

---

**ANDHRA PRADESH EXCISE (LEASE OF RIGHT TO SELL  
INDIAN LIQUOR AND FOREIGN LIQUOR IN RETAIL) RULES,  
1993**

CONTENTS

1. Short title, extent and commencement
2. Definitions
3. Lease of Right to sell Indian Liquor and Foreign Liquor
4. Auction Notice
5. Declaration etc.
6. Entry Pass
7. Prohibition of certain persons to enter the place of auction
8. Benami bids or tenders not allowed
9. Disqualification
10. Officers authorised to conduct auction
11. Bids or Tenders to be offered
12. Auction of shops
13. Submission of tenders or bidding
14. Removal of certain persons from the place of auction
15. Signature in the Register
16. Payments of lease amount by the Auction Purchaser
17. Other requirements
18. Re-auction in case of failure to deposit moneys
19. Counterpart Agreement
20. Commencement of lease
21. Death of Auction Purchaser
22. Interpretation

**ANDHRA PRADESH EXCISE (LEASE OF RIGHT TO SELL  
INDIAN LIQUOR AND FOREIGN LIQUOR IN RETAIL) RULES,  
1993**

In exercise of the powers conferred by Section 72 read with Sections 28 and 29 of the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968) and Sections 6 and 11 of the Andhra Pradesh (Regulation of Wholesale Trade and Distribution and Retail Trade in Indian Liquor, Foreign Liquor, Wine and Beer) Ordinance No. 5 of 1993 the Governor of Andhra Pradesh hereby makes the following Rules

**1. Short title, extent and commencement :-**

(1) These rules may be called the Andhra Pradesh Excise (Lease of Right to Sell Indian Liquor and Foreign Liquor in Retail) Rules,

1993.

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

(3) They shall come into force from 1st day of April, 1997.

## **2. Definitions :-**

(1) In these rules unless the context otherwise requires,-

(i)"Act" means the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968);

(ii)"Auction" means the manner of inviting tenders or bids or tender-cum-bids in Public Auction for the grant of lease;

(iii)"Auctioning Authority" means the officer authorised to conduct and call for tenders and to accept the bid or tender under Rule 10;

(iv) "Auction Purchaser" means the person whose bid or whose tender is accepted by the Auctioning Authority;

(v) "Bidder" includes his power of attorney holder;

(vi)

(a) "Lease Year" means the period of twelve months commencing from the 1st April of the year and ending with the 31st March of the succeeding year;

(b) "Lease Period" means the actual lease period in the lease year as notified by the Auctioning Authority;

(vii) "Foreign Liquor" means every liquor imported into India, other than the Indian Liquor;

(viii) "Form" means a form appended to these Rules;

(ix) "Highest bidder" means a person who offers the highest lease amount by bid or tender;

(x) "Indian Liquor" means liquor produced, manufactured or compounded in India after the manner of Gin, Brandy, Whisky or Rum imported from foreign countries and includes Wine and Beer and Milk Punch and other liquors consisting of or containing any such spirits but does not include foreign liquor;

(x-a) "Lease amount" means the amount payable in respect of a

shop as part of sum in consideration of the grant of lease or licence or both payable under Section 23 read with Section 17 of the Act.

(xi) "Licence" means a licence granted under these Rules;

(xii) "Licensee" means holder of such licence;

(xiii) "Licence Fee" means the annual licence fee payable in respect of the shop;

(xiv) "Permit" means a permit issued under these rules;

(xv) {x x x x}

(xvi) "Retail Licence" means in relation to the sale of Indian Liquor or Foreign Liquor in the sealed and capsuled bottles to an individual of quantities not exceeding those specified under section 14 of the Act at any one time or in one transaction and the word retail shall be construed accordingly;

(xvii) "Sealed" in relation to the bottles, containers, or other receptacles means closed with a capsule and wrapped by wire or closed with a cord or lid and wrapped with a lining around it;

(xviii) "Shop" means the licensed premises where the sale of Indian Liquor and Foreign Liquor in sealed bottles is permitted under these rules;

(xix) "Tenderer" includes his power of attorney holder.

### **3. Lease of Right to sell Indian Liquor and Foreign Liquor :-**

Subject to the provisions of these rules the grant of lease of right to sell Indian Liquor and Foreign Liquor in retail shall ordinarily be granted by Publication duly notified. The lease shall ordinarily be for the said period of one year : Provided that where the Commissioner considers it expedient to grant the lease of right to sell Indian Liquor and Foreign Liquor in retail in any other manner, he shall, for that reasons to be recorded in writing, do so with the prior approval of the Government.

