

Liquor prices set to rise by up to Rs 30/litre as Maharashtra plans excise hike

The prices of Indian Made Foreign Liquor (IMFL) are set to marginally rise by Rs 20-Rs 30 per litre as part of the state government's measures to meet the excise target of Rs 15,343 crore for 2018-19. The excise duty on IMFL was last increased in 2013. As per the excise department's proposal for a hike in excise on IMFL has been approved at all levels and is awaiting clearance of excise minister who has no option but to clear it in view of the deteriorating financial situation of the state.

As per records when finance minister Sudhir Mungantiwar submitted the budget proposals in February 2018, he had proposed a target of Rs 15,343 crore, Rs 2,000 crore more than last year's target. Till September end, the department was able to mobilise Rs 6,772 crore— only 44% of the target. It appears that the excise department will not be able to mobilise the balance (Rs 8,571 crore) in the next six months. Under such circumstances, the only way to achieve the target is by enhancing the duty on IMFL. A massive hike in excise duty on IMFL was on cards when Chief Minister Devendra Fadnavis had proposed to reduce surcharge on petrol and diesel to tackle discontent among the people over spiralling prices of petroleum products. Then Fadnavis did reduce the surcharge, but in the same breath he declared that his government will meet the additional expenditure owing to reduction in surcharge on its own, it will strengthen the financial situation. The reduction in surcharge, has resulted in an additional burden of Rs 646 crore in the current year and annual burden of Rs 2,050 crore.