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THE ANDHRA PRADESH GAZETTE

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NOTIFICATIONS BY GOVERNMENT

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REVENUE DEPARTMENT

(EXCISE-II)

AMENDMENTS TO THE ANDHRA PRADESH EXCISE (GRANT OF LICENCE OF SELLING BY SHOP AND CONDITIONS OF LICENCE) RULES, 2024.

[G.O.Ms.No.580, Revenue (Excise-II), 11th September, 2026.]

NOTIFICATION

In exercise of the powers conferred under section 72 read with sections 17, 28 and 29 of the Andhra Pradesh Excise Act, 1968 (Andhra Pradesh Act 17 of 1968), and Sections 6, 7 and 12 of the Andhra Pradesh (Regulation of Trade in Indian Made Foreign Liquor, Foreign Liquor) Act, 1993 (Andhra Pradesh Act 15 of 1993), the Governor of Andhra Pradesh hereby makes the following amendments to the Andhra Pradesh Excise (Grant of licence of selling by shop and conditions of licence) Rules, 2024 issued in G.O.Ms.No.210 Revenue (Excise) Department, dated 30th September 2024 and as amended from time to time.

AMENDMENTS

In the said rules:

(1) In sub-rule (1) of rule 2, after (b) the following new clause “bb” shall be added, namely,

“(bb) **Bank Guarantee**”: Bank Guarantee means the Bank Guarantee in Form A-5 and includes e-bank Guarantee.”

(2) In sub-rule (1) of rule 2, in clause (e) the word “Holographic” shall be omitted.

(3) In sub-rule (1) of rule 2, for clause (n) the following shall be substituted, namely,

“(n). **Licence period** ordinarily means the period of one year commencing from 1st October to 30th September or part thereof.”

(4) In sub-rule (1) of rule 2, after (u) the following new clause “uu” shall be added, namely,

“(uu) **Renewal Retail Excise Tax** means the Retail Excise Tax payable towards renewal of Shop licence issued in form A4 as notified by the Government from time to time.”

(5) For clauses (b), (c) and (d) in sub-rule (1) of rule 11, the following shall be substituted, namely,

“(b) Online model: In case the applicant opts for online mode for registration and submission of application through online mode, He shall fill in Form-A3(A) as per Rule 11 of Andhra Pradesh Excise (Grant of licence of selling by Shop and conditions of licence) Rules, 2024. He shall select Gazette Sl.No of the Shop notified in a Unit (Municipal Corporation/ Municipality /Nagar Panchayat / Mandal) and pay Rs.3,01,000 (Rs.3,00,000 towards the Non-refundable application fee and Rs. 1,000 towards Processing Fee) by way of Debit Card/Credit card/Net Banking. On successful payment, the applicant may download the documents in Form- A3(B), Registration certificate in Form-R1 and Entry Pass in Form-E1, which are system generated.”

"(c)Hybrid Model: In case the applicant opts for online mode for registration and submission of application through online mode, he shall fill in Form-A3(A) as per Rule 11 of Andhra Pradesh Excise (Grant of licence of selling by Shop and conditions of licence) Rules, 2024. He shall select the Gazette Sl.No of the Shop notified in a Unit (Municipal Corporation/ Municipality /Nagar Panchayat / Mandal) and select the payment mode as manual in CFMS. He shall take system generated e-challan number and proceed to any State Bank of India (SBI) branch and make payment of Rs.3,00,000 towards the Non-refundable application fee against the system generated e-challan number (transaction number). The applicant shall also pay Rs. 1,000 (Rupees one thousand only) towards Processing Fee by way of Demand Draft / Bank Voucher / UPI in favour of Commissioner of Prohibition & Excise. After successful payment, application will be confirmed by the System as completed and he can download Form- A3(B), Form-R1 and Entry Pass in Form-E1, which are system generated."