ExplanationThe Commissioner before the publication of the Auction Notice under Rule 4 shall fix the number of shops to be established in an area and their location.

### **4. Auction Notice :-**

(1) Where it is proposed to grant the lease for sale of Indian Liquor and Foreign Liquor in retail in respect of a shop, a notice of the

proposed auction containing the particulars mentioned in sub-rule (2) shall be published, at least (7) seven days in advance of the date of auction, by the Collector of the District in the Andhra Pradesh Gazette or the District Gazette or in such other manner as the Collector may deem fit.

(2) The auction notice shall contain the following particulars namely :

(i) The name of the locality of a shop which sell Indian Liquor and Foreign Liquor in retail in that area;

(ii) The place of auction with time and date;

(iii) The last date, time and place for receipt of tenders;

(iv) The conditions governing the auction;

(v) The period of lease; and

(vi) Any other matter which may be considered by the auctioning authority necessary for information to the bidders and tenderers.

**5. Declaration etc. :-**

No person shall be permitted to bid or submit a tender unless he files,-

(i) a declaration in Form A-1 made on non-judicial Stamp paper of the requisite value as per the provisions of the Indian Stamp Act, 1899 and attested by the Mandal Revenue Officer or Gazetted Officer of the Excise Department under his official seal;

(ii) A duly sworn in affidavit in Form A-2 made on non-judicial stamp paper of the requisite value as per the provisions of the Indian Stamp Act, 1899 containing the particulars of his own immovable property and the present market value thereof, and encumbrances existing, if any, disclosing all necessary particulars thereof for an amount of not less than one lakh rupees or a Bank Guarantee for an equal amount.

**6. Entry Pass :-**

No person, other than the officers on duty and persons duly authorised by the auctioning authority shall enter the place of auction without presenting an Entry Pass which will be issued to intending participants who file tender or who have already filed tender.

## **7. Prohibition of certain persons to enter the place of auction :-**

The Entry Pass shall not be issued to any person who :

- (a) has been convicted of any offences specified in clause (d) of sub-section (1) of Section 31 of the Act in respect of which he has been penalised or convicted within the preceding three years;
- (b) has been convicted or whose licence has been cancelled for breach of any of the conditions of licence granted under Section 31 of the Act within the preceding three years;
- (c) has been held guilty either in a departmental proceeding or in a Court, of an offence under Section 37 of the Act for adulteration of toddy by mixing any article injurious to public health or otherwise within the preceding three years;
- (d) is suffering from any contagious disease;
- (e) is a defaulter of excise revenue; or
- (f) is adjudged as an insolvent by a competent Court.

## **8. Benami bids or tenders not allowed :-**

No person shall bid or submit tender on behalf of any other person unless he holds a power-of-attorney from such person. It shall be incumbent on the bidder to be present at the place of auction.

## **9. Disqualification :-**

(1) No lease shall be granted to the following persons, nor any such persons shall be entitled to hold the lease; namely,-

- (a) persons suffering from contagious disease, who either in the shop, or any place, discharge personally such functioning as would entail personal handling of liquor;
  - (b) persons who have been prohibited under Rule 7;
  - (c) persons who are ineligible to participate in the auction for the non-fulfilment of the conditions prescribed under Rules 5 and 6.
- Explanation(1) Any defaulter having obtained stay from the competent authorities for recovery of dues shall continue to be treated as a defaulter for the purpose of this Rule and no lease shall be granted unless there is a specified direction in the stay order that the defaulter should not be precluded from participating in such auctions;

(2) If any person who is disqualified under this rule is found to be holding a lease, the licence thereof may be withdrawn in accordance with Section 32 of the Act and the Commissioner shall direct re-auction of such lease; Provided that if such disqualification comes to the notice of the auctioning authority before the lease is granted but after the bid or tender is accepted, the auctioning authority may cancel the bid or tender and conduct re-auction.

**10. Officers authorised to conduct auction :-**

Auction shall be conducted and bids or tenders, as the case may be, shall be accepted by the Collector :

Provided that the Commissioner or the Collector may, in his discretion, authorise the Deputy Commissioner or any other officer of the Excise Department not lower in rank than an Excise Superintendent to conduct such auction and accept bid or tender therefor;

Provided further that the Commissioner of Prohibition and Excise may authorise any Collector to conduct auctions and accept bids or tenders therefor in more than one district.

**11. Bids or Tenders to be offered :-**

Quotations of bids or tenders shall be offered for the lease period, in terms of lease amount in respect of a shop of Indian Liquor and Foreign Liquor as put up for auction. They shall also furnish Form A-1 declaration and Form-2 affidavit along with Earnest Money Deposit as required to be deposited in accordance with the Auction Notification which should be enclosed to tender.

