



CIN NO. U93090TN1951NPL002401

SOUTH INDIA HOTELS AND RESTAURANTS ASSOCIATION

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February 4, 2021

Thiru S.K Prabakar, IAS
Additional Chief Secretary
Home, Prohibition and Excise Department
Govt of Tamil Nadu
Chennai

Respected Sir

Sub: Extension of FL3 License Bar Timing and Waiver of License Fee During Lockdown – Our earlier letter dt 21st Sep 20

Greetings from SIHRA...

At the outset, we would like to thank the Tamil Nadu Government for bringing Corona outbreak under control and reducing the new incidence of cases and number of deaths from it to extremely low. The Government had taken bold steps to bring awareness among the public of the outbreak of Corona and now the initiative to administer the vaccine. When developed countries are struggling with second wave of the corona, we are happy that effective steps taken by the Tamil Nadu Government and the Union Government have kept the virus under control which is being lauded by other countries world over.

We would like to thank the Tamil Nadu Government and yourself for allowing the hotels in Tamil Nadu to reopen with effect from 1st Sep 2020 and Bars from 03rd Sep 2020. Prohibition and Excise Commissioner permitted to open the bars in hotels from 11 AM to 8 PM as per his letter dated 04th Sep 2020 which was later extended to 10pm. Because of the Bar timing restrictions, we don't get much business in bars. **Therefore, we request you to extend the FL3 license Bar timing up to 12 PM which will encourage clients to use the bar services more, thereby help hotels to get more revenue and to the Tamil Nadu Government in the form of increased VAT revenue and additional sale in TASMAC.**

Though the hotels have been allowed to operate from September 1, 2020, we are still getting low occupancy as the public is still hesitating to travel. It will be several months before business will be at pre-lockdown period. Foreign tourists are not expected to travel to India till the fourth quarter of 2021. Tourism in India will solely depend on the domestic tourism for the next one year. One of the major revenues for the hotels is bar, which was closed from March 17, when the total lockdown was announced, till September 3, 2020. **Hotels with bar had huge stocks of beer and liquor purchased from TASMAC in March that could not be sold due to expiration of date. Recently Excise Commissioner declared that these liquors and beers could not be returned to TASMAC and exchanged for fresh stock and therefore the hoteliers had to discard them at a very high loss.**

Already there is low occupancy in hotels, and we are incurring huge loss due to our fixed costs and tax commitments. We are borrowing money at a very high cost from financial institutions to pay our statutory obligations and salary to employees. In this situation we need your help in considering FL3 license fee paid during the lockdown period to be adjusted towards future license fee. FL3 License holders pay huge sum of several lakhs as license fee every year. We are hopeful that you will consider our reasonable request as few other States had already considered the same.

Kindly do the needful and look forward to your favorable reply

Thanking you

For South India Hotels & Restaurants Association



T NATARAJAN
Hon Secretary

Copy to:

Thiru D Mohan, IAS, Commissioner Prohibition and Excise