

# **PART-I**

## **The Andhra Pradesh Excise Act, 1968 (Telangana Adaptation) Order, 2015**

[G.O.MS.No. 162 Revenue (Excise-II) Department, Dated: 10-09-2015]

Read:-

The Andhra Pradesh Reorganisation Act, 2014 (Central Act No.6 of 2014)

**ORDER:**

Whereas, Section 101 of the Andhra Pradesh Reorganization Act, 2014 (Central Act No.6 of 2014), the appropriate Government i.e., the State of Telangana is empowered by Order, to make such adaptation and modifications of any law (as detailed in Section 2 (f) of the Act) made before 02.06.2014, whether by way of repeal or amendment as may be necessary or expedient, for the purpose of facilitating the application of such law in the State of Telangana before expiration of two years from 02.06.2014; and thereupon every such law shall have effect subject to the adaptations and modifications so made until altered, repealed or amended by a competent Legislature or other competent authority;

2. And whereas, it has become necessary to adapt and modify the Andhra Pradesh Excise Act, 1968 (Act No.17 of 1968), for the purpose of facilitating its application in relation to the State of Telangana;

3. Accordingly, the following Notification shall be published in an Extra ordinary issue of the Telangana Gazette, dated 11-9-2015.

### **NOTIFICATION**

In exercise of the powers conferred by section 101 of the Andhra Pradesh Reorganisation Act, 2014 (Central Act No.6 of 2014), the Governor of Telangana hereby makes the following Order, namely:-

**1.** (1) This Order may be called the Andhra Pradesh Excise Act, 1968 (Telangana Adaptation) Order, 2015.

(2) It shall come into force with immediate effect.

**2.** The Andhra Pradesh General Clauses Act, 1891 shall apply for the interpretation of this Order as it applies for the interpretation of a State Act.

**3.** For the purpose of this Order, and the Act adapted herein, the expression “the State” shall have the meaning and area as specified in section 3 of the Andhra Pradesh Reorganisation Act, 2014.

**4. In the Andhra Pradesh Excise Act, 1968, –**

(1) Throughout the Act except section 73, for the words “Andhra Pradesh” (occurring otherwise than in a citation or description or title of other enactments), the word “Telangana” shall be substituted.

(2) In section 2,-

(i) in item (6-A), for the words “Andhra Pradesh” the words “Telangana State” shall be substituted;

(ii) In item (18-A), for the words “Andhra Pradesh” the words “Telangana State” shall be substituted;

(3) In section 21,-

(i) In sub-section (1), the words and expression ‘not exceeding the rates mentioned in the Schedule,’ shall be substituted;

(ii) The Schedule to the Act under sub-section (1) shall be deleted;

(iii) For sub-section (2), the following shall be substituted, namely,-

“(2) (1) The Government may, by notification, levy a countervailing duty on any excisable article manufactured or produced elsewhere in India and imported into the State at such rates as may be specified in the notification, which may not exceed the rates of excise duty on similar excisable articles levied under sub-section (1).

(2) The Government may, by notification levy assessment fee or both on any excisable article manufactured or produced in any place outside India and imported into the State at such rates as may be specified in the notification.”

(4) In section 47,-

(i) for the words “or who is reasonably suspected of” the words “for reasonable suspicion of his” shall be substituted;

(ii) for the words ‘one lakh rupees’ the words “three lakhs rupees” shall be substituted.

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# 1. THE EXCISE ACT, 1968<sup>1</sup>

as Adopted by Government of Telangana

[Act No. 17 of 1968]

[As amended upto & inclusive of Act 32 of 2017, w.r.e.f. 11-10-2016]

[29th August, 1968]

An Act to consolidate and amend the law relating to the production, manufacture, possession, transport, purchase and sale of intoxicating liquor and drugs, the levy of duties of excise and countervailing, duties on alcoholic liquors for human consumption and opium, Indian hemp and other narcotic drugs and narcotics and to provide for matters connected therewith in the State of <sup>2</sup>[Telangana.]

Be it enacted by the Legislature of the State of <sup>2</sup>[Telangana] in the Nineteenth Year of the Republic of India as follows:

## Statements of Objects and Reasons

[Act 17 of 1968]<sup>3</sup>

At present the Andhra Pradesh (Telangana Area) Abkari Act, 1316F. (Act 1 of 1316F) and the Andhra Pradesh (Telangana Area) Intoxicating Drugs Act, 1333F (Act IV of 1333F) are in force in the Telangana Area of the State. The Andhra Pradesh (Andhra Area) Abkari Act, 1886, has ceased to be in force in the Andhra Area by virtue of Section 2 of the Andhra Pradesh (Andhra Area) Prohibition Act, 1937. However, in case the State Government declares by notification under the proviso to Section 2 of the Andhra Pradesh (Andhra Area) Prohibition Act, 1937 that the provisions of the Act other than Sections 1, 3 and 6 shall cease

1. Received the assent of the President on 26-8-1968 and pub. in A.P. Gaz. (Ext.) Pt. IV-B, dt. 29-8-1968.
2. **Subs. for “Andhra Pradesh” by GO.Ms.No. 162, Rev (Ex-U) Dept., dt. 10-9-2015.**
3. Appended to L.A. Bill No. 28 of 1968, pub. in A.P. Gaz. Pt. IV-A, Ext., dt. 4.7.1968.

Notes: 1. Throughout the Act, for the words “Indian Liquor” the words “Indian Made Foreign Liquor” is substituted by Act 17 of 2006, w.r.e.f. 1-11-1969

2. Under Section 34 of Act 17 of 1995, w.e.f. 20-2-1995 while amending A.P. Excise Act, 1968 it has been enacted that, throughout the Act for the words “Excise Officer”, “Commissioner of Excise”, “Additional Commissioner of Excise”, “Deputy Commissioner of Excise”, “Assistant Commissioner of Excise”, “Excise Superintendent”, “Assistant Excise Superintendent”, and “Excise Department”, **the words** “Prohibition and Excise Officer”, “Commissioner of Prohibition and Excise”, “Additional Commissioner of Prohibition and Excise”, “Deputy Commissioner of Prohibition and Excise”, “Assistant Commissioner of Prohibition and Excise”, “Prohibition and Excise Superintendent”, “Assistant Prohibition and Excise Superintendent” and “Prohibition and Excise Department” shall respectively be substituted.

to be in force in any local area on any particular date, the Andhra Pradesh (Andhra Area) Abkari Act, 1886, will revive and come into force in that local area from the said date. It will thus be seen that on the statute book there are in the two areas of the State two sets of laws relating to the production, manufacture, possession, transport, purchase and sale of intoxicating liquors and drugs and the levy of duties of excise and countervailing duties on alcoholic liquors for human consumption, Indian hump and other narcotic drugs. It is, therefore, proposed to integrate the said laws for achieving uniformity of law applicable to the entire State. It is, however, proposed to extend the unified law only to the Telangana Area in the first instance and to extend it to any local area in the Andhra Area only as and when a notification is issued under the proviso to Section 2 of the **Andhra Pradesh** (Andhra Area) Prohibition Act, 1937 declaring that the provisions of the Act, shall cease to be in force in that local area. In other words, it extends to the Telangana Area immediately after it is brought into force, while it extends to the Andhra Area only as and when the prohibition is lifted in that area. The Bill is intended to give effect to the above proposals. The important provisions of the Bill are explained in detail in the notes on clauses appended hereto.

<sup>1</sup>**Amendment Act 23 of 1971:** Under Chapter III of the Andhra Pradesh Excise Act, 1968 a permit is necessary for the import, export or transport of any intoxicant and under Chapter VI thereof, a licence is necessary for production, manufacture, possession, purchase and sale of any intoxicant. At present arrack is manufactured in the State Government distilleries at Narayanaguda and Kamareddy and that arrack is sold to the arrack shop contractors as the departmental taluk depots. No permit or licence for the production, manufacture, possession, import, export, transport, purchase or sale of arrack manufactured in such distilleries and sold to arrack shop contractors through the departmental taluk depots, is being taken out by the State Government or any authority or officer acting on behalf of the Government on the assumption that Government do not come within the meaning of the expression 'person' as contained in the Act. With a view to place the matter beyond all doubts, it is proposed to specifically provide in the Act that it shall not be necessary for the Government or any authority or officer acting on their behalf to take out a licence or permit under the Act for the production, manufacture, possession, import, export, transport, sale or purchase of any intoxicant - vide clause 5 of the Bill. It has also been proposed to make certain consequential amendments to Sections 16, 21 and 22 of the Act. It is also proposed to validate the levy and collection of excise duty already made by or on behalf of the State Government

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1. Appended to L.A. Bill No. 28 of 1971, pub. in A.P. Gaz., Pt. IV-A, Ext., dt. 23.11.1971.

under the Act without their obtaining a licence or permit, and all acts, things or proceedings done or taken by the State Government or by any officer or other authority in connection with such levy and collection and to bar suits or other proceedings before any Court or other authority for the refund of any such excise duty.

<sup>1</sup>**Amendment Act 6 of 1974:** Under sub-section (1) of Section 24 of the **Andhra Pradesh** Excise Act, 1968, the owner or other person in possession of the excise tree can get his trees excluded from being tapped by intimating his unwillingness in writing to the competent authority before the date notified in this regard. It has been found that taking advantage of this provision owners are unreasonably withholding the use of their trees for tapping purposes thereby depriving the tappers of their livelihood and affecting the proper functioning of the excise shops. It is, therefore, considered necessary in the public interest to impose certain reasonable restrictions on the exercise of this right by amending the Act, so as to provide for its approval by the Excise Commissioner subject to such rules as may be made in this behalf before it becomes operative.

<sup>2</sup>**Amendment Act 4 of 1979:** Section 26 of the Andhra Pradesh Excise Act, 1968, prior to its amendment by the Andhra Pradesh Excise (Amendment) Ordinance, 1978, provided that the owner or other person in possession of excise trees would be entitled to receive as rent for each excise tree from which toddy is tapped or drawn such sum, as may be prescribed, which shall not exceed fifty percent, of the duty payable therefor, by way of tree tax and the said rent was required to be paid in the Government treasury for being paid to the owner or other person who is entitled to it, in such manner as may be prescribed.

The excise trees are being indiscriminately cut and they are on the verge of extinction. In order to provide incentive to protect the existing trees and grow more trees, and keeping in view the over-all increase in the cost of living, the Government decided to enhance the tree rent payable to the tree owners from one-half to such sum as may be prescribed, which shall not exceed the duty payable therefor by way of tree tax.

The Government also received complaints that the tree owner's rent is not being paid to the pattedars in time and in some cases it remained un-paid for years together. It has been represented to the Government that the licensees may be allowed to pay the tree owner's rent directly to the tree owner or other person who is entitled to it instead of remitting it in the Government treasury as provided in the Act. The Government considered the matter and decided to amend the Act suitably for the purpose.

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1. Appended to L.A. Bill No. 7 of 1974, Pub. in A.P. Gaz. Pt. IV-A, Ext., dt. 24.1.1974.

2. Appended to L.A. Bill No. 3 of 1979, Pub. in A.P. Gaz. Pt. IV-A, Ext., dt. 14.2.1979.

As the State Legislature was not then in session and as it was considered necessary to give effect to the above decision from the excise year commencing on the 1st October, 1978, the **Andhra Pradesh** Excise (Amendment) Ordinance, 1978, was promulgated by the Governor. The Bill seeks to replace the said Ordinance.

**<sup>1</sup>Amendment Act 27 of 1981:** According to sub-section (3) of Section 65 of the Andhra Pradesh Excise Act, 1968, arrears of moneys due to Government recoverable under the Act shall bear interest at the rate of six percent per annum. As the rate of interest at six per cent is low, the arrack licensees are tempted to make default in the payment of dues in time, resulting in arrears of moneys due to Government. It was, therefore, decided to take power to Government to prescribe by rules the rate of interest on such arrears so that the said rate might be fixed taking into consideration the rate of interest charged by the commercial banks from time to time for lending money to the public.

2. According to sub-section (1) of Section 72 of the Act, the Government have to cause previous publication of the rules which are intended to be made for carrying out all or any of the purposes of the Act. This requirement of previous publication has been causing considerable delay in the making of the rules. It was, therefore decided to dispense with the requirement of previous publication by amending the Act suitably.

3. It was also decided to give retrospective effect to the above amendments of the Rules with effect on and from the 1st July, 1981.

4. As the State Legislature was not then in session and as it was decided to give effect to the above decisions immediately, the Andhra Pradesh Excise (Amendment) Ordinance, 1981 and the Andhra Pradesh Excise (Amendment) Amending Ordinance, 1981 were promulgated by the Governor on the 16th September, 1981 and the 21st October, 1981 respectively. The Bill seeks to replace the said Ordinance.

**<sup>2</sup>Amendment Act 10 of 1984:** (1) Rule 15 of the **Andhra Pradesh** Excise (Arrack Retail Sale Special Conditions of Licences) Rules, 1969 provide for the recovery of issue price together with the excise duty from the advance money paid or from the Bank Guarantee offered by the licensee on the undrawn portion of the Minimum Guaranteed Quantity fixed for the arrack shops.

(2) A number of arrack contractors have challenged the recovery of issue price together with the Excise duty on arrack in the case of undrawn minimum guaranteed quantity before the High Court of Andhra Pradesh. The Andhra

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1. Appended to L.A. Bill of 1981, Pub. in A.P. Gaz. Pt. IV-A, (EO), dt. 6-11-1981.

2. Appended to LA. Bill No. 9 of 1984, Pub. in A.P. Gaz. Pt. IV-A, (EO), dt. 1.3.1984.

Pradesh High Court in their judgment in Writ Petition No. 2511 of 1974, dated 18th January, 1977 held that Rule 15 of the Andhra Pradesh Excise (Arrack Retail Sale Special Conditions of Licences) Rules, 1969 relating to recovery of issue price together with excise duty is not authorised by the provisions of the Andhra Pradesh Excise Act, 1968 and hence is *ultra vires* of the provisions of the Andhra Pradesh Excise Act, 1968.

(3) A number of other arrack contractors have already approached the High Court and obtained directions for the refund of the deposits which have already been adjusted towards the issue price and excise duty on the undrawn arrack of Minimum Guaranteed Quantity. Consequently, it becomes inevitable for, the Government to refund the amounts already collected so far to the tune of over Rs.2 crores.

(4) In order to over-come the difficulty created by the judgment of the High Court and to validate the collections already made, it was decided to amend the provisions of the said Act suitably with retrospective effect enabling the Government to collect issue price including excise duty on undrawn minimum guaranteed quantity.

(5) As Legislature was not then in session and as it was considered necessary to give effect to the above decisions with retrospective effect, the **Andhra Pradesh** Excise (Amendment) Ordinance, 1984 was promulgated by the Governor on the 28th January, 1984. The Bill seeks to replace the said Ordinance.

**<sup>1</sup>Amendment Act 19 of 1985:** In order to mobilise additional excise revenue, it has been decided to enhance the excise duty on Beer from Rupees two per bulk litre to Rupees Three per bulk litre and to implement the same it has been decided to amend the Schedule to the **Andhra Pradesh** Excise Act, 1968 (Act 17 of 1968) suitably.

As the Legislative Assembly of the State was not then in session having been prorogued and as it was considered necessary to give effect to the above decision immediately, the Andhra Pradesh Excise (Amendment) Ordinance, 1985 (Ordinance 15 of 1985) was promulgated by the Governor of Andhra Pradesh on the 26th June, 1985. The Bill seeks to replace the said Ordinance.

**<sup>2</sup>Amendment Act 10 of 1989:** As the existing provisions of Andhra Pradesh Excise Act, 1968 are not adequate for Excise Officials to arrest smuggling of liquor into the State and with a view to discourage tendencies on the part of the licensees to sell illicitly distilled liquor minimising the excise crimes

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1. Appended to L.A. Bill No. 22 of 1985, Pub. in A.P. Gaz. Pt. IV-A, (EO), dt. 13.8.1985.

2. Appended to L.A. Bill No. 7 of 1989, Pub. in A.P. Gaz. Pt. IV-A, (EO), dt. 14.3.1989.

and for certain other matters connected therewith the Government after a careful consideration have decided to amend the Act suitably providing for the following namely:-

(a) to expand the definition of the word 'transport' in clause (31) of Sec. 2 so as to include therein the movement of liquor from a place outside the State to any other place outside it through the intervening area lying within the State;

(b) to make appointment of excise officers and staff more flexible;

(c) At present the Excise Superintendent is competent to issue permits for transport of intoxicants under sub-sec. (1) of Section 12 of the Act. However in order to quicken issue of permits the Commissioner of Excise has been issuing permits from 1-12-1981 onwards. To validate such issue of permits by the Commissioner it is proposed to amend sub-section (1) of Section 12 suitably with retrospective effect from 1.12.1981.

(d) to omit sub-sec. (3) of Section 24 in order to remove the prohibition to cut an excise tree without intimation.

(e) to amend Sec.26 in order to pay enhanced rent to owners of excise trees without reference to the duty payable thereon;

(f) Section 27 as it now stands prohibits the cutting down or destroying Government excise trees. It is now proposed to extend this prohibition to all excise trees whether belonging to Government or on private lands;

(g) It was observed by the High Court of **Andhra Pradesh** that there is no provision in the Act and the rules made thereunder entitling the licensing authority to cancel licence for contravention of the terms and conditions of licence granted for the previous year. It has therefore been decided to amend Sec.31 suitably providing for cancellation of licence for contravention of the terms and conditions irrespective of the period to which the licence or permit related;

(h) It is also proposed to amend the penal provisions contained in Secs.34, 37, 40, 41 and 47 so as to make the quantum of punishment more rational and also to add Sec.43-A providing for the punishment for allowing premises etc., to be used for the commission of offence under this Act;

(i) At present the Commissioner, the Collector or any Excise Officer is empowered to compound the offences under Sec.47 of the Act. It has been decided by the Government to give special powers to the Commissioner in regard to compounding of offences, by suitably amending Sec.47 and by inserting new Sec.47A with retrospective effect from 1.1.1987 and also to validate the acts of the Commissioner in having compounded certain offences pending amendment of the Act; and

(j) it has been decided to enhance the rate of excise duty in respect of the items specified in the Schedule.

Opportunity is also taken to make consequential amendments to Secs.53 and 56.

As the Legislative Assembly of the State was not then in session having not been prorogued and as it was considered necessary to give effect to the above decisions immediately, the Andhra Pradesh Excise (Amendment) Ordinance, 1988 (Andhra Pradesh Ordinance 12 of 1988) was promulgated by the Governor on the 16th September, 1988. The Bill seeks to replace the said Ordinance.

**<sup>1</sup>Amendment Act 4 of 1994:** The Government appointed sub-committee of the Cabinet to examine the matter relating to the prohibition of the consumption of toddy, arrack and liquor in the State. The said Committee has submitted a detailed report to the Government.

In order to effectively implement the new Excise Policy as well as the ban on arrack and in order to implement the recommendations of the said sub-committee, the Government have decided to amend the **Andhra Pradesh** Excise Act, 1968 suitably to achieve the following objectives:-

(i) to widen the scope of the definition of word 'bottle' so as to include therein tins, barrels, cases, any receptacle, bag or wrapper etc. (Clause 2(i) of the Bill).

(ii) Section 34 relates to penalties for illegal import etc., of intoxicants. Clause (a) of that section as it now stands relates to the offences of import, export transport, manufacture, collection or possession of any intoxicant and the punishment prescribed therefor is imprisonment for a term which shall not be less than six months and fine which shall not be less than five times the value of the duty payable on the intoxicant involved in the offence. The punishment prescribed as the provision now stands, is the same whatever be the quantity of the intoxicant involved in the offence. It has been decided to enhance the punishment for the illegal import, export, etc., of intoxicant and to impose a higher punishment where the quantity of the intoxicant involved is more. Therefore, it is proposed to notify the quantity for the purpose of imposing graded punishments.

In order to bring out the above intention clearly and for drafting reasons, it is proposed to substitute Section 34 with a new section (Clause 3 of the Bill);

(iii) At present under clause (g) of Section 36 of the Act, selling of intoxicant to a child under 18 years of age or allowing such child to remain in the premises

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1. Appended to L.A. Bill No. 19 of 1993, Pub. in A.P. Gaz. Pt. IV-A, (EO), dt. 23.12.1993.

where any excisable article is sold is punishable. Now it has been decided that the said prohibition should be extended to persons under the age of 21 years, so that both children and youth are covered by the said offence under clause (g) of Section 36 (Clause 4 of the Bill);

(iv) Counterfeiting of excise adhesive labels is on the increase. Such counterfeiting has therefore been decided to be included as one of the offences punishable under Section 37 of the Act. The punishment prescribed in Section 37 has also been decided to be enhanced. (Clause 5 of the Bill.)

(v) Adulteration of intoxicants has reached alarming proportions. To control the menace of adulteration of intoxicants, it has been decided to provide for an enhanced punishment of imprisonment for a term which shall not be less than two years, but which may extend upto imprisonment for life and with fine which may extend upto rupees one lakh where grievous hurt or death occurs and in any other cases to imprisonment for a term which shall not be less than one year, but which may extend upto ten years and with fine which may extend upto Rs.50,000/-. Severe punishment has also been decided to be imposed on persons who fail to take reasonable precautions to prevent adulteration and thereby cause grievous hurt, disability or death. (New Section 37A vide clause 6 of the Bill).

(vi) To punish the offender who makes false statements any declarations or affidavits with imprisonment upto three years and a fine upto rupees ten thousand. (New Section 40A vide clause 7 of the Bill).

(vii) It has also been decided to enhance the punishment provided in Sections 41 and 50 of the Act (Clauses 8 and 13 of the Bill).

(viii) The other clauses in the Bill relate only to formal and consequential amendments.

As the Legislative Assembly of the State was not then in Session having been prorogued and as it was considered necessary to give effect to the above decisions immediately, the **Andhra Pradesh** Excise (Amendment) Ordinance, 1993 (Ordinance No. 10 of 1993) was promulgated by the Governor on the 26th November, 1993.

This Bill seeks to replace the said Ordinance.

**<sup>1</sup>Amendment Act 20 of 1994:** The Government appointed a Sub-Committee of the Cabinet to examine the matter relating to the prohibition of consumption of toddy, attack and liquor in the State. The said Committee has submitted a detailed report to the Government.

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1. Appended to L.A. Bill No. 3 of 1994, Pub. in A.P. Gaz. Pt. IV-A, (EO), dt. 3.3.1994.

