vinetur

Delhi orders review of British spirits prices after import duty falls to 75%

Wholesalers must submit brand-by-brand cost sheets before the capital approves any lower retail prices for eligible bottles.

Tuesday, October 6, 2026



Delhi has begun a formal review of retail prices for British whisky and gin after a sharp cut in the import duty applied to eligible products under the India-United Kingdom trade agreement, according to an administrative order reproduced by Indian media on Monday.

The Delhi Excise Department has directed wholesalers holding L-1F licenses, the permits used for imported foreign liquor, to apply for a revision of the maximum retail price, or MRP, of British brands covered by the trade deal. The move is the first clear administrative step in the capital toward translating the lower tariff into shelf prices, though officials have not yet approved any new MRPs and have not released a full list of brands that may qualify.

The tariff change itself took effect on July 15. For eligible British whisky and gin, the effective combined duty fell from 150% to 75% of the assessable value, a drop of 75 percentage points and a 50% reduction in relative terms. The revised levy consists of a 25% basic customs duty and a 50% agriculture infrastructure surcharge, according to details carried by Hindustan Times.

That change does not mean the retail price of every bottle will automatically fall by 50%, and officials have not said that all brands will see the same adjustment. In Delhi’s liquor market, the final MRP depends on several layers beyond customs duty, including freight, wholesale margins, local excise charges, and other costs that vary by label and importer. For that reason, the department has required each wholesaler to submit brand-wise documentation before any revised price can be approved.

Under the order, wholesalers must file a fresh cost sheet, the latest customs declaration, and the reference details of the certified declaration of origin for each eligible product. That origin certificate is important because only products that meet the trade agreement’s rules can receive the lower tariff. The department will use those filings to examine whether a lower MRP is justified and by how much.

Officials cited in local reports said some premium Scotch expressions could become cheaper by as much as 15%, or roughly 200 to 300 rupees per bottle, once the revised prices are cleared. That figure remains an estimate, not an approved retail outcome. No official implementation date for any new MRPs has been announced, and there is no indication yet that reductions, if granted, would be uniform across standard, premium, and super-premium segments.

The order itself was issued last month, but details of the step and its implications were reported publicly on Monday by Hindustan Times and Jansatta. The timing matters because Delhi is a tightly regulated alcohol market where price changes require government approval rather than immediate pass-through by sellers. Even after customs duties are lowered at the national level, consumers in the city do not see new prices until the excise authorities review the supporting documents and authorize revised MRPs.

That process is being closely watched by importers, distributors, and retailers because British spirits, especially Scotch whisky, occupy a strong position in India’s premium imported liquor market. Delhi is one of the country’s biggest urban markets for imported alcohol, but price-sensitive buyers also compare rates across nearby states. Industry participants have long argued that lower approved prices in the capital could help legal sales, widen access to imported premium labels, and reduce the incentive for buyers to source bottles from neighboring jurisdictions where retail prices are lower.

The review could also test how quickly trade concessions negotiated at the national level can move through state-level regulatory systems. Alcohol remains a state subject in India for many tax and distribution matters, which means a customs change alone does not immediately alter retail tags in each state. Delhi’s order shows that importers must still make individual applications and justify price revisions brand by brand.

British whisky and gin producers have been pushing for better access to India, one of the world’s largest spirits markets, where high import barriers have historically kept prices elevated. The duty reduction under the India-U.K. trade arrangement was seen as an important opening for exporters, but its practical impact depends on how much of the savings reaches consumers after local markups and taxes are taken into account.

For now, the Delhi government has not published revised MRPs, and stores will continue to sell at existing approved prices until fresh orders are issued. Consumers expecting immediate cuts at the counter may have to wait while the excise department checks submissions from L-1F wholesalers and decides which brands qualify, what costs are acceptable, and how much of the tariff relief can be reflected in the final retail price.

The review applies to British whisky and gin that fall within the scope of the trade agreement and satisfy the origin requirements. Products that do not meet those conditions will not benefit from the lower levy. That distinction is likely to be important for importers handling mixed portfolios, since some labels may be eligible for lower duties while others remain under earlier terms.

The department’s action has put the next phase of the price adjustment in the hands of licensed wholesalers. Until those companies submit the required records and the government completes its scrutiny, the projected 10% to 15% decline discussed in early estimates will remain only a forecast rather than a realized reduction in Delhi stores.