

# Spirits Down at Delhi Restaurants & Bars

Excise policy, lack of breweries, limited storage reasons for beer crunch

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**New Delhi:** As Delhi's liquor vends and retail shops reel under beer shortage in peak summer season, retailers, restaurant chains and bars said the supply constraints are leading up to revenue losses amid a widening demand-supply gap.

Rohit Aggarwal, director at Lite Bite Foods, which operates Punjab Grill and YouMee chains, said: "If the issues are not resolved urgently, we will suffer revenue losses, because April-June is peak season for beer consumption at our restaurants." The capital is one of the biggest markets for alcohol beverages. "Unfortunately, a combination of reasons including policy and supplies is causing the beer shortage," Aggarwal said.

The beer shortage comes at a time when demand is expected to exceed well over pre-pandemic numbers, with a massive surge in dining-out, hot sum-

mer season, and proliferation of new craft variants and flavours led by brands like Bira 91 and Simba.

Vinod Giri, director general of the Confederation of Indian Alcoholic Beverage Companies (CIABC), attributed the supply constraints to changes in the Delhi government's excise policy, lack of breweries in Delhi because of which the market has to buy beer from other neighbouring states and limited refrigerators at government-owned retail vends.

"Demand for beer is expected to surge in the April-June quarter, and the CIABC has been writing to the Delhi government to inform about

changes in excise policy well in advance, so that industry can plan supplies and stocking accordingly," Giri said.

According to another trade executive, beer companies prefer to supply to the states outside of Delhi which offer higher margins, and cater first to the local demand to protect their own taxes.

"The demand-supply gap in beer is resulting in business losses in Delhi, which is a very big market for us. We run many summer promotions like brunches and sundowners and beer is the preferred drink at such occasions," said Anjan Chatterjee, chair man of Speciality Restaurants,

which operates Mainland China and Oh Calcutta.

"We hope the issues are short-term and get sorted before summer peaks in the capital," Chatterjee said.

In Delhi, one of the biggest markets for alcoholic beverages, liquor retail is operated largely by state-operated entities through more than 550 stores. Delhi State Industrial and Infrastructure Development Corporation, Delhi Tourism and Transportation Development Corporation, Delhi State Civil Supplies Corporation Limited and Delhi Consumer's Cooperative Wholesale Store Ltd (DCCWS) operate liquor retail among themselves.

Limited number of shops and low stocking space in the national capital is adding to the supply crunch, trade executives said. According to a report by market research and consulting firm IMARC Group, the Indian beer market will reach a value of ₹580 billion by 2027, growing at a compound annual growth rate of 8.3% during between 2022-2027.



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