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New excise policy to bring in more liquor brands in UP

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LUCKNOW: More varieties and brands of liquor are expected to be available from June and July. Approving the excise policy for the 2023-24 fiscal year, the state cabinet has paved the way to increase production of extra neutral alcohol (ENA) in UP.

Excise department officials said the policy will allow more players to enter liquor business and also increase competition among liquor companies. The excise department has been generating increased revenues which touched Rs 40,000 crore in the last fiscal year.

End-consumers of Indian manufactured foreign liquor shall get their favourite brands almost at the same price bands as the duty structure has not been changed by the department. The department has also brought down brand registration fees, which will lead to entry of domestic and

foreign brands that refrained from entering the state.

"Fixed at Rs 1.25 lakh all this while, the companies will get a flexibility of paying lower brand registration fees for selling their stock. For example, if the annual demand for a brand is only 500 bottles, now the basic registration fees will be Rs 20,000. This will make business viable," said an officer.

While the price of some country liquor brands could go up, for others it could come down, said sources. The department has left it up to the manufacturers and distilleries to determine the maximum retail price. "If the ex-distillery price is kept on the lower side to generate more demand, the end prices will also be lower. Where ex-distillery prices are increased, the MRP would also go up," he said. Licence fees for IMFL, beer and model shops have been increased by 10%.

Excise commissioner Senthil C Pandian said, "At present, IMFL manufacturers are buying ENA from other states. Our aim through the new policy is to promote the production of ENA. From a consumption state, we will become a production state." Pandian said entry barriers for new players have been brought down to improve the ease of doing business with UP.

Spokesperson of UP liquor traders welfare association, Devesh Jaiswal said, "Increasing licence fees will only burden retailers. We will be able to give our feedback once the policy is out as only salient points have been shared with us so far."