

Wine Australia for Australian Wine

**Regulatory aspects of exporting to
India**

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TODAY

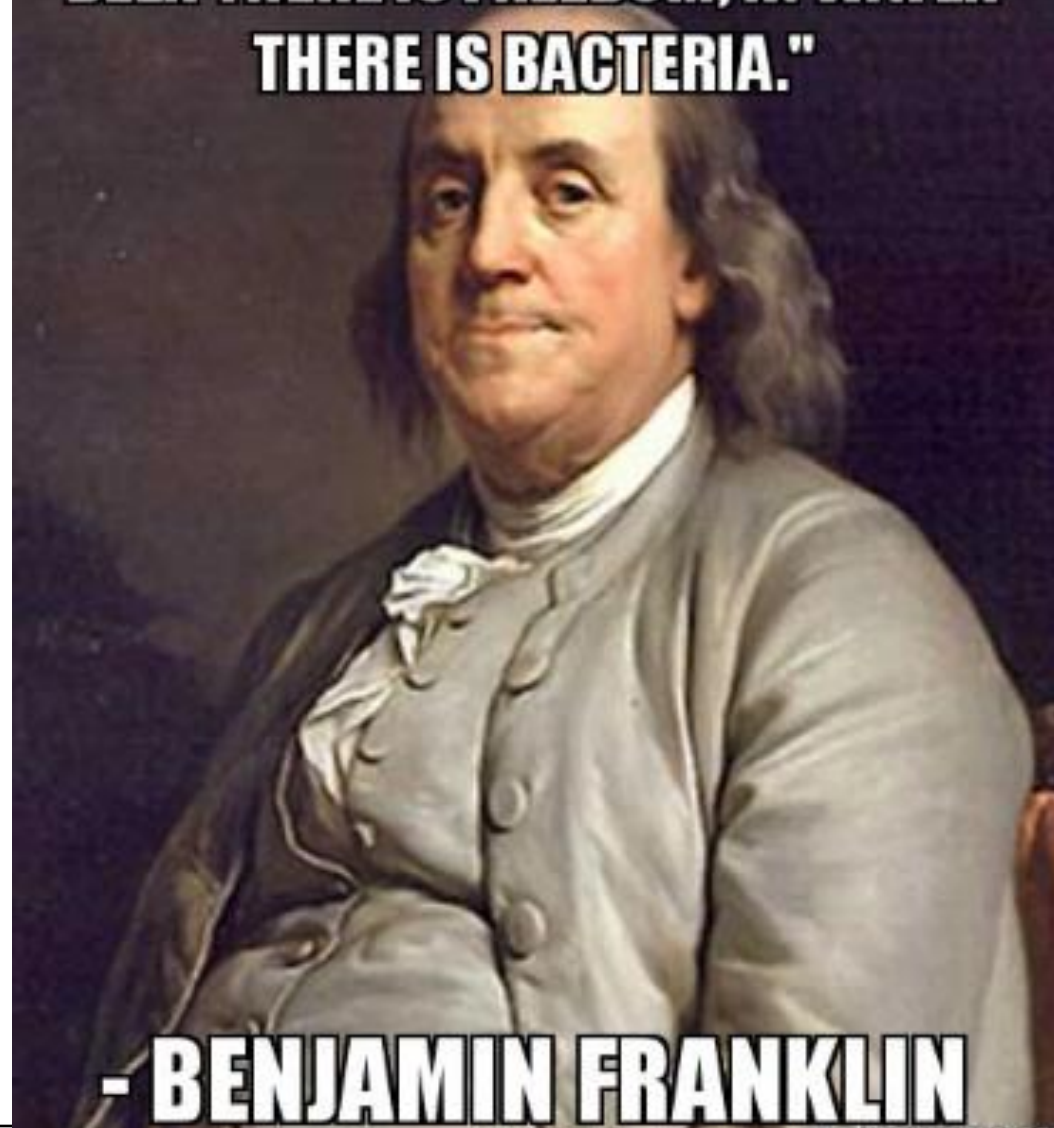
- Compositional requirements
- Labelling requirements
- Duties, taxation, etc.
- Import requirements
- Tips and traps