2. In order to effectively implement the new Excise Policy as well as the ban on arrack and in order to implement the recommendations of the said Sub-Committee, the Government have made certain amendments to the Andhra Pradesh Excise Act, 1968 by the Andhra Pradesh Excise (Amendment) Act, 1994 (Act No.4 of 1994). Apart from the amendments made in the said Amendment Act, the Government have decided to further amend the Andhra Pradesh Excise Act, 1968, the main objects of the amendments being,-

(i) to modify the definition of the expression “excisable article” in clause (9) of Section 2 of the Act and also the definition of “intoxicating drug” in clause (20) of Section 2 as suggested by the Government of India in order to bring these definitions in conformity with the Narcotic Drugs and Psychotropic Substances Act, 1985 which is a Central Act (Clause 2 of the Bill).

(ii) to enable the Court to order payment of compensation in cases where death or grievous hurt or disability has been caused due to the consumption of adulterated liquor (clause 4 of the Bill);

(iii) to provide for the confiscation by the Deputy Commissioner of Excise of the articles seized under Section 45 of the Act for the effective implementation of the Act and incidentally to provide for appeal against the orders of confiscation and to bar the jurisdiction of the courts where the excise officials are seized with the matter relating to confiscation (New clauses 46, 46A, 46B, 46C, 46D, 46E, 46F proposed to be inserted by clause 6 of the Bill);

(iv) to provide for deterrent punishment for assaulting the Excise Officials (New Clause 50A proposed to be inserted by clause 7 of the Bill); and

(v) to provide for arrest without warrant in respect of certain offences and also to make certain offences non-bailable (clauses 8 and 9 of the Bill).

This Bill seeks to give effect to the above decisions.

<sup>1</sup>**Amendment Act 28 of 1998:** While implementing the revised Excise Policy for the year 1998-99, a large number of licences have been issued for retail outlets in violation of the distance norms prescribed under Rule 6 of A.P Excise (Indian & Foreign Liquor Retail Sale Conditions of Licences) Rules, 1993. Protests have been received from individuals, groups of individuals and through media about the objectionable location of the shops. The matter has also been seriously debated in the Legislative Assembly.

The violation of distance norms, for the location of the Retail outlet, depending on its location, causes serious breach to public order and also hurts the religious sentiments of the public. Immediate remedial steps are to be taken to restore peace the harmony on the locality by invoking Section 31 read with

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1. Appended to LA. Bill No. 23 of 1998.

Rule 28, which confers powers to cancel or suspend licence on the authority competent to grant licence. However, as no refund of licence fee could be granted under Section 31, powers vested under Section 32 of the A.P. Excise Act, have to be invoked to enable the department to refund the proportionate licence fee.

It is therefore, decided to cancel the licences which violated the Rules and to refund the Licence fee proportionately along with Bank Guarantees to prevent further litigation. Hence, it is necessary to amend the sub-section (2) of Section 32 by adding after sub-section (1) sub-clause (e) of Section 31 (1).

**<sup>1</sup>Amendment Act 11 of 2000:** The State Government have been issuing licences under Sections 13 and 16 of the **Andhra Pradesh** Excise Act, 1968 for all types of Distilleries irrespective of the purpose for which the Rectified Spirit produced by them is put to use i.e. for Industrial purpose or Potable purpose or for both. The Hon'ble Supreme Court of India by an order dated 29.1.1997 in W.P. No.322/96 in M/s. Bihar Distilleries and others has held that:

(i) in the matter of industries where the manufacture of Rectified Spirit is exclusive for the purpose of obtaining or manufacture potable liquors, such industries shall be under the total and exclusive control of the States in all respects;

(ii) in the matter of industries where the manufacture of Rectified Spirit is for both industrial and potable purposes permission to establish and regulate the functioning of distilleries shall be the exclusive domain of the Union;

(iii) however, even in reared to industries where the entire Rectified spirit is supplied for industrial purposes or both for industrial and potable purpose, the power of the States to take necessary steps to ensure against misuse or diversion of Rectified Spirit meant for industrial purposes, both during and after manufacture of Rectified Spirit continues unaffected.

In view of the said observation of the Apex Court, the Government are decided to amend Sections 13 and 16 of the Andhra Pradesh Excise Act, 1968 so as to restricting the power to grant licenses to those industries manufacturing Rectified Spirit for potable purpose and empowers the Government or officials of Prohibition and Excise Department to regulate all the industries manufacturing the Rectified spirit for potable purpose, or Industrial purpose or for both so as to avoid the misuse or diversion of the Rectified spirit meant for industrial purpose to be used for potable purpose.

Whereas the **Andhra Pradesh** Excise (Amendment) Bill has been introduced in the Legislative Assembly of the State on 26-11-1998 as L.A. Bill No. 36 of 1998, the same has lapsed due to dissolution of the tenth Legislative Assembly.

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1. Appended to LA. Bill No. 2 of 2000.

This Bill seeks to give effect to the above decisions.

<sup>1</sup>**Amendment Act 10 of 2005:** The Collector or any Prohibition and Excise Officer specially empowered in this behalf, is empowered under Section 47 of the A.P. Excise Act, 1968 to compound the cases registered under clause (a) or clause (b) of sub-section (1) of Section 31 or who is reasonably suspected of having committed an offence falling under clause (b), clause (c), clause (d), clause (g) or clause (h) of Section 34, clause (a), clause (e) clause (f) clause (g) or clause (h) of Section 36, clause (b), clause (c) or clause (d) of Section 37, or Section 41 a sum of money not exceeding ten thousand rupees. In the appeals filed under Section 63 of the said Act it is observed that in some of the cases the compounding fee levied under Section 47 is not commensurate with gravity of the offence and amount of rupees not exceeding Rs. 10,000/- (rupees ten thousand) as specified in the Act, as compounding fee in lieu of cancellation or suspension of license or permit become lighter and there is scope for recurrence of the crime.

In order to have an impact on the licensee or offender whose case is decided on merits by levying heavy compounding fee, it is proposed to enhance the compounding fee to an amount not exceeding rupees one lakh so as to prohibit the recurrence of the crime.

To achieve the above object, it has been decided to amend Section 47 of the A.P. Excise Act, 1968, suitably.

This Bill seeks to give effect to the above decision.

<sup>2</sup>**Amendment Act 35 of 2005:** Section 17 of the **Andhra Pradesh** Excise Act, 1968 empowers the Government to grant for a fixed period to any person at any place a lease or licence for the exclusive privileges of manufacturing or supplying by whole sale or of both; or of selling by whole sale or by retail any liquor. Section 23 of the Act provides payment of a sum in consideration of the grant of lease or licence or both for the exclusive privilege in respect of liquor or any other intoxicant under Section 17. Section 28 of the Act provides that every permit issued or licence granted under the Act shall be issued or granted on payment of such fees for such period, subject to such restrictions and conditions and shall be in such form and shall contain such particulars, as may be prescribed.

In exercise of the powers conferred under Section 72 of the Act, the Government have issued rules known as Andhra Pradesh Indian Liquor and Foreign Liquor Rules, 1970. The said rules provides the procedure for import permit, export permit, transport permission, license for sale, period of licence, licence fee, privilege fee, grant of licence, etc.,

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1. Appended to L.A. Bill No. 15 of 2004, Pub. in A.P. Gaz. Pt. 1V-A, Ext. No. 15, dt. 17-12-2004.

2. Appended to L.A. Bill No. 26 of 2005, Pub. in A.P. Gaz. Pt. 1V-A, Ext.No. 26, dt. 4-10-2005.

Now, it is proposed to make separate set of rules for different purposes such as of tapping, manufacturing, supplying and selling by wholesale, selling by shops or by bar or by in house or for *bona fide* purposes by suitably amend the Andhra Pradesh Excise Act, 1968. Opportunity has been taken to insert new Section 68-B so as to empower the Government to make exemption or grant relaxation in respect of any of the provisions of the Act, such restrictions and conditions as may be specified in the notification.

As the Legislative Assembly of the State was not then in session having been prorogued and it has been considered necessary to give effect to the above decision immediately, the Andhra Pradesh Excise (Amendment) Ordinance, 2005 (Ordinance No. 5 of 2005) was promulgated by the Governor on the 19th May, 2005.

This Bill seeks to replace the above said Ordinance.

<sup>1</sup>**Amendment Act 17 of 2006:** “Indian Liquor” in terms of clause (18) of Section 2 of the **Andhra Pradesh** Excise Act, 1968 means, Liquor produced, manufactured or compounded in India after the manner of gin, brandy, whisky, rum imported from foreign countries and includes milk punch and other liquors consisting of or containing any such spirits, but does not include foreign liquor. In the said definition wine and beer has been included by the Andhra Pradesh Act 35 of 2005. The definition indicates that Indian Liquor is that liquor which is not country liquor or liquor manufactured and imported from foreign countries. It meant that liquors like Gin, Brandy, Whisky or Rum are not native to this country and that they originated in other countries and hence are popularly known as Indian Made Foreign Liquor. It is a well known and well accepted fact that Beer is not native to this country and what is being manufactured, sold and consumed is a fermented liquor usually made from Malt and includes ale, stout, porter and all the other fermented liquor which are not native to this country.

It is, therefore, appropriate to change the definition of “Indian Liquor” to that of “Indian Made Foreign Liquor” and to include all liquor manufactured or compounded in India which are not native to this country after the manner of Gin, Brandy, Whisky, Rum or Beer with retrospective effect from 1-11-1969 in order to give the said definition more clarity.

In terms of the provision of Section 23 of the Act, the Commissioner may accept the payment of a sum in consideration of the grant of lease or licence or both for the exclusive privilege in respect of liquor or other intoxicant. This sum is called variously as rental, license fees, lease amount, privilege fee etc., depending on the situation.

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1. Appended to L.A. Bill No. 1 of 2006, Pub. in A.P. Gaz. Pt. IV-A, Ext.No. 1, dt. 22-2-2006.

In consideration of the above privilege, the Corporation has been paying to the Commissioner of Prohibition and Excise certain sums from time to time in the shape of Privilege Fee, Special Privilege Fee, Special Privilege Fee (Sports Promotion), cess etc., and the same was being accepted by the Commissioner of Prohibition and Excise as laid down in Section 23 of the Act.

Whereas, for discharging the above statutory, the **Andhra Pradesh Beverages Corporation Limited** has been fixing and collecting wholesale margin, Special Privilege Fee, Sports Privilege fee etc., on the sale of Indian Made Foreign Liquor and Foreign Liquor and remitting the same to the Commissioner of Prohibition and Excise from the year 1993-94.

In order to safeguard and ensure proper collection of this source of revenue, it is proposed to bring in more clarity by unequivocally declaring all amounts collected as margins or fees etc., by the Andhra Pradesh Beverages Corporation Limited and paid as Privilege Fee or Special Privilege Fee etc., to the Government as amounts paid in consideration for the grant of exclusive privilege for wholesale trade in Indian Made Foreign Liquor, Foreign Liquor in the State of Andhra Pradesh. The amendment also proposed to declare all such payments made from 1993-94 to be due payments to Government provided by law for the relevant years.

It is, therefore, decided to change the definition of 'Indian Liquor' to that of "Indian Made Foreign Liquor" with retrospective effect from 1.11.1969 i.e., from the date the Act 1968 came into force and also to insert new Sections 23A and 23B to safeguard and ensure proper collection of revenue from the Corporation with retrospective effect from 21-7-1993 i.e., the date the Andhra Pradesh (Regulation of Trade in Indian Liquor., Foreign Liquor) Act, 1993 came into force. It is also decided to amend the definition of "Indian Liquor" to that of "Indian Made Foreign Liquor" in the 1993 Act and also in the Andhra Pradesh Prohibition Act, 1995.

To achieve the above object in view, it is decided to amend the **Andhra Pradesh Excise Act, 1968**, the Andhra Pradesh (Regulation of Trade in Indian Liquor, Foreign Liquor) Act, 1993 and the Andhra Pradesh Prohibition Act, 1995 suitably.

This Bill seeks to give effect to the above decision.

**<sup>1</sup>Amendment Act 39 of 2006:** In terms of the provisions of the sub-section (3) of Section 17, of the Andhra Pradesh Excise Act, 1968, a lease or license or both in respect of the 'Shop' may be granted for period not exceeding

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1. Appended to L.A. Bill No. 14 of 2006, Pub. in A.P. Gaz. Pt. IV-A, Ext. No. 14, dt. 18-8-2006.

one year or part thereof. The present provision speaks a lease period for one year or part thereof which is unusually short and causes hurdles in smooth administration. Hence the Government have taken a decision to enhance the period of one year to two years.

Further excise duty is levied on excisable articles either on bulk quantity as in the case of Beer or on the quality or strength expressed in proof liter as in the case of Indian Made Foreign Liquor. In addition to the above two modes of levying duties viz., “per Bulk liter” and “per proof liter” a third mode levying duty on *ad valorem* basis is proposed. Accordingly, the Government have taken a decision to levy excise duty on excisable articles at such rates “per bulk liter” / “per proof liter” / “*ad valorem*” whichever is beneficial to Government.

As the Legislative Assembly was not then in session and it has been decided to give effect to the above decision immediately, the **Andhra Pradesh Excise (Amendment) Ordinance, 2006** (Andhra Pradesh Ordinance No. 5 of 2006) has been promulgated by the Governor on the 25th May, 2006.

This Bill seeks to replace the said Ordinance.

<sup>1</sup>**Amendment Act 33 of 2008:** The Molasses Control Order, 1961 was rescinded in the year 1993. As a result the States have no control over the possession, sale, use and transport of this commodity which is the main source of alcohol. The States have the authority over alcohol which goes for potable purposes, since alcohol is produced mainly from molasses, States such as Tamilnadu, Punjab, Maharashtra and Uttar Pradesh have made their own laws to regulate molasses in their own interest.

Andhra Pradesh is a State where sugarcane is grown adequately and there is a thriving sugar industry. The States like Orissa and West- Bengal have been importing molasses and alcohol to meet their requirements.

In the State of Andhra Pradesh continuous steps were being taken to enact certain rules to regulate molasses after the rescinding of Molasses Control Order 1961. During the year 2005, by way of Act 12 of 2005 and Act 35 of 2005 molasses was included in the definitions under “materials” in Section 2 (22-A, B) and under “*bona fide* purpose” in Section 2 (2-A) of the **Andhra Pradesh Excise Act, 1968**. It is also necessary to make a provision empowering the Government to make rules to regulate “material”.

In the absence of such rules the Prohibition & Excise Department had to contend with several Court rulings directing it to not to interfere in molasses. In fact in W.A. No. 2209 of 1998 the Hon’ble Division Bench of the A.P. High Court observed that “The State is not debarred from making any legislation

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1. Appended to L.A. Bill No. 29 of 2008, Pub. in A.P. Gaz. Pt. IV-A, Ext.No. 29, dt. 29-8-2008.

with regard to molasses". This observation of the High Court has its origin in the fact that molasses is in the Concurrent list of Schedule VII of the Constitution of India, thereby enabling the State to legislate.

It is seen that molasses production has already come down during 2007-2008 and it is likely that the same may further drop during 2008-2009.

This is attributed mainly to the fall in the area under sugarcane. The price of molasses has already gone up and there are indications of its further escalation. Users such as distilleries, Chrome industry, Cattle feed industry and traders from the entire country are flocking to the state requesting grant of No Objection Certificate to transport molasses. Some traders have approached the Hon'ble High Court for a direction to permit them to export molasses outside the country. The Hon'ble High Court directed not to interfere in the absence of legislation.

In the State of **Andhra Pradesh**, the wholesale trade in Indian Made Foreign Liquor is the monopoly of Andhra Pradesh Beverages Corporation Limited which is a wholly owned Government company. Indian Made Foreign Liquor is purchased by the Andhra Pradesh Beverages Corporation Limited at very competitive prices which are the lowest in the region. Therefore, the State has a stake in the supply of the raw material to Indian Made Foreign Liquor industry. Accordingly the State has to ensure that molasses are not taken out of the State indiscriminately starving the local spirit and Indian Made Foreign Liquor industries. In these circumstances, it is felt that suitable legislative measures as proposed may be considered.

Accordingly, the Government has decided to amend the Section 72 (2) (d) of Andhra Pradesh Excise Act, 1968 to regulate the materials in the interest of administration. As per sub-section (2)(d), of Section 72, the Government can make rules regulating the import, export, transport, manufacture etc, of any intoxicant. Similar power to regulate materials such as molasses is not available. The above amendment seeks to include material in Section 72 (2) (d) so that rules for regulating the same can be framed.

As the Legislature of the State was not then in session and it has been decided to give effect to the above decision immediately, the Andhra Pradesh Excise (Amendment) Ordinance, 2008 has been promulgated by the Governor on 31st July, 2008.

This Bill seeks to replace the said Ordinance.

**<sup>1</sup>Amendment Act 1 of 2010:** The **Andhra Pradesh** Excise Act, 1968 provides for regulation of import, export, transport, manufacture, possession and sale of intoxicants and the levy of duty on excisable articles etc., Section 20

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1. Appended to L.A. Bill No. 4 of 2010, Pub. in A.P. Gaz. Pt. IV-A, Ext. No. 4, dt. 2-3-2010.

of the said Act, as it exists at present, enables the District Magistrate to close down retail IML shops for the purpose of preservation of public peace. Similarly power has been given under Section 20 (2) to any 1st class or 2nd class Magistrate to close down IML shops in the event of apprehension or occurrence of any riot or unlawful assembly. Section 20 (3) provides that the licensee shall not be entitled to any compensation on account of such closure but he may claim refund of proportionate license fee.

Rule 59 of the A.P. Excise (Lease of right of selling by shop and conditions of license) Rules, 2005 made in exercise of powers conferred under the above Act provides that the lease holder of IML shop shall not be entitled for remission of lease amount or compensation on account of the closure of licensed premises when the same is closed under Section 20 of the A.P. Excise Act, 1968.

In actual practice it is observed that for maintenance of public peace and law and order it may be necessary sometimes to close down both retail IML shops as well as Bars and in actual practice on the occasion of festivals, elections, law and order situations Collectors and Police authorities are closing down retail shops as well as bars.

In W.P.No. 27634/2005, the Hon'ble High Court allowed the said W.P. by an order dt. 29-8-2007 declaring Rule 59 of A.P. Excise (Lease of Right of Selling by Shop and Conditions of License) Rules, 2005 as *ultra vires* of Section 20 (3) of the A.P. Excise Act and consequential direction was granted to examine the claim of the Petitioner in the light of notification issued by the District Collector, Guntur and dispose off the same for remission within a period of 4 weeks from the date of receipt of a copy of the order without reference to Rule 59 of A.P. Excise (Lease of Right of Selling by Shop and Conditions of License) Rules, 2005. Subsequently another petition has been filed in the High Court claiming remission of proportionate lease amount for the period the shop was closed on account of festivals and M.L.C. elections.

The Commissioner of Prohibition and Excise has further stated that Government Pleader for Prohibition & Excise, High Court has informed that since the Learned Judge has already taken a decision in W.P. No. 27634/2005 and in the event of granting similar orders in the present W.P. all the A4 licenses in the State may claim for similar relief as their shops were also closed during the recent Elections, and in such an event the Government may have to grant remission for the period the shops are closed by virtue of an order under Section 20 of the Act and the amount of remission may exceed Rs. 300 Crores.

In view of the series of litigations, it became inevitable to bring about an amendment to Section 20 (3) of the A.P. Excise Act, 1968 by deleting the provision relating to "refund of such license fee paid by him in respect of the

shop as is proportionate to the period for which the shop is required to be kept closed under the section” with retrospective effect from 24-05-2005 since the lease holders/ Licensees are well aware that the licensed premises would be closed as per the provisions of relevant Act and Rules governing the conduct of Elections, preservation of peace etc., and accordingly they offer the lease amounts or take licences, as the case may be, by estimating the business prospects. Therefore, they need not be given any remission on account of such closure.

To achieve the above object it is decided by the Government to amend the A.P. Excise Act suitably.

As the Legislature of the State was not then in session, having been prorogued the Governor of **Andhra Pradesh**, Promulgated the **A.P. Excise (Amendment) Ordinance, 2009 (A.P. Ordinance 5 of 2009)** on 3-11-2009. The said Ordinance ceased to operate with effect from 17.01.2010. On the expiry of Six weeks from the date of re-assembly of the State Legislature has provided under Article 213 (2)(a) of the Constitution of India.

As the Legislature of the State having been prorogued with effect from 11-01-2010 and not then in session, the Governor of **Andhra Pradesh** promulgated the **Andhra Pradesh Excise (Amendment) Ordinance, 2010 (AP Ordinance 4 of 2010)**.

This Bill seeks to replace the said Ordinance.

**<sup>1</sup>Amendment Act 8 of 2010:** The Bill relates to Amendment of Sections 34, 37, 37-A and 60 and insertion of new Section 60-A in the Andhra Pradesh Excise Act, 1968.

The punishment of imprisonment as provided under the following Sections of the Act for the offences as specified therein is not deterrent enough to discourage smuggling of intoxicating drugs/liquor in the State, to sell illicit diluted/ adulterated liquor so as to reduce the crimes of such nature which sometimes results in grievous hurt or death.

1. Section 34 (1) (ii) - illegal import, export, transport, manufacture, possession or sale of intoxicant
2. Section 37(e) (i) & (ii) - Prints counterfeit excise adhesive labels etc.
3. Section 37 A - Adulteration of liquor with substance which causes grievous hurt or death.

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1. Appended to L.A. Bill No. 10 of 2010, Pub. in A.P. Gaz. Pt. IV-A, Ext. No. 10, dt. 23-3-2010.

With a view to discourage such crimes it is proposed to enhance the minimum imprisonment of one year as provided in the said sections to three years by suitably amending these sections.

It is also proposed to make the offences falling under sub-item (ii) of item (1) of Sections 34, 37 and 37-A as non-bailable under a new Section 6-A by deleting these Sections from the existing Section 60 (5).

To achieve the above object in view, it is proposed to amend the Sections 34, 37, 37-A and 60 of the Andhra Pradesh Excise Act, 1968 suitably.

This Bill seeks to give effect to the above decision.

**<sup>1</sup>Amendment Act 5 of 2012:** In terms of Section 4(1) of the Andhra Pradesh (Regulation of Trade in Indian Made Foreign Liquor, Foreign Liquor) Act, 1993, the Andhra Pradesh Beverages Corporation Limited has the exclusive privilege of importing, exporting and carrying on wholesale trade and distribution of Indian Made Foreign Liquor, Foreign Liquor, Wine and Beer on behalf of the Government for the whole of Andhra Pradesh and while doing so the Corporation is deemed as an authority acting on behalf of the Government for the purpose of Section 68-A of the Andhra Pradesh Excise Act, 1968. Accordingly the Corporation is exempted from taking out a licence or permit under the Andhra Pradesh Excise Act for carrying on its operations.

