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NOTIFICATIONS BY GOVERNMENT

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REVENUE DEPARTMENT
(EXCISE-II)

EXCISE POLICY FOR SHOPS FOR 2026-27 (i.e., FROM 01.10.2026 TO 30.09.2027) -
POLICY GUIDELINES.

[G.O.Ms.No.579, Revenue (Excise-II), 11th September, 2026.]

NOTIFICATION

EXCISE POLICY FOR GRANT OF PRIVILEGE OF SHOP FOR SALE OF IMFL & FL FOR THE
PERIOD 2026-27

1. **Number of Shops:** The total number of 3,736 Shops fixed for the licensing period 2024-

26 shall remain unchanged for the licensing period 2026-27, comprising 3,396 Shops under the Open Category and 340 Shops reserved for Geetha Kulalu.

2. **Renewal of existing Shops:** All the existing Shop licences shall be renewed initially for one year i.e., 2026-27 (from 01.10.2026 to 30.09.2027) on payment of a renewal Retail Excise Tax (RET) computed at 38% of the annual RET, in addition to annual RET and RET towards Permit Room at the rates applicable for the Excise Year 2025-26. The renewal RET shall be collected in one lumpsum.

- a. **Annual RET:** The annual Retail Excise Tax (RET) levied for 2025-26 shall be levied for 2026-27 without any change, as detailed below:

Retail Excise Tax (RET) for Open and Reserved Category Shops for 2026-27		
Population of Mandal/Nagar Panchayat/ Municipality/ Municipal corporation (as per 2011 census)	Open Category (in ₹ Lakhs)	Reserved Category (in ₹ Lakhs)
Up to 50,000	60.5	30.3
50,000 to 5 Lakhs	71.5	35.8
>5 Lakhs	93.5	46.8

Annual RET payment: The annual RET may be paid either in one lumpsum or in (4) equal instalments at the option of the licensee.

- b. **Permit Room RET:** The following shall be the rates of Permit Room Retail Excise Tax (RET) for different population slabs which shall be collected in three instalments:

Retail Excise Tax (RET) towards Permit Room Fee for Open and Reserved Category Shops for 2026-27
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Population of Mandal/Nagar Panchayat/ Municipality/ Municipal corporation (as per 2011 census)	Open Category (in ₹ Lakhs)	Reserved Category (in ₹ Lakhs)
Up to 50,000	5	5
50,000 to 5 Lakhs	7.5	7.5
>5 Lakhs	7.5	7.5

Permit Room RET payment: The Permit Room RET may be paid either in one lumpsum or in (3) equal instalments at the option of the licensee.

- c. **Renewal RET:** Renewal shall be subject to payment of renewal RET at the rates given below for each population slab in the form of Retail Excise Tax.

Renewal RET for Open and Reserved Category Shops for 2026-27		
Population of Mandal/Nagar Panchayat/ Municipality/ Municipal corporation (as per 2011 census)	Open Category (in ₹ Lakhs)	Reserved category (in ₹ Lakhs)
Up to 50,000	23	11.5
50,000 to 5 Lakhs	27.2	13.6
>5 Lakhs	35.5	17.8

The Renewal RET shall be paid in one lumpsum along with the 1st instalment of the annual RET.

3. Disposal of non-renewed Shops:

- a) The non-renewed Shops shall be disposed of by drawl of lots within the existing framework of the AP Excise (Grant of licence of selling by Shop and conditions of licence) Rules, 2024, on payment of the non-refundable application fee of Rs. 3 Lakhs per application, annual RET (either in one lump sum or four equal instalments) and applicable RET towards Permit Room (either in one lump sum or three equal instalments) at the rates prevailing for the Excise Year 2025-26.
 - b) The selection process for selection among applicants for allotment of Shop shall be conducted only when a minimum of four applications are received for a particular Shop.
 - c) The selected applicants who have been allotted Shops afresh under this process will not be required to pay the renewal RET.
 - d) In the event that fewer than four valid applications are received for any Shop and the drawl of lots is therefore not conducted, the non-refundable application fee paid by the applicants will be refunded/returned in full.
4. **Licence Period:** The licences renewed or granted afresh shall be valid for a period of one year, from 01.10.2026 to 30.09.2027.
- Further renewal will be subject to payment of levies as may be prescribed from time to time and compliance with the Excise Laws and regulatory conditions by the licensees, until the Policy is reviewed.
5. **Permit Room:** No Shop shall be permitted to be established without obtaining Permit Room Licence.
6. **Major Mandatory compliances by licensees:**
- a) Every renewed licensee and selected applicant shall comply with MRP discipline and not involve in any cases relating to Non-Duty Paid Liquor (NDPL) or spurious liquor, brand mixing or dilution, and also comply with e-Inventory management with deviation permitted only towards transport and handling losses as prescribed by the Department. The licensee is required to have all necessary digital infrastructure (hardware/software) as prescribed by the Department to facilitate e-Inventory management.

