

Producers allege discrimination as Kerala to open liquor vents

TRIVANDRUM: Indian liquor manufacturers have demanded an end to what they describe as "discriminatory taxation" as Kerala, one of their top markets, is set to open retail outlets this week.

Vinod Giri, director-general of the Federation of Alcoholic Beverages Producers, said the taxes are already the highest in the southern state, making them prohibitively expensive.

He says their products, classified as Indian-made foreign liquor or IMFL, attract 212 per cent sales tax after the distributor-dealer margin of 28 per cent. In comparison, it is only 80 and eight per cent respectively on the imported brands.

As a result, a product of the same quality sells at Rs 2,600 if made in India compared to Rs 1,600 of the imported brand of the same class.

"When you are talking about Aatmanirbharata (self-reliance), you are helping farmers of Scotland instead of encouraging us," he told Gulf Today on the phone from New Delhi.

"We are not aware of any other state or country in the world which so blatantly discriminates against its own products."

The sales tax comes atop various other levies. A bottle of whisky purchased at Rs 58.27 from the distilleries carries a maximum selling price or MRP of Rs 690.

The industrially laggard state, which heavily depends on liquor sales to meet its expenses, last week decided to end its monopoly in the retail business.

The government permitted 595 bars and 365 pubs to open retail outlets offering a 20 per cent margin on the MRP, in addition to its 301 shops.

Last month, the state-owned distributor Kerala State Beverages (Manufacturing and Marketing) Corporation invited tenders for developing a mobile app for streamlining sales.

The bid that closed on Friday was to open on Monday, but reports said it had already zeroed in on a startup firm that created an app that locates the nearest outlet.

It also allows the buyer to select from a list of brands, book their choice and time, and purchase the drink using an assigned QR code.

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