"(d) Offline Model: In case the applicant opts for offline mode for registration and submission of application through offline mode, he shall fill in Form-A3(A) as per Rule 11 of Andhra Pradesh Excise (Grant of licence of selling by Shop and conditions of licence) Rules, 2024. He shall select the Gazette Sl. No of the Shop notified in a Unit (Municipal Corporation/ Municipality /Nagar Panchayat / Mandal) and select the payment mode as offline. He shall pay Rs. 3 Lakhs towards Non-Refundable Application Fee by way of Citizen Challan facility provided in CFMS under appropriate Head of Account/Demand Draft drawn on a scheduled Commercial bank situated anywhere in India and also Grameena Banks situated in Andhra Pradesh sponsored by Scheduled Commercial Banks in favour of the licensing authority.

The applicant shall also pay Rs. 1,000 (Rupees one thousand only) towards Processing Fee by way of Demand Draft / Bank Voucher / UPI in favour of Commissioner of Prohibition & Excise. He shall enter the Challan/ Demand Draft number in the system. He shall note the application number which is system generated and needs to go to Designated Center as per gazette notification and submit the Challan/ Demand Draft / Bank Voucher / UPI (transaction number) in original. After successful acknowledgement on payment, he can download Form-A3(B), Form-R1 and Entry Pass in Form-E1, which are system generated.

In complete offline mode, the Applicant can also directly go to the notified Application Reception Centers with his details. The staff on duty at the counter will digitize the application after receiving of the Challan/ Demand Draft (towards Non-refundable application fee), Demand Draft / Bank Voucher / UPI (towards Processing Fee) drawn as specified above and after verifying the Challan / Demand Draft / Bank Voucher / UPI, acknowledgement, Entry pass and other system generated documents will be printed and provided to the Applicant. The DPEO / SHOs of the concerned station shall be responsible to receive genuine Challan/ Demand Draft and safely hold till these are remitted into Treasury."

(6) For clauses (c) & (d) in sub-rule 8 of rule 11, the following shall be substituted, namely,

"(c) No selection for grant of a Shop licence shall be conducted, unless a minimum of four applications are received for that particular shop. In such case, the last date and time fixed for receipt of applications for that particular Shop shall be extended till such date, as the Commissioner of Prohibition and Excise may direct.

Provided that in case four or more applications are not received even after extension of last date and time and no selection process is conducted, the non-refundable application fee(s) for that particular Shop shall be returned/ refunded to the applicant(s)."

"(d) Where there are four or more applications received for a notified Shop, the selection among the applicants for grant of licence shall be conducted through drawl of lots by the District Collector, irrespective of the presence of the applicants."

(7) For rule 14, the following shall be substituted, namely:

"14. **Selected applicant shall obtain licence:-** The selected applicant shall obtain Licence in Form A-4 after fulfilling the statutory and regulatory requirements in respect of the premises where the Shop will be located.

Provided that no Shop shall be permitted to be established without obtaining Permit Room Licence."

(8) For sub-rule (2), (3), (4) and (7) of rule 15, the following shall be substituted, namely:

"(2) The Licensee of a Shop shall pay the annual Retail Excise Tax for the Licence period either in one lump-sum or in four equal installments at his option."

"(3) Where the selected applicant opts to pay the Retail Excise Tax in four equal installments, he shall pay the first installment of the annual Retail Excise Tax for the Shop on the day of selection or the succeeding bank working day by way of Challan. He shall also submit a Bank Guarantee in Form A-5, for the amount equal to one fourth of the annual Retail Excise Tax valid till the expiry of the Licence period, issued by a Scheduled Bank situated in Andhra Pradesh, within thirty days of his selection."

"(4) The Licensee of a Shop shall remit the annual Retail Excise Tax (RET) installments (Each installment is equal to 1/4th of the annual Retail Excise Tax) by way of Challan as detailed in the table given below.