**12. Auction of shops :-**

(1) Right to sell Indian Liquor and Foreign Liquor may ordinarily be auctioned shop-wise according to the list of shops approved by the Commissioner under Rule 3.

(2) The Commissioner may withdraw any shop from the auction before the auction is commenced.

(3) The authority may, for sufficient cause, postpone the date of auction of a shop and adjourn the auction as may be found necessary.

**13. Submission of tenders or bidding :-**

(1) The tenders shall contain the following particulars and shall be

submitted by the tenderer in a closed cover addressed to the Auctioning Authority upto the commencement of the bidding of the shops as the case may be,-

- (i) Name of the tenderer, his father's name and address ;
- (ii) Name or location of the shop for which he has offered his tenders ;
- (iii) Yearly rentals offered in figures as well as in words :

Provided the tenderer or bidder shall be required to deposit as earnest money a sum of equal to 25% of upset price notified by the auctioning authority for each shop notified for auction, in the form of a demand draft obtained from a scheduled bank in favour of Auctioning Authority or in favour of Commissioner of Excise before offering the tender or bid. The tenders not accompanied by such earnest money deposit shall be forthwith rejected by the auctioning authority. The demand draft shall be pinned to the exterior of the tender cover :

Provided that in the case of a person whose tender for a shop is not accepted, the earnest money deposited by him in respect of such bids shall, if he so desires, be treated as earnest money for other shops at the same auction.

(2) The closed cover containing the tender shall be superscribed with the words "Tender for the lease of the right for the year ..... to sell Indian Liquor and Foreign Liquor at.....(Place or the shop to be auctioned)". The tenderer may obtain acknowledgment for the cover presented.

(3) Every tender shall be taken into consideration if it is presented to the Auctioning Authority or to the Commissioner of Prohibition and Excise before the prescribed date and time and no tender shall be received after the prescribed date and time notified by the Auctioning Authority.

(4) A tenderer shall also be eligible to participate in the bidding for shop;

(5) The tenderer shall be present at the place of auction at the time of opening of the tenders which shall be after the bidding is over but his absence shall in no way affect his tender or auction proceedings.

(6) The Auctioning Authority, may by order, reject any tender or bid on the ground that the tender or bid is of benami nature, or that there is collusion among the bidders or tenderers who participated in the auction for the lease of any shop or shops;

(7) A tender once submitted shall not be withdrawn before the expiry of a period of sixty days or until the shop is finally disposed off in the auctions whichever is earlier;

(8) The Auctioning Authority may if he so desires first announce at the commencement of the auction, the names of persons and the number of persons who had sent tenders for a particular shop;

(9) The Auctioning Authority shall ask for tenders for each shop notified for auction. The tenders for the shop shall be opened only when the auctioning authority decides that the highest bid offered in auction has been satisfactory and consider tenders alongwith the Highest bid. The highest amount either of tender or bid will be accepted and the rest of the tenders and bids should be rejected. Where the Auctioning Authority considers that the bid is not satisfactory and decides to postpone the auction, the tender cover should be opened only at such postponed auction after the bid is over. If there are successive postponements of auction the tender cover shall be opened only at the final auction. But it shall be open to any person to submit tender till the final auction is commenced for the shop. When the Auctioning Authority is satisfied that the auction has resulted in the maximum oral bid likely to be offered, he shall open the tenders available and proceed to consider the issue of accepting the highest bid or tender :

Provided that if the highest tender or bid is not satisfactory, the auctioning authority may reject the highest tender or bid and postpone the auction of the shops to a future day;

Provided further that if the auctioning authority considers that the auction should be postponed for a future day for any reason, he may do so without opening the tenders;

Provided also that it shall be open to the Auctioning Authority to refuse to knock down the auction in favour of the highest bidder or accept the highest tender if such authority is satisfied after a perusal of the affidavit that the value of the assets declared in the affidavit is less than an amount equal to half year rental and that such bidder/tenderer cannot reasonably be expected to discharge his/her liabilities in terms of the lease;



Provided also that where the highest bid or tender is not accepted, the auctioning authority shall record the reasons thereof.

(10) After rejecting the highest bid or tender the Auctioning Authority may either accept the next highest bid or tender or dispose of the right to sell Indian Liquor and Foreign Liquor afresh at any subsequent notified auction.

(11) No person shall be entitled to have on lease more than one shop.

