

Liquor firms nudge state governments to hike prices

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around 15-20%, impacting overall production outlay.

Kasturi Banerjee, founder and director at Stilldistilling Spirits, which makes Maka Zai Rum out of Goa, said that value-added tax and excise duties on raw materials increased during the covid pandemic have still not been reviewed or reduced.

Abhishek Khaitan, managing director at liquor maker Radico Khaitan, said that although the operating environment has improved significantly from last year, it saw unprecedented levels of input cost inflation, impacting the profit margins, particularly for the company's non-Indian-made foreign liquor (IMFL) business.

Vinod Giri, director-general of CIABC, said the beverages lobby has provided an itemized list of cost increases to the state governments.

"We mentioned all the recent cost increases plus the cost increase that happened in the last couple of years, which is primarily led by extra-neutral alcohol," he said.

Giri said the association has met with many government officials to apprise them of the issue. "We were assured that when the next policy is being framed, this will be kept in mind," he said.

However, he does not see any change happening before 1 April when the new excise policies come into effect.

"Many governments have not given any price increase in the last two to three years. We have got a lot of assurances, but we don't know unless we see it," he added.