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Govt aims at jump in liquor revenue

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Calcutta: The Bengal government is banking on a steady pickup in liquor sales to drive a 6 per cent growth in excise revenue collection in the 2022-23 fiscal after changes made to the excise duty structure in November last year led to a fall in alcohol prices in the state.

According to the budget presented in the Assembly on Friday, the state excise department is anticipating a total revenue receipt of Rs 16,500 crore in 2022-23 against an estimated collection of Rs 15,586 crore in 2021-22. Of the total collection target of Rs 16,500 crore, Rs 9,012 crore is expected from foreign liquor, while county spirit and malt liquor are estimated to bring in revenue of Rs 6,046 crore and Rs 1,322 crore, respectively.

Excise is the second largest source of tax in Bengal after state GST.

Excise officials said crossing Rs 15,000 crore looked to be a challenge midway in 2021-22 on account of the falling sales after liquor prices had gone up by almost 40-90 per cent across brands following a series of tax rate changes in the previous year. The timely correction has led to a pickup in sales in the third quarter, leading to a Rs 4,921 crore jump in revenue in 2021-22 from Rs 10,665.96 crore in 2020-21.

Data from the Confederation of Indian Alcoholic Beverage Companies echoes a similar point. According to Vinod Giri, director general of CIABC, IMFL sales in Bengal during the October-December quarter in 2021 were 16 per cent above the same period in the previous year. This is coming after a tough July-September quarter (-32 per cent) which is a welcome upswing.

"Much of this can be attributed to the tax and resultant price corrections effected by the government. Overall IMFL sales on an annualised basis between January and December 2021 are still below the all India growth of 12 per cent. Sales in the state need to grow steadily to catch up with the rest of the country," he said.

On the foreign liquor side, the state is anticipating a 3.35 per cent growth in net receipts, for country spirits, it is a staggering 8.35 per cent.