Installment of Annual RET	Due Date for remittance

1st Installment	On the Day of selection or on the succeeding Bank working day
2nd Installment	20th December
3rd Installment	20th March
4th Installment	20th June

"(7) In case the Licensee fails to remit the Retail Excise Tax instalment on the due date prescribed under sub-rule (4), he may remit the instalment amount subsequently subject to payment of penal interest as per Rules and Retail Excise Tax additionally as detailed below:

Within 10 days from the due date	10% of the Instalment balance amount
From 11th day to 20th day from the due date	20% of the Instalment balance amount
From 21st day to 30th day from the due date	30% of the Instalment balance amount

(9) For rule 18, the following shall be substituted, namely,

"18. Counterpart Agreement: - After being selected or the licence being renewed, as the case may be, it shall be the duty of the selected applicant / licensee whose licence is renewed to execute a Counterpart Agreement in conformity with the tenor of the licence in Form A-6 on a stamp paper of requisite value as per the provisions of the Indian Stamp Act, 1899 before taking out a licence for the sale of IMFL and FL.

The Counterpart Agreement shall come into force with effect from the date on which the licence is granted / licence is renewed and remain valid till the end of the licence period."

(10) After Rule 18, the following new rule 18-A shall be added, namely:

"**18-A. Mandatory Compliances by Licensees and Penalties**: -

(1) Every selected applicant and renewed licensee shall execute an

undertaking binding himself to comply with the following mandatory conditions:

(i) That he shall adhere to the Maximum Retail Price (MRP) prescribed;
(ii) That he shall not engage in, participate in, facilitate or be associated with any activity relating to Non-Duty Paid Liquor (NDPL);
(iii) That he shall not engage in, participate in, facilitate or be associated with any activity relating to spurious liquor;
(iv) That he shall not indulge in or permit any brand mixing, adulteration or dilution of IMFL/FL;
(v) That he shall maintain e-Inventory of IMFL and FL in such manner and subject to such procedures, standards and directions, with deviation permitted only towards transportation and handling losses, as may be prescribed by the Department from time to time;
(vi) That he shall be bound by and submit himself to the penalties and consequences prescribed under sub-rule (2) for any violation of the mandatory conditions specified herein.

(2) Any first violation of the compliances prescribed under sub-rule (1) (i),(ii),(iv) & (v) shall attract a penalty of ₹10,00,000 (Rupees Ten Lakh only) and the second violation shall entail cancellation of licence after giving a reasonable opportunity of being heard with a notice period of (7) days and shall render the licensee ineligible for future applications for grant of licence under AP Excise Act, 1968 and rules made thereunder.

(11) After rule 19, the following new rule 19-A shall be added, namely:

"19-A – Renewal of licences: -

(1) Subject to such directions as may be issued by Government from time to time, the privilege of Shop for sale of IMFL and FL may be granted by way of renewal subject to payment of Renewal Retail Excise Tax, annual Retail Excise Tax and Retail Excise Tax towards Permit Room as notified from time to time and other conditions prescribed under these Rules.

(2) Where it is proposed to grant privilege of Shop by way of renewal, the licensing authority may call for applications for renewal of licences by issuing notification in the District Gazette duly specifying the last date and time for receipt of applications for renewal and online procedure for renewal.

(3) The holder of the licence in Form A4 existing as on the date of notification issued under sub-rule (2) and not disqualified for grant of licence under Rule 9 may file application in Form A-3(R) for renewal of his licence.

(4) The application for renewal shall be accompanied by the following:

a) Challan towards payment of applicable Renewal Retail Excise Tax
b) Challan towards payment of applicable annual Retail Excise Tax
c) Challan towards payment of applicable Retail Excise Tax towards

Permit Room

d) Proof of payment of Rs. 5000 towards Processing Fee (Demand Draft / Bank Voucher / UPI transaction number) in favour of Commissioner of Prohibition & Excise.

(5) The licensee filing application for renewal shall pay the annual Retail Excise Tax either in one lumpsum or in four equal installments at his option.

(6) In case the licensee opts for payment of annual Retail Excise Tax in installments, he shall pay the first installment of annual Retail Excise Tax while submitting application for renewal. He shall also submit a Bank Guarantee in Form A-5, for the amount equal to one fourth of the annual Retail Excise Tax valid till the expiry of the Licence period, issued by a Scheduled Bank situated in Andhra Pradesh, within thirty days of his licence renewal and pay the balance installments as per the payments schedule prescribed in Rule 15 (4).

