orders online OSBC portal may be changed to a drop down system category wise which will be more convenient to us to select brands available under that particular product category.

8. **Restriction in opening of new Bar & Restaurant** : New guidelines should be formulated for granting license to Restaurant on holders preferably the license holders should be member of HRAO. This will help in selective and proper issue of licenses and the distance between two Restaurant on license holders should be minimum 500 meters.

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**9. Employment for Women :**

In today's world women have started excelling in all fields in the country be it Sports, Aviation, Defence, Corporate etc. Today in the state of Odisha is the only state which does not allowed women to be employed in the Bar premises. This inequality and gender discrimination should be the away immediately. Today the top Bar Tenders in the country & abroad are women.

10. We are now as per the Excise rules are required to maintain manual books of records of sale & purchase on a daily basis. The same may be digitalized and we can upload the sale for the month within the first week of the next month as all purchases will automatically come from our purchases from OSBC portal. It is very difficult and cumbersome to maintain manual stock registers.
11. Though the Excise rule & policy have provided for application for temporary licenses but to get permission for the same needs to also be made online and time-bound for issue of permissions on the applications made.
12. We are charged pass-fee for every invoice generated at OSBC. The same may kindly be done away with.
13. It is very difficult to check each & every carton of Beers for the expiry date from the Depot. Hence, we suggest that the expiry dates of the Beers may please be displayed on the online portal while billing which will enable us to take a decision as to whether we should lift such stocks or not.
14. We also take note of the fact that Excise Department has permitted all Eco-Retreats to avail temporary permits of running Bars, but fail to understand the logic behind not permitting Bars in the hotels to operate even though the Excise Dept. is collecting full monthly Bar license fees.

We hope, you shall consider the above points and make necessary changes accordingly in the policy 2021-22.

Most sincerely yours

With kind regards,  
Yours sincerely

**Dr. Srinibash Subudhi**  
Secretary General

**Copy forwarded for kind information to :**

Hon'ble Minister, Excise, Govt. of Odisha  
Hon'ble Minister Tourism, Govt. of Odisha  
Chief Secretary, Govt. of Odisha  
Development Commissioner, Govt. of Odisha  
Commissioner-cum-Secretary Tourism, Govt. of Odisha &  
Excise Commissioner, Odisha, Cuttack

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