

## **ANDHRA PRADESH BREWERY RULES, 1970**

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## **ANDHRA PRADESH BREWERY RULES, 1970**

In exercise of the powers conferred by Section 72 read with Section

13 and clause (c) of sub-section (1) of Section 16 of the Andhra Pradesh Excise Act, 1968 (Andhra Pradesh Act 17 of 1968) and in supersession of all rules on the subject, the Governor of Andhra Pradesh hereby makes the following rules, the draft of the same having been previously published, as required under sub-section (1) of the Section 72.

**1. . :-**

(1) These rules may be called the Andhra Pradesh Brewery Rules, 1970.

(2) They shall extend to all the areas where the Andhra Pradesh Excise Act, 1968 is in force.

(3) They shall come into force at once.

**2. . :-**

In these rules, unless the context otherwise requires :

(a) 'Act' means the Andhra Pradesh Excise Act, 1968;

(b) 'brewery' means building where beer is manufactured and includes every place where beer is stored or issued;

(c) 'cooler' means any vessel in which worts are passed to be cooled, and includes a refrigerator.

(d) 'copper' means any vessel in which either worts or water is boiled or heated in the course of brewing;

(e) 'fermenting vessel' means any vessel in which worts are fermented by the action of yeast;

(f) 'gravity' means the proportion which the weight of a liquid bears to that of an equal bulk of distilled water, the gravity of distilled water at 60 degrees F. being taken to be 1,000;

(g) 'hop back' means any vessel into which worts are run after boiling in order to remove the spent hops;

(h) 'brewery officer' means an Excise Officer not below the rank of an Excise Sub-Inspector appointed to hold charge of a Brewery;

(i) 'licence' means a licence granted for the construction and working of a brewery under Section 16(1) (c) of the Act;

(j) 'licensee' means a holder of such licence;

(k) 'mashtum' means any vessel in which malt or grain is exhausted in the course of brewing;

(l) 'racking or settling back' means the process by which worts are passed from a fermenting vessel into any other vessel and racket either at once or after a time; \*

{(ll) 'recommended maximum retail price' means the price to be indicated by the Andhra Pradesh Beverages Corporation Limited for incorporation in each variety of label by the Brewers for the purpose of consumer awareness;}

(m) 'sugar' means any saccharine substance, extract or syrup, and includes any material capable of being used in brewing, except malt or corn;

(n) 'under back' means any vessel into which worts run either from the masthum or hop back;

(o) 'worts' means the liquor obtained by the exhaustion of malt or grain or by the solution of saccharine matter in the process of brewing.

(p) { x x x x }

### **3. . :-**

(1) An application for the grant of a licence for the construction and working of a brewery shall be in Form B1, and be addressed to the Commissioner within six months from the date of sanction of the Government under Rule 4. The application shall be accompanied by full description of the premises and utensils, and the purpose of and the distinguishing mark on each room, place and vessel. Every such application for grant of renewal of a brewery licence shall bear the non-judicial stamp of the value of Rs.2 or such other value as may be fixed by the Government from time to time.

(2) The licensee shall, within a year from the date of grant of the licence, report to the Commissioner the date on which the construction of the plant and machinery of the brewery is completed and the date from which its working is commenced.

(3) In case the licensee fails to construct and work the plant and machinery and manufacture beer within a period of one year from the date of the grant of the licence, the licence granted to him shall be liable for cancellation without compensation for any damage or

loss :

Provided that where the Commissioner is satisfied that there is sufficient cause for the licensee for not constructing and working the plant and machinery and commencing the manufacture of beer within such period of one year, the Commissioner may, for reasons to be recorded in writing, extend the said period of one year for such further period or periods, not exceeding one year in the aggregate as he may deem fit.

**4. . :-**

(1) A brewery licence shall not be granted to an applicant except with the previous sanction of the Government.

(2) The following procedure shall be followed for securing the sanction of the Government :

(a) The person intending to construct and work a brewery shall state his scheme to the Government in Form B1 (A).