**14. Removal of certain persons from the place of auction :-**

When it comes to the notice of auctioning authority that any person at the place of auction and during the time of bidding behaves or acts in a disorderly or riotous manner or in such other manner as is likely to cause loss to the Government or forbids any person from bidding, the Auctioning Authority may cause his removal from the place of auction.

**15. Signature in the Register :-**

Every person whose bid or tender has been accepted shall sign his name or affix his thumb-impression against the relevant entry in the register maintained for the purpose. The Auctioning Authority shall also obtain the signature of the next highest bidder or tenderer in a separate register maintained for this purpose.

**16. Payments of lease amount by the Auction Purchaser :-**

The auction purchaser shall pay a sum equal to half of the lease amount for the shop on the day of the auction immediately after the acceptance of the tender or bid as the case may be. In case of failure to remit half of the lease amount on that day, the shop shall be re-auctioned. In the event of re-auction if the re-auction results in monetary benefit to the Government the original auction purchaser shall have no claim over it, but if it results in monetary loss or if the right remains unsold for want of bidders, the original auction purchaser shall be liable to pay to the Government the resultant loss.

**17. Other requirements :-**

(1) the auction purchaser shall remit the remaining half of the lease amount in cash/demand draft within 90 days or 1/4 of the lease period whichever is earlier.

(2) The auction purchaser shall also be required in all cases to

furnish a non-encumbrance certificate in respect of properties shown in his affidavit with stipulation that during the currency of the relevant lease the properties shown therein shall not be alienated.

(3) All interest accruing on fixed deposit receipts shall vest in the Government and may be adjusted towards the Government dues including interest, if any, outstanding against the auction purchaser and if there be no such dues it shall be refunded to the auction purchaser at the end of the lease period.

#### **18. Re-auction in case of failure to deposit moneys :-**

(1) In case of failure to pay the deposit or advance money or to furnish the non encumbrance certificate required under Rule 17 within the time specified the auction shall be cancelled by the Auctioning Authority and amount deposited under Rules 16 and 17, shall be forfeited to the Government and the right of sale shall be re-auctioned or alternative arrangements made at the risk of the original auction purchaser who shall continue to be liable in respect of the lease till the auction purchaser in a re-auction takes over.

(2) If the re-auction or the other arrangement results in monetary benefit to the Government, the original auction purchaser shall have no claim over it, but, if it results in monetary loss or if the right remains unsold for want of bidders, the original auction purchaser shall be liable to pay to the Government the resultant loss.

(3) The provisions of sub-rules (1) and (2) shall apply in relation to the auction purchaser in any re-auction mutatis mutandis as they apply in relation to the auction purchaser in an original auction.

#### **19. Counterpart Agreement :-**

After tendering the deposit and advance amount, it shall be the duty of the lessee and the licensee to execute a counterpart agreement in conformity with the tenor of his licence in Form A4 on the stamp paper of the requisite value as per the provisions of the Indian Stamp Act, 1889 before taking out of lease or licence or both granted to him for the sale of Indian Liquor and Foreign Liquor as the case may be. The counterpart agreement shall come into force with effect on and from the 1st April of the year to which the auction relates in respect of shops auctioned on or before the 31st March and in case where the auction takes place on or after the 1st April, the Counterpart Agreement shall come into force from the

date of auction.

**20. Commencement of lease :-**

The lease for the sale of Indian Liquor and Foreign Liquor granted to the auction purchaser shall not take effect until he obtains a licence from the Licensing Authority. It shall be the responsibility of the auction purchaser to execute the counterpart agreement referred to in Rule 19, also complete other formalities within the time specified in Rules 16 and 17 and obtain a licence in respect thereof. If the auction purchaser fails to do so the said lease shall be liable to be re-auctioned.

**21. Death of Auction Purchaser :-**

If the auction purchaser dies after the acceptance of his bid or tender or during the currency of lease for sale of Indian Liquor and Foreign Liquor his heirs shall be entitled to the grant of lease or to hold the lease, as the case may be, after complying with the provisions of the rules in regard to execution of counterpart agreements and deposits. If the heirs do not intend to hold the lease, they shall, within fifteen days from the date of the death of the lessee communicate in writing their unwillingness to Excise Superintendent of the district. In such case the Auctioning Authority or the Licensing Authority, as the case may be, shall make alternate arrangements or re-auction the lease and any loss of revenue sustained by the Government in such a case shall be recoverable as arrears of land revenue from the property of the original auction purchaser.

**22. Interpretation :-**

If there is any doubt or dispute regarding the application or interpretation of any of these rules, the decision of the Commissioner of Excise thereon shall be final.