(7) The licensee shall also execute Counterpart Agreement in Form A-6 under Rule 18 and Undertaking in Form A-6(U) under Rule 18A before the licence is renewed.

(8) The licensing authority shall grant the privilege of Shop by renewal in Form-A4(R) on fulfilment of the conditions of renewal laid down under these Rules.

(9) Save as otherwise expressly provided herein, all Rules and conditions governing Shop licences shall apply mutatis mutandis to renewed licences.

(12) Rule 20 shall be omitted.

(13) For rule 22, the following shall be substituted, namely:

"22. Period of the licence and commencement of business: - Every licence shall ordinarily be valid for a period of one year commencing from 1st October to 30th September or part thereof.

Provided that a licence granted after 1st October of the licence period shall be valid for the remaining part of the licence period only.

(14) For sub-rule (5) of rule 24, the following shall be substituted, namely:

"(5) The distances referred to above shall be measured from the mid-point of the entrance of the proposed Shop premises along with the nearest path by which pedestrian ordinarily reaches the outer edge of the National / State Highway or Service lane, mid-point of the nearest gate of the hospital, educational institution or place of public worship, if there is a compound wall and if there is no compound wall to the mid-point of the nearest entrance of the hospital, educational institution or place of public worship."

(15) For sub-rule (8)(i) of rule 24-A, the following shall be substituted, namely:

"8 (i) The Retail Excise Tax for Permit Room licence shall be as detailed below:

Population Slab	Retail Excise Tax (in Rs) per annum for Permit Room Licence
Up to 50,000	Rs.5,00,000
Above 50,000	Rs.7,50,000

(16) For sub-rule (8)(ii) of rule 24-A, the following shall be substituted, namely:

"(8) (ii) The annual Retail Excise Tax for the permit room licence shall be payable either in one lump sum or in three equal instalments as detailed below:

a) First Instalment: On the day of selection or on the succeeding bank working day in the case of selected applicant / along with the submission of application for renewal of Shop licence in the case of existing licensee seeking renewal.

b) Second Instalment: On or before 20th January

c) Third Instalment: On or before 20th May

Provided that in case where the Permit Room licence is granted after the commencement of the licensing period, the annual Retail Excise Tax shall be levied proportionately for the remaining duration of the licensing year. For the purpose of this calculation, any part of a month shall be considered as a full month."

(17) In Rule 38, the word "Holographic" shall be omitted.

(18) After Rule 40, a new rule 40-A shall be added, namely:

"**40-A. Ethical business practices & consumer interface**: -

The licensee shall strictly adhere to the prescribed Rules, maintain transparency in business transactions and refrain from irregularities so as to ensure ethical business practices duly providing consumer interface with the following:

(1) Every licensee shall prominently display the Maximum Retail Prices (MRP) of all brands available for sale in the Shop and cause digital display and announcement of MRP at the time of every sale transaction, as may be prescribed.

(2) Every licensee shall maintain the hardware and software prescribed by the Department for acceptance of digital payments and may accept both cash and digital modes of payment at the choice of the consumer.

(3) Every licensee shall prominently display the QR Code, as prescribed by the Department and contact details, including email address, of the officers concerned to facilitate submission of consumer feedback, complaints and grievances, if any.

(4) Every licensee shall display QR Code to download AP Excise Suraksha App to facilitate consumers to verify the genuineness of liquor products and applicable MRP.

(5) A toll-free helpline (14405) shall be prominently displayed for registering liquor consumer complaints / feedback.

(19) For Rule 46, the following shall be substituted, namely:

"46. Digital Infrastructure, End-to-end Traceability, CCTV, Accounts & Monitoring: -

(1) Every licensee shall comply with the end-to-end Track and Trace and e-Inventory system by installing required infrastructure as prescribed by the Department and shall ensure digital recording and reconciliation of the quantity dispatched, received, sold and closing stock at every stage.

