

Highway liquor ban: Hotel industry reviewing legal options

Hospitality bodies are likely to again meet Tourism and Road & Transport Ministers

MEENAKSHI VERMA AMBWANI

New Delhi, April 11

The hospitality industry represented by the Federation of Hotel and Restaurant Associations of India (FHRAI) is weighing legal options to seek a respite from the recent Supreme Court order that has put a ban on sale of liquor within 500 metres of State and national highways.

Garish Oberoi, Vice-President, FHRAI, said: "We are now exploring legal options and consulting our lawyers on filing a review petition with the Supreme Court. We are treading cautiously while continuing to engage with the government."

Post the SC verdict, several States are trying to denotify portions of State highways, turning them into local, municipal or district roads to avoid losses to the exchequer.

On the other hand, States such as Madhya Pradesh and Chhattisgarh are also looking at prohibition.

Hotel and tourism bodies are likely to again meet the Tourism and Road and Transport Ministers and submit additional information and data

Several States are trying to denotify portions of State highways, turning them into local, municipal or district roads to avoid losses to the exchequer

points on the loss of revenues and jobs the industry stands to face due to this ban.

The FHRAI has pegged State exchequer losses at ₹2 lakh crore and the industry's business revenue losses at an additional ₹20,000 crore. The FHRAI also believes over 1 lakh establishments are facing the threat of closure.

Hospitality industry executives have been arguing that nearly 50 per cent of a hotel's revenues come from food and beverages, and therefore the liquor ban impacts this crucial revenue stream.

'Tactical strategy'

A senior executive in the hospitality industry added: "The denotification of State highways by certain States is not going to solve the problem. Filing a re-



view petition in the Supreme Court is the only tactical strategy the hospitality and restaurant industry can follow at this stage."

Meanwhile, Riyaaz Amlani, President, National Restaurant Association of India, said the association is in a wait-and-watch mode and is reviewing its options and hoping for a respite from the government.

Dipak Deva, MD, Travel Corporation (India), added: "This will impact the image of India as a foreign tourist destination. It will impact not just the hotel and restaurant industry, but tourism as a whole."

Last week, the World Travel and Tourism Council had said the, "unintended consequences of this ban will have a significantly negative effect on hotels and restaurants...and will curtail future job-creating investment in the industry." It has urged the government to have an urgent review of the judgement.