In terms of Section 23-A of the Andhra Pradesh Excise Act, 1968 the entire amount realized by the Corporation from sale of liquor, after deducting the expenses incurred by the Corporation including donations made to the Chief Minister's Relief Fund, shall be paid as Privilege Fee or any other fee by whatever name called to the Commissioner of Prohibition and Excise in the month succeeding the month of sale. Incidentally the reference to the deduction of expenses incurred by the Corporation in Section 23-A was meant to provide for its administrative and operational expenses only such as remuneration paid to employees, various office/depot expenses, cost of travel etc. The above mentioned provision implies that the Corporation is required to conduct transactions in liquor on its own books of accounts while acting as an authority on behalf of the Government. It also gives an impression as if the Government is levying Privilege Fee from itself since the Corporation acts only as an authority under the Government. However, in actual practice, the entire value of liquor purchased from the Corporation is being remitted by the licensees to a Public Deposit account maintained in the Government Treasury. In turn the Government issues Letters of Credit to the Corporation for effecting payment to the liquor suppliers, remitting Government revenues under various heads and defraying its own expenses.

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1. Appended to L.A. Bill No. 9 of 2012, Pub. in A.P. Gaz. Pt. IV-A, Ext. No. 9, dt. 26-3-2012.

It is therefore necessary to bring the required clarification in the statutory provisions relating to the levy and collection of trade margins/ privilege fee by the Corporation and remittance of the same to the Government in consonance with the status assigned to the Corporation under Section 4 of the 1993 Act, since the provisions of the Andhra Pradesh (Regulation of Trade on Indian Made Foreign Liquor, Foreign Liquor) Act, 1993 shall have effect notwithstanding anything contained in the Andhra Pradesh Excise Act, 1968, it is considered more appropriate to incorporate the operative provisions on the above aspects in the 1993 Act by omitting Sections 23-A and 23-B in the Andhra Pradesh Excise Act, 1968.

Accordingly it has been decided to suitably amend the Andhra Pradesh (Regulation of Trade on Indian Made Foreign Liquor, Foreign Liquor) Act, 1993, and the Andhra Pradesh Excise Act, 1968, to achieve the above objects.

This Bill seeks to give effect to the above decision.

**Amendment Act 8 of 2017:** According to Section 47(1) of the Andhra Pradesh Excise Act, 1968, the Collector or any Prohibition and Excise Officer specially empowered in that behalf may accept from any person whose licence or permit is liable to be cancelled or suspended under clause (a) or clause (b) of sub-section (1) of Section 31 or who is reasonably suspected of having committed an offence falling under [clause (b), clause (c), or clause (d), (g) or clause (h) of section 34, clause (a) clause (e), clause (f), clause (g) or clause (h) of Section 36, clause (b), clause (c), or clause (d) of Section 37 or Section 41 a sum of money not exceeding one lakh rupees and subject to such minima, as may be prescribed, in lieu of such cancellation or suspension or by way of compensation for the offence which they may have been committed as the case may be, and in all cases in which any property has been seized is liable to confiscation under this Act, may release the same on payment of the value thereof as estimated by such officer.

Provided that where the property so seized is a liquor manufactured in contravention of this Act, such liquor shall not be released but shall be disposed of in such manner as may be prescribed.

Though, necessary measures are being taken in controlling MRP/Dilution, cases, still the violations are prevailing in many places.

In order to curb the menace with iron hand, which is causing an unseen revenue loss to the State exchequer, it is felt that the compounding fee being levied at present has to be increased abnormally and in case of habitual offenders the licensee shall be liable for cancellation if the above mentioned violations are committed for second time in the same Excise year.

As such, in order to set right in the violation tendency in the licensees who are indulging in such violations and in the light of the Hon'ble APHC order in

W.P. No. 9338 of 2014, dt. 16-4-2014 in which it was stated *“I hope and trust that the Government will be able to take decision at the earliest, prescribing a limit for tolerating the offences committed by the licensees in this respect. It is time that a policy decision be taken that beyond the second time or at best, the third time, such offences like selling the liquor at a higher price cannot be tolerate.”*

In order to protect revenue loss to the State exchequer, it is felt that the compounding fee being levied at present has to be increased abnormally i.e., a sum of money not exceeding a sum of money subject to such minima, as may be prescribed and notified by the Government from time to time.

Accordingly, it has been decided to suitable amend the Andhra Pradesh Excise Act, 1958.

This Bill seeks to give above decisions.

**Amendment Act 9 of 2017:** The Government have reviewed the existing license fee structure in respect of retail liquor Shops and Bars prevailing in the State of Andhra Pradesh. It is noticed that the lease amounts in respect of Shops have started rising steeply following the policy of auction for the year 2005-06. Since then due to successive auction policies, the lease amounts/license fees have increased manifold and at present the license fee charged for Shops is very high when compared to that prevailing in other States such as Karnataka, Punjab and Rajasthan. The license fee of Bars has also correspondingly increased keeping pace with that of Shops.

It is also noticed that the license fees pegged at such high levels hardly allow any income to most of the licensees to meet the operation and maintenance expenses. The Government have further noticed the imperative need to rationalize the license fee structure of Shops and Bars so as to ensure healthy practices in the conduct of liquor business by the licensees concerned.

The Government have also received the existing structure of excise duty levied on various excisable articles. It is noticed that some States are levying additional excise duty/additional countervailing duty in addition to excise duty/countervailing duty on the excisable articles. Therefore, it is felt desirable that while rationalizing the license fee structure, the Government may levy additional excise duty/additional countervailing duty on the excisable articles wherever necessary.

In order to achieve the aforesaid objects, the Government have decided to suitable amendments to the Andhra Pradesh Excise Act, 1968, to create enabling provisions to levy additional excise duty/additional countervailing duty on the excisable articles.

This Bill seeks to give above decisions.

**[Amendment Act No. 32 of 2017]<sup>1</sup>**

Consequent to the decision of the Government to form new districts in the State, need arises for the Prohibition and Excise Department to restructure administrative units, redeploy officers & re-notify Jurisdictions. To utilize the available manpower to the optimum, keeping in view the limited number of Prohibition and Excise Superintendent posts, a "Generic designation" of different cadres in newly formed Districts or in certain units keeping in view the Revenue, Crime and area covered, since the post involves exercise of certain essential statutory functions.

The Cadre Strength of Prohibition and Excise Superintendents in the State is Twenty Six (26) i.e. (24) at the field level and remaining Two (2) in State Task Force. By absorbing (3) posts existing in TSBCL the cadre strength raised to (29). The requirement is (34). Even after redeployment of existing Prohibition and Excise Superintendents. Still, to meet the requirement in the districts and other administrative units, a "Generic Designation" (District Prohibition and Excise Officer) for the post of District Head, which is at present only in the cadre of Prohibition and Excise Superintendent is required for the purpose of posting officers of other cadres also.

The provisions existing in Excise Act will not suffice or support appointment and posting of Generically Designated officers to the districts or to other similar administrative units. Accordingly, Commissioner of Prohibition and Excise Vide Cr.No.5400/2016/CPE/TS/F1,dated:12.09.2016, has submitted the proposals for certain amendments in Excise Act to substitute the words "Prohibition and Excise Superintendent" with "District Prohibition and Excise Officer".

After formation of the State of Telangana, the Government of Telangana has been reviewing the Acts and Rules including theTelangana Excise Act, 1968 (Act No. 17 of 1968) and of Indian Made Foreign Liquor and Foreign liquor whole sale and retail vending and decided to bring certain amendments to the Telangana Excise Act, 1968, for the smooth operation of the Transactions in the State including collection of certain fees etc. from the suppliers etc. which needed support of statute. The collection of certain fees etc. were frequently challenged in the court of law by the suppliers. Accordingly, the Managing Director, Telangana State Beverages Corporation Limited, Telangana State, Hyderabad in his letter no. TSBCL/I/2017-18 has submitted proposals for incorporating certain provisions i.e. clause (11-A) in section 2, sub-section

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1. Appended to L.A. Bill No. 16 of 2017, Pub. in Telangana Gaz., Part IV-A, Ext.No. 16, dt. 8-11-2017.

(4) in section 21 and sub-sections (3) and (4) in section 28 of the Telangana Excise Act, 1968. The Commissioner of Prohibition and Excise also submitted similar proposals for incorporating the said provisions.

In view of the above, it has been considered necessary to issue certain modifications in the provisions of the Telangana Excise Act, 1968, to realise the said objective and accordingly, it has been decided to amend the relevant provisions of the Act by undertaking a legislation.

As the Legislature of the State was not in session and it has become imperative for the Government to implement the said decision immediately, the Telangana Excise (Amendment) Ordinance, 2017 (Telangana Ordinance No. 5 of 2017) has been promulgated by the Governor on the 28th June, 2017 and the same has been published in the Telangana Gazette dated 28th June, 2017.

This Bill seeks to replace the said Ordinance.

## Chapter-I

### Preliminary

**1. Short title, extent and commencement:-** (1) This Act may be called the *Telangana Excise Act, 1968*.

(2) It extends to the whole of the State of Telangana.

*[The word "Telangana" subs. for "Andhra Pradesh" by G.O.Ms.No. 162, Rev (Ex.-II) Dept., dt. 10-9-2015.]*

Provided that on and from the date of commencement of the Telangana Prohibition Act, 1995 the provisions of this Act shall, in so far as they are inconsistent with the provisions of the said Act cease to operate.

(3) It shall come into force on such date as the Government may by notification appoint.

*[Sub-section (2) of Section 1 substituted by Section 34 of Act 17 of 1995. (A.P. Prohibition Act, 1995) w.e.f. 20-2-1995].*

*The Act came into force w.e.f. 30-8-1968 in Telangana Area (vide G.O.Ms.No.827 (Rev.) dt. 30-8-1968 and from 1-11-1969 in Andhra Area (vide G.O.Ms.No.989 (Rev.) dt. 6-10-1969).*

### CASE-LAW

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**1. Preamble:**— Preamble can be referred to in case of ambiguity. *Unni Krishna vs. Kunhiraman*, 1971 Ker. LT 563; *Musaliar vs. Venkatachalam*, AIR 1956 S.C. 246. Preamble of a statute is a key to the understanding of it. *Kochuni vs. State of Madras*, AIR 1960 S.C. 1080. Preamble is an admissible aid to the construction of an Act. *Jai Singh vs. Union of India*, AIR 1993 Raj 177.

**2. Interpretation of a statute** :— The function of the judges in interpreting statutes is two fold. In the first place they must decide upon the exact meaning of what the Legislature has actually said and in the second place, they must consider what the Legislature intended to have said or ought to have said, but did not either because it never visualised such a set of circumstances arising as that before the court, or because of some other reasons. *Keeton on Jurisprudence p. 89 in 1949 Edn.* Interpretation may be grammatical or logical and grammatical interpretation is one which depends upon the laws of speech with reference to the words used in the statute whereas logical interpretation depends upon the comparison of the statute with other statutes. Gray on Nature and Sources of the Law (2nd Ed. at 176-178). It seldom happens that the framer of an Act of Parliament has in contemplation of all the cases that are likely to arise under it, therefore the language used seldom fits every possible case; consequently the difficulties as to the construction of statutes consist chiefly in the application to various and complicated circumstances of words which are of a wide and general meaning. *Scott vs. Legg*, (1876) 2 Ex. D. 42; *Attorney General vs. Cecil*, (1870) L.R. 5 Ex. 263.

In *Seaford Court Estates Ltd. vs. Asher*, (1949) 2 K.B. 481 *Denning L.J. observed on this aspect—*

“Whenever a statute comes up for consideration it must be remembered that it is not within human powers to foresee the manifold sets of facts which may arise; and that, even if it were, it is not possible to provide for them in terms free from all ambiguity. The English language is not an instrument of mathematical precision. Our literature would be much the poorer if it were. This is where the draftsmen of the Acts of Parliament have often been unfairly criticised. A judge, believing himself to be fettered by the supposed rule that he must look to the language and nothing else, laments that the draftsmen have not provided for this or that, or have been guilty of some or other ambiguity. It would certainly save the judges trouble if Acts of Parliament were drafted with divine pre-science and perfect clarity. In the absence of it, when a defect appears, a judge cannot simply fold his hands and blame the draftsman. He must set to work on the constructive task of finding the intention of Parliament and he must do this, not only from the language of the statute but also from a consideration of the social conditions which give rise to it and of the mischief which it was passed to remedy and then he must supplement the written word so as to give “force and life” to the intention of the Legislature”.

Where the words are plain, precise and unambiguous, they have to be given their natural and plain meaning since such words declare and convey the will and meaning of the Legislature. *Commissioner of Income Tax vs. G. Hyatt*, AIR 1971 S.C. 725; *Kamalaranjan vs. Secy. of State*, AIR 1938 PC 281; *Aswini Kumar vs. Arbinda Bose*, AIR 1952 SC 369; *Janardan Reddy vs. State of Hyderabad*, AIR 1951 SC 124. It is not proper to ascertain the intention by a process of speculation or on grounds of analogy and it is beyond the functions of the court to presume that the Legislature intended to go beyond what the language of the enactment means. *British India General Insurance Co. Ltd. vs. Itabar Singh*, AIR 1959 SC

1331; *Venkataramana vs. State of Mysore*, AIR 1958 SC 255; *Polester & Co. vs. Addl. Commissioner of Sales Tax*, AIR 1978 SC 897. Where there is ambiguity and inconsistency, it is the duty of the court to ascertain the true meaning and correctly interpret the letter of the law and where it is not complete, then the court may interpret the same even by supply of words by way of logical interpretation. *Kanwar Shing vs. Delhi Administration*, AIR 1965 SC 871 ; *Bengal Immunity Co. vs. State of Bihar*, AIR 1955 SC 661. *Casus omissus* cannot be supplied by a Court since it is not the function of the court to rewrite or amend a Section on the ground that it was erroneously left by the Legislature. *Punjab Distilling Industries Ltd., Khasa vs. Commissioner of Income Tax Simla*, AIR 1962 Punj. 337; *Vikram Yeshwanta vs. Eknath Trimbak Gadekar*, AIR 1978 Bom. 71; *Vickers Sons and Maxins Ltd. vs. Evans*, 1910 AC 444; *Tompson vs. Goold & Co.*, 1910 AC 409. The reports of the Select Committees or the debates made by the members cannot be used for the purpose of interpreting the provisions of a statute. *State of Travancore, Cochin vs. Bombay Co. Ltd.*, AIR 1952 SC 366; *Hollinshed vs. Hazelton.*, (1916) AC 428. The preamble of a statute forms part of the statute Halsbury Laws of England vol. 36, p. 370 (3rd Edn.), but a contrary opinion was expressed in the undermentioned case. *Mills vs. Wilkins*, 1703 Hult K.B. 662. The title of an Act or of a Chapter also forms part of the statute and it may be used for the purpose of ascertaining the scope of the Act, *Vachar & Sons Ltd. vs. London Society of Compositors*, 1913 A.C. 107; *H.L. National Telephone Co, Ltd. vs. Postmaster General*, 1913 A.C. 546 it cannot be considered as a determining factor regarding the interpretation of different provisions of the statute. *Dwaraka Prasad vs. B.K. Roy*, AIR 1950 Cal. 349; *I.T. Commissioner vs. Ahmedbhai Umarbhai & Co.*, AIR 1950 S.C. 164; *Secretary of State vs. Mark & Co.*, AIR 1940 P.C 105; *Kalipada vs. Shree Bank Ltd.*, AIR 1960 Cal. 285; *Trustees of Clyde Navigation vs. Laird*, (1883) 8 A.C. 658. If the language of the Section itself is clear, the heading need not be taken into consideration. *Kalyanji vs. Ram Deen Lala*, 48 Mad. 395; *R. vs. Surrey*, (1947) 2 All. E.R. 276. Marginal notes also can be treated on the same footing as that of headings and though the same cannot be used for the purpose of construing the Act, it can however be looked in to gather the intention of the Legislature. *Nalinakhya vs. Shyam Sunder*, AIR 1953 S.C. 148 ; *Saiza vs. Reserve Bank of India*, AIR 1946 Bom. 510 J.M.D. ; *Emperor vs. Mumtaz*, AIR 1935 Oudh 337. Where the same expression is used in a statute at different places generally the same meaning should be given to such an expression. *Lalchand vs. Radha Kishan*, AIR 1977 SC 789. The rules framed under an Act cannot go beyond the Act and the rules must be interpreted subject to the provisions of the Act. *Thakur Pratap Singh vs. Shri Krishna Gupta*, (1955) 2 S.C.R 1029 ; *Balakotaiah vs. Union of India*, AIR 1958 S.C. 232. No universal rule can be laid down for determining whether the provisions of a statute are mandatory or directory and it is the duty of the Courts to try to get at real intention of the Legislature by carefully attending to the whole scope of the statute to be construed. *State of U.P. vs. Babu Ram Upadhyya*, AIR 1961 S.C. 751 ; *Liverpool Borough Bank vs. Turner*, (1860) 30 L.J. Ch. 379. Where a Section of an English statute is in *Pari materia* with a Section

in Indian statute, the interpretation placed by the English courts will be of much persuasive value *Sterling General Insurance Co. Ltd. vs. Planters Airways (Pvt.) Ltd.* AIR 1975 S.C. 415; *Gurana Saheb vs. Appala Naidu*, AIR 1928 Mad. 434 though they are not precedents. *Annapurnamma vs. Akkayya*, 30 Mad. 544. Generally it has to be presumed that every statute is constitutionally valid and further where certain provisions of law construed in one way will make them constituent with the Constitution and another interpretation will make them unconstitutional the court should lean in favour of the former Construction of the Statute. *Kedar vs. State of Bihar*, AIR 1962 S.C. 955; *Narasindas vs. Choge Mull*, AIR 1939 Cal. 435.

It is the duty of the court to give effect to the legislative intent *Gauri Shankar vs. State of U.P.*, AIR 1994 S.C 169 explanation to section is not a substantive provision by itself. It is entitled to explain the meaning of the words contained in the section or clarify certain ambiguities or clear them up. *Sulochana Amma vs. Narayanan Nair*, AIR 1994 S.C 152.

**3. Statements of objects and reasons :-** The statements of objects and reasons are not admissible in aid of construction of statute when the meaning is clear but it may be referred to for ascertaining the conditions at the time of the Bill. *Sharma vs. Delhi Administration*, AIR 1973 S.C. 913 = 1973 (1) S.C.C. 726 ; *Chhotabhai vs. State of Maharashtra*, AIR 1971 Bom 244

**4. Proviso :-** If a proviso is in conflict with the provision, it cannot be struck down but must be construed as an independent provision. *Sudhakar Reddy vs. Govt of A.P.* , 1991 (2) AnW.R. 229 = 1991 (3) ALT 173.

**5. Heading of a chapter :-** Mere heading of a chapter cannot control or cut down the meaning of the clear words in the statute. *Advocate General vs. Subba Rao*, 1990 (2) An.W.R. 566 = 1990 (3) ALT 530. Heading can be used as aid for interpreting the meaning of the sections in that chapter. *Subash Chander vs. State*, 1990 Cr L.J. 1217.

**6. Legislature does not waste words :-** Every word used by the Legislature must be given its due import since Legislature does not waste words without any intention. *Sonia Bhatia vs. State of U.P.* , AIR 1981 S.C. 1274 = 1981 (2) S.C.C. 585.

**7. Words not defined :-** Where words are not defined such words normally carry the dictionary meaning. *Shivcharan vs. State*, AIR 1976 Punj 262.

**8. Cardinal rule of construction :-** While interpreting the provisions of a statute, courts have to give effect to the actual words used whether couched in positive or negative. *Udayan vs. Bali*, AIR 1977 S.C. 2319 = 1977(4) S.C.C. 309.

**9. Obscurity to be avoided :-** While interpreting the language of statutes rules and notifications, obscurity must be avoided. *Aluminium Corp vs. Union of India*, AIR 1975 S.C. 2279.

**10. Hypothetical considerations :-** While arguments are based on hypothetical considerations, it can have little weight while interpreting statutes. *State of M.P. vs. Vishnu Prasad*, AIR 1966 S.C. 1593.

**11. Construction leading to manifest absurdity :-** Where the construction of a statute leads to manifest absurdity futility, palpable injustice or absurd inconvenience or anomaly it should be avoided. *American Home Products Corp. vs. Mac Laboratories*, AIR 1986 SC 137 = 1986 (1) SCC 465.

**12. Two constructions possible :-** Where two constructions are possible upon the language of the statute, the court must choose one which is consistent with good sense and fairness and eschew the other which makes its operation unduly oppressive, unjust or unreasonable or which would lead to strange inconsistent results or otherwise introduce an element of bewildering uncertainty and practical inconvenience in the working of the statute. *Dilip Kumar vs State of M.P.*, AIR 1976 S.C. 133 = 1976 (1) S.C.C. 560.

**13. Contemporaneous construction :-** The rule of construction by reference to *contemporaneous expositio* is a well established rule for interpreting a statute by reference to the exposition it has received from contemporary authority though it must give way where the language of the statute is plain and unambiguous. *Varghese vs. Income Tax Officer*, AIR 1981 S.C. 1922; *Desh Bandhu Gupta Co. vs. Delhi Stock Exchange Association.*, AIR 1979 S.C. 1049; *Senior Electric Inspector vs. Laxmi Narayana Chopra*, AIR 1962 S.C. 159.

**14. Addition of words not justified :-** While construing a provision addition of words to the section cannot be justified. *Viswanatha Pillai vs. Shanmugham Pillai*, AIR 1969 SC 493 = 1969 (1) SCC 188; *Sri Ram Narain vs. State of Bombay*, 1959 (2) M.L.J. (SC) 1. Court may supply some words in order to make the meaning of the statute clear. *Ramaswamy Nadar vs. State of Madras*, AIR 1958 SC 56.

**15. Casus omissus :-** Doctrine of casus omissus is not applicable where language is clear. *S.P. Gupta vs. President of India*, AIR 1982 SC 149 = 1082 (2) SCR 365.

**16. No words should be considered redundant :-** The cardinal rule of construction is that no words should be considered redundant or surplus in interpreting provisions of a statute or a rule. *Dinesh Chandra vs. State of Assam*, AIR 1978 S.C. 17 = 1977 (4) SCC 441.

**17. Plain words :-** If the precise words used are plain and unambiguous, they are bound to be construed in their ordinary sense. *Nasiruddin vs. State Transport Appellate Tribunal*, AIR 1976 SC 31; *Choranjit Lal vs. Union of India*, AIR 1951 S.C. 41; *Corp of city of Nagpur vs. Its Employees*, AIR 1960 SC 675.

**18. Meaning of words :-** The words are to be understood according to their subject matter. *Cap Subash Kumar vs. Principal Officer Mercantile Marine Dept.*, AIR 1991 SC 1632.

**19. Section to be read as one unit :-** It is well settled that a section has to be read in its entirety as one composite unit without bifurcating it or ignoring any part of it. *Kalawati Bai vs. Soriya Bai*, AIR 1991 SC 1581.