- b) Every licensee/selected applicant shall enter into an Undertaking binding himself to the prescribed compliances and the consequences arising out of non-compliance.
- c) Any first offence relating to MRP discipline violation, NDPL sale, brand mixing/dilution or non-maintenance of e-Inventory will attract a heavy penalty of ₹10 lakh. A second offence in violation of any of the said compliances will entail cancellation of the licence after giving a reasonable opportunity of being heard with a notice period of seven days and shall also render the licensee ineligible to apply for a licence in future.

7. End-to-End Traceability and Compliance Mechanism:

- a) A comprehensive digital governance and monitoring framework shall be implemented across the entire liquor value chain to ensure transparency, traceability, accountability and compliance with Excise Laws. The system will cover production, transportation, distribution, receipt and retail sale of liquor through an end-to-end Track & Trace platform prescribed by the Department, with batch and quantity recorded at production, movement monitored in transit, dispatch and receipt matched at distribution, stock recorded at the shop and every bottle and transaction recorded at the point of retail sale.
- b) All stock movements and retail sale transactions shall be digitally recorded and tracked to facilitate end-to-end reconciliation of quantities dispatched, received and sold along with the closing stock at every stage of supply chain. The licensee shall bear the applicable charges for the hardware, software and associated maintenance services at the retail shops. Such charges shall be determined by the Director, Excise and Prohibition through a duly documented assessment of the system requirements, scope of services, actual cost and prevailing market rates together with applicable taxes in consultation with relevant stakeholders.

8. CCTV Cameras and Connectivity:

- a) Every licensee shall be required to install and maintain four CCTV cameras, one each covering the counter, the stock and the consumer and the permit room,

functioning on a 24x7 basis. The cameras will be on public IP, compatible with the technical specifications of the Command Control Centre, and the feed will be analysed by artificial intelligence (AI) to identify violations.

- b) Deliberate disruption of the CCTV feed, or tampering with the system, will 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 a notice period of seven days for the third offence.

9. **AI-enabled Command Control Centre:** CCTV feeds, transaction records, inventory data, consumer feedback and grievance information will be integrated with a centralised, AI-enabled Command Control Centre for real-time monitoring, verification and prioritisation, leading to alerts, deployment of special teams and targeted field inspection. The same Command Control Room set-up has to be replicated at the Deputy Commissioner of Proh. & Excise level and at the District Prohibition & Excise Officer level for better monitoring and follow-up.

10. **Ethical Business Practices and Consumer Interface:** Licensees shall strictly adhere to the prescribed Rules, maintain transparency in business transactions, refrain from irregular practices and ensure mandatory display and announcement of the Maximum Retail Price (MRP) at the time of every sale. The following Consumer Outreach and Facilitation Measures shall also be provided:

- Prominent display of MRP of all brands available in the shop in front of the shop to be made compulsory.
- A toll-free helpline (14405) shall be made available for consumers to register complaints, with all interactions being recorded for appropriate follow-up action.
- The AP Excise Suraksha App and the Departmental website will enable consumers to verify the genuineness of liquor products and access the applicable MRP.
- A QR code shall be prominently displayed at every Shop to facilitate submission of consumer feedback and complaints.
- Periodic IVRS-based consumer surveys will be conducted using a standardized questionnaire to assess service quality and compliance.

- Contact details, including email addresses of the concerned officers, shall be displayed at the Shop for receipt of complaints, grievances and feedback.

11. **Digital Payments Infrastructure:** Every licensee shall be required to maintain the hardware and software prescribed by the Department for acceptance of digital payments, and shall accept both cash and digital modes of payment, at the choice of the consumer.

12. **Quality Assurance and Brand Availability:** The Department will put in place appropriate supervisory and regulatory mechanisms for cross-verification of the quality of liquor manufactured and supplied by the distilleries, through the Regional Excise Laboratories, with sampling at the stages of raw material, blending, bottling and depots, and additional random sampling of the brands available by each Station House Officer (SHO) every month. Further, availability of brands of consumer choice shall be further enhanced, subject to due verification of the credibility of the product and the supplier.

