

IMFL sales dip 30% in first half of FY21, say liquor companies

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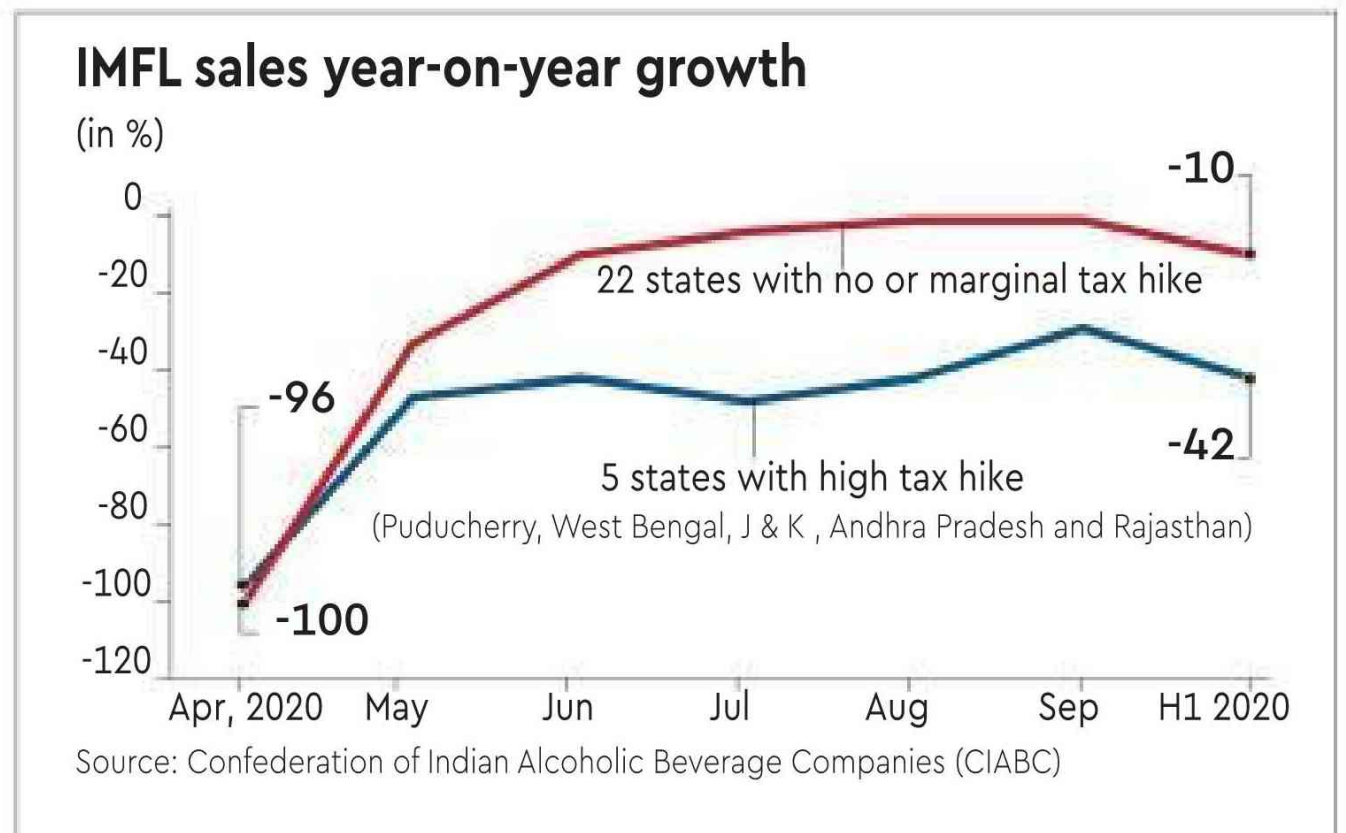
Kochi, November 5

CONSUMPTION OF INDIAN

Made Foreign Liquor (IMFL) for the first half of the fiscal has declined by almost 30% year on year due to pandemic-led constraints, according to the Confederation of Indian Alcoholic Beverage Companies (CIABC), the representative body of leading Indian alcohol beverage companies.

Tax increase, closure of outlets in April and a ban on on-premise consumption has badly impacted liquor sales, the confederation said. On-premise consumption in bars and restaurants is critical to overall demand.

Leaving out April — when the entire liquor trade was shut when the country went into lockdown to prevent the spread of the coronavirus — sales from May to September were 16% lower than the same period last year. Second quarter (July-Sept) sales improved over the first quarter, rising up to 78 million cases (9 litres



each) of IMFL, which was 9% less than the same period last year. During the first quarter, sales were 49% lower year on year, CIABC officials said.

CIABC director general Vinod Giri said sales recovery was better in states that imposed a marginal or no tax increase.

“Put together, sales were just 1% less in September for these states than the same month of the previous year. However, in states that imposed high Covid-led taxes, sales were nearly 30% less in

September than the same month last year. The quantum of decline in sales was in clear relation to the quantum of tax imposed,” he said.

According to CIABC data, Punjab, Haryana, Uttarakhand, Telangana and Uttar Pradesh were among the best performing major states in sales term in the second quarter of 2020. Andhra Pradesh, Chhattisgarh, Jammu and Kashmir, West Bengal and Rajasthan were among the large states that reported a huge decline in sales in the second quarter.