

Beer and breezers to cost less now

State brings down excise duty after sales witness a 27% drop; popular beer brands will be cheaper by Rs 15. Worried about a drop of almost 27 per cent in sales of beer and mild liquors such as breezes/breezers, the state government has decided to reduce excise duty on strong beer and mild drinks. As per a notification issued by the state, from August 1, the excise duty on strong beer has been reduced from 235 per cent of manufacturing cost to 175 per cent of manufacturing cost; for breezes it has been reduced from 300 per cent to 200 per cent. Incidentally, nearly 30 per cent of the excise duty comes from the sale of beer.

In October 2017, the state government had increased the excise duty on beer by 17 per cent; the manufacturers, however, were not allowed to increase the retail price. This resulted in an impasse between the state and the manufacturers, who simply stopped supplying beer in the state. In December 2017, this led to an acute shortage.

The issue was finally resolved after the government agreed to increase maximum retail price (MRP) of mild beer from 3.5 times the manufacturing cost to 3.75 times; in the case of strong beer, it went up from 4.25 times to 4.6 times the manufacturing cost. This resulted in an increased MRP – Rs 10-15 per bottle. One of the most popular brands of beer now costs Rs 155, with its stronger version costing Rs 160.