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India

Post: New Delhi

New Delhi and Odisha Excise Policies

Report Categories:

Beverages

Wine

Product Brief

Exporter Guide

Trade Policy Monitoring

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Report Highlights:

India's state excise policies for alcoholic beverages typically add significantly to the retail cost of wine and spirits. This report provides an overview of the excise policies in the city of Delhi and the state of Odisha where, in some instances, excise rates differ for imported and domestic beverages.

Disclaimer: *The information contained in this report is based on the Office of Agricultural Affairs' understanding of excise policy and should not be viewed as a definitive reading of the policy in question.*

India's constitution delegates the responsibility for regulating alcoholic beverage sales to state governments and each state enforces its own excise policies. These policies typically add significantly to the retail cost of imported alcoholic beverages. This report provides a summary of the excise policies in the city of Delhi and the state of Odisha where, in some instances, excise policies for imported and domestic beverages differ. Additional information about the wine sector and excise policies is available in [IN2162](#). Excise policies are subject to change annually. Links to the specific policies are provided at the end of the report.

Delhi Excise Fees for Foreign and Local Wine

Delhi officials have established separate excise requirements for domestic and imported wine, spirits and beer. Under [Delhi Excise Second Amendment Rules 2011](#), excise rates are levied on the wholesale price of wine or spirits, which is defined as the price at which a wholesaler (a holder of an L-1F license) would sell exclusive of the federal tariff, VAT, insurance, freight and other levies. Licensees must also demonstrate that the wholesale price declared in Delhi is "lowest in comparison to wholesale price declared anywhere in India." Wholesale price requirements are calculated under Delhi's new [excise policy](#).

Delhi excise rates for domestic wine are significantly lower than for foreign wine. A summary of the Delhi excise policies for domestic wines and imported wines is provided in Tables 2 and 3. Low-value domestic wines are subject to a 65 percent duty, but the rate begins to drop as prices rise above Rs. 100 per bottle; a bottle of domestic wine with a wholesale price of Rs. 1,200 would be subject to an applied excise duty of 34 percent. For imported wines, the 65 percent duty is in place up to Rs. 1,000 before the rate begins to drop; a bottle of imported wine with a wholesale price of Rs. 1,200 would be subject to an applied tariff of 63 percent, nearly double the rate for domestic wine.

Table 1: Delhi Excise Rates for Indian Wine and Liqueur

Wholesale Price Slab	Wholesale Price (Rs. per 750 ml)	Duty at Wholesale Price
1	Up to 100	65 percent
2	Above 100 to 250	Duty for Slab 1 maximum plus 40 percent of amount by which wholesale price exceeds Rs. 100
3	Above 250	Duty for maximum wholesale price in Slab 2 plus 30 percent of amount by which the wholesale price exceeds Rs. 250

Source: Delhi Gazette Part IV dated July 6, 2011

Table 2: Delhi Excise Rates for Foreign Wine, Beer, Cider and Liqueur

Wholesale Price Slab	Wholesale Price (Rs. per 750 ml)	Duty at Wholesale Price
1	Up to 1,000	65 percent
2	Above 1,000	Duty for maximum wholesale price in slab 1 plus 50 percent of amount by which the wholesale price exceeds Rs. 1,000

Source: Delhi Gazette Part IV dated July 6, 2011

Delhi excise officials have also formulated separate excise rates for domestic and imported liquor, but the rates are not as divergent as those established for wine. The applied excise duty is actually higher for domestic liquor with a wholesale price of up to Rs. 575 per bottle. However, as the wholesale price rises above Rs. 575, the applied rate for imported liquor does not fall as fast as the domestic rate. A bottle of domestic liquor with a wholesale price of Rs. 1,200 would be subject to an applied excise duty of 60 percent, while an equivalently-valued bottle of imported liquor would attract a rate of 79 percent.

Table 3: Delhi Excise Rates for Indian Liquor

Wholesale	Wholesale	Duty at Wholesale Price
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Price Slab	Price (Rs. per 750 ml)	
1	Up to 24	300 percent*
2	Above 24 to 50	Duty for maximum wholesale price in Slab 1 plus 170 percent of amount by which the wholesale price exceeds Rs. 24
3	Above 50 to 250	Duty for maximum wholesale price in Slab 2 plus 80 percent of amount by which the wholesale price exceeds Rs. 50
4	Above 250 to 750	Duty for maximum wholesale price in Slab 3 plus 65 percent of amount by which the wholesale price exceeds Rs. 250
5	Above 750	Duty for maximum wholesale price in Slab 4 plus 30 percent of amount by which the wholesale price exceeds Rs. 750

