

**Excise, Registration, Taxation & Stamps Department  
Government of Meghalaya**

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**PRESS RELEASE**

**Government Clarifies Position on Excise Reforms, IEMS  
and Retail Margin Rationalisation**

**Shillong, 2<sup>nd</sup> June, 2026:** The Excise, Registration, Taxation & Stamps Department, Government of Meghalaya, has taken note of recent statements made by certain associations of liquor retailers regarding the Integrated Excise Management System (IEMS) and the rationalisation of retailer margins.

The Government wishes to clarify that several claims being circulated are selective, incomplete and fail to present the larger public interest, fiscal realities and national regulatory context within which these reforms are being undertaken.

Trade in liquor is not an unrestricted commercial activity but a highly regulated sector governed under the authority of the State Government in the interest of public welfare, revenue protection and lawful administration.

Excise policy therefore cannot be determined solely by private commercial considerations.

Meghalaya's Reforms Are Consistent with National Trends Across India, State Governments are increasingly modernising excise administration through:

- \* QR-based bottle tracking,
- \* digital inventory management,
- \* stricter compliance systems,
- \* supply-chain monitoring,
- \* structured pricing frameworks,
- \* and enhanced revenue protection measures.

States such as Delhi, Karnataka and several others are presently undertaking major excise reforms focused on transparency, digitisation and tighter regulatory oversight.

In many states:

- \* Retailer margins are tightly capped,
- \* Commission structures are fixed by government,
- \* Or liquor retail is directly operated through State corporations.

Tamil Nadu operates liquor retail entirely through TASMAL, while Delhi is actively considering stronger government-controlled retail mechanisms.

Meghalaya's reforms must therefore be viewed within this broader national policy environment.

Objective of the Integrated Excise Management System (IEMS)

The Integrated Excise Management System has been introduced primarily to modernise Meghalaya's excise ecosystem and strengthen transparency and accountability across the liquor supply chain.

The key objectives include:

- \* prevention of illegal diversion and pilferage,
- \* curbing circulation of counterfeit liquor,
- \* plugging revenue leakages,
- \* strengthening enforcement capabilities,
- \* ensuring proper stock accountability,
- \* and protecting consumers and legitimate businesses.

The Department has already operationalised several digital excise services and online permit systems as part of its larger modernisation initiative.

Digitisation is not intended to burden lawful retailers but to create a transparent and technology-driven regulatory framework in line with evolving national standards.

#### Revenue Protection Cannot Be Ignored

Excise revenue constitutes a major component of the State's own tax resources and directly supports developmental expenditure and public welfare programmes.

Past audit observations have highlighted deficiencies and leakages within excise administration systems, including non-realisation of duties and weaknesses in monitoring mechanisms. Strengthening oversight and accountability is therefore both an administrative and fiscal necessity.

The Government would have been failing in its responsibility had it not introduced stronger systems for monitoring and transparency.

#### Rationalisation of Retail Margins Was Part of Broader Supply-Chain Reforms

The Government clarifies that the proposed revision of retailer margins was not an isolated decision targeting retailers, but part of a broader restructuring exercise concerning the excise supply chain and pricing framework.

The reforms were aimed at balancing:

- \* Sustainability of the retail system,
- \* Consumer affordability,
- \* Revenue considerations,
- \* And long-term regulatory stability.

It is important to note that Meghalaya has historically maintained comparatively liberal private retail participation when compared to many other Indian states.

Even after rationalisation, Meghalaya's proposed retail structure remained within commercially viable ranges when compared with several regulated excise systems elsewhere in the country.

#### Public Interest Must Prevail Over Pure Commercial Considerations

The Government respects the role of lawful businesses within the excise ecosystem and remains committed to maintaining a stable and commercially viable environment for legitimate retailers.

However, excise governance cannot be driven solely by expectations of high private profit margins.

The State Government has a larger obligation toward:

- \* Public health and safety,
- \* Consumer protection,
- \* Prevention of illicit liquor trade,
- \* Strengthening lawful compliance,
- \* And safeguarding public revenues.

Resistance to transparency and compliance reforms cannot override larger public interest objectives.

Government Respects the Hon'ble High Court

The Government of Meghalaya fully respects the observations and directions of the Hon'ble High Court and is examining the matter appropriately within the legal framework.

The retailers in Meghalaya enjoy significant profit margins (i.e. maximum of 15.5 % after revision which was earlier a maximum of 20%) as compared to other stakeholders and the retail margins are also one of highest when compared with retail margins in other states. As per data available online the official notification of Government of West Bengal indicates a 7% retail margin. The data available online indicates that retail margin in Karnataka and Tamil Nadu is 10%. Moreover, even in Meghalaya the Bonded Warehouses can charge as per the current policy a maximum of 8% and the Central Bonded Warehouses can charge only a maximum of 5.5% profit margin.

Commitment to Stakeholder Consultation

The Excise Department remains open to constructive dialogue and engagement with all stakeholders, including retailers, distributors and industry representatives, to ensure smooth implementation of reforms and continued stability within the sector.

The Government of Meghalaya remains committed to building a transparent, accountable and technology-driven excise administration that balances lawful business interests with fiscal responsibility, consumer protection and larger public welfare.