

mint primer

# The twists and turns of Delhi's liquor policy

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Delhi's liquor policy has seen numerous changes, stirring controversy and confusion over the years. It has even led to arrests and business losses. The latest flip-flop came last week. *Mint* explains the development.



## 1 What's the history of Delhi's liquor policy?

In November 2021, Delhi's Aam Aadmi Party government privatized liquor sales, largely to increase revenue. By August 2022, the policy was scrapped. A CAG report later accused the party of giving unfair advantage to liquor licensees, causing over ₹2,000 crore in losses to the exchequer. This led to over 400 private stores closing, and a return to the days of shops run by four firms: Delhi State Industrial and Infrastructure Development Corporation, Delhi Tourism and Transportation Development Corporation, Delhi State Civil Supplies Corporation, and Delhi Consumer's Cooperative Wholesale Store.

## 2 What is the most recent development?

On 10 January, the four government agencies met alcohol distributors and private associations to implement a new 'fixed-ordering' system, despite the election code of conduct being in force. The circular handed to the distributors said that Delhi lacks a diverse range of affordable liquor, especially in whisky, and that the excise department aimed to curb the promotion of lesser-known brands. It referenced research from 2017-2019, accusing "collusion" and "brand pushing" of lesser-known brands and Punjab-made whiskies. The excise department saw this as evidence of malpractice.



## 3 Which Punjab-made brands were targeted?

The circular named several whisky brands from Punjab that are being sold across the capital city. The list of "disproportionately promoted" brands includes Royal Green (ADS Spirits); All Seasons (The Oasis Group); White and Blue (Alcobrew); Aristocrat Premium (Jagatjit Industries), and Dennis Special Gold (Rock and Storm Distilleries Pvt. Ltd).

## 4 What did the state's excise dept suggest?

The circular, accessed by *Mint*, named 13 whiskies from five alcohol companies—Allied Blenders, Diageo, Radico Khaitan, Pernod Ricard India, and ADS Spirits—that were popular. The list was derived from national and local sales, it said. Bringing these brands in could stop the "menace of brand pushing" of obscure whiskies. The department proposed a points-based system for bulk liquor orders, prioritizing brands with stronger sales outside the National Capital Region (NCR) instead of those in the city.

## 5 How did the industry react?

The Delhi Distillers and Brewers Association argued that the new system favoured big firms. A Punjab industry player argued the system would make it impossible for new or local brands to thrive. Due to the backlash, the excise department, in a meeting chaired by the additional chief secretary of finance, addressed the concerns. On 20 January, the department set aside the rules which were originally to be implemented from 22 January. It has now delayed the new system until all representations are reviewed.