(2) The licensee shall bear the applicable charges for the hardware, software and associated maintenance services at the Shop for digital recording and reconciliation of IMFL and FL stocks. Such charges shall be determined by the Commissioner of Prohibition & Excise after due assessment of the system requirements, scope of services, actual cost and prevailing market rates together with applicable taxes in consultation with relevant stakeholders.

(3) Every licensee shall install and maintain four CCTV cameras at the licensed premises, one each covering the sales counter, IMFL & FL stocks, customers and the permit room, with 24x7 operation and connectivity conforming to the specifications prescribed by the Department.

(4) The CCTV feeds, transaction and inventory data shall be made available to the AI-enabled Command Control Centre established by the Department for real-time monitoring, generation of alerts and enforcement action.

(5) Deliberate disruption, disabling or tampering with the CCTV system or feed shall attract a penalty of ₹50,000 for the first offence and ₹1,00,000 for the second offence, and cancellation of the licence after giving a reasonable opportunity of being heard with seven days' notice for the third offence.

(6) Every licensee shall provide such digital infrastructure, connectivity, access and cooperation as may be prescribed by the Department for implementation and enforcement of the sub-Rule (5).

(7) The Licensee shall maintain full and day to day accounts of IMFL and FL received and disposed of in Form R1 the pages of which are machine numbered serially. He shall also maintain such other returns as may be required by the Commissioner of Prohibition and Excise, and he shall, for each month, send monthly statements and returns before the 5th of the following month in the forms as may be fixed by the Commissioner to the District Prohibition and Excise Officer and local Prohibition and Excise Inspector. All registers should be got authenticated before use by the District Prohibition and Excise Officer.

(8) The transportation of IMFL and FL from APSBCL Depots to Shops shall be carried under GPS tracking mechanism as prescribed by the Commissioner of Prohibition and Excise."

(20) After Rule 46, a new rule 46-A shall be added, namely,

"**46-A. Recycling of Used IMFL & FL Bottles**: -

The licensee shall implement mechanism / system for recycling of used IMFL and FL bottles as may be designed and prescribed by the Department, without any additional financial burden on the consumer."

(21) The following Form shall be added after Form A-3(B), namely,

Form A-3(R)

Application for Renewal of Licence of Shop GSL No. as Notified in the District Gazette

(Rule 19-A)

Affix latest passport size photograph of the applicant

Barcode] Application No. _______________ GAZETTE No.

DATED _______________

DISTRICT :

1. Name of the Applicant :
2. Age
3. Full Residential Address :
4. Mobile No. :
5. Identity Proof (Driving Licence, Aadhar Card, Bank Passbook, Passport, Voter ID Card, Other) :
6. Identity Proof Number :
7. Gazette Serial Number of the Shop :
8. Mandal/ Nagar Panchayat/ Municipality/Municipal Corporation of the Shop as notified in the Gazette :
9. Individual/partnership (to be filled by the applicant) Firm/Company/LLP (give details) [Individual] [partnership] [Company]
10. Proof of payment of Government levies :
    a) Renewal RET : Amount Rs Challan No. Dt.
    b) Annual RET (Installment): Amount Rs Challan No.

Dt.

c) Permit room RET (Installment): Amount Rs Challan No.

Dt.

I hereby declare that the particulars given above are true to the best of my knowledge and belief. If at a later stage any of the facts are found to be false the Licence may be cancelled and I may be prosecuted as per the Andhra Pradesh Excise Act, 1968 or the Rules thereunder.

I hereby declare that I am not disqualified under Rule 7 of the A.P. Excise (Grant of Licence of Selling by Shop and Conditions of Licence) Rules 2024.

I hereby, undertake to abide by the Rules and Licence Conditions prescribed under the Andhra Pradesh Excise Act, 1968 and I shall abide by the decision of the Selection Authority in all matters connected with my application(s).

