

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Prohibition and Excise - AP Excise (Grant of Licence of selling by Bar and Conditions of licence) Rules 2025 - Grant of Bar Licences to Beach Shacks - Certain amendments - Orders - Issued.

REVENUE (EXCISE-II) DEPARTMENT

G.O.Ms.No.363

Dated: 17-06-2026

Read the following:

1. G.O. Rt. No. 582 Revenue (Excise) Dept. dated 29-08-2024.
2. G.O. Rt. No. 939 Revenue (Excise-II) Dept. dated 28-08-2025.
3. G.O. Ms. No. 276 Revenue (Excise-II) Dept. dated 13.08.2025.
4. From Director, Prohibition and Excise, Lr. CR.No.4154/2025/CPE/E3, Dated:25.03.2026.
5. G.O. Ms. No.362 Revenue (Excise-II) Dept. dated: 17.06.2026.

ORDER:

The Government have reviewed the Excise policies implemented during the period 2019-24 and prepared the Way Forward regarding the Excise policies to be pursued for the ensuing Excise years. Pursuant to the Way Forward, a Group of Ministers (GoM) has been constituted vide reference 1st read above, for recommending draft new comprehensive Excise policy on retail trade, pricing of liquor and taxation and vide reference 2nd read above it is further required to examine and provide recommendations to the Council of Ministers on all future Excise Policy proposals. The GoM met from time to time and made recommendations accordingly.

2. Andhra Pradesh possesses one of the longest coastlines in India, stretching more than 975 kilometres along the Bay of Bengal and encompassing 12 coastal districts. This extensive coastline presents significant untapped potential for promoting coastal tourism, generating employment opportunities, and supporting the diversification of the State's economy.

3. An initial regulatory framework for beach shacks was introduced in Andhra Pradesh through G.O.Ms.No. 470 Revenue (Excise-II) Dept. dated 10-11-2016, and later with technical standards prescribed under G.O.Ms.No. 235 Revenue (Excise-II) Dept. dated 23-06-2017 for permitting sale and consumption of low alcoholic beverages. However, no bar licences were granted under this framework, and the policy lapsed in 2022, leaving no operative regulatory mechanism in place.

4. In order to revive and strengthen the regulatory framework for the beach shacks, with a focussed policy to enable responsible service of low alcoholic beverages, promote coastal tourism and create employment in coastal regions, the matter was placed before the GoM in its meeting held on 22nd January 2026. The GoM after deliberations has recommended that Beach Shacks may be introduced on an experimental basis in selected beaches and proposed certain other recommendations.

5. The Government after careful examination of the proposal submitted by the Director, Excise and Prohibition, formulated guidelines for establishment and operation of Beach Shack Bar Licences vide reference 5th read above.

6. In order to operationalize the Excise policy for beach shacks, the Government have decided to make amendments to the AP Excise (Grant of Licence of selling by Bar and Conditions of licence) Rules 2025.

7. Accordingly, the following notification will be published in an Extra-Ordinary issue of the Andhra Pradesh Gazette dated 17.06.2026.

NOTIFICATION

In exercise of the powers conferred by Section 72 read with Sections 17, 28 and 29 of the Andhra Pradesh Excise Act, 1968 (Andhra Pradesh Act No. 17 of 1968) and by Section 12 read with Sections 6 and 7 of the AP (Regulation of Trade in IMFL, FL) Act, 1993 (Act 15 of 1993), the Governor of Andhra Pradesh hereby makes the following amendments to the AP Excise (Grant of license of selling by Bar and conditions of license) Rules 2025 issued in G.O. Ms. No. 276 Revenue (Excise -II) Department Dt. 13.08.2025:-

Amendments

1. The following new clause 'cc' shall be added after clause 'c' in sub-rule (1) of Rule 3:

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.

2. The following new Rule '35-A (Beach Shack)' shall be added after Rule 35.

Rule 35-A. Beach Shack:-

- (1) Number of Beach Shacks and Establishment:-

The Government shall fix (2) Beach Shack Bar licences each at Suryalanka and Visakhapatnam initially on a pilot basis, having due regard to the requirement, public order, safety and other factors as it thinks fit.

- (2) Form of Licence:-

Form-2B (BS): A licence in Form-2B (BS) may be granted to an entity holding a Beach Shack on a private beach land parcel owned by it or on a beach land parcel allotted by APTDC/DTC or any other competent authority for sale of permitted alcoholic beverages namely Beer, Wine and RTD (Ready to Drink) in glasses, pegs or in sealed bottles for consumption within the shack, including the deck beds and umbrellas within picketed fencing or equivalent demarcation within the licensed premises of the Beach Shack.

- (3) Eligibility:-

The following entities shall be eligible to apply for a Beach Shack Bar Licence in Form-2B (BS):

- i. 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; and
- ii. Recommended by APTDC for grant of prior clearance for the Bar Licence for beach shack; and

iii. Who are of the age of 21 years and above and not disqualified under these Rules.

