

# Liquor retailers stuck as UP yet to come out with new excise policy

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**Lucknow:** Suspense continues to brew over the excise policy for 2025-26 which would govern the liquor trade in UP. With no news on renewal of shops, the retailers are hesitating to stock additional crates of foreign liquor and brew in their shops during the last quarter of the 2024-25 financial year. Producers and manufacturers of alcoholic beverages are lobbying with govt officials to push the maximum retail price of IMFL upwards.

Excise department officials said that stakeholders will need to wait for the policy document.

The excise department provided a revenue of about Rs 45,600 crore to the state in the last financial year, the highest amount collected through excise duty by any state during 2023-24.

Meanwhile, members of the association of liquor retailers will gather in Lucknow on Friday to raise their demands before the state govt. Apart from asking for an increase in retail profit margin, they want the department to discontinue the MGQ (minimum guaranteed quantity) system. "Retailers act as the backbone of the liquor trade. But we are not being offered clarity whether our licences are going to be renewed, or the department wants to set up



**HIC-UP:** Producers and manufacturers of alcoholic beverages are lobbying with govt officials to push the maximum retail price of IMFL upwards

shops through the lottery system," said spokesperson of the association, Devesh Jaiswal.

While allowing renewal, the excise department demands 10% increased licence fees from the retailers over what had been paid in the previous financial year, whereas under the lottery system shops are awarded to new entrepreneurs. Though considered a tedious procedure, the lottery system helps the department generate additional revenue.

Internally, officials of the excise department are also debating whether they need to increase the number of retail

liquor shops from the present 29,102.

Director general of confederation of Indian alcoholic beverage companies (CI-ABC), Anant S Iyer said, "Density of IMFL outlets across UP is extremely low compared to other large states in the country. Progressive excise policy environment in UP has allowed the industry to grow substantially over the past six years. Excise duty in UP includes many different fees which artificially inflate the ex-distillery prices but MRPs have remained static over the years."

Officials are also evaluating whether composite liquor vending under which country liquor, IMFL, beer and other alcoholic beverages can be sold from the same shop could offer increased revenue. "Model shops shall be discontinued and we need to introduce measures to promote responsible drinking instead of focusing on revenues," a district excise officer in eastern UP suggested to the higher ups through his independent write-up.

Excise commissioner Adarsh Singh said, "Deliberations with various stakeholders have taken place in the past before we started work on preparing the upcoming policy. State govt will take the final call and the policy will be announced thereafter."