**20. Literal construction :-** It is not the duty of the Court either to enlarge the scope of Legislation or the intention of the Legislature when the language of the provision is plain. *Union of India vs. Deoki Nandan*, AIR 1992 SC 96=1992(1) SCC (Supp.) 323=1992(1) LLN 42. While construing provisions of a statute no provision should be rendered meaningless. *Patel Chunibhai vs. Narayan Rao*, AIR 1965 SC 1457=1965(2) SCR 328=1966(1) SCJ 774. There is no scope for placing an unnatural interpretation on the language used by the Legislature. *Mangilal vs. Sujan Chand*, AIR 1965 SC 101.

In the case of beneficial provision Court has to adopt a constructive approach so as not to exclude such a provision. *Gauri Shankar Gaur vs. State of U.P.*, 1994(1) SCC 92.

**21. Hardship :-** Where the language of a provision is plain, hardship or inconvenience is of no consequence. *Morvi Mercantile Bank vs. Union of India*, AIR 1965 SC 1654=1965(3) SCR 254; *Commissioner Agriculture Income Tax vs. Keshab Chandra Mandal*, AIR 1950 SC 265=1950 SCJ 364=1950 SCR 435; *Martin Burn Ltd. vs. Corporation of Calcutta*, AIR 1966 SC 529=1966(1) SCR 543; *State of M.P. vs. Vishnu Prasad*, AIR 1966 SC 1593; *Banerjee vs. Anita pan*, 1975(1) SCC 166.

**22. Beneficent construction :-** It is a sound rule of interpretation of beneficial Legislation that in cases of ambiguity the construction which advances the beneficent purpose should be accepted in preference to the one which defeats that purpose. *Mahadeolal vs. Administrator General of West Bengal*, AIR 1960 SC 936=1960(1) SCJ 15=1960(3) SCR 578; *Dilip Kumar vs. State of M.P.*, 1976(1) SCC 560; *M.P. Mineral Industry Association vs. Regional Labour Commissioner*, AIR 1960 SC 1068; *Collector of Customs vs. Digvijay Singh*, AIR 1961 SC 1549; *Rameshwar vs. Jotram*, 1976(1) SCC 194; *Bushambar vs. State of Orissa*, AIR 1954 SC 139; *Kanai Lal vs. Paramnidhi*, AIR 1957 SC 907; *State of Gujarat vs. Jamnadas*, 1975(1) SCC 138; *A.D.M. Jabalpur vs. Shivakant Shukla*, 1976(2) SCC 521.

**23. Harmonious construction :-** Every statute has to be construed as a whole and the construction given should be a harmonious one. *Arjan Singh vs. State of Punjab*, AIR 1970 SC 703=1970(1) SCJ 537; *State of A.P. vs. Ganeswara Rao*, AIR 1963 SC 1850; *National Buildings Construction vs. Pritam Singh Gill*, AIR 1972 SC 1679=1972(2) SCC 1=1972 Lab.I.C. 857; *Municipal Corporation vs. Subba Rao Hanumanth Rao*, 1976(4) SCC 830; *State of Rajasthan vs. Gopikishan*, 1993(1) SCC (Supp.) 522. It is certainly not the duty of the Court to stretch the words used by the Legislature to fill in gaps or omissions in the provisions of an Act. *Hira Devi vs. District Board*, AIR 1952 SC 362=1952 SCJ 533.

It is the duty of Courts to avoid conflicts and whenever it is possible to do so, to construe provisions which appear to conflict so that they harmonise. *Raj Krishna Bose vs. Binod Kanungo*, AIR 1954 SC 202=1954 SCJ 286=1954 SCR 913; *Prashar vs. Vasantsen*, AIR 1963 SC 1356=1963(1) SCJ 687; *Anant Gopal vs. State of Bombay*, AIR 1958 SC 915=1958 SCJ 1231=1958(2) MLJ (SC) 207; *Bengal Immunity Co. vs. State of Bihar*, AIR 1955 SC 661; *Nanavati vs. State of Bombay*, AIR 1961 SC 112; *Mannan Lal vs. Chotka Bibi*, 1970(1) SCC 769.

**24. Generalia specialibus non derogant** :- The maxim generalia specialibus non derogant means that when there is a conflict between a general and a special provision, the latter shall prevail. *C.I.T. vs. Shahzada Nand & Sons*, AIR 1966 SC 1342=1966(1) SCJ 715=1966(3) SCR 379; *Patna Improvement Trust vs. Laxmi Devi*, AIR 1963 SC 1077=1964(1) SCA 88; *South India Corporation vs. Secretary, Board of Revenue*, AIR 1964 SC 207=1964(2) SCJ 415=1964(4) SCR 280; *J&K Cotton Spinning & Weaving Mills Co. vs. State of U.P.*, AIR 1961 SC 1170=1961(3) SCR 185; *Pratap Singh Bahadur vs. Manmohan Dey*, AIR 1966 SC 1931=1966(3) SCR 663; *Anandji Haridas vs. Kasture*, AIR 1968 SC 565; *Maharashtra Tubes vs. State Industrial & Investment Corporation*, 1993(2) SCC 144.

**25. Noscitur a Sociis** :- Rule of construction noscitur a sociis means when two or more words which are susceptible of analogous meaning are coupled together they are understood to be used in their cognate sense. *State of Bombay vs. Hospital Mazdoor Sabha*, AIR 1960 SC 610=1960 SCJ 679; *Corporation of City of Nagpur vs. Employees*, 1961(2) SCJ 134; *Oswal Agro Mills vs. C.C.E.*, AIR 1993 SC 2288=1993(3) SCC (Supp.) 716.

**26. Mischief rule** :- A statute must be so construed as to prevent the mischief and to advance the remedy according to the true intention of the makers of the statute. *Sevantlal Maneklal vs. C.I.T.*, AIR 1968 SC 697=1968(2) SCJ 129; *Carew & Co. vs. Union of India*, AIR 1975 SC 2260; *Sundaramier & Co. vs. State of A.P.*, AIR 1958 SC 468; *Bengal Immunity Co. vs. State of Bihar*, AIR 1955 SC 661; *C.I.T. vs. Vadilal*, AIR 1973 SC 1016; *Swantraj vs. State of Maharashtra*, AIR 1974 SC 517; *Newspapers Ltd. vs. State Industrial Tribunal*, AIR 1957 SC 532; *Umed vs. Raj Singh*, AIR 1975 SC 270; *Kapur vs. Pratap Singh Kairon*, AIR 1964 SC 295; *Philip John vs. C.I.T.*, AIR 1964 SC 587.

**27. Ejusdem Generis** :- The true scope of the rule of ejusdem generis is that words of a general nature following specific and particular words should be construed as limited to things which are of the same nature as those specified and not its reverse, that specific words which precede are controlled by the general words which follow. *Thakur Amar Singhji vs. State of Rajasthan*, AIR 1955 SC 504=1955 SCJ 523=1955(2) SCR 303 ; *Tribhuvan Prakash Nayyar vs. Union of India*, AIR 1970 SC 540=1970(2) SCR 732 ; *Narayan vs. Laxman*, AIR 1974 SC 111 ; *Rajasthan State Electricity Board vs. Mohan Lal*, AIR 1967 SC 1857 ; *Jage Ram vs. State of Haryana*, 1971 (1) SCC 671; *Lila vs. State of Bombay*, AIR 1957 SC 521.

**28. Marginal notes :-** Marginal notes cannot control the meaning of the body of the section if the language employed therein is clear and unambiguous. *Nalinakhya vs. Shyam Sunder*, AIR 1953 SC 148; *Nanavati vs. State of Bombay*, AIR 1961 SC 112; *Union of India vs. Harbhajan Singh*, 1972(2) SCC 779; *Indian Aluminium vs. Kerala State Electricity Board*, 1975(2) SCC 414; *Bhinka vs. Charan Singh*, AIR 1959 SC 960; *Charan Lal vs. Nand Kishore*, 1973(2) SCC 530; *Bengal Immunity Co. vs. State of Bihar*, AIR 1955 SC 661; *Maharashtra Tubes vs. State Industrial & Investment Corporation*, 1993(2) SCC 144.

**29. Explanation :-** An explanation appended to a section or clause gets incorporated into it and becomes an integral part of it and has no independent existence apart from it. *Bengal Immunity Co. vs. State of Bihar*, AIR 1955 SC 661; *Hiralal Ratanlal vs. State of U.P.*, AIR 1973 SC 1034; *Bihta Co-op. Dev and Cane Marketing Union vs. Bank of Bihar*, AIR 1967 SC 389; *State of Bombay vs. United Motors*, AIR 1953 SC 252.

**30. External aids :-** Recourse to extrinsic aid in interpreting a statutory provision would be justified only within well recognised limits. Primarily the effect of the statutory provisions must be judged on a fair and reasonable construction of the words used by the statute itself. *State of Punjab vs. Sodhi Sukhdev Singh*, AIR 1961 SC 493=1961(2) SCJ 691; *Prasar vs. Vasant Sen*, AIR 1963 SC 1356; *Krishna Chandra vs. Union of India*, 1975(2) SCC 302.

**31. Internal aids :-** Title, preamble etc., whatever their value might be as aids to the construction of a statute, undoubtedly throw light on the intent and design of the Legislature and indicate the scope and purpose of the Legislation itself. *Popatlal vs. State of Madras*, AIR 1953 SC 274=1953 SCJ 369=1953 SCR 677; *C.I.T. vs. Ahmedbhai*, AIR 1950 SC 134; *Sundaravamier & Co. vs. State of A.P.*, AIR 1958 SC 468; *Thangal Kunju vs. Venkatachalam*, AIR 1956 SC 246.

**32. Reading down :-** The doctrine of reading down a provision cannot be invoked where the provision itself negates the same. *Gautam vs. Union of India*, 1993(1) SCC 78; See *All Saints High School vs. Govt. of A.P.*, AIR 1980 SC 1042=1980(2) SCC 478.

**33. Alternative construction :-** If two constructions are possible upon the language of the statute, the Court must choose the one which is consistent with good sense and fairness and eschew the other which makes its operation unduly oppressive, unjust etc. *Dilip Kumar Sharma vs. State of M.P.*, AIR 1976 SC 133 = 1976(1) SCC 560 = 1976(2) SCJ 91.

**34. Reasonable construction :-** The construction of a provision must be reasonable and rational. *Shyam Kishori Devi vs. Patna Municipal Corporation*, AIR 1966 SC 1678 = 1967(1) SCJ 597.

**35. Duty of the Court to give effect to the law as it is found:-** In *K.T.V. Health Food (P) Ltd. v. Union of India*, AIR 2023 SC 808, it was held that it is the plain duty of the Court to give effect to the law as it is found and no doubt if it is found otherwise acceptable, an interpretation which accords with constitutional principles, may appeal to the Court, even if there is no challenge mounted.

**2. Definitions:-** In this Act, unless the context other wise requires—

- (1) “*Arrack*” includes all liquor produced or manufactured in India and supplied by the Government, other than Foreign Liquor and Indian Made Foreign Liquor;

*[For the expression ‘Indian Liquor’ the expression ‘Indian Made Foreign Liquor’ substituted by Act 17 of 2006. This substitution is applicable wherever the expression ‘Indian Liquor’ occurs in the Act].*

- (1-A) “*Bar*” means the privilege granted under the Act to an establishment, where food is served, for sale of Indian Made Foreign Liquor and Foreign Liquor in loose for consumption on the licensed premises.

*[Clause 1-A inserted by Act 35 of 2005. Effective from 20.5.2005]*

- (2) “*Beer*” includes ale, stout, porter and all other fermented liquors usually made from malt.

- (2-A) “*Bona fide purpose*” means the privilege granted under the Act for the sale or use as the case may be, of any intoxicant, any material or any liquor and does not include Indian Made Foreign Liquor, Foreign Liquor and Toddy.

*[Clause 2-A inserted by Act 35 of 2005. Effective from 20.5.2005]*

- (3) “*Bottle*” means to transfer liquor from one cask to another cask or from a cask or vessel to a bottle, jar, flask, pot, closed packet, basket, tin, barrel, case, receptacle, bag, sack or wrapper or any other receptacle in any form in which any intoxicant is packed for the purpose of sale whether or not any process of manufacture is employed and includes re-bottling;

*[Clause (3) Substituted by Act 4 of 1994 with effect from 26.11.1993]*

### Comments

Clause (3) prior to its substitution by Act 4 of 1994, read as:

“(3) Bottle means to transfer liquor from a cask or other vessel to a bottle, jar, flask, pot or similar receptacle for the purpose of sale whether or not any process of manufacture is employed, and includes rebottling.”

- (4) “*Buy or Buying*” includes any receipt including gift;
- (5) “*Collector*” means the Collector of a district and includes *the Joint Collector* or any person appointed by the Government to exercise the powers and to perform the functions of collector under this Act;

*[For the words ‘the District Revenue Officer’ the words ‘the Joint Collector’ substituted by Act 4 of 1994. Effective from 26.11.1993]*

- (6) “*Commissioner*” means the officer appointed under Section 3;  
 (6-A) “*Corporation*” means the [Telangana State] Beverages Corporation Limited, Hyderabad.

[Clause 6-A inserted by Act 17 of 2006, w.r.e.f. 21-7-1993.]

[The word “Telangana State” subs. for “Andhra Pradesh” by G.O.Ms.No. 162 Rev. (Ex-II) Dept., dt. 10-9-2015, w.e.f. 10-9-2015]

- (7) “*Cultivation or Cultivating*” includes the tending or protecting of a plant during growth and does not necessarily imply raising it from seed;  
 (8) “*Denatured*” means subjected to a process prescribed for the purpose of rendering unfit for human consumption;  
 (9) “*Excisable article*” means any alcoholic liquor for human consumption; or any intoxicating drug.

[Clause 9 Substituted by Act 20 of 1994. Effective from 20.5.1994]

### Comments

Clause 9 prior to its substitution by Act 20 of 1994 read as follows:

- (9) ‘Excisable article’ means:  
 (a) any alcoholic liquor for human consumption;  
 (b) any intoxicating drug;  
 (c) Opium;  
 (d) other narcotic drugs and narcotics which the Government may, by notification, declare to be an excisable article.

The expression of “Excisable article” was modified by A.P. Act 20 of 1994 to bring in conformity with the Narcotic Drugs and Psychotropic Substances Act, 1985 which is a Central Act.

- (10) “*Excise duty*” or “*countervailing duty*” means the duty of excise or countervailing duty, as the case may be, mentioned in entry 51 in List II of the seventh Schedule to the Constitution;  
 (11) “*Prohibition and Excise Officer*” means the Commissioner, the Collector or any officer or other person lawfully appointed or invested with powers under the relevant provisions of this Act;  
 (11A) “*District Prohibition and Excise Officer*” means the Prohibition and Excise Superintendent or Assistant Prohibition and Excise Superintendent or any officer lawfully appointed or invested with powers under the relevant provisions of the Act.

[Clause 11A Inserted by Act No. 32 of 2017, w.r.e.f. 11-10-2016]

- (12) “*Excise revenue*” means revenue derived or derivable from any duty, fee, tax, rent, fine, penalty or confiscation levied, imposed or ordered under the provisions of the Act or other law for the time being in force relating to intoxicating liquors or intoxicating drugs;
- (13) “*Excise tree*” includes the tree of mohwa, coconut, palm, Palmyra, date, bagani, sago, sendhi or any tree of the species of palm or Palmyra from the fermented or unfermented juice of which toddy or liquor can be prepared.
- (14) “*Export*” means—
- (a) to take out of any area of the State to which this Act extends to any other area of the State to which this Act does not extend;
- (b) to take out of the State otherwise than from a Customs station as defined in Section 2 of the Customs Act, 1962 (Central Act 52 of 1962);
- (15) “*Foreign Liquor*” includes every Liquor imported into India other than Indian Made Foreign Liquor and Arrack;
- (16) “*Government*” means the State Government;
- (17) “*Import*” except in the phrase ‘*Import into India*’ means—
- (a) to bring into any area of the State to which this Act extends from any other area of the State to which this Act does not extend;
- (b) to bring into the State otherwise than from a Customs station, as defined in Section 2 of the Customs Act, 1962 (Central Act 52 of 1962);
- (18) “*Indian Made Foreign 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, Beer, Milk punch’ and other liquors consisting of or containing any such spirit, but does not include Foreign liquor;

[Clause 18 substituted by Act 17 of 2006, w.r.e.f. 1-11-1969.]

- (18-A) “*In-house*” means the privilege granted under the Act for sale of Indian Made Foreign Liquor and Foreign Liquor by Club, Guest House of *Telangana State Tourism Development Corporation*, Military Canteen, Airport Transit lounge for International Air passengers.

[Clause 18-A inserted by Act 35 of 2005. Effective from 20.5.2005]

*[The words “Telangana State” subs. for “Andhra Pradesh” by G.O.Ms.No. 162 Rev. (Ex-II) Dept., dt. 10-9-2015, w.e.f. 10-9-2015]*

- (19) “*Intoxicant*” means any liquor as defined in Clause (21) or any intoxicating drug as defined in Clause (20) and includes gulmohwa (that is mohwa flower);
- (20) “*Intoxicating drug*” means—
- (a) the leaves, small stalks and flowering or fruiting tops of the Indian hemp plant including all forms known as bhang, sidhi, or ganja;
  - (b) charas, that is the resin obtained from the Indian hemp plant which has not been subjected to any manipulations other than those necessary for packing and transport;
  - (c) any mixture with or without neutral materials of any of the above forms of intoxicating drug or any drink prepared there from; and
  - (d) any other intoxicating or narcotic substance which the Government may, by notification, declared to be an intoxicating drug, such substance not being opium, cocoa leaf or manufactured drug as defined in Section 2 of the *Narcotic Drugs and Psychotropic Substances Act, 1985* (Central Act 61 of 1985).

*[For the words ‘Dangerous Drugs Act, 1930, the words ‘Narcotic Drugs and Psychotropic Substances Act, 1985 substituted by Act 20 of 1994. Effective from 20.5.1994]*

- (21) “*Liquor*” includes—
- (a) Spirits of wine, denatured spirits, methylated spirits, rectified spirit, wine, beer, toddy and every liquid consisting of or containing alcohol; and
  - (b) Any other intoxicating substance which the Government may, by notification, declare to be liquor for the purpose of this Act;
- (22) “*Manufacture*” includes every process whether natural or artificial by which any fermented, spirituous or intoxicating liquor or intoxicating drug is produced, prepared or blended and also re-distillation and every process for the rectification of liquor;
- (22-A) “*Material*” includes molasses, wash and such other substances as the State Government may, by notification, specify;
- (22-B) “*Molasses*” means the heavy dark coloured residual syrup drained away in the final stage of the manufacture of jaggery or sugar or Khandasari sugar cane or gur containing solution or suspension, sugars which can be fermented and includes any product formed by the addition to such syrup of any ingredient

which does not substantially alter the character of such syrup but does not include any article which the State Government may, by notification, declare not to be molasses, for the purpose of this Act;

*[Clauses 22-A & 22-B inserted by Act 12 of 2005 effective from 8.4.2005]*

(23) “*Notification*” means a notification published in the *Telangana State Gazette* and the term ‘notified’ shall be construed accordingly;

*[The word “Telangana” subs. for “Andhra Pradesh” by G.O.Ms.No. 162 Rev. (Ex-II) Dept., dt. 10-9-2015, w.e.f. 10-9-2015]*

(24) “*Place*” includes a house, building, booth, shed, enclosure, shop, tent, vessel, raft and vehicle;

(25) “*Police Station*” includes any place which the Government may, by notification, declared to be a police station for the purposes of this Act;

(26) “*Prescribed*” means prescribed by rules made under this Act;

(27) “*Rectification*” includes every process whereby spirits are purified or coloured or flavoured by mixing any material therewith;

(28) “*Sale*” or “*Selling*” includes any transfer otherwise than by way of gift;

(28-A) “*Shop*” means the privilege granted under the Act for exclusive sale of Indian Made Foreign Liquor or Foreign Liquor in sealed or capsule bottles or packages or tins to an individual in quantities not exceeding the limits as prescribed without permitting consumption on the licensed premises;

*[Clause 28-A inserted by Act 35 of 2005. Effective from 20.5.2005]*

(29) “*Spirit*” means any liquor containing alcohol and obtained by distillation, whether it is denatured or not;

(30) “*Toddy*” means fermented or unfermented juice drawn from an excise tree and containing alcohol;

(31) “*Transport*” means to move from one place to another within the State, whether or not the intervening area lies wholly within the State, and includes, to move from a place outside the State to any other place outside it through the intervening area lying within the State;

[The words 'and includes, to move from a place out side the State to any other place outside it through the intervening area lying within the State' added by the Act 10 of 1989, w.r.e.f. 16-9-1988.]

- (32) "Wash" includes fermented wort or a dilute solution of sugar from which spirit is distilled.

[Clause 32 was inserted by Act 12 of 2005. Effective from 8.4.2005]

#### CASE-LAW

The Analyst report in the instant case shows that the sample did not conform to alcohol content. The sample containing less percentage of alcohol content cannot be termed as adulterated having due regard to the Rules 4 and 5 of the latter Rules. The sample was not analysed by the Chemical Examiner as envisaged under the provisions of the former Rules. Lifting of the samples and getting the samples analysed as has been done in this case by the Food Inspector were in total deviation to the provisions of the Rules envisaged under the former Rules. The penal provisions are contained in the Excise Act. Section 34 thereof prescribes penalties for illegal import, export, transport, manufacture, sell or possess, of any intoxicant. The expression "intoxicant" is defined under clause (19) of Section 2 of the Excise Act. As per the said provisions the expression "intoxicant" means any liquor as defined in clause (21) thereof. As discussed hereinabove, clause (21) of Section 2 defines the expression "liquor" which is an inclusive definition and it includes toddy. Therefore, toddy though it is tapped from a tree, is a liquor and consequently intoxicant as per the provisions of the Excise Act. If such an intoxicant is sold in contravention of any Rules issued under the Excise Act, it is punishable under Section 34 thereof. Section 36 thereof prescribes penalty to holder of licence for his misconduct. Section 37 thereof prescribes penalty for adulteration by the licensed vendor or manufacturer. The provision specifically envisages that if the licensee indulges in mixing or permitting to mix with the intoxicant being sold or manufactured by him any noxious drug or any foreign ingredient likely to add to its actual or apparent intoxicating quality or strength or any article prohibited by any Rule made under the Excise Act. Therefore, adulteration of toddy shall have to be understood as contained in Section 37 of the Excise Act and as contained in Rule 5 of the latter Rules. The samples not conforming to the alcohol content, as has been drawn and analysed in the instant case, were held not to be considered as adulterated under the provisions of the Excise Act and the Rules framed specifically in respect of toddy intoxicant. The whole case launched against the respondent herein in that view of the matter was held to be misconceived. *Gazetted Food Inspector, Div.-I, Mahabubnagar District v. P. Mohan Goud*, 2006 (1) ALT (Cr.) 29 (A.P.).

