

## **HRAWI deplores WTA's embargo on liquid distribution to hotels & restaurants**

In regard to several hotels and restaurants imposing an embargo by the Wine Traders Association (WTA) on liquor distribution across the city, the Hotel and Restaurant Association of Western India (HRAWI) has written to them terming the act as deplorable and shocking.

A copy of the letter has also been marked to Chief Minister Uddhav Thackeray, Tourism, Environment and Protocol Minister of Maharashtra Aditya Thackeray, and also to Valsa Nair Singh, Principal Secretary, GAD SEO-1, Civil Aviation and State Excise, Government of Maharashtra, and the association plans to take up the issue with the government and Excise department.

The HRAWI has stated that an embargo of such nature by means of collective anti-competitive action or cartelisation against hotels and restaurants is insensitive, illegal and against the spirit of camaraderie that the wine industry shares with the hotel and restaurant industry. Members of the HRAWI have reported that WTA and its member distributors are insisting on a NOC from the WTA for resuming supply of the liquor stock to hotels and restaurants.

Sherry Bhatia, president, HRAWI, said, “We are extremely shocked that despite knowing that the hotel and restaurant industry is affected the worst due to the lockdown, the Wine Traders Association has acted in such a deplorable manner. Hotels and restaurants were simply following orders imposed by the Union and the State Governments because of which we were unable to generate any business over the last seven months. Restaurants have opened just on October 5 that too with only 33 per cent capacity and several restrictions. Under these circumstances, imposition of embargo of such nature is not only insensitive but is also illegal. We are ancillary industries and in the spirit of camaraderie the liquor distributors association must maintain decorum with our industry which is one of its major consumers.”

Many hotels and restaurants have also pointed out that the distributors whose bills have been duly paid up to date are still insisting on clearing payments of

all the other member distributors of the WTA for uninterrupted delivery of any liquor stocks.

Pradeep Shetty, senior vice president, HRAWI, said, “The association of liquor distributors is adopting extremely illegal and coercive methods by imposing embargo on the supply of liquor stock as a means to an end. It is insisting on dues being cleared by establishments for all its distributors, for lifting the embargo. Under the guise of this illegal embargo and outstanding payments, WTA is recovering some disputed and very old payments from hotels and restaurants. The WTA is being completely insensitive towards the hotels and restaurants especially knowing well that the restaurants have only just opened earlier this month. As a result of this arbitrary embargo, roughly 100 odd restaurants haven’t been able to reopen for business. In many other hotels and restaurants, only certain liquors stocks are available and so, are unable to serve customers their choice of liquor.”

The HRAWI has pointed out that prior to the lockdown, many hotels and restaurants were compelled to stock large quantities of liquor. The stock either went unsold or perished due to the continued lockdown which lasted for more than six months.

“Many such similar issues of disputes on bills/ payments are pending resolution between distributors and hotels/ restaurants. The Wine Traders Association, instead of being considerate more particularly under the present extraordinary situation, is taking advantage of our beleaguered industry. Recovery of monies is subject to individual facts and the distributor can follow legal procedures as is required under law. The Wine Traders Association by no means can use a collective action and impose an embargo on its consumers which are hotels and restaurants. It is illegal to try to recover monies in this manner which may or may not be legally due and payable. We have approached the State Government regarding this and also have filed complaint with the Excise Ministry. We may consider further course of legal action very soon,” added Shetty.

There are less than 20 suppliers of liquor stock in the state of Maharashtra and Mumbai and just one distributor per brand. The HRAWI has stated that such a collective action by the distributors through their association is clear

monopolisation. The dominant position of the WTA is being unethically used to arm twist and coerce hotels and restaurants into payment of dues.

“This behaviour by the Wine Traders Association is illegitimate and not in accordance with the law. It is abuse of dominant position which has had an adverse effect on hotels and restaurants that despite having the permission to reopen haven’t been able to do so. Also those hotels and restaurants which have opened, the embargo is depriving consumers of choice of liquor. Under these circumstances, we request the Wine Traders Association to cease and desist from continuing the embargo on supply of liquor stock to hotels and restaurants. We also request them to desist from insisting on NOC for making deliveries of stocks pursuant to purchase orders from establishments,” concluded Bhatia.