

## MONTH AFTER IT PROHIBITED DISCOUNTS

# Private shops can now offer up to 25% discount on liquor: Govt order

### EXPRESS NEWS SERVICE

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THE DELHI government has allowed private shops to offer up to 25% discount on the maximum retail price (MRP) of liquor, over a month after it prohibited such discounts in the national capital.

An order issued by the Excise Commissioner states that licensees can from now on offer discounts of up to 25% on the MRP of liquor in Delhi. It further mentions, "The licensees shall, however, strictly abide by the terms and conditions of the licence and if any violation of the same is noticed, strict penal action shall be taken in accordance with the provisions of the Delhi Excise Act and Rules..."

In an order issued on February



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28, the Delhi government had directed sellers to discontinue discounts, rebates and concessions on the MRP of liquor. The reason given for this then was the gathering of large crowds outside

liquor shops that can aggravate the Covid situation, cause law-and-order issues and inconvenience to the local population.

The discounts were discontinued "... taking into account the

violation of DDMA guidelines and the distortion in the market that was witnessed due to unregulated discounts offered by some of the licensees in the month of February 2022," according to the Excise Commissioner's order dated April 1 to permit these discounts.

The order adds that the "government has reconsidered the aforesaid decision" and that the government "reserves the right to withdraw the discounts being allowed at any time during the year".

Liquor sellers had filed a petition in the High Court challenging the government's previous decision to ban discounts. The court had last month refused to stay the government's decision in this regard.

Reacting to the concession in

liquor prices, those in the liquor industry said the policy must be consistent in the long term.

Vinod Giri, Director General, Confederation of Indian Alcoholic Beverage Companies (CIABC), said: "... The Delhi excise policy explicitly and boldly advocates free market and permission to (offer) discount freely. It was also a material assumption on which retailers had based their bids. Hence, we had reservations on stopping discounts. The decision to reinstate discount, even if it is up to 25%, is therefore a welcome step. We hope that soon it is restored back to discounting as (per) the retailer's wishes. Besides benefitting Delhi consumers, discounts also reduce price arbitrage vis a vis Haryana and thus help plug Delhi sales and revenue leakage."