

# UP: Excise duty cut on beer; foreign liquor, wine to be cheaper

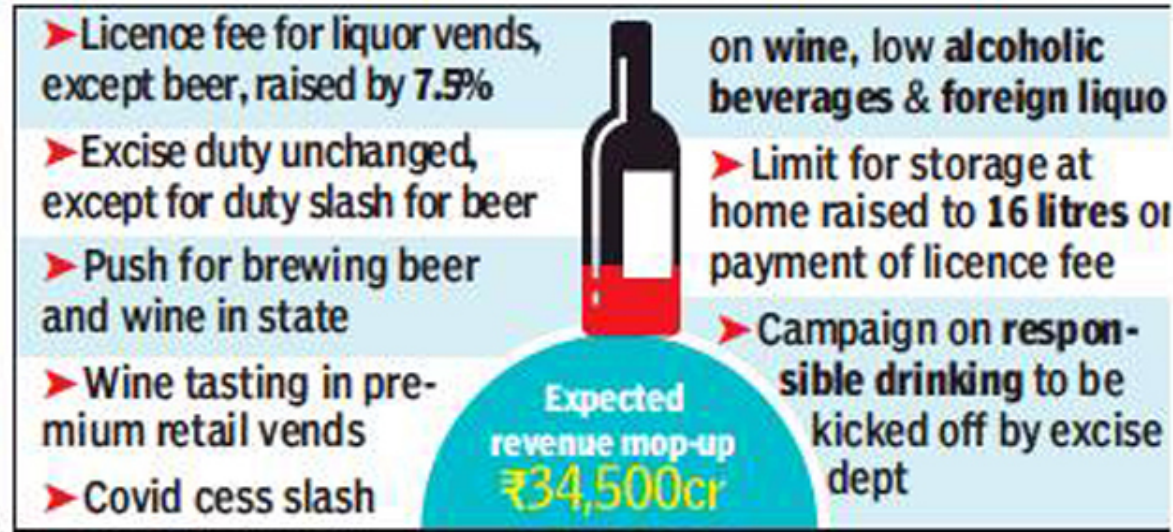
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LUCKNOW: Beer is set to get cheaper in UP with the government on Saturday announcing an excise duty slash on the brew in the next fiscal. From 280%, the duty is set to fall to approximately 200%.

Also, license fee has also not been increased for beer vends in the excise policy, which expects to mop up revenue of Rs 34,500 crore.

## NOW, STOCK MORE LIQUOR AT HOME



The infographic features a central illustration of a liquor bottle with a red base, positioned above a blue semi-circle representing a revenue bump. The bump is labeled 'Expected revenue mop-up ₹34,500cr'. The background is light blue with white text and red arrows pointing to the right.

- Licence fee for liquor vends, except beer, raised by 7.5%
- Excise duty unchanged, except for duty slash for beer
- Push for brewing beer and wine in state
- Wine tasting in premium retail vends
- Covid cess slash

on wine, low alcoholic beverages & foreign liquo

- Limit for storage at home raised to 16 litres or payment of licence fee
- Campaign on responsible drinking to be kicked off by excise dept

Cost of wine, low alcoholic beverages and foreign liquor is also set to dip with the government reducing Covid cess in these categories by almost half. “With neighbouring states withdrawing Covid cess, liquor in UP would have been more expensive. So, the cess has been reduced on wine, local alcoholic beverages and foreign liquor,” a government order said.

Licence fee for all shops, except beer vends has been raised by 7.5%.

The policy puts an impetus on brewing beer and wine in the state to ensure minimal waste of grain and fruits.

Even now, grain and fruit go waste, leading to huge losses for farmers and these can be ploughed in to manufacture beer and wine in UP, which hasn’t happened before. Besides cutting wastage, the move will generate jobs and revenue,” said an excise official.

To push sagging beer sales hit by the pandemic, beer shops irrespective of their stock lift last year would be eligible for renewal. Beer has also been allowed a shelf life of nine months. Also, wines manufactured from locally produced fruits will be

exempt from excise duty for five years. Vintners will be allowed retail sale and wine taverns will be allowed on its premises. Wine tasting will also be provided at premium retail vends along with sale of drinking accessories.

For storage at home, the policy raised the current limit from 6 litres to 16 litres on purchase of a special annual licence fee of Rs 12,000 and a security deposit of Rs 51,000. To ensure the law is not misused, only those who pay income tax of at least 20% will be eligible.

The government decided not to raise excise duty on any brand. After lockdown pushed the start of the excise year from April to May, the government has decided to exempt the period from April to June 2020 for determining renewal criteria. All retail shops, other than beer, which lifted prescribed liquor quota from July 2020 to March 2021 will be eligible.

New shops, equivalent to 2% of existing ones in 2020-21 will be allowed to be opened. Licences of shops which haven't been renewed will be settled through lottery and tendering.

After allowing sale of wine at beer vends, the government will now allow sale of local alcoholic beverages in foreign liquor retail outlets, model shops and premium retail vends, in addition to beer shops.

The government has also done away with the provision that no liquor shops will be opened within 5km of the border of another district.