

CIABC questions Karnataka's AIB tax model, counters BAI revenue claims

PIONEER NEWS SERVICE

■ Bengaluru

CIABC, the industry association representing domestic Indian-made liquor companies, on Thursday questioned the effectiveness of Karnataka's Alcohol-in-Beverage (AIB) taxation regime and the preferential treatment given to the 'beer' category.

The Confederation of Indian Alcoholic Beverage Companies (CIABC) countered claims made by the Brewers Association of India (BAI) that the new tax structure has boosted state revenues and encouraged consumption of milder alcoholic beverages.

Citing state Government data for July-September 2026, CIABC said there is a "clear

divergence" between volume growth and revenue contribution across Indian-made liquor (IML) and beer.

IML sales rose marginally to 171.69 lakh cases (9 litres each) from 169.12 lakh cases a year ago, a volume growth of 1.52 per cent. Despite this near-flat volume performance, IMFL revenue rose 13.36 per cent, or ₹1,064.52 crore, to ₹9,033.21 crore from ₹7,968.69 crore.

Beer sales jumped 49.69 per cent to 126.68 lakh cases from 84.63 lakh cases. Beer revenue rose ₹228.57 crore, or 18.52 per cent, to ₹1,463.07 crore from ₹1,234.50 crore. "The contrast becomes even clearer when the incremental revenue is examined," said CIABC as Karnataka revenue growth continues to be driven by IML.