

# Liquor to be costlier in Haryana

ON A HIGH Low alcohol content beer also to be more expensive, as per the new excise policy

CHANDIGARH: Liquor will become costlier in Haryana from April 1, with the first BJP government in the state doubling the value added tax (VAT) and hiking the excise duty on the sale of liquor in the excise policy for 2015-16.

Beer will also become costlier, in a clear departure from the government's earlier policy to promote low alcohol content beverages. The policy was approved by council of ministers on Wednesday.

The new government decided to increase the tax on liquor to mop up more revenue resources. As per the excise policy, the rate of VAT on liquor has been increased to 8.4% (including surcharge) from the existing 4%. While the state government hiked the minimum retail price of mild beer (having 5.5% alcoholic content) from ` 50 to ` 55 for a 650 ml bottle, it reduced the minimum retail price of strong beer (having alcoholic content above 5.5 %) from ` 70 to ` 65.

The hike in price for mild beer will come as a damper for those hooked on to low alcohol content beverages.

The state government also hiked the bar licence fee from ` 6 lakh per annum to ` 12.5 lakh for Gurgaon, ` 10 lakh for Faridabad and ` 7.5 lakh for the remaining districts. The bar licence fee of ` 6 lakh for all districts had remained unchanged for the past eight years.

However, since having a drink in a bar will become more expensive, there are apprehensions that a large number of clientele in the national capital region (NCR) and Panchkula may opt to enjoy their evenings in Delhi and Chandigarh bars respectively, causing a loss of business to Haryana bars.

Excise and taxation minister Capt Abhimanyu said that for the first time auctions of liquor vends would be made through e-tendering system to ensure complete transparency in allotment of vends. The minister said that a system of online permit would be started from April.

He said that it has also been decided not to open liquor vends in those panchayats which do not want them in their villages. Also, liquor vends would not be opened within a radius of 150 metre around religious places and educational institutions. No vends would be allowed in the villages where Kanya Gurukuls were situated or where the panchayats would give resolutions against opening of vends.

The cabinet also decided not to allow vends in 27 specified villages while some more cases were being reviewed.

The government retained the maximum basic quota of country liquor (CL) at 900 lakh proof litre (PL) and 500 lakh proof litre for Indian Made Foreign Liquor (IMFL).

Also, the maximum number of retail vends has been retained at 3,500.

Capt Abhimanyu said that for the purpose of allotment, vends will be clubbed into groups comprising a maximum number of three vends of either country liquor or IMFL.

However, the participation fee for the bidders has been reduced from ` 25,000 per vend to ` 10,000 to encourage participation.

The government has also increased the percentage of fixed quota of country liquor to 40% from the existing 25%. This would be equally divided among all the distilleries. The wholesale licence of country liquor (L-13) would be granted both to retail licensees as well as the distilleries.

In the case of wholesale license of IMFL (L-1), the licences will be granted to the retail licensees giving maximum revenue.

The excise and taxation department would hire locations for setting up of liquor vends having high revenue potential in Haryana Urban Development Authority (HUDA) areas and state tourist complexes for which the rent would be paid by the department.

Capt Abhimanyu admitted that though the estimated excise revenue was about ` 3,700 crore from the existing policy, the same was likely to be affected in the wake of Supreme Court order banning liquor vends on the national highways.

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