License not to be granted in mechanical manner merely because licensee has satisfied all the prerequisite conditions. *Victory Bar and Restaurant v. State of A.P.*, 2015 (4) ALD 94 = 2015 (3) ALT 108.

## Chapter-II

### **Establishment and Control**

**3. Appointment of Commissioner:-** (1) The Government may, by notification, appoint an officer as the Commissioner of Prohibition and Excise for the State, who subject to the general or special orders of the Government in this behalf, shall be the chief controlling authority in all matters connected with the administration of this Act.

(2) The Commissioner shall be competent to exercise all the powers of the collector under this Act and shall have the control of the administration of the Prohibition and Excise Department.

#### CASE-LAW

**Section 3:—** (1) There cannot be any dispute on the proposition that an action taken without any authority of law, would become valid upon its ratification by the power conferring authority, and would relate back to the date when such action was taken by the authority without any authority of law, and, reliance placed by the learned Government Pleader in support thereof on the judgment of the Supreme Court in *Punjab University v. V.N. Tripathi*, 2001 (8) SCC 179. In the case before the Supreme Court, employees filed suits against the University against dispensation of their services, which were decreed. The Registrar filed appeals against the judgments and decrees of the Trial Court. It was contended that the Registrar had no power to file appeals unless the Senate takes a decision. The Senate ratified the action of the Registrar subsequently. Both the first and second appellate Courts upheld the said contention. In further appeal to the Supreme Court, the question whether the Registrar was competent to file the appeals without any decision of the Senate of the University to that effect or not, fell for consideration. This contention of the employees was negated by the Supreme Court, and it held that the ratification has the effect of relating back to the time when the action was taken without authority. In the case before the Supreme Court, the Registrar was defending the interest of the University. But that is not the case on hand. Here none of the facts and circumstances, neither the report of the Deputy Commissioner nor the conditions appended to the Notification dated 8.4.2002, nor the orders of this Court in W.P. No. 10085, dated 7.6.2002 nor the proceedings of the Government dated 3.4.2003 which requested the Commissioner to renew his request for creation of additional shop, if necessary, do support the action of the Commissioner in creating an additional shop in Lingasamudram. Therefore, the contention of the learned Government Pleader inasmuch as the Government has subsequently by their proceedings dated 18.6.2003 have ratified the action of the Commissioner in creating additional shop, the same would relate back to the date on which the Commissioner created the additional shop without authority of law, cannot be accepted. Had there been justifying reasons for the Commissioner to create

additional shop, the Government would have been justified in ratifying the action, but such is not the case on hand.

(2) In the above view of the matter, the auction conducted by the Superintendent in respect of the newly created shop, in which the implead petitioner was successful, was held liable to be set aside, and it was accordingly set aside. Inasmuch as the creation of additional shop by the Commissioner was set aside, the proceedings which have taken place pursuant to the notification, including selection of the implead petitioner in the auction, though made in accordance with the Rules, were accordingly set aside. *Srinivasa Wines, Lingasamudram v. Government of A.P. and others*, 2003 (5) ALD 32 = 2003 (5) ALT 38 = 2003 (3) APLJ 82 (HC).

**Section 3(1):--** Under Section 3(1), the Commissioner of Prohibition and Excise appointed by the Government by notification functions subject to the general or special orders of the Government and he shall be the chief controlling authority in all matters connected with the administration of the Act. This power conferred on the Commissioner is in relation to the matters pertaining to the administration of the Act. It therefore pre-supposes that while exercising his powers and discharging his functions, the Commissioner is bound to act in conformity with the provisions of the Act and the Rules made thereunder and not in derogation or independent of the same. The Commissioner is not vested with the power to prescribe any procedure, which is not contemplated by the Act or the Rules made thereunder. *Ujelly, T.C.S. Ujelly Village, Maganoor Mandal, Mahaboobnagar District, rep. by its President v. Govt. of A.P., rep. by the Commissioner of Prohibition and Excise, Hyderabad and others*, in WP.No. 18526 of 2008 and dated. 2009 (5) ALT 679 = 2009 (5) ALD 225.

**4. General control of Commissioner over Collector:-** The Collector shall exercise the powers and perform the functions assigned by or under this Act, subject to the general control of the Commissioner.

#### CASE-LAW

**Sections 4, 38, 47:—** The subject-matter before the first respondent was not an *inter se* dispute between the petitioner on the one hand and the fourth respondent on the other. The endeavour of the petitioner throughout was to ensure that the proceedings initiated against the fourth respondent are dealt with in accordance with the relevant provisions of law. It may be incidental that he also holds a similar licence as does the fourth respondent. In these days of expanded scope of *locus standi* it was not at all permissible for the first respondent to ignore the contentions raised by the petitioner that he does not have the *locus standi*. The very fact that in several proceedings that ensued ever since the issuance of show-cause notice to the fourth respondent, before the Government and before the High Court in writ petitions and writ appeals, the writ petitioner figured either as petitioner or respondent and his contentions were taken into account in all these proceedings, was held sufficient to require the 1st respondent to entertain and consider the objections raised by the

petitioner. In *Coaster Papers Ltd. v. Government of India*, 1995 (1) ALD 328, even the rival tradesman was conceded the right to challenge grant of interim permission to another, if the same is in violation of the statutory requirements, and was by an authority not competent to do so. *P. Shivaji Reddy v. Commissioner of Prohibition and Excise, Hyderabad and others*, 2003 (5) ALD 787.

**5. Appointment of certain officers and staff:-** (1) The Government may appoint such number of Additional Commissioners, Joint Commissioners, Deputy Commissioners and Assistant Commissioners of Prohibition and Excise and District Prohibition and Excise Officers and such other Officers as they think fit for the purpose of performing the functions respectively conferred on them by or under this Act.

(2) The Government may sanction the appointment of as many *District Prohibition and Excise Officers*, Assistant *District Prohibition and Excise Officers* and other subordinate staff as they think fit for the purpose of performing the functions respectively conferred on them by or under this Act.

*[The words “District Prohibition and Excise Officers” subs. for “Prohibition and Excise Superintendents” by Act No. 32 of 2017, w.r.e.f. 11-10-2016]*

(3) The appointment to the posts sanctioned in sub-section (2), shall be made by such authority as may be prescribed.

(4) All such officers shall perform the said functions within such area or areas or in the whole of the State as the Government or the Commissioner may assign to them.

*[Section 5 substituted by Act 10 of 1989. Effective from 16.9.1988]*

*[Sub-Section (1) of Section 5 substituted by Act 17 of 1995, w.e.f. 20-2-1995.]*

### Comments

1. Section 5 prior to its substitution by Act 10 of 1989 read as follows:

“5. Appointment of Regional Officers: The Government may appoint a Deputy Commissioner for such area as may be notified by the Government, to exercise such powers and perform such functions as are assigned by the Commissioner, subject to the control of the Government.”

2. Sub-section (1) of Section 5 prior to its substitution by Act 17 of 1995 read as follows:

“(1) The Government may appoint an Additional Commissioner of Excise, Director of Distilleries and Breweries, as many Deputy Commissioners of Excise, Assistant Commissioners of Excise and such other officers as they think fit for the purpose of performing the functions respectively conferred on them by or under this Act.”

### CASE-LAW

(1) Admittedly, the officers who conducted the inspection are not the officers within whose territorial jurisdiction the searches were conducted which is obvious from the impugned order. But, the impugned order also makes it clear that the inspection or the searches were conducted as per the directions of the “Commissioner of Prohibition and Excise, Andhra Pradesh” in which case the last clause of sub-section (4) of Section 5, supplies the necessary authority of law for the inspections in question. It is clear from the language of Section 4 that all the officers appointed by virtue of the powers conferred under Section 5 of the Act are required to perform their functions within such area or areas in the whole of the State assigned to them either by the Government or the Commissioner. In the present case, the Commissioner authorised the search/inspection by the officers who actually conducted the inspection. Therefore, no illegality was held to be seen in the inspections conducted in the instant case.

(2) Assuming for the sake of argument, that the law did not authorise the inspecting officers in the instant cases and therefore the inspection is illegal, that does not *per se* invalidate all the subsequent steps. It is settled law of the land that the incriminating material obtained during an illegal search or inspection can form the basis of a valid legal proceeding. All that the law requires in such a situation is that such illegally secured material must be scrutinised with caution.

(3) In the absence of any material to establish that there exist a designated Chemical Examiner of the Excise Department if a strict construction of the Rule is to be adopted, there can never be a search and drawal of samples with any probable legal consequences even if the sample is utterly contaminated. Where a construction would generate a great public mischief. Court can't close its eyes to the fact that no person has a fundamental right of trade in liquor, an obnoxious substance and also to the fact that periodically incidents take place where the lives of number of people are jeopardised by the consumption of adulterated liquor. Therefore, more pragmatic construction of the Rule is called for to enable the State to discharge its constitutional and statutory obligations under Excise Act. Chapter VII of the Act incorporates provisions for the penalty of adulteration under Section 37. It is already noticed that under Section 3, the licence may be suspended or cancelled under various circumstances enumerated therein. The State is bound by the legislative mandate in this regard. The interpretation such as the one sought to be placed by the petitioner would result in a situation of the State being left in a position of not being able to implement the mandate of Legislature, a mandate given in the larger public interest, having due regard to the disastrous consequences of consumption of adulterated liquor.

(4) Even otherwise, the petitioners do not explain as to what exactly would be the prejudice they would suffer if the State acts on the basis of a report which did not emanate from its departmental analyst, but from an independent agency. Though neither of the parties to the case was able to place the exact legal status

of the IICT from where the reports were obtained in the present case, it is agreed by the Counsel appearing on either side that it is a Body under the control of the Government of India and not under the control of the State of Andhra Pradesh. Nor is there any allegation in the writ petitions, about the competence of the said Body or the integrity of the officer who conducted the analysis in the present case. It is an important consideration for coming to a conclusion whether a particular statutory provision or Rule is required to be construed to be mandatory or not, to examine that whether a departure from the rule of literal construction would in any way prejudice the rights of those persons against whom such a liberal construction is invoked. *Toddy Tappers Co-operative Society, Mangalhat, Hyderabad v. Commissioner of Prohibition and Excise, Nampally, Hyderabad and others*, 2003 (3) ALD 36.

### **6. Appointment of Excise Superintendents and Assistant Excise Superintendents:-**

[Section 6 Omitted by Act 10 of 1989, w.r.e.f. 16-9-1988.]

#### **Comments**

Section 6 prior to its omission by Act, 10 of 1989, read as follows:

“6. (1). The Government may appoint an officer as Excise Superintendent for a district or part of a district and authorize him also to exercise all or any of the powers and perform all or any of the functions of a Collector under this Act.

(2) The Government may appoint such number of Assistant Excise Superintendents for a district or part of a district to exercise such powers and perform such duties as they may direct.”

### **7. Appointment of other Subordinate staff:**

[Section 7 Omitted by Act 10 of 1989, w.r.e.f. 16-9-1988.]

#### **Comments**

“Section 7 prior to its omission by Act, 10 of 1989, read as follows:

“7. (1) The Government may sanction the appointment of such number of Excise Inspectors and Sub-Inspectors as may, from time to time, be considered necessary, to exercise the powers and to perform the functions in connection with detection, investigation, enquiry and trial of offences under this Act.

(2) The Government may also sanction the appointment of such number of subordinate officers, of such classes and with such designation, powers and functions under this Act as they may think fit.

(3) The appointment to the posts sanctioned in sub-section (1) or sub-section (2) shall subject to the approval of the Government, be made by such authority as the Government may specify in this behalf.

(4) The Government may, by notification, direct that all or any of the powers and functions assigned to an Inspector and Sub-Inspector under sub-section (1)

or to a subordinate officer under sub-section (2) shall be exercised and performed by such officer of the Government as may be specified therein.”

**8. Delegation:-** The Commissioner, the Collector or the *District Prohibition and Excise Officer* may by order delegate to any officer subordinate to him any of the powers conferred on or functions entrusted to the Commissioner, the Collector or the *District Prohibition and Excise Officer* by or under this Act, subject to such restrictions and control as may be prescribed, and subject also to such limitations and conditions, if any, as be specified in the order of delegation.

*[The words “District Prohibition and Excise Officer” subs. for “Prohibition and Excise Superintendent” by Act No. 32 of 2017, w.r.e.f. 11-10-2016]*

#### Comments

In exercise of powers conferred by Section 8, the Government have framed the rules “The Andhra Pradesh Excise (Delegation of powers) Rules, 1972 specifying the Officers to whom powers may be delegated and the restrictions on the delegation of powers.

### Chapter–III

#### **Import, Export and Transport**

**9. Import of Intoxicants:-** (1) No intoxicant shall be imported except under a permit issued by such officer, not below the rank of a *District Prohibition and Excise Officer*; and on such terms as may be prescribed, and on payment of such excise duty or countervailing duty and fees, as may be levied under this Act.

*[The words “District Prohibition and Excise Officer” subs. for “Prohibition and Excise Superintendent” by Act No. 32 of 2017, w.r.e.f. 11-10-2016]*

Provided that the said officer may subject to such restrictions and conditions as may be prescribed to ensure the collection of the excise duty or countervailing duty; permit the import of an intoxicant without the payment of the excise duty or countervailing duty;

Provided further that no countervailing duty shall be payable on the intoxicant which, being liable to the payment of duty under the Indian Tariff Act, 1934 (Central Act 32 of 1934), or any other law for the time being in force relating to the duties of customs on goods imported into India, has been dealt with according to such law.

(2) The officers referred to under sub-section (1) may by an order, cancel any permit issued under that sub-section for breach of any of the terms subject to which it was issued or for any other reason to be recorded in writing therein.

**CASE-LAW**

**Section 9(1), 23, 28(1):—** (1) “The mandate under Article 304(a) is very clear. The freedom accorded to the States in the matter of levy of tax or imposition of restrictions on goods is clearly stipulated under Article 304. This freedom, however, is limited to imposition of tax to the extent, to which similar goods manufactured or produced in the State are subjected to. Under Clause (b) thereof, reasonable restrictions can be imposed as may be required in the public interest. Any measure for this purpose, however, is required to be only through an Act passed by the Legislature of the State.”

(2) “The imposition of export duty cannot be equated with an import pass fee. Both are different and opposite incidences of tax. In the matter of ascertaining the level play in the trade and commerce, as mandated under Part XIII, it is the duties and levy of similar nature that are to be compared and not those with total opposite authorities.” *Kapilan Distilleries and others v. Government of Andhra Pradesh and another*, in W.P. No.12607 of 2003 –2003 (5) ALD 504.

**10. Export of Intoxicant:-** (1) No intoxicant shall be exported except under a permit issued by such officer, not below the rank of a *District Prohibition and Excise Officer*, and on such terms, as may be prescribed and on payment of such fee as may be levied under this Act:

*[The words “District Prohibition and Excise Officer” subs. for “Prohibition and Excise Superintendent” by Act No. 32 of 2017, w.r.e.f. 11-10-2016]*

Provided that no intoxicant produced or manufactured in India shall be permitted to be exported unless the excise duty or countervailing duty to which, such intoxicant is liable, has been paid.

(2) The officer referred to under sub-section (1) may, by an order, cancel any permit issued under that sub-section for breach of any of the terms subject to which it was issued, or for any other reason to be recorded in writing therein.

**11. Regulations of transport of intoxicants:-** (1) The Government may, by notification, prohibit or regulate the transport of an intoxicant or any kind of intoxicants from any area into any other area within the State or from any place outside the State to any other place outside it through the intervening area lying within the State, except under a permit issued under Section 12.

(2) No intoxicant exceeding such quantity as may be prescribed either generally or for any particular area, shall be transported, except under a permit issued under Section 12.

*[Sub-section (1) substituted by Act 10 of 1989. Effective from 16.9.1988]*

### Comments

Sub-section (1) of Section 11 prior to its substitution by Act 10 of 1989 read as follows:

“11 (1) The Government may, by notification, prohibit the transport of an intoxicant or any kind of intoxicants from any area into any other area within the State, except under a permit issued under Section 12.”

**12. Permits for transport of intoxicants:-**(1) Any officer not below the rank of an Assistant *District Prohibition and Excise Officer* authorized by the Commissioner may issue a permit for the transport of intoxicants.

*[Sub-Section (1) substituted by Act 10 of 1989. Effective from 1.12.1981]*

*[The words “District Prohibition and Excise Officer” subs. for “Prohibition and Excise Superintendent” by Act No. 32 of 2017, w.r.e.f. 11-10-2016]*

(2) A permit under sub-section (1) may be either for general for definite periods and kinds of intoxicant or special; for specified occasions and particular consignment only;

Provided that a general permit shall be issued only to persons licensed under this Act and may specify the maximum quantity of intoxicant that may be transported at any one time.

(3) Every permit under this section shall specify –

- (a) the name of the person authorized to transport intoxicants;
- (b) the period for and the route through which the permit shall be valid;
- (c) the quantity, strength and description of intoxicants for which it is issued; and
- (d) any other particulars and conditions which may be prescribed.

**Explanation:** The expression ‘person authorized’ in this sub-section shall include his servants and other persons employed by him and acting on his behalf.

### Comments

Sub-section (1) of Section 12 prior to its substitution by Act 10 of 1989 read as follows:

“12(1) : The Excise Superintendent, may issue a permit for the transport of intoxicants.”

Under pre-amended Sub-section (1) the Excise Superintendent was competent to issue permits for transport of intoxicants. However in order to quicken issue of permits the Commissioner of Excise has been issuing

permits from 1.12.1981 onwards. To validate such issue of permits by the Commissioner the sub-section (1) was suitably amended with retrospective effect from 1.12.1981.

### Chapter-IV

## **Manufacture, Possession and Sale**

**13. Manufacture etc., of excisable articles prohibited except under a licence:-** (1) No person shall —

- (a) Manufacture or collect an intoxicant,
- (b) Cultivate hemp plant,
- (c) Tap an excise tree or draw toddy from any such trees,
- (d) Construct or work a distillery or brewery,
- (e) Bottle liquor for sale, or
- (f) Use, keep or have in his possession, any materials, still, utensils, implements, apparatus, whatsoever for the purpose of manufacturing any intoxicant other than toddy; except under the authority and subject to the terms and conditions of a licence granted by such officer, not below the rank of a *District Prohibition and Excise Officer*, as may be prescribed.

*[The words “District Prohibition and Excise Officer” subs. for “Prohibition and Excise Superintendent” by Act No. 32 of 2017, w.r.e.f. 11-10-2016]*

Provided that the provisions of this sub-section, in so far as they relate to establishing, continuing or licensing a distillery shall apply only to those distilleries which manufacture spirits for potable purpose and regulatory provisions relating to regulation and supervision, shall be applicable to all distilleries.

*[Proviso under clause (f) of sub-section (1) added by Act 11 of 2000. Effective from 28.4.2000.]*

(2) A licence granted under this section shall extend to and cover servants and other persons employed by the licensee and acting on his behalf.

(3) Notwithstanding any thing in sub-section (1) the Government may, by notification, direct that in such areas as may be specified therein, it shall not be necessary to take out a licence for the manufacture of liquor for *bonafide* home consumption of the manufacturer.

### Comments

The State Government have been issuing licenses under Sections 13 and 16 of the Act for all types of distilleries irrespective of the purpose for which the

Rectified Spirit produced by them is put to use i.e. for Industrial purpose or potable purpose or for both. The Hon'ble Supreme Court of India by an order dated 29.1.1997 in W.P. No. 322/96 in M/s. Bihar Distilleries and others has held that:-

- (i) in the matters of industries where the manufacture of Rectified Spirit is exclusive for the purpose of obtaining or manufacture potable liquors, such industries shall be under the total and exclusive control of the States in all respects;
- (ii) In the matters of industries where the manufacture of Rectified Spirit is for both industrial and potable purposes permission to establish and regulate the functioning of distilleries shall be the exclusive domain of the Union;
- (iii) However, even in regard to industries where the entire Rectified Spirit is supplied for industrial purposes or both for industrial and potable purpose, the power of the States to take necessary steps to ensure against misuse or diversion of Rectified Spirit meant for industrial purposes, both during and after manufacture of Rectified Spirit continues unaffected.

In view of these observations of the Apex Court, a proviso under Section 13(1) and Section 16 has been inserted by Act 11 of 2000 to meet the requirement.

Full Judgment is printed as last part in this Book.

#### CASE-LAW

#### **Sections 13(f), 34, 53, 55:—**

- (a) The provisions of the A.P. Excise Act including Sections 13(f) and 34(e) should be interpreted with reference to the objects of the Act and penal provisions dealing with excise offences should also receive broader interpretation having regard to the fact that the Excise Act is intended to achieve partially the objective of Article 47 of the Constitution of India;
- (b) Having regard to the provisions of Sections 13, 34, 53 and 55 of the Excise Act, we must hold that if Commissioner, Collector, Police Officer or Excise Officer “has reason to believe” that black jaggery (material) is likely to be used for manufacture of ID liquor the same can be seized and persons can be arrested and subject to facts and circumstances of each case including any report of the chemical examiner a charge sheet can be filed under Section 34(e) of the Excise Act.
- (c) In a situation as (a) and (b) above, if the circumstances so warrant the person/accused is entitled to approach under Section 482 of Cr.P.C. and/or Article 226 of the Constitution of India and seek quashing of proceedings provided his case come within well settled principles for

quashing F.I.R., charge sheet or criminal case. However, a Writ Petition in such an event at the stage of investigation is not permissible when there is *prima facie* material to show that black jaggery is not fit for human consumption and was intended for manufacture of ID liquor.

- (d) As held by the Supreme Court in *Nasu Sheikh v. State of Bihar*, AIR 1972 SC 1610 (supra) if the F.I.R. shows the ingredients of offence under Section 34(e) read with Section 13(f) of the Excise Act, a person cannot be heard to say in High Court that he is carrying on business or transporting black jaggery either because he is an agriculturist or businessman. All such pleas are to be raised before appropriate Criminal Court.”

Therefore, in the instant case, the petitioners were held not to be given any relief for release of either black jaggery or vehicles involved. It was held to be open to them to approach criminal court for release of crime property and in such an event, without being influenced by any contra observations made herein above, any consideration shall be as per law. Per V.V.S. Rao, J. in concurrence with Raghuram, J. and per Satyabratha Sinha, CJ, dissenting. *Ganesh Traders (Kirana and General Merchants), Dhermapuri, Karimnagar District v. District Collector, Karimnagar and others*, 2002 (1) ALD 210 (FB) = 2002 (I) ALD (Cr.) 137 (AP) = 2002 Cr.LJ 1105 = 2002 (1) ALT 611 (FB).

