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NOTIFICATIONS BY GOVERNMENT

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REVENUE DEPARTMENT
(EXCISE.II)

AP EXCISE (GRANT OF LICENCE OF SELLING BY BAR AND CONDITIONS OF LICENCE) RULES 2025 - GUIDELINES FOR GRANT OF BAR LICENCES TO BEACH SHACKS.

[G.O.Ms.No.362, Revenue (Excise.II), 17th June, 2026.]

NOTIFICATION

Excise Policy guidelines for grant of Bar Licences to Beach Shacks for the period 01-09-2026 to 31-08-2029.

i. **Policy Objectives:** The following objectives shall guide the Beach Shack Bar policy.

- To establish a formal, transparent regulatory mechanism governing low alcoholic beverage service in beach shack establishments in designated beach areas, under the AP Excise Act, 1968, the AP (Regulation of Trade in IMFL, FL) Act 1993 and the Rules made thereunder, consistent with public safety and social considerations.
- To promote livelihood opportunities and local employment generation in coastal regions through regulated, tourism linked enterprises.

- c. To create a transparent and accountable licensing process with defined roles for all concerned departments namely, Prohibition & Excise, Tourism, Coastal Regulation Zone Management Authority (APCZMA), District Administration and Local Bodies.
 - d. To position Andhra Pradesh as a vibrant coastal tourism destination and improve the overall experience infrastructure available to domestic and international visitors along the State's coastline.
- ii. **Definition of Beach Shack:** Beach Shack means a small semi-permanent structure located along the beachfront where food is served, constructed using temporary and eco-friendly materials (excluding reinforced concrete construction), situated on a land parcel allotted by Andhra Pradesh Tourism Development Corporation (APTDC)/DTC or any other competent authority or on private beach land and licensed under AP Excise (Grant of Licence of selling by Bar and Conditions of licence) Rules 2025 for sale of permitted alcoholic beverages in the beach Shacks as per policy.
- iii. **Eligibility:** Star Hotels, tourism Resorts and Tourism Department registered establishments located along the Beach having private beach land parcel of their own or beach land parcel allotted by APTDC/DTC or any other competent authority for Beach Shack purpose.
- iv. **Plinth Area:** The premises shall have a plinth area with a minimum of 1,000 Sq. feet and a maximum of 1,500 Sq. feet.
- v. **Sanitation:** Separate toilets and wash facilities for ladies and gents shall be provided.
- vi. **Kitchen:** There shall be a kitchen licenced by the local authority with full meal service capability.
- vii. **Parking:** The premises shall have adequate parking arrangements.
- viii. **Deck beds, umbrellas and fencing:** Deck beds and umbrellas are permitted within the licensed premises for consumption of permitted alcoholic beverages, and the premises shall have picket fencing or equivalent demarcation.
- ix. **Initial Pilot Phase:** Initially 2 (two) shacks each at Suryalanka and Visakhapatnam shall be allowed on a pilot basis having due regard to the requirement, public order, safety and other factors as the government thinks fit.
- x. **Tenure:** The Beach Shack Bar licence shall be valid for a tenure of 3 years (from 01-09-2026 to 31-08-2029), aligning with the tenure applicable to existing bar licences under the Bar licensing framework. Renewal may be subject to compliance review and payment of applicable fees at escalated rates.

- xi. **Fees Structure:** The applicant shall pay a non-refundable application Fee of ₹2,00,000 towards prior clearance and upon on grant of prior clearance, he shall pay ₹10,000 towards application fee for grant of licence. The annual Retail Excise Tax (RET) shall be ₹7,50,000 for the first year, subject to an annual escalation of 10% during the licence period.
- xii. **Business Hours:** Permitted alcoholic beverages service shall be allowed from 10.00AM to 08.00PM, while the food service may continue beyond the alcohol service hours, subject to approvals from the Tourism Department or the local body or any other competent authority.
- xiii. **Permitted Alcoholic Beverages:** Only low-alcoholic beverages such as Beer (including mild beer & craft beer), Wine (all varieties including sparkling wine) and Ready-to-Drink (RTD) beverages shall be permitted for sale. No sale of Indian Made Foreign Liquor (IMFL), or Foreign Liquor other than the above shall be permitted.
- xiv. **Safety Norms:** The applicant shall provide adequate first-aid facilities on premises, adequate lighting within and around the shack premises and waste management and sanitation facility as per Local Body requirements with fire fighting equipments as per fire safety norms.

No loudspeakers or amplified music beyond permissible decibel levels shall be permitted at the beach shack premises.

- xv. **Excise Licensing procedure and compliances:** The eligible applicant/entity, who owns a private beach land parcel or is allotted a land parcel by APTDC/DTC or any other competent authority for beach shack, along with recommendation of APTDC for grant of Bar licence, may file application for grant of prior clearance to the Commissioner of Prohibition & Excise on payment of Rs. 2 Lakhs towards non-refundable application fee for grant of prior clearance. The Commissioner of Excise shall duly consider the requirements of public safety and maintenance of public order while examining applications for grant of prior clearance for establishment of Beach Shacks.

Upon grant of prior clearance, the applicant shall obtain CRZ clearance from competent authority, erect the beach shack structure within the prescribed timeframe and also obtain necessary mandatory approvals/licences such as Trade licence, FSSAI Licence, fire safety certificate and any other approvals as may be required under applicable law.

After obtaining these approvals/licences, he shall apply for grant of Bar licence to the Deputy Commissioner of Prohibition & Excise through the District Prohibition & Excise Officer concerned, duly paying the prescribed fee.

The Deputy Commissioner of Prohibition & Excise may grant the privilege of bar after due verification of compliances and the District Prohibition & Excise Officer will issue the licence on payment of annual Retail Excise Tax (RET) prescribed.

- xvi. **Recommendation of APTDC:** The recommendation of APTDC is mandatory for grant of prior clearance for Bar licence for a Beach Shack.
- xvii. **Adherence to Hon'ble Supreme Court guidelines:** All beach shack bars shall adhere to the norms prescribed by the Hon'ble Supreme Court on sale of liquor on highways.
- xviii. **Application of other Terms and Conditions under Bar Rules, 2025:** All existing bar licence conditions including distance restrictions from educational institutions, places of public worship and hospitals, counterpart agreement, dry day observance, employment norms, accounts maintenance, procurement procedures, etc., shall apply *mutatis mutandis* for the Bar licences granted to Beach Shacks.
- xix. **Amendments to Rules:** Necessary amendments will be made to AP Excise (Grant of Licence of selling by Bar and Conditions of licence) Rules 2025 to implement the Policy guidelines regarding Beach Shack Bars. The decision of the Commissioner of Prohibition & Excise shall be final on the interpretation or application of these guidelines.
- xx. **Review of Pilot outcomes:** The pilot outcomes shall be reviewed at the end of Year 1 of operations with reference to compliance levels, impact on coastal tourism footfall, employment generation, environmental impact, visitor experience, beach usage patterns, public order, safety of visitors, cleanliness etc., Based on review the government may consider expansion to other identified beaches across AP's coastal districts, revise fee structure and operational parameters as appropriate.

The Director, Prohibition and Excise, AP the Managing Director, AP State Beverages Corporation Limited and the Director, A.P. Tourism Development Corporation shall take necessary action accordingly.

MUKESH KUMAR MEENA,
Principal Secretary to Government .

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