Place: Signature of the Applicant

Date:

(22) The following Form shall be added after Form A-4, namely

FORM A-4(R)
(See Rule 19-A (8))
Renewal of Shop licence in Form-A4

Whereas, Sri __________ S/o. __________R/o_____ is the holder of licence in Form A-4 in respect of the privilege of sale of Indian Made Foreign Liquor and Foreign Liquor by Shop at Gazette Sl. No.______ and whereas he has fulfilled the statutory conditions and regulations for renewal of his licence under the provisions of AP Excise (Grant of Licence of selling by Shop and conditions of Licence) Rules, 2024, his licence is renewed for the licence period from ______ to _______, subject to the terms and conditions prescribed under these Rules.

District Prohibition & Excise Officer,
_______ District.

(23) In Form A-6, in para 2, for the expression “RET”, the expression “annual RET, RET towards Permit Room shall be substituted.

(24) After the Form A-6, the following Form A-6(U) shall be added, namely,

FORM A-6(U)
(See Rule 18A)
UNDERTAKING

I/We ___________S/o________ R/o ______ Age ( ) years severally/ jointly are the Licensees in respect of the privilege of shop pertaining to G.Sl.No: _____ located at _________ Village/Mandal / Nagar Panchayat / Municipality / Municipal Corporation granted in accordance with the provisions of the Andhra Pradesh Excise Act and the Rules framed thereunder and I/we hereby solemnly undertake and agree to the compliances and consequences of non-compliances, as follows:

1. I /We shall strictly adhere to and sell all IMFL/FL at Maximum Retail Price (MRP) prescribed by the Government/Competent Authority and shall not sell any liquor at a price exceeding the prescribed MRP.
2. I /We shall not procure, possess, store, transport, sell or facilitate any activity relating to Non-Duty Paid Liquor (NDPL) or any spurious/adulterated liquor.
3. I /We shall not indulge in or permit any brand mixing, adulteration or dilution of IMFL/FL in any manner whatsoever and shall ensure that the liquor sold through the licensed shop is in the original purchased from the wholesale depots of AP State Beverages Corporation Limited.
4. I /We shall maintain the e-Inventory of IMFL and FL in such manner and subject to such procedures, standards and directions, with deviation permitted only towards transportation and handling losses, as may be prescribed by the Prohibition & Excise Department from time to time and shall ensure that all transactions and stock particulars are correctly and promptly recorded in the prescribed system.
5. I /We hereby undertake and shall be bound by and submit to the penalties and consequences prescribed under Rule 18A(2) for any violation of the mandatory compliances specified under Rule 18A(1) (i), (ii), (iv) & (v).
6. I /We agree that any first violation of the mandatory compliances prescribed under Rule 18A(1) (i), (ii), (iv) & (v) shall attract a penalty of ₹10,00,000/- (Rupees Ten Lakh only).
7. I /We agree that any second violation of the mandatory compliances prescribed under Rule 18A(1) (i), (ii), (iv) & (v) shall entail cancellation of the licence after giving a reasonable opportunity of being heard with a notice period of seven (7) days, and shall render me/us ineligible for future applications for grant of licence under the Andhra Pradesh Excise Act, 1968 and the Rules made thereunder.
8. I /We undertake to abide by all the provisions of the Andhra Pradesh Excise Act, 1968, the Rules made thereunder, the conditions of the licence, and all orders/instructions issued by the Government/Commissioner of Prohibition & Excise from time to time.
9. I /We understand that this undertaking is being executed pursuant to Rule 18A and shall be binding upon me throughout the currency of the licence.

I /We hereby declare that I/We have read and understood the above conditions including penalties for non-compliance and voluntarily execute this undertaking, agreeing to comply with the same in letter and spirit.

Place: ___________________

Date: ____________________

Signature of Licensee: _________________________

Name of Licensee: ___________________________

G.SI.No. ___________________________

6. The Commissioner / Director, Excise and Prohibition shall take necessary action accordingly.

MUKESH KUMAR MEENA,

Principal Secretary to Government .

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