

# Pubs face crunch as supply low over excise disruptions

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**NEW DELHI:** The festive season has begun on a rather dry note for diners in the national capital. Restaurants and bars across the city have mostly run out of liquor and alcoholic beverages, especially of premium brands, as the tumult from Delhi's controversial excise policy continued for another year, with the shortage likely to continue this weekend.

At the heart of the problem is that the excise policy of 2020-21 was scheduled to expire on September 30. While the government issued a notification allowing licensees to apply for a six-month extension after paying a fee, some categories — like that of wholesalers — were of those that need to be obtained afresh, a process that requires reams of documentation and on average, if everything is in order, a week's time. To make matters worse, the notification came a day before the policy lapsed — on September 29 — which was followed by a long weekend.

This meant that many restaurants, bars and pubs, who otherwise managed to extend their existing license, soon ran out of stocks — especially of premium brands that they usually store in lower quantities — since most wholesale traders were yet to resume supplies in full volumes.

Manpreet Singh, a restaurateur and treasurer of the National Restaurants Association of India (NRAI), said the wholesalers the restaurants were contacting for supply have mostly told them dispatches will take 3-4 days more. "Even on Friday (October 13), suppliers of several brands said they would be able to resume the liquor supply in 3-4 days," he said.

"The excise policy was earlier extended for three months and now the government has extended the policy for six months. It has resulted into pol-



Excise officials said they were aware of a limited shortage, but emphasised there was no crisis of liquor supply in Delhi. HT PHOTO

icy stability and supply disruptions," said Singh.

Three wholesalers HT spoke to said applications for wholesale licenses began from October 3, the first working day after a long weekend. "Initially there was a rush, which caused delays. Acquiring licences documentations which also takes time. After renewal of licences, import permits need to be generated. Now almost all wholesalers have done their formalities and supplies are expected to resume at full scale soon," said one trader, who asked not to be identified.

Excise department officials said they were aware of a limited shortage, but emphasised there was no crisis of liquor supply in Delhi. "Since the day the government approved the extension of the existing licence (it was announced on September 29), the renewal process began. The wholesalers, the restaurants, bars and clubs, besides retail licences, have renewed by depositing a proportional license fee for the next six months. As of October 12, 104 wholesale licences and 90 hotels, clubs and restaurant licensees have got their

licences renewed and are carrying on with their business," said an excise official, asking not to be named.

Prior to all wholesale licences expiring, as they do at the end of the policy period, there were 120 such traders.

At least two restaurateurs explained to HT where the pain points lay. "Under excise rules, the liquor has to be stored in the licenced store located in the licenced premises. Restaurant owners usually order stocks required for a week because they don't have a lot of storage. Also, not many restaurants maintain high stocks of highly premium brands because they have limited demand," said one of them, asking not to be named.

"In normal conditions stocks are delivered within two days of placing the order to wholesalers through the excise department website, but that is not happening since October 1," this person added.

The owner of Essex Farm restaurant in south Delhi said the shortage hit some brands harder than others, but the issue began resolving in a week. "Many res-

taurants in Delhi faced a shortage of several premium brands such as Black Label, Gold Label, Corona beer, Hendrick's gin for around a week in the beginning of October, but all these brands have started supply of stocks. Restaurants are still facing shortage of Jack Daniel's, Kingfishers, Bira beers, Gordon's Gin and some other brands. Such shortage occurs when the policy is extended or changed, but the restoration of many premium brands has been done after a gap of just one week which is satisfactory," said Sandeep Anand Goyal, owner of ESSEX Farm restaurant and the Delhi chapter head of NRAI.

What has made matters worse is there is a general shortage of premium brands. The excise department has rejected the application of French spirits company Pernod Ricard, Indospirits, and Brindco for a sale license over the ongoing investigations in the excise policy of 2021-22, which had overhauled the liquor trade in the city before it was scrapped after a spat between the Union government and the Delhi government run by the Aam Aadmi Party.

The formulation of a new excise policy is pending for over last one year, and the existing policy is periodically being extended. Excise officials were then tasked with preparing a new liquor policy for the city, which was to be ready by September 2022. However, the new rules are yet to be framed, officials said. They said they are treading a fine line, trying to ensure that the liquor business is revitalised but at the same time, they do not fall foul of the law.

Till a new policy is framed and approved, the existing 2020-21 policy has been extended multiple times — first in February (till March 31), in March (till September 30), and now, in September (till March 31, 2024).

The Delhi government did not respond to requests for a comment.

Vinod Giri, director general, Confederation of Indian Alcoholic Beverage Companies (CIABC), said a stock problem was expected in Delhi market due to license renewals at the beginning of October. "It is bound to happen if the renewal process starts after the previous licence period is over. The wholesalers on their part do advise bars and restaurants, which are only privately owned outlets in Delhi, to stock up before their licence expiry. Larger establishments with good cash flow can do so, but smaller or standalone outlets struggle to sufficiently stock up. If the renewal process drags on, the shortage starts showing up more acutely. The way out of this is to begin renewal process much in advance during the pendency of current licence and ensure seamless transition."

NRAI trustee Rahul Singh too said the liquor shortage began in the first week of October itself. "It happens almost every year when the policy changes, usually in April due to the processes involved in the renewal of licenses which takes a toll on supply. The shortage affects the industry and it leads to flight of business to neighbouring states and ultimately the restaurants and bars face losses," he said.

For one more weekend, then, it appears Delhi's favourite alcoholic beverages may be out of stock this weekend. "We wanted to have beer. Two common beer brands were not available in the bar. The guy at the bar told us that they are facing supply shortage. We finally had a lesser-known brand which was in the stock of the bar. We tasted the new beer brand for the first time, and were utterly disappointed," said Vineet Awasthi, a finance sector professional, who went to a bar on Wednesday.