Wine Regulation in India - overview

- Food Safety in India is administered by the Food Safety Standard Authority of India (FSSAI)
 - Food Safety and Standards Act 2006
 - Food Safety and Standards (Alcoholic Beverages Standards) Regulations 2018 (in force since 1 April 2019)
 - Food Safety and Standards (Labelling and Display) Regulations 2020 (in force since 17 November 2021)
 - Food Safety and Standards (Import) Regulations 2017.

**"IN WINE THERE IS WISDOM, IN
BEER THERE IS FREEDOM, IN WATER
THERE IS BACTERIA."**



- BENJAMIN FRANKLIN



Alcohol prohibited in some states

State	Prohibition
Bihar	Sale of alcohol is prohibited in Bihar under the Bihar Excise (Amendment) Act
Gujarat	Manufacture and sale of alcohol is prohibited under the <i>Bombay Prohibition (Gujarat Amendment) Bill</i>
Mizoram	All liquor prohibited from import, manufacture, possession, sale and consumption in Mizoram under <i>Mizoram Liquor (Prohibition) Act 2019</i>
Nagaland	Sale and consumption of alcohol is prohibited under the <i>Nagaland Liquor Total Prohibition Act</i>

Duties, Surcharges and Taxes

The Indian government levies the following taxes on wine imports:

- Import duty
- Social welfare surcharge
- Central sales tax
- State taxes (including VAT, excise tax, sales tax and entry of goods tax).



Import Duties

HS Code	Description	Unit	Duty
22.04	Wine of fresh grapes, including fortified wines; grape must other than that of heading 20.09.		
2204.10.00	Sparkling Wine	L	150
	Other wine; grape must with fermentation prevented or arrested by the addition of alcohol:		
2204.21	In containers holding 2 litres or less:	L	150
2204.21.10	Port and other red wines	L	150
2204.21.20	Sherry and other white wines	L	150
2204.21.90	Other	L	150
2204.22	In containers holding more than 2 litres but not more than 10 litres:		
2204.22.10	Port and other red wines	L	150
2204.22.20	Sherry and other white wines	L	150
2204.22.90	Other	L	150
2204.29	Other	L	150
2204.29.10	Port and other red wines	L	150
2204.29.20	Sherry and other white wines	L	150
2204.29.90	Other	L	150
2204.30.00	Other grape must	L	150
22.05	Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances		
2205.10.00	In containers holding 2 litres or less:	L	150
2205.90.00	Others	L	150
22.08.20	Spirits obtained by distilling grape wine or grape marc: in containers holding 2 L or less:		
2208.20.11	Brandy	L	150

Social welfare surcharge

- The Education Cess and Secondary and Higher Education Cess on imported goods was abolished on 10 January 2020 and replaced with the Social Welfare Surcharge.
- This surcharge is levied at the rate of **10 per cent** of the aggregate duties of customs on imported goods.
- This is an increase on the previous education cess which was levied at the rate of 4 four percent.



Central Sales Tax

SI No.	State rate of tax with any additional tax	Rate of Central Sales Tax	Condition of furnishing Form C*
1	Tax free goods or exempt goods	Exempt	---
2	Tax rate 2% or lower than 2%	Same rate which is applicable to sale of such goods inside the State	---
3	Tax rate higher than 2%	2%	If Form C is furnished to the assessing authority after obtaining it from the purchasing registered dealer of goods
4	Tax rate higher than 2%	Same rate which is applicable to sale of such goods inside the State	If sale is made without obtaining Form C or if Form C is obtained but is not furnished to the assessing authority

* A Form C allows the purchasing dealer to obtain goods at concessional rates from the seller.

