

Liquor producers make a case for home delivery of alcohol

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Home delivery of alcohol could prevent crowding at retail outlets amid a surge in covid-19 infections, apart from helping sustain demand in the ₹3.9 trillion industry, said liquor companies and associations in a plea to state government.

Barring a handful of states like Maharashtra, Odisha, Karnataka, and West Bengal, home delivery of alcohol is not permitted in India.

Companies like Ab InBev India, the makers of Budweiser, Corona, and Stella Artois, are urging policymakers to allow such delivery services after the alcohol beverage (alcobev) industry suffered a drop in sales due to multiple lockdowns, weekend curfews, and restric-

tions, affecting state excise revenues. “We urge policymakers to introduce e-commerce or home delivery channels for alcohol beverages with a strong regulatory framework that will fortify the state exchequer, protect the livelihood of millions of workers employed by the industry and prevent overcrowding at retail stores,” said Kartikeya Sharma, president for India and South-East Asia, for AB InBev.

“Improving accessibility through e-commerce and home delivery channels across major urban centres will ensure the state government safeguards its excise revenue without compelling consumers to step out of their homes to purchase their preferred alcohol beverages,” he added.

Amar Sinha, chief operating officer of Radico Khaitan Ltd said the third wave provides yet



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another opportunity for Indian states to make alcohol home delivery the norm. Radico Khaitan makes SPM, Rampur (both whiskies), and Magic Moments Vodka.

Such a decision by state governments “will translate to minimal disruptions in supply chain and business operations

while boosting their revenues and growth and enabling them to becoming more resilient in the long run”, said Sinha.

Among states under the excise department that have allowed home delivery of alcohol are Assam, West Bengal, Odisha, Chhattisgarh, Meghalaya, and Maharashtra, said the

International Spirits and Wines Association of India (ISWAI)’s chief executive Nita Kapoor.

“This is more of a retailer-based exercise though,” pointed out Kyndal Group’s managing director Siddharth Banerji. “Since the distribution models

need to change, the government has to decide how it needs to rework its distribution channels. It may also need to bring food aggregators into this to complete the last-mile deliveries,” he

said. Kyndal Group makes The Macallan and Cutty Sark in India.

West Bengal and Odisha have allowed alcohol delivery via aggregators. The Indian Council for Research on Inter-

national Economic Relations (ICRIER) estimates the market size of the Indian liquor industry to be \$52.5 billion (about ₹3.9 trillion).

Vinod Giri, director general of the Confederation of Indian Alcoholic Beverage Companies (India) said rapid digitization, a

surge in home-centric ecosystems, and systemic mechanisms to validate a purchaser identity could make home delivery of alcohol possible. But he said there is a cost to home delivery

which must be built into the supply value chain and not passed on to the customer.

According to a survey by YouGov earlier this month, nearly 60% consumers want to buy alcohol online. The major concern is crowding at stores.

Firms like Ab InBev India are urging policymakers to allow home delivery of alcohol to avoid crowding