(4) Prior Clearance:-

- i. A person/entity intending to establish Bar in a Beach Shack, on the recommendation of the APTDC, may submit an application in Form-1A (BS) to the Commissioner of Prohibition and Excise, enclosing a challan for Rs.2,00,000 (Rupees Two Lakhs only) paid towards non-refundable Prior Clearance Application Fee.
- ii. The Commissioner of Prohibition & Excise after making such enquiry as he deems fit duly considering the requirements of public safety and maintenance of public order, subject to the recommendations of APTDC and such directions of the Government as may be issued from time to time in this regard, shall grant prior clearance in Form-2A (BS) to such of the applicant.

Provided that the grant of prior clearance shall not confer any right on the applicant for grant of licence. The holder of prior clearance shall not claim any compensation or loss in case the licence is not granted.

(5) Grant of Licence:-

- i. The holder of prior clearance granted under Rule 35-A (4), may apply in Form-1B (BS) by enclosing a challan for Rs. 10,000 (Rupees Ten Thousand only) for grant of licence in Form-2B (BS) to the District Prohibition and Excise Officer concerned.
- ii. The District Prohibition and Excise officer, after making such enquiry as he may think necessary, to ascertain the bona fides of the applicant and verifying the particulars furnished in the application shall examine the suitability of the premises for granting Bar licence for the Beach Shack and forward the same to the Deputy Commissioner of Prohibition and Excise concerned along with his report.
- iii. The Deputy Commissioner, after causing such enquiry as he may deem fit, shall grant the privilege of bar and the District Prohibition and Excise Officer shall issue the Licence in the prescribed Form.

(6) Restrictions on the grant of licence:-

- i. A licence in Form-2B (BS) shall not be granted unless:
 - a) the premises has a minimum plinth area of 1,000 Sq. feet and a maximum of 1,500 Sq. feet;
 - b) the applicant obtains Coastal Regulation Zone (CRZ) clearance from the competent authority;
 - c) the applicant erects the beach shack structure within the prescribed timeframe using approved materials;
 - d) the applicant obtains all mandatory statutory approvals from Tourism Department, Government of Andhra Pradesh, Trade Licence, FSSAI Licence, Fire Safety Certificate, and any other approvals prescribed under applicable law;
 - e) the premises has separate toilets and wash facilities for ladies and gents;
 - f) the premises has a kitchen licensed by the local authority with full meal service capability;

Provided that complete meal service shall be operational within 30 days of grant of Bar licence.

- g) the premises has adequate parking arrangements;
- h) the premises has picket fencing of equivalent demarcation around the licensed area;

Provided that consumption of liquor shall be permitted in the deck beds and umbrellas within the licensed area.

- ii. The applicant shall provide the following before applying for grant of Bar Licence:
 - a) adequate first-aid facilities on premises;
 - b) adequate lighting within and around the shack premises;
 - c) waste management and sanitation facility as per Local Body requirements.
 - d) Fire fighting equipments as per fire safety norms.
- iii. No loudspeakers or amplified music beyond permissible decibel levels shall be permitted at the beach shack premises.

(7) Hours of business:-

The Licensee shall serve alcoholic beverages from 10.00 AM to 8.00 PM only, subject to such directions may issue by the Government from time to time. 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.

(8) Retail Excise Tax:-

The annual Retail Excise Tax for the Bar licence for Beach Shack shall be Rs. 7,50,000 (Rupees Seven Lakhs Fifty Thousand only) subject to 10% increase year on year and shall be paid in one lump sum.

Provided that if a Bar licence is granted after the commencement of the licence period and up to 30th September, the annual Retail Excise Tax shall be reduced so as to be proportionate to the unexpired period, part of a month being treated as full month.

(9) Period of licence:-

Every licence shall be valid for three years commencing from 1st September of the first year ending with 31st August of the third year, subject to payment of annual Retail Excise Tax as prescribed.

Provided that the licence issued on or after 1st September shall be valid up to 31st August of the third year.

- (10) 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.

(11) Application of other Rules:-

Same as otherwise expressly provided herein, all Rules and conditions governing Bar licences shall apply *mutatis mutandis*.

3. Forms:-

The following Forms shall be added after Form-8B:-

FORM-1A (BS)
(SEE RULE-35-A (4)(i))
(AFFIX COURT FEE STAMP OF Rs.5/-)
APPLICATION FOR PRIOR CLEARANCE FOR GRANT OF BAR LICENCE FOR BEACH SHACK

- (1). Name of the Applicant :
- (2). Full residential address :
- (3). Applicant's status : Individual/ Partnership Firm /Company/LLP (give details)
- (4). Details of beach land parcel allotted by APTDC / DTC or any other competent authority/ private beach land :
- (5). Details of plinth area etc., of the premises to be licensed and its location :
- (6). Details of any other licenses held by him :
- (7). Date on which he is likely to commence business :
- (8). Details of payment of Non-refundable Fee for prior clearance :

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 and the Rules made thereunder.

I hereby, undertake to abide by the Rules and licence conditions prescribed under the Andhra Pradesh Excise Act, 1968.

Signature of the Applicant

FORM-2A (BS)
(SEE RULE-35-A (4)(ii))
Prior Clearance for Grant of Bar Licence for Beach Shack

Cr.No.