**Sections 13(1)(f), 34(e):—** The fact that an individual possesses a substance, which is a potential material for manufacturing an intoxicant, by itself does not make him punishable. It should be established or at least alleged, on the basis of a reasonable factual background, that he possessed it for the purpose of manufacturing an intoxicant. Necessary facts constituting the basis for such presumption should be contained in the FIR itself. Any latitude shown in this regard, would give rise to disastrous consequences. For example, utensils and firewood are also used in manufacture of such intoxicants. Utensils and firewood can certainly be treated as materials. On that account every person who possess utensils and firewood cannot be made liable to be punished on the ground that they possess such material. Similarly, the sugar factories, which store the Molasses and any other trader or manufacturer in possession of the same, would become liable to be punished, because the material possessed by them is capable of being put to use in manufacture of intoxicant. It is for these reasons that in *Ganesh Trader v. District Collector*, 2002 (1) ALD 210 (FB), the State Government was directed to undertake necessary measures providing for description, character and composition of a commodity involved therein through a proper instrument, before a punitive action could be undertaken thereon. Such direction was issued in respect of a commodity, which was not fit for any other use, except for manufacture of illicit liquor. The industrial use of Molasses is undisputed. That fact that it is also used in manufacture of illicit liquor is rather occasional than regular. In *Commissioner of Prohibition and Excise v. Balaji Traders*, WA No. 2209 of 1998 and Batch dated 8.5.2001, it was already held by the Division Bench of Andhra Pradesh High Court

that as on that date, there was no enactment to regulate the trade or use of Molasses in the State of Andhra Pradesh. *Balaji Traders v. Commissioner of Excise, A.P. Hyderabad and others*, 2003 (5) ALD 725.

**14. Possession of excisable articles in excess of the quantity prescribed:-** (1) The Government may, by notification, specify the maximum quantity of any intoxicant which a person may have in his possession;

Provided that the different maxima may be specified for different descriptions or kinds of intoxicants.

(2) No person shall have in his possession any intoxicant in excess of the quantity specified under sub-section (1) except under the authority and in accordance with the terms and conditions of —

- (a) a licence for the manufacture, cultivation, collection, sale, buying or supply of such articles, or
- (b) a permit granted by such officer, not below the rank of a *District Prohibition and Excise Officer*, as may be prescribed.

*[The words “District Prohibition and Excise Officer” subs. for “Prohibition and Excise Superintendent” by Act No. 32 of 2017, w.r.e.f. 11-10-2016]*

#### CASE-LAW

**Sections 14, 15:--** It goes to show that unless the licence is granted by the licensing authorities under Section 14 of the Andhra Pradesh Excise Act, 1968, the lease will not commence and there is a prohibition for the sale of liquor under Section 15 of the Andhra Pradesh Excise Act, 1968. The licence fee payable is only for the grant of privilege by the Government for the sale of liquor under the relevant rules, and unless the licence is granted, it cannot be said that a privilege has been granted in favour of the petitioner for the sale of liquor in Form IL-24. The lease will commence only on the grant of licence. *Gowda Brandy Shop, Kondagunta Village, Gudur Rural Mandal, Nellore v. Government of Andhra Pradesh and others*, 2008 (5) ALD 14 = 2008 (4) ALT 723.

**15. Sale or buying of excisable article without licence prohibited:-** (1) No person shall sell or buy any intoxicant except under the authority and in accordance with the terms and conditions of a licence granted in this behalf:

Provided that a person having a licence to draw toddy from an excise tree, may sell such toddy to a person licensed to buy toddy under this Act without obtaining a licence for such sale but subject to such restrictions and conditions as the Commissioner may, by general or special order, specify.

- (2) A licence for sale or buying under sub-section (1) shall be granted—
  - (a) by the *District Prohibition and Excise Officer*, if the sale or buying is within a district:

*[The words “District Prohibition and Excise Officer” subs. for “Prohibition and Excise Superintendent” by Act No. 32 of 2017, w.r.e.f. 11-10-2016]*

- (b) by the Deputy Commissioner, if the sale or buying is in more than one district within his jurisdiction: and
- (c) by the Commissioner, if the sale or buying is in an area within the jurisdiction of more than one Deputy Commissioner:

Provided that subject to such conditions as may be determined by the Commissioner, a licence for sale or buying granted under the excise law in force in any other part of India may be deemed to be a licence granted under this Act.

(3) Nothing in this section shall apply to the sale of any liquor lawfully procured by any person for his private use and sold by him or on his behalf or his representative in interest upon his quitting a station or after his decease.

(4) Notwithstanding any thing in sub-sections (1) and (2), no club or a hotel shall supply liquor to its members or customers on payment of a price or any fee or subscription except under the authority and in accordance with the terms and conditions of a licence granted in that behalf by the Commissioner on payment of such fee as may be fixed by him according to scale of fees prescribed therefor.

#### CASE-LAW

**Section 15(2):--** The licensing authority has to receive the amount of consideration and is entitled to obtain statistics showing the consumption of all kinds of Indian Liquor separately, the contextual interpretation of the provisions therefore were held to leave no manner of doubt that by reason of the delegated authority granted to the Excise Superintendent is entitled to take such actions which are required to be performed for the purpose of grant of such licence. *Sree Wines and another v. State of A.P. and another*, 2001 (5) ALD 399 (DB).

It is for the authorities to determine the distance from the boundary of the Visakhapatnam Municipal Corporation and the third respondent's shop at Lakshmipuram. Be it also noted that if Lakshmipuram Village itself falls within five kilometers belt, it makes no difference whether or not the village forms part of Pendurthi Mandal. Once the village Lakshmipuram is within the belt of five kilometers from the periphery of the Visakhapatnam Municipal Corporation all the shops shall have to be treated as situated within the limits of the Corporation. The point is answered accordingly. *Gorle Ramu v. Commissioner of Prohibition and Excise, Government of A.P. and others*, 2002 (6) ALD 233.

**Section 15:--** In view of the settled legal position it was held that it does not lie in the mouth of the respondents to plead that even if their action smacks of arbitrariness, a citizen cannot seek redressal of the injustice merely because he is

carrying on trade in liquor. Such an unwholesome stand, is destructive of the concept of rule of law. When once the State permits its citizens to enter in the business of intoxicants, it is bound to act in a fair, transparent and reasonable manner while dealing with its citizens. *B. Venkataramana v. Commissioner of Prohibition and Excise, A.P., Hyderabad and others*, 2008 (2) ALD 335 = 2008 (1) ALT 578.

**16. Establishment of Distilleries and Warehouses:-** (1) The Commissioner may, with the previous sanction of the Government:

- (a) establish or continue a distillery in which spirit may be manufactured [xxx] on such conditions as the Government may impose;

*[xxx] The words 'in accordance with a licence granted under Section 13' after the words 'manufactured' omitted by Act 23 of 1971. Effective from 23.11.1971]*

- (b) discontinue any distillery so established or continued;
- (c) licence, on such conditions as the Government may impose, the construction and working of a distillery or brewery;
- (d) establish, continue or licence a warehouse wherein intoxicant may be deposited and kept;
- (e) discontinue any warehouse so established or continued.

(2) A warehouse established under sub-section (1) shall be for general accommodation of intoxicants subject to duty, pending removal for local consumption or for export.

(3) Without the sanction of the Government, no person shall remove any intoxicant from any distillery, brewery, warehouse or other place of storage established, continued or licensed under this Act, unless the duty, if any, imposed under this Act has been paid.

Provided that the provisions of this section in so far as they relate to establishing, continuing or licensing of distillery shall apply only to those distilleries which manufacture spirits for potable purpose and other regulatory provisions relating to regulation and supervision, shall be applicable to all distilleries.

*[Proviso under sub-section (3) added by Act 11 of 2000. Effective from 28.4.2000]*

*Note:-- Please see comments under Section 13.*

**17. Grant of exclusive privilege of manufacture, etc:-** (1) Subject to the provisions of section 28 and any rules made in this behalf, the Government may, subject to such conditions as they may deem fit to impose, grant for a fixed period to any person, either jointly or severally, at any place,

within any such area in the State as may be specified, a lease or licence or both for the exclusive privilege, —

- (i) of tapping, drawing toddy from any excise tree or selling or of both; or
- (ii) of manufacturing; or
- (iii) of supplying or selling by wholesale or of both; or
- (iv) of manufacturing, of supplying and selling by wholesale; or
- (v) of selling by shop; or
- (vi) of selling by Bar; or
- (vii) of selling by In-house; or
- (viii) of selling or using for *bona fide* purpose as may be specified any liquor or other intoxicant or material as may be specified in the said order.

(2) It shall be lawful for the Government to prescribe from time to time different methods of selection for grant of exclusive privilege for different purposes under sub-section (1).

(3) Notwithstanding anything contained in sub-section (1), a lease or licence or both in respect of 'Shop' may be granted for a period not exceeding two years at a time.

*[The words 'for a period not exceeding two years at a time' substituted for the words 'for a period of one year or part thereof' by Act 39 of 2006. Effective from 25.5.2006]*

(4) No grantee of any privilege under sub-section (1) or sub-section (3) shall exercise the same unless the Commissioner of Prohibition and Excise or any other officer authorized in this behalf issues a licence.

(5) The Government may confer on any officer all or any of the powers mentioned in sub-section (1) and (3).

(6) The Commissioner of Prohibition and Excise, may, after due enquiry as he may deem fit, permit a licence holder in respect of manufacture of any liquor or intoxicant to sub-let such a privilege and grant a licence to the person who holds the sub-lease on collection of such fee as may be prescribed.

*[Section 17 substituted by Act 35 of 2005. Effective from 20.5.2005]*

#### Comments

Section 17 prior to its substitution by Act 35 of 2005 read as follows:

"17(1) Subject to the provisions of Section 28 and any rule made in this behalf, the Government may, subject to such conditions as they may deem fit, to

impose, grant for a fixed period to any person at any place a lease or licence or both either jointly or severally for the exclusive privilege:

- (i) of manufacturing or of supplying by whole sale or of both; or
- (ii) of selling by wholesale, or by retail; or
- (iii) of manufacturing or of supplying by wholesale, or of both, and of selling by retail, any liquor or other intoxicant within any such area in the State as may be specified in the said order.

EXPLANATION: A lease shall not take effect until the Collector or any other competent officer has issued licence under this Act.

(2) The Government may confer on any officer the power mentioned in sub-section (1).”

It may be seen from the pre-amended Section that all the activities of liquor trade have been clubbed and were covered by a single set of rules i.e., A.P. Indian Liquor and Foreign Liquor Rules, 1970. In order to have clarity over the issue the Government have decided to have different set of rules for different purposes. In order to achieve this object, Section 17 which deals with granting of exclusive privilege has been suitably substituted by Act 35 of 2005.

#### CASE-LAW

**Sections 15, 17 (A.P. Excise (Lease of Right of Selling by Shops and Conditions of Licences) Rules, 2005 - Rules, 3, 5, 21:—** There is no provision under the Shop Rules permitting the shifting of the shop even by the Commissioner from one Mandal to another. The Shop Rules go to show that relocation of the shop originally notified at Sl. No. 165 of Rangampeta Cross of Puthalpattu Mandal to Ward No. 35 of Madanapalli Municipality of Madanapalli Mandal vide Gazette Notification dated 16.12.2006 issued by the second respondent and the consequential action of granting of licence in favour of the fourth respondent was held illegal and unsustainable. The object of issuing the Gazette notification prescribing the number of shops, location, upset price etc., is to give an indication to the auction purchaser to offer highest bids after taking into account various relevant factors. Each of the petitioners offered Rs. 22,55,255, which was the upset price fixed for the shops of the petitioners, taking into account the number of shops, location etc. It was not in dispute that all 12 shops of Madanapalli Municipality and Mandal have been disposed of and once the shops notified have been disposed of it was held not even permissible to the highest bidder of one Mandal to get his shop relocated in another Mandal except otherwise for the reasons recorded in writing and after collection of Rs. 25,000/-. There is no provision to shift the shop from one mandal to another or from one municipality to another. If any of the shops could not be disposed of it is for the APBCL to sell liquor at the said outlet in the notified area. If the said action of the respondents to relocate the shop is permitted there would be unhealthy competition leading to relocation of shops from an area, where there are lesser sales, to another area,

where there are higher sales. The location and upset price have been notified so as to enable the auction purchasers to take into account all the relevant factors and offer their bids. Therefore, it was held that there is no justification on the part of the respondents 1 to 3 to relocate the indisposed shops to some other Mandal or locality. *G. Venkatesh v. Commissioner of Prohibition & Excise, Andhra Pradesh, Hyderabad and others*, 2007 (3) ALT 678.

**18. Duties of licensee with regard to measurement and testing:-**

Every person, who manufactures or sells any intoxicant under a licence granted under this Act shall be bound:

- (a) to keep such measures, weights and instruments as the Commissioner may specify on the licensed premises and to maintain them in good condition; and
- (b) on the requisition of the Prohibition and Excise Officer duly empowered in that behalf, at any time to measure, weigh or test any intoxicant in his possession in such manner as that officer may require.

**19. Prohibition of employment of children and of persons suffering from contagious diseases:-** (1) No person who is licensed to sell any intoxicant for human consumption on his premises shall during the hours in which such premises are kept open for such purpose, employ or permit to be employed either with or without remuneration, any children under such age as may be prescribed, in any part of the premises where the intoxicant is consumed by the public.

(2) No such person as is referred to in sub-section (1) shall employ or permit to be employed either with or without remuneration, any person who is suffering from leprosy or any other contagious disease.

**20. Closing of shops for preservation of public peace:-** (1) The District Magistrate may, by notice in writing to the *licensee / lease holder*, require that any *shop/bar* in which any intoxicant is sold shall be closed at such times or for such period as he may think necessary for preservation of the public peace.

**Explanation:** For the purposes of this section, the expression 'District Magistrate' includes the Additional District Magistrate or any other person empowered to exercise the powers of District Magistrate.

(2) If any riot or any unlawful assembly is apprehended or occurs in the vicinity of any such shop / *bar*, any Magistrate of the first or second class may for reasons to be recorded in writing, require such shop / *bar* to be kept closed for such reasonable period as he may think necessary.

(3) *The licensee / lease holder shall not, on account of closure of the shop / bar under this section, be entitled to any compensation or refund of licence fee or lease amount.*

*[Amended by Act 1 of 2010 and deemed to have come into force with effect from 24.5.2005]*

### Comments

Section 20 prior to its amendment reads as follows:

“(1) The District Magistrate may, by notice in writing to the licensee, require that any shop in which any intoxicant is sold shall be closed at such times or for such period as he may think necessary for preservation of the public peace.

Explanation: For the purpose of this section, the expression ‘District Magistrate’ includes the Additional District Magistrate or any other person empowered to exercise the powers of District Magistrate.

(2) If any riot or any unlawful assembly is apprehended or occurs in the vicinity of any such shop, any Magistrate of the first or second class may for reasons to be recorded in writing, require such shop to be kept closed for such reasonable period as he may think necessary.

(3) The licensee shall not, on account of closure of the shop under this section, be entitled to any compensation except to the refund of such licence fee paid by him in respect of the shop as is proportionate to the period during which the shop is required to be kept closed under this section.

The Hon’ble High Court of Andhra Pradesh in W.P. No.27634 of 2005 observed that the Rule 59 of A.P. Excise (Lease of right of selling by shop and conditions of licence) Rule, 2005 as ultra vires of Section 20 (3) of A.P. Excise Act. As such it was felt inevitable by the Government to bring about an amendment to Section 20 of the A.P. Excise Act, 1968 deleting the provision relating to “refund of such licence fee paid by him in respect of the shop as is proportionate to the period for which the shop is required to be kept closed under the section” with retrospective effect from 24.5.2005. Accordingly the Section 20 was suitably amended by Act 1 of 2010.”

### CASE-LAW

Under Section 20(1) of the A.P. Excise Act, 1968, the District Magistrate is empowered to order to close down the shop for such time and for such period for preservation of the public peace. In a given circumstance, under Section 20(3) of the Act, the licensee shall not, on account of the closure of his shop under Section 20 of the Act, be entitled to any compensation except to the refund of such licence fee paid by him in respect of a shop in proportionate to the period during which the shop is required to be kept closed under Section 20 of the Act. *N. Mahender Rao v. Government of A.P. and others*, 2007 (4) ALD 448.

In fact, there is no provision under the Act or the Licence Rules entitling the petitioner to seek remission of the proportionate lease amount for the said period. Therefore, merely because there was delay in granting the licence by considering the application filed for shifting, the petitioner was held not entitled for remission of the lease amount for the aforesaid non-business period. *N. Mahender Rao v. Government of A.P. and others*, 2007 (4) ALD 448 = 2007 (4) ALT 567.

### Chapter–V

## Excise Duty and Countervailing Duty

### **21. Excise duty or countervailing duty on excisable articles:-** (1)

The Government may, by notification, levy an excise duty on any excisable article manufactured or produced in the State [xxx] at such rates [xxxx] as may be specified in the notification.

*[xxx. The expression ‘in accordance with a licence granted under Section 13’ omitted by Act 23 of 1971. Effective from 23.11.1971]*

*[xxxx The words “not exceeding the rates mentioned in the Schedule” omitted by G.O.Ms.No. 162, Rev (Ex-II) Dept., dt. 10-9-2015, w.e.f. 10-9-2015]*

(2) (1) The Government may, by notification, levy a countervailing duty on any excisable article manufactured or produced elsewhere in India and imported into the State at such rates as may be specified in the notification, which may not exceed the rates of excise duty on similar excisable articles levied under sub-section (1).

(2) The Government may, by notification, levy assessment fee or both on any excisable article manufactured or produced in any place outside India and imported into the State at such rates as may be specified in the notification.

*[Sub-section (2) subs. by G.O.Ms.No. 162, Rev (Ex-II) Dept., dt. 10-9-2015, w.e.f. 10-9-2015]*

(3) Different rates may be specified in sub-sections (1) and (2) for different kinds of excisable articles and different modes of levying duties under Sec. 22.

*(4) Notwithstanding anything contained in this Act, it shall be open to the Government, by notification to levy such other taxes, or duties or cess or any other fee or registration fee or penalties or discounts, at any stage, in respect of excisable articles or on any person connected with the trade of excisable articles as may be specified in the notification.*

*[Sub-section (4) Added by Act No. 32 of 2017, w.r.e.f. 2-6-2014]*

**22. Modes of levying duties:-** The excise duty and countervailing duty under Section 21 shall be levied in one or more of the following modes:

- (a) Ratably, *on the quantity or ad valorem* of any excisable article produced or manufactured in or issued from a distillery, brewery or manufactory or warehouse or imported into the State.

*[The words 'on the quantity or ad valorem of any excisable article' substituted for the words 'on the quantity of any excisable article' by Act 39 of 2006. Effective from 25.5.2006]*

- (b) In the case of spirits or other liquors produced in *any distillery, brewery or manufactory* in accordance with its quality or strength or in accordance with such scale of equivalents calculated on the quantity of materials used, or by the degree or attenuation of the wash or wort, as the case may be prescribed.

*[The words 'any distillery, brewery or manufactory' substituted for the words 'any distillery established or continued or any distillery, brewery or manufactory licensed under this Act' by Act 23 of 1971. Effective from 23.11.1971]*

- (c) In the case of toddy, in the form of a tax on each variety of excise tree from which toddy is drawn having due regard to the period during which such tree is capable of yielding toddy.
- (d) By different rates of fees on licenses issued for different purposes mentioned in sub-section (1) of Section 17 as may be prescribed.

*[Clause (d) substituted by Act 35 of 2005. Effective from 20.5.2005]*

### Comments

“The Clause (d) of Section 22, prior to its substitution by Act 35 of 2005, read as follows:

(d) by fee on licenses for the manufacture, supply or sale of any excisable article.”

**23. Payment for exclusive privilege:-** (1) Instead of or in addition to any excise duty or fees leviable under Sections 21 and 22, the Commissioner or any other *officer authorized* may accept payment of a sum in consideration of the grant of lease or licence or both for the exclusive privilege in respect of liquor or any other intoxicant under Section 17.

*[for the words 'competent officer' the words 'officer authorized' substituted by Act 35 of 2005, w.r.e.f. 20-5-2005.]*

(2) It shall be lawful for the Government to prescribe different rates of exclusive privilege fee for different purposes mentioned in sub-section (1) of Section 17.

*[Sec. 23 substituted by Act No. 10 of 1984. w.e.f. 28-1-1984, numbered as sub-section (1) and sub-section (2) added by Act 35 of 2005. Effective from 20-5-2005]*

**23-A. Payment by the Corporation:- [xxx]****23-B. Payment by the Corporation from 21.7.1993:- [xxx]**

[Sections 23-A and 23-B inserted by Act 17 of 2006, and Omitted by Act 5 of 2012, w.e.f. 16-4-2012, Vide G.O.Ms.No. 326, Rev. (Ex.-II), Dept., dt. 21-5-2012]

**Comments**

Prior to its Omission S. 23-A and 23-B reads as follows:

**[23-A. Payment by the Corporation:-** In consideration of the privilege conferred on the Corporation, in terms of Andhra Pradesh (Regulation of Trade in Indian Made Foreign Liquor, Foreign Liquor) Act, 1993, the entire margins, Special privilege fee, any other receipts and any other amount realized by the Corporation from whatever source after deducting the expenses incurred by the Corporation, shall be paid as privilege fee or Special privilege fee or any other fee by whatever name called to the Commissioner of Prohibition and Excise in terms of Section 23 (1) in the month succeeding the month of sale.

**23-B. Payment by the Corporation from 21.7.1993:-** Notwithstanding anything contained in this Act, and the A.P. (Regulation of Trade in Indian Made Foreign Liquor, Foreign Liquor) Act, 1993 and the rules made there under, or any order issued by the Government or the Commissioner of Prohibition and Excise, all amounts paid by the Corporation from 21-07-1993 to the Commissioner of Prohibition and Excise as privilege fee or special privilege fee or any other fee or cess by whatever name called, in consideration of the privilege conferred on the Corporation, shall be deemed to be the due payment for the relevant years under Section 23 and Section 23-A.]

**24. Owner or other person in possession of excise trees to give intimation of unwillingness to tap excise trees etc:-** (1) Where in any area, a duty under Section 21 is levied, the owner or other person in possession of the excise trees in that area, who is unwilling to have his excise trees tapped or to allow the drawal of toddy there from, shall, before the date notified in this regard by the authority empowered to grant a licence under Section 13, intimate his unwillingness in writing to the said authority. Every such intimation received before the date so notified may be approved by the Commissioner subject to such rules as may be made in this behalf and shall take effect only on and from the date on which it is so approved; and the intimation so approved shall not be revoked during the period of seventeen months from the date so notified.

