

Regd. off.

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

HRAO / SG / 1214

17th November, 2021

To
Excise Commissioner
Excise Department
Govt. of Odisha
Cuttack

Ref. : Your Letter No.9969, dated 16.11.2021 sent by email

Sub : Discussion on Excise Policy 2022-23

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 2022-23 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, shutdown/curfew being imposed even in this financial year of 2021-22.

We are thankful to the Government for giving us some waiver in the License Fees for the year 2020-21. Also we are thankful to the Government for not increasing the License Fees for the year 2021-22. But it is very difficult on part of Licensees to pay the current license fees structure given the ongoing Pandemic conditions and state of economy.

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 decision to continue for home delivery is very commendable and the same should be continued for all times to come.

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.

We therefore suggest the following for your kind consideration in the policy of 2022-23.

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1. **License Fee** : As this year the operations due Covid pandemic for On-shops was very limited period initially till 12 O clock then 5 pm then 8 pm and then 10 pm shutdown taking place on week ends upto 31.08.2021. The entire Bar fraternity is suffering huge financial losses and sales fall in Bar service have dropped drastically by 70 to 80%. As m Mostly customers in the Bar come after 9 pm only.

Some Bars & Restaurants have purchased & sold liquor on Home delivery and the margins on such sales being 8 to 10% only does not even meet the establishment expenses leave aside profit and meeting Bank interest and instalments.

We therefore request that License Fee for the year 2021-22 should be reduced by 75% and the License fee for 2022-23 should also be reduced by 75% of the existing fees structure.

2. **Renewal Fee** : We propose that the licenses should be renewed for a period of 3 years and the renewal fee should be reduced from the present fee of Rs. 1 Lakh to only Rs. 25,000/- for 3 years.
3. **Additional Bar Counter** :
We are thankful for reducing the additional counter fee to Rs. 1 Lakh but the same is also on the higher side and WE PROPOSE RS. 25,000/- SHOULD BE CHARGED FOR ADDITIONAL BAR COUNTER.
4. **Payment of License Fee** : Monthly payment of license fee should be allowed across the state for On-shop license holder.
5. **MGQ Matter** : While MGQ has been waived for the Hotels with Bars, we request for similar way for waiving of MGQ for RESTAURANT ON LICENSE HOLDERS or minimum revenue guarantee may be followed for the On-shop licensees.
6. **Extended Bar Timings** : Due to pandemic Bars are unable to function till now on the normal timing upto 12 pm. We therefore request you to please allow operations of Bars upto 12 pm with immediate effect and also for extended timings of one hour for the coming year end i.e. 31st Dec. 2021 as allowed during 31st Dec. 2019.
7. **OSBC** : We are thankful for introducing online system which may made little more user friendly taking suggestions from the Stake-holders to iron out the small difficulties being faced by them for placing order online.

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.

— Affiliated member of —

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HRAEI (Hotel & Restaurant Association of Eastern India)
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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 cumbers ion to maintain manual stock registers.

11. We are charged pass-fee for every invoice generated at OSBC. The same may kindly be done away with and the option to generate more than 2 tokens in a day for lifting from Depot should be given.

12. It is very difficult to check each & every cartoon 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 unable us to take a decision as to whether we should lift such stocks or not.

13. **Bank Guarantee** : The Government is now insisting on Bank Guarantee in lieu of Solvency Certificate which was the practice earlier, this is further leading to blocking of funds and we therefore propose that the Solvency Certificate clause may be re-introduced or the Bank Guarantee requirement should be done away for Bars who have a good record and have been operating more than 3 years.

We hope, you shall consider the above points and make necessary changes accordingly in the policy 2022-23.

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
Principal Secretary, Excise – Govt. of Odisha &
Principal Secretary Tourism, Govt. of Odisha

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