Date:

Sri _____ S/o. _____ R/o. _____ holder of Beach land parcel allotted by APTDC / DTC or any other competent authority/ private beach land in the name and style of M/s _____ area / locality _____ at _____ is granted prior clearance for grant of licence for sale of low alcoholic beverages namely Beer, Wine and RTD by Bar in the licensed premises of Beach Shack. The Prior Clearance is valid for 45 days from the date of issue.

The grant of prior clearance shall not confer any right on the applicant for grant of licence in Form-2B(BS). The Prior Clearance holder shall apply separately for grant of Bar licence to the District Prohibition and Excise Officer concerned, fulfilling all the requirements under the rules. The holder shall not claim for any compensation or loss in the event of not granting licence.

Commissioner of Prohibition and Excise.

To

Sri _

Copy to the Deputy Commissioner of Prohibition and Excise

Copy to the District Prohibition and Excise Officer

Form-1B (BS)

(See Rule 35-A (5)(i))

Application for Grant of Bar Licence for Beach Shack

1. Name of the Applicant :
2. Age :
3. Full Residential Address :
4. Mobile No. :
5. Identity Proof
(Aadhar Card / Voter ID Card / Bank Passbook/
Driving Licence / Passport / Other) :
6. Identity Proof Number :
7. Prior Clearance Order & Date :
8. Details of location of
Beach Shack :
9. Individual/partnership
Firm/Company/LLP (give details) :
10. Details of Non-refundable application
Fee :

Affix latest passport size photograph of the applicant

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 made thereunder.

I hereby declare that I am not disqualified under Rule 11 of the A.P. Excise (Grant of Licence of Selling by Bar and Conditions of Licence) Rules 2025.

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:
Date:

Signature of the Applicant

FORM - 2B (BS)
(See Rule - 35-A (2))

(Licence for the sale of low alcoholic beverages namely Beer, Wine and RTD to be consumed on the premises of Beach Shack)

I, _____ District Prohibition and Excise Officer_____ in consideration of the payment of Retail Excise Tax of Rs._____ (Rs. only), the receipt of which is hereby acknowledged and hereby licence you to sell low alcoholic beverages namely Beer, Wine and RTD, on the Beach Shack premises bearing No._____ including the deck beds and umbrellas within picketed fencing or equivalent demarcation, the details of which are as follows:

BOUNDARIES

1. East :
2. West :
3. North :
4. South :

Municipal Corporation/ Municipality/ Nagar Panchayat/ Village/ Tourism Centre within the marginally noted boundaries during the licence period commencing from the 20_ ending with 20_ subject to the following conditions and stipulations to be observed by you the said viz.,

- 1) No liquor shall be sold for removal from the licensed premises.
- 2) The licence holder may purchase or stock low alcoholic beverages namely Beer, Wine and RTD in bottles of all sizes.
- 3) The licensee shall sell low-alcoholic beverages namely Beer, Wine and RTD only and shall not sell any IMFL or FL other than the above mentioned alcoholic beverages.
- 4) The licensee is prohibited from purifying, colouring and flavouring the liquor or making any material therewith and from blending another kind of liquor with it or to keep in his possession other than authorised liquor under this licence.
- 5) The Licensee is prohibited from bottling liquors.
- 6) The possession or sale of diluted beer by the licensee is prohibited.
- 7) All low alcoholic beverages namely Beer, Wine and RTD sold under this licence shall be duty paid and obtained from the wholesale depot of Andhra Pradesh State Beverages Corporation Limited.
- 8) The licensee shall display at a prominent location, the list of brands of low alcoholic beverages sold in the beach shack.
- 9) The licensee shall maintain and furnish to the District Prohibition and Excise Officer statistics showing the consumption of all kinds of low alcoholic beverages namely Beer, Wine and RTD separately.
- 10) The licence shall be subject to cancellation or suspension at will by the Commissioner of Prohibition and Excise.
- 11) The Licensee shall not act in any manner prejudicial to the interest of the revenues of the Government.

Date: Day of 20

District Prohibition and Excise Officer

8. The Director, Excise & Prohibition and the Commissioner of Distilleries & Breweries and the Managing Director, A.P. State Beverages Corporation Limited shall take further necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

MUKESH KUMAR MEENA
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Commissioner of Printing and Stationery and Stores Purchase, A.P., Vijayawada (He is requested to furnish 100 copies to Govt. and 500 copies to the Director, Excise & Prohibition, A.P. Mangalagiri and 50 copies to the Commissioner, I&PR, Vijayawada).
The Director, Excise & Prohibition, A.P., Mangalagiri.

The Managing Director AP State Beverages Corporation Limited, Mangalagiri.
The Commissioner of Distilleries and Breweries, AP. Mangalagiri.

Copy to:

The Accountant General, Andhra Pradesh, Vijayawada.

The Finance (FMU-REV) Department.

The Tourism Department.

The General Administration (Cabinet) Department.

The PS to Principal Secretary to CM.

The PS to Minister for Excise and Prohibition.

The PS to Principal Secretary to Govt., Revenue (Excise) Department.

SF/SC.

//FORWARDED:: BY ORDER//

SECTION OFFICER