(b) No application under clause (a) shall be entertained unless a fee of Rs.200 (Rupees two hundred only) is paid into a Government Treasury and the challan in original in support of such payment is enclosed to the application.

(c) When the Government are satisfied of the proposed scheme of the applicant, they may accord the sanction and communicate it in the form of Letter of Intent in Form B-5, stipulating a condition that the applicant should furnish security deposit to the Commissioner of Excise in the shape of a Demand Draft for Rs.50,000/- (Rupees Fifty thousand only) obtained in favour of the Commissioner of Excise from a Scheduled Bank within one month from the date of issue of Letter of Intent failing which the Letter of Intent stands cancelled. The Letter of intent shall be valid initially for a period of two years from the date of issue. The security deposit will be forfeited to the Government in case the holder of Letter of Intent fails to convert it into a licence. In case the applicant desires to construct and work the brewery on the same Letter of Intent, another security deposit for Rs.50,000/- has to be deposited with the Commissioner. On receipt of such security deposit, the Government can extend the validity of Letter of Intent for further period of two years, within which, the holder should convert the Letter of Intent into the Licence after securing the land, buildings, plants, machinery and equipment required for

construction and working of a Brewery as per the scheme notified to the Government or as modified by the Government as the case may be under clause (a).

(d) The sanction accorded by the Government under clause (c) shall not confer any right or privilege for the grant of a licence and the Government may withdraw such sanction in public interest at any time, on the expiration of not less than thirty days Notice in writing of their intention to do so.

(e) When the sanction is withdrawn under clause (d), the holder thereof shall not be entitled to any compensation for damage or loss except to the refund of the fee paid or deposit made in respect thereof.

{(f) Where the management of the Brewery intends to shift the Brewery from one place to another place, it shall notify the same to the Government by an application in Form B-7 after remitting an amount of Rs.200/- (Rupees two hundred only) in the Government Treasury and enclose challan in original in support of such payment along with application.}

**5. . :-**

No licence shall be granted unless and until the applicant therefor has\_

(a) deposited as security for the fulfilment of all the conditions of the licence, a sum to be fixed by the Government; which shall not be less than Rs.10,000/- (Rupees ten thousand only) and a Guarantee of a Schedule Bank for a sum of Rupees five lakhs only to the satisfaction of the Commissioner of Excise; and.

(b) satisfied the Commissioner that the proposed buildings, plant, machinery and apparatus to be used in connection with the business of brewing, storage and issue of beer are in accordance with Rules 21 to 25 of these rules and that due precautions against fire have been taken.

**6. . :-**

Every licence shall be in Form B2 and shall be issued in the name of the licensee and shall not be transferable. The licensee shall pay a licence fee of \*{Rupees twenty lakhs} per annum. Every licence shall ordinarily be for a period of one year and may be renewable at the end of each year on the application made one month in advance :

Provided that in case of a new licence, the licence fee payable shall be limited to Rupees three thousand only till the manufacture commences. However before commencing manufacture, licence fee as prescribed under Rule 6 shall be paid proportionately for the remaining period of the licence year.

**6A. . :-**

Where the licence has not been renewed either due to any change in the Policy of the Government and subject to the New Policy adopted by the Government, on a subsequent date, and further subject to such inspection or verification as may be taken up by the Commissioner to satisfy himself that the manufacturing facilities on ground are not modified in any manner in deviation of the provisions of the previous licence, the said previous licensee, if he applies, may be issued with a fresh licence and Government may by issue of Notification exempt the applicant from obtaining Letter of Intent from Government. No Objection Certificate from Municipality or other Local Body and No Objection Certificate from the Chief Inspector of Factories as prescribed under Rule 4. However, the liability of the licensee including payment of any arrears in the licence fee or any kind of dues to Government if any payable and subsisting prior to the issue of fresh licence shall remain unaffected; and shall stand payable to the Government.

