

Liquor makers seek WPI-linked price hike, urge T'gana govt to release ₹2,800cr dues

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Hyderabad: The Confederation of Indian Alcoholic Beverage Companies (CIABC) has urged the Telangana govt to allow a supply price revision for alcoholic beverages and has sought a WPI-linked (wholesale price index) price escalation that allows for systematic, inflation-based adjustments as the state does not have a regular annual price review mechanism.

CIABC has also asked the Telangana govt to release the total overdue amount of ₹2,800 crore (exceeding 45 da-



ys) as well as a cumulative interest burden of ₹400 on the outstanding amount.

Pointing to the sharp increase in production costs across the operational and manufacturing chain since the last price revision in May 2023, CIABC Director General Anant S Iyer said input costs saw a substantial rise, from extra neutral alcohol

IMFL industry sought price revision of ₹100-₹200 per case for IMFL and a 5% hike for wine products. This would translate to increase of just ₹2.50 to ₹5 per 180 ml bottle, CIABC said

(ENA), malt spirit, packaging materials to labour, transportation, and other services.

Iyer pointed out that the revenue share disparity severely hit the bottom lines of companies, with the govt taking interim tax increases, which is inhibiting stable organic growth. "Currently, the govt retains over 70% of the

MRP of alcoholic beverages. In contrast, manufacturers receive only 12-15%, and retailers about 15-18%. While the govt income goes up, supplier companies have to absorb the cost escalation in the absence of an annual review mechanism," Iyer said.

On the tax burden and impact of the industry being under GST exclusion, he said as the alcoholic beverage sector is outside the scope of GST, companies are not able to claim input Tax Credit (ITC) on GST paid for raw materials, resulting in an additional 3-5% increase in production costs.