

Liquor industry seeks price revision in Telangana

Our Bureau

Hyderabad

The Confederation of Indian Alcoholic Beverage Companies (CIABC) has appealed to the Telangana government to permit price revision for alcoholic beverages, citing a sharp increase in the cost of production and the absence of a regular annual price review mechanism.

The industry has sought a consideration of price revision request of ₹100-₹200 per case for Indian Made Foreign Liquor and 5 per cent hike for wine products. This would translate to a modest increase of ₹2.50 to ₹5 per 180 ml bottle.

While the beer industry received approval for a price hike, spirit and wine manufacturers are yet to receive similar relief, despite facing cost pressures.

CIABC Director-General Anant S Iyer said there had been a sharp increase in production costs across the operational and manufacturing chain. "Since the last price revision in May 2023, the industry has witnessed a substantial rise in input costs," he said.

WPI-LINKED PRICE HIKE

The industry association submitted a proposal to the State government for WPI-linked price escalation to allow for systematic, inflation-based adjustments.

"Currently, the government retains over 70 per cent of the maximum retail price of alcoholic beverages. In contrast, manufacturers receive only 12-15 per cent, and retailers about 15-18 per cent. While the government income goes up, supplier companies have to absorb the cost escalation in

the absence of an annual review mechanism," Iyer said in a statement on Saturday.

"The alcoholic beverage sector remains outside the scope of GST, preventing companies from claiming input tax credit on the GST paid for raw materials. This exclusion results in an additional 3-5 per cent increase in production costs," he said.

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