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HAASAN BATS FOR SOUTH POLITICAL COMBINE UNDER 'DRAVIDIAN' UMBRELLA 15

KFA CASE: COURT ORDERS ARREST WARRANT AGAINST MALLYA ON SFIO PLAINT 11



BARCA LOSE FIRST GAME OF SEASON AS MESSI MISSES A PENALTY AGAINST ESPANYOL 21

After flagging sales, Bengal to do away with 'Covid tax' on liquor

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Kolkata: The state government has decided to discontinue the additional 30% sales tax on liquor — popularly known as "Covid tax" — from September and replace it with a slab-based tax depending on the product value.

Liquor sales have dipped in Bengal over the last few months. The abolition of the Covid tax might result in a price drop of most brands, feel industry insiders.

Sources said the new tax structure would be based on ex-brewery price (EBP) for beer and ex-distillery price (EDP) for IMFL, not maximum retail price (MRP).

"The 'Covid tax' was based on MRP but the new tax structure would be more progressive," said a top executive of a brewery.

REPLACED BY SLAB-BASED LEVY

- ▶ State to do away with 'Covid tax' — an additional 30% sales tax on liquor
- ▶ New tax regime based on ex-brewery price (EBP) for beer and ex-distillery price (EDP) for IMFL
- ▶ May cause a price

drop in majority of brands

▶ Likely from September 1

Liquor industry on the rocks as sales dip

TOPIC: BOTTLED TO OUR ROSES

The bar and bottle have become a symbol of the state's economic recovery. The liquor industry is expected to see a significant increase in sales as the state government abolishes the 30% Covid tax. The new tax regime is expected to be implemented from September 1.

Brand	EBP	EDP	MRP
IMFL	100	130	150
Beer	50	65	75

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Bengal is a market of 14.1 million (1.4 crore) cases of hard IMFL that includes whisky, rum and vodka and 8 million (80 lakh cases) of beer annually.

The IMFL and beer industry in the state was facing a major crisis following the Covid-induced lockdown and the steep increase in sales tax on liquor in April. For the beer market, there has been an average fall of over 85%, while

for IMFL the average fall in sales has been around 30% in April, May, June and July.

The figures for IMFL, compiled by Confederation of Indian Alcoholic Beverage Companies (CIABC)—the apex body of the Indian alcoholic beverage industry — has shown that the fall in sales in April was 84%, followed by 37% in May and 27% in June.

▶ Industry body happy, P 2