13. **Awareness Campaigns and Incentives leading to seizures:**

- a) Public awareness will be created, through IVRS surveys, social media campaigns and outreach by the Information & Public Relations Department, on the ill-effects of alcohol and narcotic drugs and psychotropic substances (NDPS) and on the legal consequences of the manufacture, possession, transport and sale of ID liquor, NDPL and spurious liquor, along with a credible and protected channel for reporting.
- b) Rewards will be admissible only where the information or assistance leads to detection and seizure. The reward may extend up to a maximum of ₹1,00,000 subject to quantum of seizure to be decided by the Commissioner.

14. **Strict control of unauthorised sale points:**

- a) The Department shall maintain strict surveillance and enforcement against unauthorised sale points of liquor. Regular inspections and enforcement drives will be undertaken to identify and prevent unauthorised sale of liquor, followed by closure, prosecution and checks against recurrence.
- b) The Licensees shall not involve in any unauthorised sale of liquor; a first offence will attract a penalty of ₹5 lakh, and a second offence will entail cancellation of

the licence after giving a reasonable opportunity of being heard with a notice period of seven days.

15. **Method of measuring distances from Shops:** The distances shall be measured from the mid-point of the entrance of the proposed Shop premises along with the nearest pedestrian path to the educational institutions, places of public worship, hospitals and highways, to ensure uniformity between Bars and Shops.
16. **Bank Guarantee:** The licensee shall be required to submit an electronic bank guarantee/BG equal to one instalment, i.e., three (3) months' annual RET, as security towards collection of annual RET, in case he opts for instalments, and it shall also cover any dues payable by the licensee.
17. **Recycling of Bottles:** A system for recycling of used liquor bottles will be designed and implemented through a mechanism prescribed by the Department in due course after detailed study of best practices, in an environmentally responsible manner and without imposing any additional financial burden on the consumer.
18. **Processing Fee:**
 - a) The participation process for selection of applicants by drawl of lots as well as the process of renewal of existing licences will be through an Online Retailer Application Module.
 - b) A processing fee of ₹5,000 will be collected from the existing licensees seeking renewal and ₹1,000 per application from the applicants intending to participate in the selection process for allotment of Shops.
19. **Hon'ble Supreme Court Guidelines:** While establishing Shops, the guidelines issued by the Hon'ble Supreme Court regarding establishment of such Shops on National/State Highways shall be strictly adhered to.
20. **Restrictions on establishment of Shops in Tirupathi:** No Shop shall be permitted on the road from Tirupathi Railway Station to Alipiri via RTC Bus Stand, Leelamahal circle, Nandi circle, Vishnu Nivasam, Srinivasam. Likewise, no Shop shall be permitted on the road from Leelamahal – Nandi circle - Alipiri - SVRR Hospital - SVIMS in Tirupathi Municipal Corporation area.

21. **Undisposed Shops:** In case any Retail liquor Shop remains undisposed after the completion of the allotment process, the Commissioner /Director, Prohibition and Excise may re-notify such Retail liquor Shop. The Commissioner / Director, Prohibition and Excise will be permitted to relocate undisposed Shops anywhere in the State as he deems fit as per rationalisation exercise.

22. **Schedule:** The schedule for the entire process starting from issuance of notification and all other activities up to the start of operation of Shops shall be specified by the Commissioner / Director, Excise & Prohibition.

23. **Amendments to Rules:** Necessary amendments to AP Excise (Grant of licence of selling by Shop and conditions of licence) Rules 2024 shall be carried out to implement the Excise Shop Policy.

24. **Laws governing administration of Shops:** Administration of Shops both renewed/allotted afresh shall be governed by the following:

- The AP Excise (Grant of licence of selling by Shop and conditions of licence) Rules 2024, as amended from time to time.
- The AP Excise Act 1968, and the Rules made thereunder.
- The AP Intoxicating liquors (Prohibition of Advertisements) Act, 1978, and the Rules made thereunder.
- The AP (Regulation of trade in IMFL, FL) Act, 1993 Rules and the Rules made thereunder.
- Any other circulars/instructions issued by competent authorities from time to time.

10. The Commissioner / Director, Prohibition and Excise and the Managing Director APSBCL shall take necessary action accordingly.

11. This order issues with the concurrence of the Finance (FMU-REV) Department vide their U.O. Note FIN01-FMU0PC(REV)/272/2026-FMU-REV, (Computer No:3414693), Dated:11.09.2026.

MUKESH KUMAR MEENA,
Principal Secretary to Government .