(2) Where no such intimation is received by the said authority before the date so notified, the licence applied for under Section 13 may be granted to the person applying therefor.

*[In sub-section (1) the sentence "Every such intimation .....the date so notified" substituted by Act 6 of 1974 for the sentence 'Any such intimation shall not revoked during the period of seventeen months from the date so notified'. Effective from 5.3.1974]*

*[Sub-section (3) omitted by Act 10 of 1989. Effective from 16.9.1988]*

### Comments

Sub-section (3) prior to its omission by Act 10 of 1989, read as follows:

“(3) Where the owner or other person referred to in sub-section (1) fails to give the intimation before the date so notified, he shall not cut down or cause to be cut down his excise trees during the period of seventeen months from the date so notified, and the owner or other person, who cuts down or causes to be cut down any excise tree in contravention of this provision, shall be liable to pay for every excise tree so cut down a penalty equal to twice the amount of duty payable in respect of that excise tree at the time of contravention. Such penalty may be imposed by the authority referred to in sub-section (1) after giving the owner or other person concerned an opportunity to make his representation against the imposition of such penalty.”

The intention of the Government to omit sub-section (3) is to remove the prohibition to cut an excise tree without intimation.

**25. Recovery of duty under this Act from persons other than the licensee in certain cases:-** Where the excise trees are tapped or toddy is drawn therefrom without any licence under this Act the duty payable [under this Act] shall be recoverable primarily from the person who has tapped the excise trees or caused them to be tapped and in default of payment by, or on failure of recovery from such person the duty shall be recoverable from the occupier, if any, of the land in which the said excise trees are standing, or if the excise trees do not belong to the occupier of such land or if the land is not occupied by any person, from the owner or other person in possession of the excise trees, unless such owner or other person proves that the excise trees were tapped or toddy was drawn there from without his knowledge.

**26. Rent to which the owner or person in possession of excise trees is entitled:-** Where a licence is granted, the owner or other person in possession of excise trees shall be entitled to receive as rent for each excise tree from which toddy is tapped or drawn such sum as may be prescribed [xxx] and the said rent shall be paid by the person from whom the duty under this Act is payable, directly to the owner or other person who is entitled to it.

*[xxx. The words 'which shall not exceed the duty payable therefor under this Act' omitted by Act 10 of 1989. Effective from 16.9.1988.*

### Comments

Initially the Section 26 reads as follows:

“26. Rent to which the owner or person in possession of excise trees entitled: Where a licence is granted, the owner or other person in possession of excise trees shall be entitled to receive as rent for each excise tree from which toddy is tapped or drawn, such sum, as may be prescribed which shall not exceed fifty percent of the duty payable therefor, under Section 23 and the said rent shall be payable by the person from whom the duty under Section 23 is payable and shall be deposited by him in the Government treasury, for being paid to the owner or other person who is entitled to it, in such manner as may be prescribed.”

A number of complaints have been received by the Government that the tree owners rent is not being paid to the pattedars in time and in some cases it remained unpaid for years together. The Government considered the matter and decided to be allowed to pay the tree owners rent directly to the tree owner or person who is entitled to it instead of remitting it in the Government treasury. Further, the Government decided to enhance the tree rent payable to the tree owners from one-half to such amount as may be prescribed, which shall not exceed the duty payable therefor by way of tree tax. With these two objectives the Government amended the Section 26 by Act 4 of 1979 with effect from 1.10.1978. The Section 26 as amended by Act 4 of 1979 read as follows:

“26. Rent to which the owner or person in possession of excise trees entitled: Where a licence is granted, the owner or other person in possession of excise trees shall be entitled to receive as rent for each excise tree from which toddy is tapped or drawn, such sum, as may be prescribed which shall not exceed the duty payable therefor under this Act and the said rent shall be paid by the person from whom the duty under this Act is payable, directly to the owner or other person who is entitle to it.”

Subsequently the Government considered the payment enhanced rent to the owners of the Excise trees and accordingly amended the Section 26 by Act 10 of 1989 omitting the word ‘which shall not exceed the duty payable therefor under this Act’ This facilitate the payment of enhanced rent to the owners of Excise trees without reference to the duty payable thereon.

**27. Prohibition of cutting down or destroying excise trees:-** No person shall without the permission of the Collector or such officer as may be empowered by the Government in this behalf, cut down or destroy any excise trees *[xxx]*. Such permission may be given subject to such conditions and on payment of such fee as may be prescribed.

*[xxx The words 'belonging to Government' omitted by Act 10 of 1989. Effective from 16.9.1988.]*

### Comments

Prior to the amendment, Section 27 prohibits the cutting down or destroying Government excise trees. By virtue of this amendment it has been extended this prohibition to all excise trees whether belonging to Government or on private lands.

### CASE-LAW

**Uprooting Shendi Trees using JCB and order of confiscation of vehicle:**— Writ petition was filed without availing remedy of appeal available before the Commissioner of Prohibition and Excise cannot be maintained.

Further held that “the excise trees from where toddy is harvested are also grown in lands owned by individuals, in addition to Government lands. Toddy tapping and sale of toddy is the main source of livelihood for Gouda Community. Having noticed that the excise trees standing on private lands are felled indiscriminately, affecting the lives of the Gouda Community, cutting of excise trees is prohibited even in private lands. Section 27 of the Act imposes such prohibition. Section 40 of the Act prescribes penalties for cutting down and destroying excise trees. To make the penal provisions more stringent, under Section 45 of the Act the material used to violate the prohibition imposed by the Act is made liable for confiscation. Thus, if a thing is used to cut excise tree, that material is liable for confiscation. In the instant case, the allegation is JCB machinery was used to cut excise trees. Thus, in addition to penal action against persons involved in cutting excise trees, the machinery used to remove the excise trees is liable for confiscation. Having regard to the provisions contained in Section 45 of the Act, it is no more open to contend that petitioner’s vehicle cannot be subjected to confiscation proceedings in addition to the persons involved in committing crime. The provision in Section 45 of the Act is explicit. The confiscation proceedings initiated against the petitioner’s vehicle are not vitiated on the ground urged by learned Counsel for the petitioner.”

“Section 46 of the Act provides for mechanism for undertaking confiscation proceedings and passing orders for confiscation. In the process of exercising powers to confiscate a vehicle involved in the offence prescribed in the Act, it is open to the Deputy Commissioner of Prohibition and Excise to follow the procedure envisaged by the Code of Civil Procedure, 1908 to receive evidence on affidavits, summon and enforce the attendance, examine him on oath and compel the production of documents. From the plain reading of Section 46(6) of the Act and in the overall scheme of the Act, it is clear that in the process of conducting confiscation proceedings, it enables the Deputy Commissioner to adopt the procedure prescribed in the Code of Civil Procedure, whenever required, on matters mentioned therein. It is an enabling provision and it is for the Deputy Commissioner to adopt appropriate procedure as required in a given case. Further, it is apparent from Section 46 of the Act that what is required by the Deputy Commissioner is to follow the rule of *audi alteram partem*. These are summary proceedings. Petitioner seeks to elevate the status of those proceedings to that of

regular civil Court proceedings. Herein it is not the case of the petitioner that he was not given reasonable opportunity. Petitioner was served show-cause notice, he responded to the same and filed his explanation and on due consideration of the explanation offered by the petitioner, a reasoned order was passed confiscating the vehicle. The rule of *audi alteram partem* was observed before passing the order. Petitioner cannot say that a procedural provision which vests discretion in the competent authority is to be mandatorily applied and non-observance of that procedure vitiated the order. Further, petitioner miserably failed in satisfying the Court as to how prejudice was caused to him. Thus, the said contention is rejected.”

“It is not disputed by learned Counsel for the petitioner that by the time petitioner instituted WP No.8406 of 2020 his vehicle was not confiscated. However, it appear; from the reading of operative portion of the order that the Court assumed that the vehicle was already seized and issued direction to release the vehicle on furnishing the fixed deposit for a sum of Rs.25,000/-. Petitioner has not taken steps to bring to the notice of the Court that by the time the order was passed by this Court the vehicle was not seized and was in his custody only. Since there was a direction to release the vehicle, the respondent authorities directed the petitioner to surrender the vehicle and agreed to release the vehicle on furnishing the fixed deposit for a sum of Rs.25,000/-. Accordingly, orders were passed granting interim custody after petitioner furnished the fixed deposit receipt. Learned Counsel for petitioner sought to contend that as order granting interim custody was actually served on the same day when confiscation order was made, the confiscation is vitiated. Issue of interim custody of vehicle pending confiscation proceedings has no bearing on confiscation proceedings. Order granting interim custody is valid till the confiscation proceedings are finalized. In the case on hand, simultaneously, the confiscation proceedings were taken up. The show-cause notice was issued on 25.8.2020. On 31.8.2020, petitioner submitted his explanation and on 14.9.2020, confiscation orders were passed. Assuming that there were lapses in granting interim custody of the vehicle, it has no bearing on the confiscation proceedings.” *Kore Raju v. State of Telangana and Ors.*, 2021 (1) ALD 305 (TS) = 2021 (3) ALT 73 (TS) .

## Chapter–VI

### **Licences and Permits**

**28. Forms and conditions of licence etc:-** (1) Every permit issued or licence granted under this Act shall be issued or granted on payment of such fees, for such period, subject to such restrictions and conditions, and shall be in such form and shall contain such particulars, as may be prescribed.

(2) The conditions prescribed under sub-section (1) may include provisions of accommodation by the licensee to Prohibition and Excise officers at the licensed premises on payment of rent or other charges for such accommodation at or near the licensed premises and the payment of

the costs, charges and expenses (including the salaries and allowances of the Prohibition and Excise Officers) which the Government may incur in connection with the supervision to ensure compliance with the provisions of this Act, the rules made there under and the licence.

(3) In addition to the fee prescribed under subsections (1) and (2) above, the Commissioner or an Authorized Officer may levy and collect any of the following from the manufacturers or retailers or bar owners or in house or other persons selling on excisable article as permitted under sub-section (1) of Section 17:-

- (a) Distillery Excise Tax
- (b) Brewery Excise Tax
- (c) Winery Excise Tax
- (d) Micro Brewery Excise Tax
- (e) Retail Shop Excise Tax
- (f) Elite Shop Excise Tax
- (g) Bar Excise Tax
- (h) Bonafide use of Excisable articles Excise Tax.

(4) In addition to the fee prescribed in sub-sections (1), (2) and (3) above, the Commissioner or an Authorised Officer may levy and collect any of the following from the vendors or suppliers of excisable articles:-

- (a) Early payment discount
- (b) Trading fee
- (c) Bulk stock delivery discount
- (d) Registration fee
- (e) Brand Registration fee
- (f) Penalty for wrong dispatch
- (g) Penalty for slow/non-moving stock
- (h) Exemplary penalties in case of abnormal breakages.

*Explanation:-* For the removal of doubts, it is clarified that any fees or charges by whatsoever name called, collected in pursuance of this section or clause (d) of section 22 or any other section of this Act or any rules made under this Act, from time to time, for granting any lease, license or exclusive privilege for different purposes mentioned in sub-section (1) of section 17, shall irrespective of the time, mode and manner of such collection, be deemed

to be and always be deemed to have been Excise duty or Countervailing duty on excisable articles levied and collected under Section 21.

*[Sub-sections (3) and (4) added by Act No. 32 of 2017, w.r.e.f. 2-6-2014]*

#### CASE-LAW

**Section 28:**— Where, it was an admitted fact that the respondent society's toddy shop was closed on 11.1.1997 pursuant to the order of the Excise Department itself and was reopened only on 18.1.1997 pursuant to the interim orders passed by the High Court upon the motion of the respondent society it was held that having directed the closure of toddy shop, the stand of the Excise Department that the respondent society should pay rentals during the period of such closure cannot be countenanced. In this regard, reference may also be made to Rule 33 of the A.P. Excise (Indian and Foreign Liquor Retail Sale Conditions of Licences) Rules, 1993. Though the said Rules have no application to the respondent society, Rule 33 thereof is of guidance insofar as this issue is concerned. Under Rule 33, where a shop is ordered to be closed otherwise than by cancellation or suspension of the licence, no demand of rental shall be made for the period of such closure. In the present case also there was neither cancellation nor suspension of the respondent society's licence when it's toddy shop was directed to be closed by order dated 11.1.1997. Therefore, the Excise Department was held not legally entitled to seek payment of rentals for the period of such closure, extending the principle adumbrated in Rule 33 of the 1993 Rules. *Prohibition and Excise Superintendent, Hyderabad District, Hyderabad and another v. Toddy Tappers Co-operative Society*, 2009 (5) ALD 182 (DB) = 2009 (5) ALT 39 (DB).

Section 28 of the Andhra Pradesh Excise Act, 1968 provides for grant of a licence in the prescribed proforma. The provision itself makes it clear that the licence is granted with reference to the premises wherefrom the licensee is entitled to carry on business. The same is borne out by the form of the licence also. Therefore, in the instant case the licensee was held not entitled to commence business before the issuance of the licence which makes specific reference to the licensed premises. The payment of rentals by the respondent society was held relatable to Rules 16 and 18 of the A.P. Excise (Lease of Right to sell Liquor in Retail) Rules, 1969 while payment of the licence fee is under Rule 18 of the A.P. Excise (Arrack and Toddy Licences General Conditions) Rules, 1969. The Division Bench judgments of the High Court in W.A. Nos. 341 and 1179 of 1991, 1095 of 1991 and 1025 of 1991 demonstrate that the High Court took the view therein that no rentals could be claimed by the Excise Department for the period during which there was no licence. *Prohibition and Excise Superintendent, Hyderabad District, Hyderabad and another v. Toddy Tappers Co-operative Society*, 2009 (5) ALD 182 (DB) = 2009 (5) ALT 39 (DB).

**Sections 28, 29 and 2(26):**— Excise Act was enacted to regulate production, manufacture, possession, transport, purchase and sale of intoxicating liquors and drugs and levy of duties of excise and countervailing duties on alcoholic liquors for

human consumption in State of Andhra Pradesh. Like any other law, Excise Act is also intended to ensure a rationale and unarbitrary implementation of legislative policy to part with privilege in dealing with intoxicants. If, it is shown that the impugned action is arbitrary or irrational, it would certainly violate Article 14 of the Constitution of India. *Siva Krishna Wines, Cuddapah District v. Commissioner of Prohibition and Excise, Andhra Pradesh, Hyderabad and Others*, 2009 (3) ALD 112.

**29. Power to take security and counterpart agreement:-** Subject to such rules as may be prescribed, the authority granting licence under this Act may require the licensee –

- (a) to give security for the observance of the terms of his licence and
- (b) to execute a counterpart agreement in conformity with the tenor of his licence.

#### CASE-LAW

**Sections 28, 29:—** The question, that arose for consideration in this appeal, was as to whether licence fee can be demanded from a date anterior to the date of grant of licence. In WP No. 5539 of 1998, the Division Bench has held that as the petitioner was not in any way responsible for non-grant of licence for the period anterior to 3.6.1997, the proportionate licence fee for the period from 18.4.1997 to the date of holding of the auction should be deducted from the rents payable by the licensee. Fairness and reasonableness demand that such a course of action could have been taken in WP No. 1947 of 1997. However, the learned Bench had proceeded on the basis that despite the stipulation made in the notice inviting tender, the petitioners had knowingly participated in the auction. That may be so. But having regard to the fact that the petitioner herein, during the aforementioned period, did not derive any advantage of being a successful bidder in the auction, it would be wholly unjust if he is saddled with licence fee for that period. Further, the bid amount in this case was above the upset price. The decision of the Division Bench in WP No. 19647 of 1997 has no application to the facts on hand for two reasons viz., (1) in that case, the amount was not above the upset price and (2) that in that case no instance has been brought to the notice of the Court that proportionate deduction has been granted in other cases. Even in WP No. 5539 of 1998, similar relief was granted. *Government of A.P. and others v. A. Sudhakar*, 2001 (2) ALD 617 (DB) = 2001 (3) ALT 602 (DB).

**30. Technical defects, irregularities and omissions:-**(1) No licence granted under this Act shall be deemed to be invalid by reason merely of any technical defect, irregularity or omission in the licence or in any proceedings taken prior to the grant thereof.

(2) The decision of the Commissioner as to what is a technical defect, irregularity or omission, shall be final.

**31. Power to cancel or suspend licence etc:-** (1) Subject to such restrictions as may be prescribed, the authority granting any licence or permit under this Act, may cancel or suspend it *irrespective of the period to which the licence or permit relates*—

*[The words ‘irrespective of the period to which the licence or permit relates’ inserted by Act 10 of 1989. Effective from 16.9.1988]*

- (a) if any duty or fee is payable by the holder thereof is not duly paid; or
- (b) in the event of any breach by the holder thereof or by any of his servants or by any one acting on his behalf with his express or implied permission, of any of the terms and conditions thereof; or
- (c) if the holder thereof or any of his servants or any one acting on his behalf with his express or implied permission, is convicted of any offence under this Act; or
- (d) if the holder thereof is convicted of any cognizable and non-bailable offence or of any offence under the *Narcotic Drugs and Psychotropic Substances Act, 1985 (Central Act 61 of 1985)* or under the Medicinal and Toilet Preparations (Excise duties) Act, 1955, or under the Trade and Merchandise Marks Act, 1958, or under Section 481, Section 482, Section 483, Section 484, Section 485, Section 486, Section 487, Section 488 or Section 489 of the Indian Penal Code or any offence punishable under Section 112, or Section 114 of the *Customs Act, 1962, irrespective of the fact whether such conviction relates to the period earlier or subsequent to the grant of licence or permit*; or

*[The expression ‘Narcotic Drugs and Psychotropic Substances Act, 1985’ substituted for the expression ‘Dangerous Drugs Act, 1930’. Similarly the expression ‘Customs Act, 1962 irrespective of the fact whether such conviction relates to the period earlier or subsequent to the grant of licence or permit’ for the expression ‘Customs Act, 1962 or’ substituted by Act 10 of 1989. Effective from 16.9.1988]*

- (e) if the conditions of the licence or permit provide for such cancellation or suspension at will:

Provided that no such licence or permit shall be cancelled or suspended unless the holder thereof is given an opportunity of making his representation against the action proposed.

(2) Where a licence or permit held by any person is cancelled under clause (a), clause (b), clause (c), or clause (d) of sub-section (1), the authority aforesaid may cancel any other licence granted or permit issued to such person under this Act or under the Opium Act, 1878.

(3) The holder of a licence or permit shall not be entitled to any compensation for its cancellation or suspension nor to the refund of any fee paid or deposit made in respect thereof.

#### Comments

It was observed by the Hon'ble High Court of Andhra Pradesh that there is no provision in the Act and the rules made there under entitling the licensing authority to cancel licence for contravention of the terms and conditions of licence granted for the previous year. Therefore sub-section (1) of Section 31 was suitably amended by incorporating the words 'irrespective of the period to which the licence or permit relates' thereby providing provision for cancellation of licence for contravention of the terms and conditions in such cases.

#### CASE-LAW

**Section 31:**— Where there was no allegation against the petitioner that he was selling any non-duty paid Indian liquor in loose quantity in his wine shop, the entire basis for the cancellation order, was that one Mangala Maruthi Prasad, who was the accused in Crime No. 47/98-99 of Hindupur Prohibition and Excise Station, confessed on 7.11.1998 that the arrack sachets which were in his possession were supplied by the petitioner, and the petitioner herein was not even an accused in that crime, it was held that a confessional statement of an accused cannot be used against the other accused let alone a person who is not even an accused in that crime. Even if it was assumed that the petitioner has supplied those arrack sachets to that accused person, it did not amount violation of the Condition No. 6, since there was no sale of such liquor in the petitioner's wine shop. It was, therefore, clear that the petitioner has not violated any of the terms and conditions of the licence granted in his favour warranting cancellation of the same under Section 31(b) of the Act read with Rule 66 of the Rules. The 2nd respondent-Deputy Commissioner of Prohibition and Excise himself held that the petitioner cannot be made liable on mere confessional statement of an accused person, but, confirmed the order of cancellation entirely on an extraneous ground that the petitioner could not satisfactorily explain his involvement in another case booked against him in Crime No. 27/98 of Parigi Police Station on 5.5.1998 for transporting certain arrack sachets. Involvement of the petitioner in that crime, was held never to be a ground for cancellation of the petitioner's licence under Section 31(1) of the A.P. Excise Act, 1968 read with Rule 66 of the A.P. Indian Liquor and Foreign Liquor Rules, 1970. It, therefore, follows that the impugned order of cancellation of the petitioner's licence by the 3rd respondent-Prohibition and Excise Superintendent as confirmed by the 2nd respondent-Deputy Commissioner of Prohibition and

Excise and the 1st respondent-Commissioner of Prohibition and Excise was without lawful authority. *V.P. Thimmaiah v. Commissioner of Prohibition and Excise, Government of Andhra Pradesh, Hyd. and others*, 2001 (6) ALD 201.

Under the Food Adulteration Act the opinion with regard to adulteration expressed in second report by the Central Food Laboratory is not taken to be conclusive proof of the quality of the sample. It is merely a piece of evidence which may or may not be accepted in a given case on given facts. But, in Excise Act or the rules made thereunder there is no provision akin to Section 13(3) of Prevention of Food Adulteration Act. By having two conflicting reports from two different laboratories at best a doubt with regard to the quality of the sample of toddy in a departmental proceedings in question resulting cancellation of licence should go in favour of the consumers rather than in favour of a licensee. In the present case the first analysis disclosed that the sample contained diazepam and chloral hydrate. So, if the people are made to drink toddy with diazepam and chloral hydrate the health of the general public would be at jeopardy and in such a doubtful situation it would not be advisable to take a risk of life and health of the general public. It is known to one and all that large number of people in the State of Andhra Pradesh consume toddy. The petitioner society has been running 20 retail toddy shops therefore in each and every case it would be for the authorities concerned to take a decision and take all relevant material into consideration while suspending or cancelling the licence.

It is well known that running of a business in liquor is not a fundamental right. We need not go into catena of decisions of this issue as it is well settled that dealing with liquor is prerogative of the State and this prerogative can be extended and granted to people and can also be revoked. Though, dealing in liquor is only a privilege granted by the State and it can be withdrawn by the State as has been held in *Khoday Distilleries v. State of Karnataka*, AIR 1996 SC 911; *Mc. Dowels v. State of A.P.*, AIR 1996 SC 1627, however the privilege can be withdrawn subject to limitations placed under Article 14 of the Constitution of India. We have not been able to find any infraction of Article 14 of the Constitution in the present case. Intrinsically the use of alcohol is bad for health and therefore under Article 47 the State is duty bound to have prohibition of the consumption of intoxicating drinks which are injurious to health. Therefore, when the health of the general public and the life of the consumers is at stake and there is a reasonable doubt that a person to whom such a privilege has been granted is indulging in adulteration of liquor the State would be within its powers to revoke the licence. For these reasons, the judgment reported in *Toddy Tappers Co-op. Society v. Proh. & Excise*, 1993 (3) ALD 652, is not laying down any good law. *Toddy Tappers Co-op. Society Group, Khammam v. Prohibition and Excise Superintendent, Khammam Dist. and others*, 2001 (6) ALD 309 (DB).

