**No. : 24th December,2013**

Hon’ble Shri B. S. Bhallaji

Administrator of Daman & Diu & DNH,

Secretariat,

**Daman 396 210.**

Respected Sir,

Sub : **MEMORANDUM FOR 2014-2015**

The Hotel & Restaurant Association of Western India (HRAWI) represents the elite in the Indian Hospitality sector such as the Taj, Oberoi, ITC, Leela etc., and a host of reputed International and national chains of Hotels and Restaurants, in Western India Region, comprising the States of Maharashtra, Gujarat, Madhya Pradesh, Chhattisgarh, Goa and the Union Territories of Daman, Diu & Dadra & Nagar Haveli.

Sir, you are aware, every State Government in Western India is making efforts to increase tourism and DD & DNH should be no exception.

There is an urgent need for fiscal and policy initiatives by the Administration for increasing tourist arrivals in Daman, Diu & Silvassa, especially since tourism is a major economic activity in these Union Territories.

While most hotels and restaurants have initiated several proactive steps for increasing tourists, the following suggestions of the HRAWI, if accepted by your good self, will go a long way, in maintaining the prominence of Daman, Diu & Silvassa, as a unique tourist destination. The promotional efforts put in by your Administration through its participation in several national trade fairs and overseas events, such as WTM as well as through its publicity campaigns and website promotions, will be in vain, in case the fiscal and policy incentives are not forthcoming.

**1] DECLARING YEAR 2014-2015 AS A TOURISM YEAR FOR DD & DNH:**

Tourism has the potential to change the economic face of our region. The benefits of planned tourism development are manifold. Promotion of tourism would bring many direct and indirect benefits to the people.

We would request you to declare 2014-2015 as the year of Tourism for DD & DNH and it can coincide with the advertisement and promotion blitz proposed by the Administration during the year.

**2] SINGLE EXCISE LICENCE FOR HOTELS & RESTAURANTS**

The present policy requires hotels and restaurants to procure a separate Licence when Liquor is served in the banquet halls and open area outside to the bar. We would request a single Licence may be issued to allow service of Liquor anywhere in the hotel/restaurant premises

**3] AVAILABILITY IMPORTED BRANDS OF SPIRITS & WINE**

Making available imported brands of spirits & wine through OIDC vending shops to facilitate meeting the requirements of high spending tourists to Dadra & Nagar Haveli & Daman.

**4] TOURISTS COMING IN BUSES TO DADRA & NAGAR HAVELI & DAMAN FROM MAHARASHTRA VIA VAPI**

Presently tourists coming in buses to Dadra & Nagar Haveli & Daman from Maharashtra on entering Gujarat are required to pay road tax at an exorbitant rate of Rs.140/- per seat making it unaffordable for economy group tourists. Tourists groups visiting Silvassa cannot go to Daman and vice versa for site seeing due the high incidence of road taxes levied on passing through Vapi. It is therefore requested that an arrangement be made up by the Union Territory with the Gujarat Government to exempt payment of road taxes for tourist buses entering Silvassa & Daman using Gujarat as a transit point.

**5] ELECTRICITY DUTY:**

HT Hotel consumers in Daman, Diu & Silvassa are presently being charged Electricity surcharge. However, since tourism is an important economic activity in Daman, Diu & Silvassa, it is necessary that this sector is granted a relief by way of a concessional unit rate of Electricity and no payment of surcharge. Power and fuel constitutes a major cost of operation in Hotels and Restaurants and a relief in duty, as stated above, will go a long way, in making the operations of Hotels and Restaurants more viable. While the manufacturing sector is also charged surcharge on H.T. rates, you will appreciate that manufacturing sector is exempt from VAT, while Hotels are subject to VAT.

**6] ‘C’ FORM**

Manufacturing Industry when purchasing goods from Gujarat or Maharashtra are permitted to use ‘C’ Form and save VAT payment levied by the exporting state under Central Sales Tax regulation (VAT is 12.5% v/s CST is 2%) by providing a ‘C’ form. It is request that the hotels may also be given permission to issue ‘C’ Form when purchasing goods from outside the Union Territory including for purchase of LPG Gas Cylinder when purchased from Vapi PSU dealers.

**7] IMPROVEMENT OF ROAD NETWORK BETWEEN DADRA & NAGAR HAVELI & MAHARASHTRA**

It is requested that the road connectivity between Luhari to Bomar Sutrakar villages and Dhundalwadi, Maharashtra and between Kherdi to Talasari Maharashtra be improved. These road networks may be also be given a national highway status.

**8] POLLUTION CONTROL COMMITTEE PERMISSION:**

The requirement for obtaining consent to establish and operate under Water Act and Air Act under orange category through pollution control committee should not be insisted for hotels having less than 100 rooms in Daman Diu & Dadra Nagar Haveli.

Further requirement of such hotels to compulsory have sewage treatment plants should be removed as the present system of sewage disposal is through septic tanks which is prevalent in all semi urbanized and rural areas.

**9] ENABLE GAMING MACHINES FOR ENTERTAINMENT AT DADRA & NAGAR HAVELI AND DAMAN & DIU:**

We request that Goa Daman Diu Gambling (Amendment) Act, 1982 and 1993 may be extended to Daman & Diu and Dadra & Nagar Haveli alternatively the Bombay Prevention of Gambling Act 1887 extended to Dadra & Nagar Haveli be modified and amended to allow gaming machines for entertainment. This will help UT’s attract more tourists.

**10] SINGLE WINDOW:**

A single window concept should be implemented for clearing and all licensing requirements of tourism projects in Daman, Diu and Dadra & Nagar Haveli. (Health Licence, Bar Licence/Excise and building approval all under the tourism department) and tenure of such licences should be extended from 1 year to 5 years.

**11] INTEGRATED MASTER TOURISM PLAN:**

An Integrated Tourism Master Plan should be implemented for Tourism, rather than in fits & starts depending on who heads the Tourism departments. Tourism in Daman, Diu & Silvassa as stated above, is a major economic activity. It is, therefore, necessary that budgetary allocation for building up tourism infrastructure and places of tourist interest, as well as marketing of Daman, Diu & Silvassa, as a destination, is increased substantially. Such additional outlay will be a prudent investment, which will be beneficial both in the short term and the long term. If Daman, Diu & Silvassa has to retain its position on India’s Tourism Map and compete with destinations in neighboring States, the Administration, you will appreciate; will have to indeed double up its investment in the tourism sector.

On behalf of the HRAWI and its large number of members in the three territories of Daman, Diu & Silvassa, we can only assure you that the private sector will be more than willing, to participate in such developmental activity.

We look forward to your kind consideration of this request of the Hotel & Restaurant Association (Western India) as well as to a personal hearing, to discuss the details further.

With kind regards,

Yours sincerely,

For **HOTEL & RESTAURANT ASSOCIATION (WESTERN INDIA)**

**VISHAMBER SHEWAKRAMANI**

**CHAIRMAN**

**DAMAN DIU & SILVASSA SUB-COMMITTEE**

**MEMBER EXECUTIVE COMMITTEE (HRAWI)**