

Curbs Pull IMFL Sales Down 12% in FY21

Sagar.Malviya
@timesgroup.com

Mumbai: Sales of Indian made foreign liquor (IMFL) fell 12% year-on-year in 2020-21, after lockdown forced shops to shut for more than a month and restricted bars and restaurants to operate at lower capacity.

The total sales of IMFL products amounted to 305 million cases (9 litres each), according to data compiled by the Confederation of Indian Alcoholic Beverage Companies (CIABC).

"Many states showed positive trends through the quarters, and even though most states were unable to fully recover volume lost in the first and second quarters, strong performance in the third and fourth quarters reflects fundamental strength in the market. It also confirms that there is no lasting shift against alcoholic beverages in consumption baskets," said CIABC director general Vinod Giri.

The industry body, however, said a few markets that imposed high cess and tax during the first wave of Covid-19 and did not withdraw or reduce it, saw demand shrinking while states such as West Bengal and Chhattisgarh that changed route to market impacted sales too.

Maharashtra, Goa, Haryana, Himachal Pradesh and Uttarakhand saw strong recovery while states including West Bengal, Rajasthan and Chhattisgarh witnessed steep fall over the previous fiscal. The quarter to March saw both overall spirits and beer growth expand ne-



arly 10% year-on-year, according to GlobalData.

"The category is resilient and the category always bounces back. Having said that there is some short-term dampening of attitude and spirits of people and, therefore, I would think there is some dampening of demand," United Spirits managing director Anand Kripalu said at an earnings call on Monday, after the company reported a 12% increase in sales in the March quarter. "But it's hard to say how much it is because of shops being shut and accessibility issues, and how much because of the spirits of people dampening."

However, sales declined 13% year-on-year or by ₹1,200 crore during the fiscal. Diageo-controlled USL said store closures during the first quarter last year due to the nationwide lockdown and route to market change in Andhra Pradesh led to a Rs 1,000 crore revenue loss last fiscal.

While the overall liquor market fell 42% during April-June 2020, it fell 9% in the second quarter of 2020-21.