**7. . :-**

The Excise duty shall be leviable at such rate as the Government may specify from time to time and the licensee shall before manufacturing the Beer furnish to the satisfaction of the Commissioner, a guarantee from a Schedule Bank for a sum, which shall not be less than Rs.50,000/- (Rupees fifty thousand only) for every one lakh litres of expected monthly production :

Provided that the maximum bank guarantee to be furnished shall not exceed Rupees three lakhs.

**8. . :-**

A licence granted under these rules shall remain in force for the period specified therefor, unless it is cancelled, suspended, withdrawn or surrendered in the meantime.

**8A. . :-**

{ The licensee shall obtain prior sanction of the Commissioner, if there is any change in the name, composition or ownership of the licensee. Before granting such sanction the Commissioner may seek

such undertaking or Bond and such other material or documents to protect the interest of the Government as he deems fit from the licensee to satisfy himself that the change to be effected is valid under law.}

**9. . :-**

Any licence may be cancelled or suspended by the Commissioner under Section 31 of the Act, or for breach of these rules, or may be withdrawn by him for sufficient cause on the expiration of not less than thirty days notice in writing of his intention to do so.

**10. . :-**

The licensee shall not hypothecate the whole or any part of the licensed premises without the previous written sanction of the Commissioner.

**11. . :-**

The licensee shall not make any addition, either to buildings or to plant, without the previous consent, in writing, of the Commissioner :

Provided that no such previous consent of the Commissioner shall be required in the case of ordinary repairs to, or renovation of existing buildings or plant;

Provided further that where the alterations or additions to the plant or machinery have the effect of enhancing the annual production capacity of the Brewery, they shall be carried out by the licensee only after obtaining the prior permission of the Government.

**12. . :-**

The licensee shall at any time permit the Commissioner, the Brewery Officer or any officer not below the rank of a Brewery Officer authorised by the Commissioner in this behalf to inspect breweries and to examine the licenced brewery, the premises, warehouses, and utensils connected therewith, any room, place or utensil and the beer manufactured and stored therein, and the licensee shall render to the officers aforesaid, all such assistance as may be necessary in making such inspection and examination.

**13. . :-**

The licensee shall make payment of the costs, charges and expenses which the Government may incur for any other purpose other than the salaries and allowances of the Excise Staff. The working of the brewery shall be subject to the control of the

Commissioner, Director of Distilleries and Breweries and any other officer of the Excise Department designated for the purpose by the Commissioner.

**14. . :-**

The licensee shall provide within the brewery premises accommodation for an office for Brewery Officer as well as quarters to be approved by the Commissioner, for the Brewery Officer and his servants, who will be required to remain within the brewery premises on night duty.

**15. . :-**

The licensee shall, in addition if required by the Commissioner, provide residential quarters for the other Excise officers posted at or near the brewery.

**16. . :-**

The licensee shall, when required, permit to be taken, without payment, samples of the materials used, of worts in any stage of fermentation or of beer manufactured in the brewery, for analysis by the Excise Superintendent or Brewery Officer or by an officer authorised by the Commissioner in this behalf.

**17. . :-**

The licensee shall provide and maintain sufficient and accurate measures, scales and weights and other necessary and reasonable appliances to enable the Brewery Officer and other officers to take account of or check by weight, guage, or measure all materials and liquids used or produced in brewing and provide sufficient lights, ladders and other conveniences to enable the excise staff to perform their duties.

**18. . :-**

The Inspector may require the licensee to provide with such weights, scale, appliances and other measures as are necessary and where the licensee disputes such requisition he may file an appeal to the Commissioner whose decision thereon shall be final.

**19. . :-**

The Commissioner shall provide the Brewery Officer with proper guaging rods and a standard sachrometer and thermometer and if the licensee questions as to their correctness or the results obtained by the officer, he shall make a written protest with the Brewery Officer immediately.



**20. . :-**

The licensee shall cause to be legibly painted with oil colour and keep so painted, on some conspicuous part of every mashum, under back, copper, heating tank, cooler, fermenting vessel and setting back intended to be used by him in his business, and on the outside of the door of every room and place wherein any part of his business is to be carried on, the name of vessel, room or place according to the purpose for which it is intended.