State taxes

State	Product	VAT	Sales Tax	Excise Tax	Entry of Goods Tax
Delhi	Liquor (Foreign and Indian Made Foreign Liquor).	25%	–	40% of the wholesale price + Rs. 7,000 licence fee + Rs. 10,000 label registration per brand	–
Karnataka (Bangalore)	Wine	–	20%	n/a	–
Maharashtra (Mumbai)	Wines as defined by the Bombay Foreign Liquor Rules 1953 and the Maharashtra Foreign Liquor Rules 1963	40%	–	100% of manufacturing cost (or 200% for bulk wine) + Special Fee (imports only – domestic wine exempt): 1. Rs.400 per BL when MRP* up to Rs.900 2. Rs.300 per BL when MRP between Rs.901 – Rs.6000 3. 5% of MRP if MRP exceeds Rs.6000 + import fee Rs. 7/ BL + Label Registration: Rs. 5,000/- for each label per annum or Rs. 2,500 for each label in excess of 10 per annum.	–

Terminology/Taxation Concepts

- Concept of Maximum Retail Price (different to minimum retail price)
- Can be prescribed, for example, Maharashtra (Mumbai), Maximum Retail Price (MRP) = Manufacturing Cost (MC) x 2 + Special fee + Custom Fee + VAT (or Sales Tax)
- Rs/ “Bulk Litre”
Some States apply excise duties on the basis of the volume of liquid (volume specific or unitary taxation)
- Rs/ “Proof Litre”
Others apply duties expressed in terms of Rupees per bulk litre of spirit.

BL = Bulk Litre: describes a litre of liquid irrespective of its alcoholic strength.

PL = Proof Litre: describes a litre of spirits at London Proof Litre (LPL) 57.1% alcohol by volume

Oenological Requirements

- Wine must be no more than 15.5% ABV
- Volatile Acidity limit of 1.2g/l (Australian is 1.5g/l)
- Titratable Acidity limit of 10 g/l
- Aldehyde limit of 1g/l