*Increased from 250 to 300 percent in June of 2012

Source: Delhi Gazette Part IV dated July 6, 2011

Table 4: Delhi Excise Rates for Foreign Liquor

Wholesale Price Slab	Wholesale Price (Rs. per 750 ml)	Duty at Wholesale Price
1	Up to 1,000	85 percent
2	Above 1,000	Duty for maximum wholesale price in Slab 1 plus 50 percent of amount by which the wholesale price exceeds Rs. 1,000

Source: Delhi Gazette Part IV dated July 6, 2011

Delhi excise officials maintain higher duty rates for domestic beer that range from 110 to 120 percent of the wholesale price, while foreign beers are charged 65 percent or less depending on the value of the beer. Delhi excise officials also establish different fees for licenses to sell foreign alcoholic beverages in various commercial venues. Of the nearly 50 licenses issued by Delhi excise officials, license fees are 10 percent higher for licensees seeking to sell both foreign and domestic beverages.

Delhi officials have established separate license fees for wholesalers of foreign and domestic liquor and wine. The fees to obtain an L-1 license to wholesale domestic whisky, rum, beer, vodka and gin are significantly higher than the cost of an L-1F license to wholesale foreign liquor. For foreign brandy, the fee for a wholesale license is slightly higher for wholesalers handling a single brand, but quickly becomes relatively cheaper for those who carry more than one brand of foreign brandy. Licenses to sell up to six brands are cheaper for domestic wine, but foreign licenses become relatively cheaper for a wholesaler of more than six foreign wines. Delhi officials also charge separate brand registration fees. Fees for foreign whisky, rum, gin, vodka and brandy are Rs. 25,000 compared to Rs. 20,000 for domestic brands. Foreign and domestic beer and wine are subject to equivalent fees of Rs. 10,000 and

5,000, respectively.

Table 5: Wholesale (L-1) License Fees for Domestic Alcoholic Beverages

Product	License Fee
Economy brands of whisky and rum with a maximum retail price up to Rs. 120	Rs. 1,500,000 per brand
All other whisky, all beer	Rs. 1,500,000 per brand or one percent of the total wholesale value of that brand, whichever is higher
All other rum, gin, vodka	Rs. 800,000 per brand or one percent of the total wholesale value of that brand, whichever is higher
Brandy	Rs. 500,000 per brand or one percent of the total wholesale value of that brand, whichever is higher
Wine, liqueur, mixed beverages	Rs. 100,000 per brand or one percent of the total wholesale value of that brand, whichever is higher

Source: Delhi Excise Commissioner, Public Notice 2012/13 -- Rule 34

Table 6: Wholesale (L-1F) License Fees for Foreign Beverages

Product	License Fee
Up to ten spirits (whisky, rum, gin, brandy, vodka) and any number of other brands of wine, beer, liqueur, mixed alcoholic beverages	Rs. 600,000
For each additional spirits (whisky, rum, gin, brandy, vodka) brand	Additional Rs. 40,000 per brand

Source: Delhi Excise Commissioner, Public Notice 2012/13

Odisha Excise

The state of Odisha has established separate excise rates for imported and domestic spirits and, in some cases wine. Trade in alcoholic beverages is controlled by the state-run Odisha State Beverage Corporation and general procedures for importers of foreign liquor, wine and beer are delineated in section 25 of the Odisha state excise policy. Sellers of imported alcoholic beverages are charged an additional registration fee of Rs. 5,000. A summary of the excise rates is provided in Table 6. The Odisha policy does not mention excise rates for imported bottled wine or liquor, but does mention a “vend fee” of Rs. 250 per London proof liter (LPL) for imported bottled liquor under section 12 L of the excise policy and a “vend fee” of Rs. 10 per bulk liter for imported wine.

Table 7: Odisha Excise Rates for Indian and Foreign Liquor and Wine

Product	Excise Duty
India made liquors valued less than Rs. 750 per case	Rs. 165 per LPL*

India made liquors valued Rs. 751 to 1,500 per case	Rs. 193 per LPL*
India made liquors valued Rs. 1,501 to 2,500 per case	Rs. 198 per LPL*
India made liquors valued over Rs. 2,501 per case	Rs. 220 per LPL*
Imported bulk liquors for bottling in India	Rs. 330 per LPL*
Imported liquor and cordials for bottling in India	Rs. 220 per LPL*
India made wine	Rs. 55 per LPL*
Imported bulk wine for bottling in India	Rs. 165 per LPL*

Source: Government of Odisha Excise Department, No. 1376

** LPL stands for London Proof Liter, which refers to the liter-equivalent of the beverage if it were 100 proof. For example, two liters of a 50-proof beverage would equal one LPL.*

For additional information:

[Delhi excise policy](#)

[Delhi general wholesale pricing policy](#)

[Delhi L1 license policy – Domestic Liquor](#)

[Delhi L1F license policy - Foreign Liquor](#)

[Odisha excise policy](#)