**21. . :-**

When more than one vessel, room or place is used for the same purpose, all such vessels, rooms or places shall be marked by progressive numbers.

**22. . :-**

All mashtums, underbacks, coolers, fermenting vessels and setting backs shall be so placed and fixed as to admit of the contents being accurately ascertained by gauge or measure and shall not be altered in shape, position or capacity without two days notice in writing to the Brewery Officer.

**23. . :-**

All mashtums and fermenting vessels shall be gauged jointly by the Brewery Officer and the licensee, and the Brewery Officer shall prepare tables showing the total capacity of each vessel in litres and the capacity of the contents in each, to tenth of a centimeter in depth.

**24. . :-**

No vessel which has been altered in shape, position or capacity shall again be taken into use unless it has been regauged by the Brewery Officer and new tables prepared by him if necessary.

**25. . :-**

The tables prepared under Rules 23 and 24 shall, before being taken into use, be certified by the licensee or his accredited agent as correct.

**26. . :-**

The Excise Superintendent shall also certify as to the correctness of the tables and check from time to time the data based on which they are prepared.

**27. . :-**

The licensee shall\_

(1) keep a book in Form B-3, in some part of his licensed premises and make it available at all times, for the inspection by the other Excise Officer who is authorised to inspect the brewery and for making extracts therefrom;

(2) make entry in the book in accordance with such instructions as may be given by the Commissioner or Brewery Officer from time to time; and

(3) send notice in writing to the Brewery Officer of his intention to brew, forty eight hours, before such brewing takes place, if so required by the Commissioner.

**28. . :-**

The licensee shall allow the Brewery Officer to take account of the produce and worts or grains mixed during the process of brewing whenever such accounting becomes necessary.

**29. . :-**

(1) The duty on beer, at the specified rate shall be charged on the total quantity actually brewed as entered in the brewing book by the licensee or as ascertained and accounted for by the Brewery Officer, whichever is higher, less an allowance of 10 per cent for wastage.

(2) The duty on beer shall become due immediately after the account of brewing has been taken by the Brewery Officer or at the end of each month, whichever is later and the time for its payment shall not be later than the fifteenth day succeeding the month in which the duty was charged provided that no stock of beer shall be removed from the Brewery except on prepayment of the duty specified in Rule 7. { x x x x x }.

(3) If the duty payable by the licensee remains unpaid beyond the period specified in this regard, the Commissioner may forfeit to Government, the sum guaranted by the Bank, and either the whole or any part of the security deposit furnished by him under these rules.

(4) {x x x x x}

(5) If the Brewery Officer is satisfied that the licensee is entitled under these rules to remove beer from the warehouse and that the Excise duty {x x x x x} has been paid on receipt of an indent in Form B-4, he shall issue beer under a permit in Form B4(a).

(6) On payment of the Excise duty {x x x x x} by the holder of B-2 licence, a brewer permit in Form B-4 (a) for the removal of beer may be granted in favour of the following persons only, namely :

(a) a person holding a distributor's licence in Form FL.27 of Andhra Pradesh Foreign Liquor and Indian Liquor Rules, 1970 or a Canteen Stores Department holding licence in Form FL.29 of Andhra Pradesh Foreign Liquor and Indian Liquor Rules, 1970, on production of a valid permit issued by the Excise Superintendent of the District in which the licensed premises of such distributor or Canteen Stores Department is located;

(b) a person holding a licence in any other State for sale of beer by wholesale or retail on production of a valid permit issued by the Commissioner; (7) {x x x x x}

**30. . :-**

If the licensee doubts and disputes the correctness in accounting made by the Brewery Officer and consequential amount of duty demanded from him, he may refer the matter for decision of the Excise Superintendent after depositing all sums due under Rule 29. In the event of the original amount being found incorrect, any excess levied from the licensee shall be refunded to him and if the amount claimed from him is found to be less than that actually due, he shall be called upon to remit the difference at once into a Government treasury.