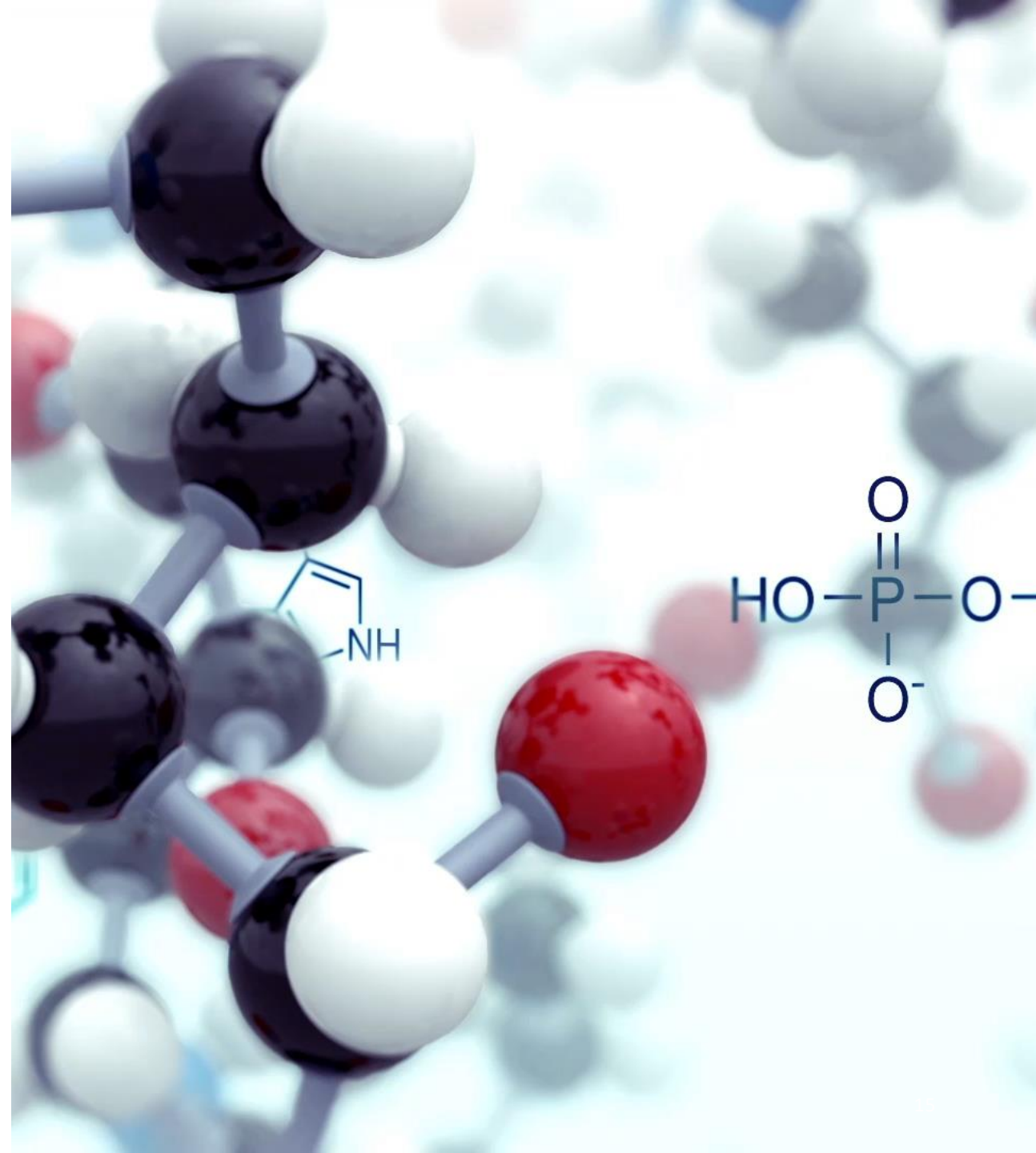


Wine, water and bacteria?

Wine shall also conform to the following requirements:

- i. It shall be clear with characteristic colour, taste, bouquet and form of its type.
- ii. It shall be preserved by pasteurization or by using preservatives specified in *Food Safety and Standards (Food Product and Food Additives) Regulations 2011* and shall be free from coliforms and pathogenic microorganisms.
- iii. Water added in preparation of wine shall not be more than 70 ml per kg of grape or fruit:
 - a. necessary to incorporate any permitted additive and processing aid;
 - b. necessary to facilitate fermentation; or
 - c. incidental to the winemaking process.

Provided that water may be added to wine to facilitate fermentation if the water is added to dilute the high sugar grape must prior to fermentation and does not dilute the must below 13.5 degree brix.



Mandatory Labelling Requirements

Reference	Mandatory Items	Height	Position
A1	Name of food	see table	PDP*
A2	List of ingredients and additives	see table	PDP*
A3	Name and address	see table	PDP*
A4	Volume statement	see table	PDP*
A5	Lot number	see table	PDP*
A6	Country of origin	see table	PDP*
A7	Date of manufacture	see table	PDP*
A8	Alcohol statement	Not defined	Not defined
A9	Standard drinks statement	Not defined	Not defined
A10	Sugar content	Not defined	Not defined
A11	Allergens statement	see table	PDP*
A12	Health warning	> 3 mm	Not defined
A13	FSSAI licence number	see table	PDP*

*The Principal Display Panel (PDP) means the part of the container/package which is intended or likely to be displayed to the customer under normal conditions of sale

