

SC Order in TN Liquor Case

Why in news?

The Supreme Court ordered a stay on Madras HC's order 'barring the sale of liquor through retail stores and mandating online sales alone', in a case by Tamil Nadu.

What was the case about?

- The Madras High Court initially allowed the State government to open its vast network of liquor shops amidst lockdown.
- Outlets of the State-run TASMALC were permitted to open, subject to several conditions for maintaining physical distancing.
- However, the State witnessed scenes of unmanageable crowds and long queues when shops re-opened.
- As there was overwhelming evidence that physical distancing had been compromised, the HC banned across-the-counter sales.
- It directed that only online sale be permitted.

What does the SC order indicate?

- States' revenues are dwindling due to the stagnation in economic activity since the national lockdown began.
- States are desperate to raise money to combat disease spread and to keep their public health services going.
- It is this desperation that led Tamil Nadu to rush to the Supreme Court to obtain a stay on a Madras High Court order.
- The conflict between fiscal health and public health is quite real for the States.
- Notably, the number of people testing positive for the novel coronavirus is increasing in TN.
- But the top court seems to be mindful of the need to preserve the policy space of States.

Is the State's argument valid?

- The State government's argument that the HC ought not to have interfered in a policy matter may be sound.
- And this had logically impressed the Supreme Court.

- However, the state's claim that online sale was not possible in a State like Tamil Nadu raises doubts.
- The reality is that selling liquor online would cut into the unaccounted extra fee that TASMAL staff charge for every purchase.
- At Rs. 5 to Rs. 10 for each sale, this amount runs into crores of rupees annually and is believed to be shared among vested interests.

What lies ahead?

- The possibility that reopening TASMAL outlets may lead to another infection spiral is high.
- Tamil Nadu has fought bitterly, even at the cost of making a highly contentious decision, to get liquor sales going.
- So it now has to live up to its promise of preventing overcrowding in the vicinity of its outlets.

Source: The Hindu