**31. . :-**

No Brewery shall be opened for work on a Sunday or any other public holiday except with the sanction of Assistant Commissioner, Distilleries.

**32. . :-**

If the Brewery works at any time other than ordinary hours or on a Sunday or any other public holiday, the Excise Officer in-charge of the brewery shall be present within the premises of the brewery, and shall make arrangements in connection with the working of Brewery with the sanction of the Assistant Commissioner, Distilleries, for regulating the entry or exit of persons at fixed hours.

**32A. . :-**

The licensee shall not advertise his products by extolling their merits or in any other objectionable manner.

**33. . :-**

Every licensee shall be bounded by all additional rules for the control of breweries which may hereafter be made under the Act and by all special orders issued by the Commissioner under the Act with regard to individual breweries and shall cause all persons employed by him in his brewery to obey all such rules and orders.

**34. . :-**

(1) The licence to work a brewery shall carry with it the right to bottle, on the premises of the brewery, the beer made therein.

(2) Operations connected with the filling of bottles with beer for issue, shall be conducted in bond under the supervision of the Brewery Officer in a separate room called "the bottling room for beer" set apart for the purpose, within the Brewery premises near the finished stores. Bottled beer shall be stored in separate room called the "Bottle beer store" set apart for the purpose, with the Brewery premises near the bottling rooms and the bottled beer store rooms shall be secured in such a manner as the Commissioner may approve. In the bottling room, bottling vats may be erected and beer stored therein.

(3) Beer shall be bottled at the strength specified by the Commissioner from time to time.

(4) Bottling shall be done during the ordinary working hours of the Brewery.

(5) No bottle shall be filled with beer except in the joint presence of the Brewery Officer and a representative of the licensee.

(6) Beer required for bottling shall be measured out and brought into the bottling room by a permanently fixed pipe or such other means as may be approved by the Commissioner.

(7) Bottles of 650 ml. capacity only shall be used :

Provided that the Commissioner may in special cases permit use of bottles of different sizes or containers of different descriptions.

(8) The bottles mentioned in sub-rule (7) shall be of standard pattern :

(9) The licensee shall not use tapper corks for bottling. The licensee shall soak the corks in clean water for 24 hours before corking the bottles.

(10) The licensee shall label each bottle after bottling with a label printed in English or Telugu language showing the name of the licensed Brewery, the place of bottling, quantity filled, alcohol content, Batch No. and date of filling.

(11) The labels shall be affixed to the bottles by the licensee only after such labels are duly approved by the Commissioner. For this purpose the licensee shall submit a copy of label proposed to be affixed by him in quadruplicate and a challan of remittance of a fee of \*{Rs.50,000/-} for each such variety of label sought to be approved under appropriate head of account at any Government Treasury in the State. The applicant should also get the label re-approved for each Excise year by paying fee of \*{Rs.50,000/-} for each variety of label. The application shall be submitted to the Superintendent for Distilleries, who shall forward them to the Commissioner of Excise through Director of Distilleries and Breweries for approval by the Commissioner. One approved copy shall be retained in the office of the Commissioner and three copies shall be returned to the Superintendent for Distilleries who shall retain one copy in his office and furnish one approved copy each to the concerned Distillery Officer and the Licensee. The licensee shall comply with such instructions as the Commissioner may issue regarding any label. The application shall be in the Form B-6 duly affixed with Court Fee Stamp of the value of Rs.2/-. The Format of the label submitted for such approval shall contain the following :

(a) Name and Address of Manufacturer.

(b) Batch Number, Month and year of Manufacture.

(c) Net contents.

(d) Percentage of alcohol.

(e) Recommended Maximum Retail Price :

Provided that the recommended maximum retail price shall be incorporated in the label after the same is indicated by the Andhra Pradesh Beverages Corporation Limited.

(f) Details of manufacturing under tie-up arrangements.}

(12) An account of beer received and used for bottling shall be maintained.

(13) The licensee shall not advertise his products by extolling their

merit or in any other objectionable manner.