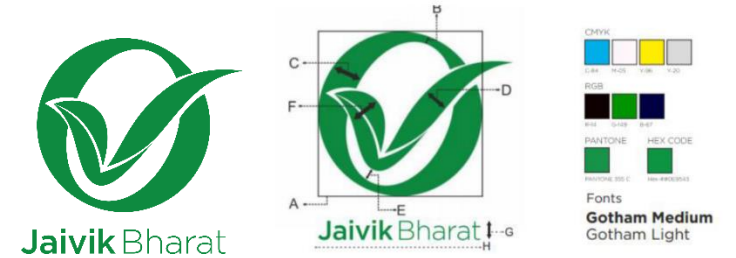
Particulars

CONSUMPTION OF ALCOHOL IS INJURIOUS TO HEALTH
BE SAFE-DONT DRINK AND DRIVE



Sparkling Wine Classification	Content of sugar (%)
Brut	Below 1.2% sugar
Extra-dry	More than 1.2% to 1.7% sugar*
Dry	More than 1.7% to 3.2% sugar*
Semi-dry	More than 3.2% up to 5.0% sugar
Sweet	More than 5.0% sugar

Table Wine Classification	Content of sugar (%)
Dry wine	Up to 0.9% sugar
Medium dry wine	More than 0.9% to 1.2% sugar
Medium sweet wine	More than 1.2% to 4.5% sugar
Sweet wine	More than 4.5% sugar



Product type

Type	Characteristics
Wine	<ul style="list-style-type: none"> The un-distilled alcoholic beverage produced by the partial or complete alcoholic fermentation of the juice of fresh sound ripe grapes, including grape juice concentrate, restored or unrestored pure condensed grape must, and raisins. The alcoholic content shall be not less than 7.0 and not more than 15.5% by vol.
Vintage wine	<ul style="list-style-type: none"> A wine made from grapes with at least 85% of grapes grown in the particular year as labelled. A season's yield of wine from a vineyard is a vintage wine.
Table wine	<ul style="list-style-type: none"> Table wine may be a red wine, rosé wine or white wine. May be described according to its sugar content as dry, medium-dry, medium-sweet or sweet. See A10 for definitions.
Red wine	<ul style="list-style-type: none"> Table wine made from red grape varieties or a mixture of red and white varieties. Fermentation shall be carried out along with the grape skin to allow extraction of colour and tannins which contribute to the typical colour and flavour of the wine.
White wine	<ul style="list-style-type: none"> Table wine prepared by fermentation of white grapes or from juice extracted after removal of skin of red grapes.
Rosé wine	<ul style="list-style-type: none"> Table wine having pink colour produced during fermentation with less contact time with skin may be called a Rosé Wine. It shall conform to the requirements specified for red wine.
Sparkling wine	<ul style="list-style-type: none"> Sparkling wine has a carbon dioxide content of minimum 7.0 g/l or 3.5 bars pressure at 20°C, resulting solely from either the primary or the secondary fermentation of the wine within a closed container, tank or bottle. May be described according to its sugar content as brut, extra-dry, dry, semi-dry or sweet. See A10 for definitions.
Semi-sparkling /Crackling wine	<ul style="list-style-type: none"> Semi-sparkling wine has a carbon dioxide content of 3.0 to 5.0g/l or 1.5 to 2.5 bar pressure at 20°C resulting solely from either the primary or the secondary fermentation of the wine within a closed container, tank or bottle.
Carbonated wine	<ul style="list-style-type: none"> Carbonated wine is made effervescent with carbon dioxide other than that resulting solely from the secondary fermentation of the wine.
Fortified wine	<ul style="list-style-type: none"> Wine with high alcohol content achieved by the addition of alcohol (brandy or wine spirits or neutral spirit of agricultural origin) provided a minimum 7.0% comes from fermentation of grapes, grape must and fruits and used as aperitif or dessert wine. Fortified wine may be red or white, dry or sweet.

Importing

- Under the Food Safety and Standards Authority of India authorised food inspectors have been deployed at various ports of entry throughout India and will eventually be stationed at all air and sea ports.
- The FSSAI has launched an online licensing and food import clearance system to expedite the licensing, registration and food import clearance process.
- Import licence
- Certificates of Origin.