Where a careful scrutiny of the criminal court judgment would go to show that all the independent witnesses turned hostile and the learned Magistrate held that the prosecution failed to prove the charge against the petitioner beyond all

reasonable doubt, it was held not to be a case of honourable acquittal of the petitioner. *J. Viswanatha Reddy v. Government of A.P. and others*, 2008 (4) ALD 179 = 2008 (4) ALT 388.

There is a duty cast on the State and the Election Commission to conduct elections in an atmosphere of peace, in a free and fair manner. Intoxicating liquor, would have a corrosive influence and cause widespread inducement for electoral gains, and thereby impact free and fair elections. In view of the representation made by the A.P. Wine Dealers Association that they are willing to close down the liquor shops in the State on the eve of elections to avoid harassment at the hands of the excise officials until the conclusion of elections, and given the fact that closure of shops is impermissible beyond a stipulated period, since under the Act and the Rules made thereunder, closure is permitted only on dry days and under Section 20 of the Act, by an order of the District Collector, for breach of public peace, and under Section 135-C of the Representation of the People Act, 1951 for a period of 48 hours till the poll is concluded. Advocate General was held required to inform the Court, the stand of the State whether they are ready and willing to permit closure of the shops for the period till the conclusion of the elections, as requested by the A.P. Wine Dealers Association in their representation to the Government. But the learned Advocate General on instruction from the State has emphatically submitted that the State was not willing to close down the shops as requested by the A.P. Wine Dealers Association in their representation as it would stand to lose revenue to the tune of Rs.700.00 crores and would also be forced to give remission to the licensees for the closure period, in which case, the financial interest of the State would be seriously affected. *K. Bhaya Reddy and others v. Prohibition & Excise Superintendent, Kadapa (FAC) and another*, 2009 (3) ALT 401.

Since the number of cases being registered, as reported in the newspapers, are a testimony to the fact that illegal liquor is flowing freely, which if not curbed, would not only be injurious to the health of the general public, but also impact free and fair elections, thereby denting the very democratic process, the High Court, with a view to strike a balance between the paramount public interest and the State's preferred interest in income from liquor sales, suggested to the Government whether they can close down the shops till the conclusion of the elections as requested by the A.P. Wine Dealers Association in their representation, but the Court, however, received a negative response from the State. The Government felt that the financial interest of the State is greater than that of the public interest. That public interest (health and well being of the subjects of the State and free and fair elections, fundamental premise of the democratic process) is subservient to the financial interest. The choice among the transient economic gain by sale of higher quantities of liquor during elections on the one hand, and the health and well being of the people of the State and the need for free and fair elections on the other, depends upon the thinking of the Government. When the State is of the opinion that the immediate money gain (by way of increased sale of liquor) is more important than public health and their well being and free and fair elections, which is a

fundamental premise for the governance and basic structure of the Constitution, the Court held that it has no option but to leave the matter to the wisdom of the State and its people to take corrective measures. *K. Bhaya Reddy and others v. Prohibition & Excise Superintendent, Kadapa (FAC) and another*, 2009 (3) ALT 401.

**Section 31(1):**— In my considered opinion, the answer must be in negative only, the reason being, when on the same set of facts a competent criminal court had arrived at a particular conclusion, the licensing authority is expected to take into consideration the said fact also while making an order in relation to either renewal or licence or cancellation of licence. At least to this limited extent, definitely the acquittal recorded by the competent criminal court will be relevant. It is no doubt canvassed by the learned - Government Pleader for Excise that there was an alternative remedy. But it is needless to point out that alternative remedy always need not operate as a bar for exercising the extraordinary jurisdiction under Article 226 and in the peculiar facts and circumstances of the case, especially the judgment of criminal court acquitting the writ petitioners, the impugned order as such was held not sustainable. *R. Yadaiah and another v. Prohibition and Excise Superintendent, Ranga Reddy District, Hyderabad and another*, 2002 (2) ALD 839 = 2002 (6) ALT 288 = 2002 AIHC 3723.

Suspension of wine shop license and legality thereof dealt with. *D Ramakrishna v. State of A.P.*, 2018 (4) ALD 124.

**Section 31(1)(e) proviso:**— The proviso contained in Section 31(1)(e) of the Act, clearly shows that no licence or permit shall be cancelled or suspended unless the licence holder is given an opportunity to give his representation against the action proposed. In the present case, admittedly, the first respondent passed the order without giving any notice and opportunity to the petitioner. A similar issue was decided by a Division Bench of the High Court of Andhra Pradesh earlier, wherein it was held that an order of suspension passed without giving notice and opportunity to the licensee, is illegal and liable to be set aside. Under these circumstances, the impugned order of suspension was set aside, by keeping it open to the first respondent to issue show-cause notice to the petitioner and proceed with the enquiry in accordance with law. *Sri Venkateshwara Wines v. Superintendent of Prohibition and Excise, Nizamabad and others*, 2004 (4) ALD 681 = 2004 (4) ALT 495.

**Section 31(1)(b):**— Therefore, the question that arises for consideration is whether it is open to the Licensing Authority to suspend the licence pending enquiry without issuing any prior notice to the licensee. It is true that the proviso to sub-section (1) of Section 31 states that no licence or permit shall be cancelled or suspended unless the holder of licence is given an opportunity of making his representation against the proposed action. However, on a plain reading of Section 31(1) together with the proviso, the Court viewed that the suspension referred to in the said provision is only with regard to suspension of licences by way of

punishment, but not suspension as an interim measure pending enquiry into the allegations against the licensee. *Toddy Co-operative Society, Lingannapet Village v. Superintendent of Prohibition and Excise, Karimnagar and others*, 2004 (5) ALD 188 = 2004 (2) APLJ 419 (HC) = 2004 (6) ALT 205.

**Section 31(2):**— In the facts, circumstances as also the legal position, and while allowing the writ petition in part, cancellation only of the licence of shops Nos. I to 3 belonging to the petitioner at Yellareddypet Village and Mandal was set aside. Petition with regard to cancellation of the licence of the depot of the petitioner is dismissed. No costs. *Toddy Co-operative Society, Yellareddypet v. Superintendent of Prohibition and Excise Karimnagar District and others*, 2003 (6) ALD 32 = 2003 (5) ALT 475.

**Sections 31(1), 63:--** Where the contention of the learned Counsel appearing for the petitioners, was that as per the two judgments of the Division Bench and the judgment of the learned Single Judge the licence cannot be suspended pending enquiry, such contention was held not to be accepted in view of the authoritative judgment of the Full Bench of the High Court of Andhra Pradesh. Insofar as the cases on hand were concerned, the panchanama recorded by the Excise Officials showed that the accused have been manufacturing the spurious liquor and even supplied to the petitioners' shops as confessed by their Naukarinama holders and Cashiers and in fact, they have also raided the shops of the petitioners and the link has been established. If the said allegations were true, the violations are held to be serious in nature as the sale of spurious liquor is injurious to public health apart from loss of huge revenue to the Exchequer. However, the petitioners were held not entitled to the relief prayed for in these writ petitions. It was further held that there is an alternative remedy available to them under Section 63 of the Act. *A. Subbarami Reddy v. Prohibition and Excise Superintendent, Tirupathi and another*, 2007 (5) ALD 732 = 2007 (5) ALT 428 = 2007 (3) APLJ 194.

**Section 31(1)(b), 34(a) and 37:--** The view taken by this Court in *Toddy Tappers Co-operative Society's* case, 1986 (2) ALT 19 (NRC), *B.V. Narayana's* case, 1990 (1) ALT 415 and *K. Penchal Reddy's* case, 2005 (3) ALD 599, that the proceedings under Sections 31 and 37 are independent of each other and acquittal of the accused for an offence under Section 37 has no bearing on the departmental proceedings. While Section 31 deals with the civil consequences, Section 37 deals with criminal consequences. In denying the life and personal liberty of a citizen, proof beyond reasonable doubt is required to be established while such a requirement is not necessary in a departmental proceeding. This is evidently the reason why the Legislature did not make the provisions of Section 31 subject to Chapter VII. In dealing with cases arising under the Excise Act, the Courts cannot be oblivious of the serious adverse consequences, which the society would suffer on account of sale of spurious and adulterated liquor. If the provisions of Section 31 are treated as subject to the provisions of Chapter VII, it would more often yield hazardous results, for in many a case the accused are acquitted on account of independent witnesses turning hostile as happened in the instant case and it is a

notorious fact which this Court is bound to take judicial notice of that more often than not the independent witnesses are won over by the accused making them turn hostile. If the outcome in the departmental proceedings is made dependant upon acquittal in criminal cases, invariably it would lead to a situation where a person, who indulges in adulteration and violation of one or the other statutory provisions and terms and conditions of licence, will merrily continue to carry on the liquor trade to the serious detriment of the society at large. *J. Viswanatha Reddy v. Government of A.P. and others*, 2008 (4) ALD 179 = 2008 (4) ALT 388.

**Section 31(1)(b):--** There is thus a definite procedure prescribed by the Rules for the competent authority to exercise the power of suspension/cancellation of the licence. Undisputedly, this procedure is not followed in any of the present cases before the impugned show cause notices were issued. It was not stated by the respondents either in the show cause notices or in their counter-affidavit that samples were drawn from any of the shops run by the petitioners and sent for chemical analysis report. The proposed action was not based on the factum of adulteration actually found indulged in by the petitioners, but on the assumption that it would not have been possible for the petitioners to sell toddy in excess of the actual yield without indulging in dilution/adulteration. Therefore, it was held that no provision of the Act or the 2007 Rules stipulated this method, which is followed by the respondents for arriving at such a conclusion. The respondents have given a goby to the prescribed procedure and innovated a method, which is not envisaged either by the Act or the 2007 Rules. In the considered view of the High Court, such a method was held to be *de hors* the legal provisions and without sanction of law. *Ujelly, T.C.S. Ujelly Village, Maganoor Mandal, Mahaboobnagar District, rep. by its President v. Govt. of A.P., rep. by the Commissioner of Prohibition and Excise, Hyderabad and others*, 2009 (5) ALT 679.

While there can be no restriction on the Commissioner to collect the data regarding the availability of the tapable trees, the actual yield of toddy in respect of each shop and the variation between the actual yield and sales, these statistics by themselves were held not to be made the basis for drawing a presumption that the petitioners are indulging in adulteration. At best, they can be used to keep a watch over the shops where variation between the toddy drawn and toddy sold is noticed. Even in those cases, the respondents were held bound to follow the procedure prescribed in Rule 27 before arriving at the conclusion that the particular society has indulged in adulteration. *Ujelly, T.C.S. Ujelly Village, Maganoor Mandal, Mahaboobnagar District, rep. by its President v. Govt. of A.P., rep. by the Commissioner of Prohibition and Excise, Hyderabad and others*, 2009 (5) ALT 679.

Under Section 31(1)(b) of the Act licensing authority is empowered to cancel the licence in the event of any breach by the holder thereof or by any of his servants or by any one acting on his behalf with his express or implied permission of any of the terms and conditions thereof. As per the terms and conditions of the licence,

licensee cannot keep any article in the licensed premises which is injurious to health. Therefore, it was held that there is violation of Section 31(1)(b) of the Act and if that be so, after giving the composite show cause notice, the licences can be cancelled. If no show cause notice is issued for cancellation of any particular licences, the cancellation of that licence is not valid, but in the instant case the composite show cause notice has been issued as to why licence of the toddy depot and licence of shop Nos.1 and 2 shall not be cancelled and accordingly cancelled its licences. The said action was held not to be said as illegal and contrary to Section 31 of the Act. *K.R. Krishna Goud v. Prohibition & Excise Superintendent, Sangareddy, Medak District*, 2008 (3) ALT 730 = 2008 (3) ALD 76.

Where there was no dispute that in the toddy depot itself 1½ kg. Alprazolem a narcotic and psychotropic substance, was found the depot licence itself has been granted for storing the toddy and to supply the same to shop Nos. 1 and 2, Koheer, and one Narasimha Reddy accompanied the authorities to the toddy depot and showed them the material being taken by one Manikyam for the manufacture of adulterated toddy, and a portion of the house of Narasimha Reddy has been taken on lease by the petitioner and other accused, it was held not to be said that there was no link or connection with regard to the huge quantity found in part of the house of the said Narasimha Reddy which is said to have been taken on lease by the petitioner and other accused. However, Alprazolem which is a narcotic and psychotropic substance, itself has been found in the toddy depot. If that be so, as per Rule 5 of the Special Conditions, licensee shall not keep any article either in the shop or in the depot or even outside. Therefore, keeping Alprazolem in the depot is violative of Rule 5 of the Special Conditions and rules. When a huge quantity of Alprazolem has been found in the toddy depot apart from the other adulterants in the premises taken on lease, it cannot be said that the licensee has not violated the terms and conditions of the licence. *K.R. Krishna Goud v. Prohibition & Excise Superintendent, Sangareddy, Medak District*, 2008 (3) ALT 730 = 2008 (3) ALD 76.

**Sections 31(1)(b), 37:--** Where a perusal of the impugned order showed that no specific reasons have been given by respondent No.3 to resort to the action of suspension pending enquiry. He referred to the explanation of the petitioners to the show-cause notice it was held that, the show-cause notice was issued proposing to pass a final order of suspension. Having received the explanation from the petitioners, respondent No.3 ought to have considered the same and passed final order instead of passing an interim order of suspension purporting to keep the enquiry pending. Such an action is contrary to the spirit of the orders passed by both the learned Single Judge and the Division Bench. Moreover, no events were stated to have transpired subsequent to the passing of the order by the learned Single Judge and confirmed by the Division Bench impelling respondent No.3 to pass an order of interim suspension, when the whole matter was seized of by him for passing a final order. Therefore, the impugned order, was held not to be sustained in law. *Srinivas Goud and others v. Commissioner of Prohibition and Excise, Govt. of A.P. and others*, 2009 (5) ALD 552 = 2009 (5) ALT 775.

**Section 31(3):--** The licensing authority has an unfettered power to collect the licence fee before hand and it has been made abundantly clear in Section 31(3) of the Excise Act, 1968, wherein it was specifically prohibited that the licensee shall have no right to claim damages or compensation in case of suspension or cancellation of licence. *Government of Andhra Pradesh, Excise Department, Hyderabad and others v. S. Nageswara Rao*, 2009 (5) ALD 443 (DB) = 2009 (4) ALT 812 (DB).

**Sections 31(3), 2(12):--** The annual licence fee for the licences shall be paid before the commencement of the lease year in lump sum or in three equal instalments. From the scheme of the Act and the procedure envisaged under various Rules framed under the Act, it becomes clear that the licensee is not entitled to any remission of the licence fee paid by him for the period during which his licence stands cancelled or suspended. Remission on the other hand is envisaged only in cases where the licence is withdrawn or the shop is ordered to be closed by a competent authority under the provisions of the Act, otherwise than by cancellation or suspension of the licence. *S.L.V. Wines, Cuddapah Dist. v. State of A.P. and others*, 2009 (5) ALD 170 (FB) = 2009 (5) ALT 24 (FB).

**Suspension pending enquiry:--** In *R. Mallesh Goud v. State of Telangana*, 2019 (4) ALD 24 (TS) = 2019 (3) ALT 494 (TS), while dealing with Section 31 of the Act and suspension pending enquiry it was held that it need not be preceded by a notice or opportunity of being heard and in a given case order of suspension, pending enquiry, can be made without notice depending upon the injury which is to be prevented. Where petitioner was allegedly involved in selling adulterated toddy which is injurious to health and in the facts and circumstances of the case, if prior notice is to be issued affording opportunity of being heard, it would virtually amount to allowing petitioner to continue his adulterated toddy business endangering public health and that could not be in the interest of public health.

See also: 2018 (4) ALD 124; 2014 (3) ALD 645; 1995 (1) ALD 164; 1984 (2) APLJ 1; 2004 (4) ALD 681.

**Suspension and cancellation of licence:--** Merely because suspension order was not preceded by notice, it does not automatically vitiate the order of cancellation of licence.

From the reading of Section 31(1) of Telangana Excise Act 1968 and the proviso appended thereto, it is apparent that proviso envisages notice prior to suspension of licence and also envisages notice prior to cancellation of licence. These two are independent proceedings. It is not necessary that TFT Licence should be suspended before resorting to cancellation of licence. Further, merely because, suspension order was not preceded by notice, it does not automatically vitiate the order of cancellation of licence. Furthermore, the order of suspension was not challenged on the ground that it was not preceded by notice, before further steps were taken by the competent authority to cancel the licence and ultimately passing orders cancelling the licence. Thus, on that ground, the order impugned per se

cannot be held as vitiated for this Court to entertain the writ petition without relegating the petitioner to avail the statutorily engrafted remedy of appeal against the order of cancellation. *V. Kranthi Goud v. State of Telangana*, 2021 (1) ALD 448 (TS) = 2021 (1) ALT 648 (TS).

**32. Power to withdraw licence:-** (1) Whenever the authority which granted any licence under this Act considers that such licence should be withdrawn for any cause other than those specified in Section 31, it may withdraw the licence on the expiration of not less than thirty days notice in writing of its intention to do so.

(2) When a licence is withdrawn under sub-section (1) [*or clause (e) of sub-sec. (1) of Section 31*] part of the licence fee proportionate to the unexpired portion of the term of the licence and the deposit made by the licensee in respect thereof shall be refunded to him after deduction of the amount if any, due from him to the Government.

[*The bracketed words inserted by Act No. 28 of 1998, w.e.f. 21.8.1998.*]

#### CASE-LAW

**Section 32:**— If Section 32 of the Act is held applicable to a case where renewal of the existing licence is rejected on the ground that there is a change of policy, the same would result in unfairness and also results in the State unlawfully enriching itself with the licence fee or part of licence fee collected by the authorities. In a situation where a licensee is required to apply in advance for renewal by paying substantial licence fee in advance, the refusal to renew must be treated as withdrawal of licence because, as a rule, the existing licensee is entitled and has inchoate right for renewal for the next year. As per sub-rule (2) of Rule 26-A of the Rules, a licensee is entitled to carry on the business till the renewal is refused and the fact is intimated. Therefore, for the period from 22.5.2000 till 8.9.2000 the petitioner did not carry any business and as the non-renewal and/or withdrawal of licence was due to change of excise policy by the Government, which was not one of the causes mentioned in Section 31 of the Act, the petitioner was held entitled for refund of licence fee paid or deposit made, if any. *Naga Chengal Reddy v. Prohibition and Excise Superintendent, Cuddapah District and others*, 2003 (2) ALD 509 = 2003 (6) ALT 269.

License not to be granted in mechanical manner merely because licensee has satisfied all the prerequisite conditions. *Victory Bar and Restaurant v. State of A.P.*, 2015 (4) ALD 94 = 2015 (3) ALT 108.

**Section 32(1)(b):**— A Division Bench of the High Court of Andhra Pradesh consisting of Hon'ble the (then) Chief Justice Dr. A.R. Laxmanan and Sri Justice I.V. Narayana had an occasion to consider similar situation in *Smt. Goka Bujamma v. Prohibition and Excise Superintendent, Srikakulam*, 2002 (1) LS 325 (DB), wherein their Lordships observed as follows:

“A.P. Excise Act, 1968, Section 31(1)(b) Proviso - Superintendent of Prohibition and Excise suspending licence of wine shop after issuing show-cause notice for cancellation, pending enquiry — Order of suspension without affording opportunity of making representation is illegal and without jurisdiction - Order set aside.” The present case was decided accordingly. *Toddy Tappers Co-operative Society, Mahaboobnagar District v. Deputy Commissioner of Prohibition and Excise, Enforcement, A.P. Hyderabad and others*, 2003 (1) ALD 311 = 2003 AIHC 515 = 2003 (2) ALT 747.

**33. Surrender of licence:-** (1) Any holder of a licence granted under this Act to sell an excisable article may surrender his licence on the expiration of one month's notice in writing given by him to the Prohibition and Excise Superintendent of his intention to surrender the same but the licence fee proportionate to the unexpired portion of the term of the licence for which it would have been current but for such surrender shall not be refunded.

(2) Sub-section (1) shall not apply in the case of any licence issued in respect of a lease granted under Section 17.

### Chapter—VII

#### **Offences and Penalties**

**34. Penalties for illegal import, export etc.,:-** Whoever, in contravention of this Act or of any rule, notification or order made, issued or passed there under or of any licence or permit granted or issued under this Act, —

- (a) imports, exports, transports, manufactures, collects or possesses or sells any intoxicant; or
- (b) taps any excise tree; or
- (c) draws toddy from any excise tree; or
- (d) constructs or works any distillery or brewery; or
- (e) uses, keeps or has in his possession any materials, stills, utensils, implements or apparatus whatsoever for the purpose of manufacturing any intoxicant other than toddy; or
- (f) bottles any liquor for purposes of sale; or
- (g) buys any intoxicant; or
- (h) possesses any material or film either with or without Government logo of any district in the State of Andhra Pradesh or any other State or wrapper or any other thing in which intoxicants can be packed or any apparatus, or implement or machine for the purpose of packing any intoxicant;

- (i) removes any intoxicant from any distillery, brewery or warehouse licensed, established or continued under this Act;

Shall on conviction be punished, —

- (1) in case of an offence falling under clause (a),—

- (i) where the intoxicant involved in the offence is less than such quantity as may be notified in this behalf with imprisonment for a term which shall not be less than six months but which may extend upto three years and with fine which shall not be less than rupees five thousand but which may extend upto rupees twenty thousand.
- (ii) where the intoxicant involved in the offence is not less than the quantity notified as aforesaid with imprisonment for a term which shall not be less than *three years* and which may extend upto five years and with fine which shall not be less than rupees ten thousand but which may extend upto rupees one lakh; and

(2) in the case of an offence other than an offence falling under clause (a) with imprisonment which shall not be less than six months but which may extend to one year and with fine which may extend upto rupees ten thousand.

*[Section 34 substituted by Act 4 of 1994. Effective from 26.11.1993]*

*[In item (1) in sub-item (ii) for the words “one year” the words “three years” substituted by Act 8 of 2010. Effective from 4-10-2010, vide G.O.Ms.No. 1250, Rev. (Ex.II), dated 30-9-2010, Published in A.P. Gazette No. 542, dated 4-10-2010.]*

### Comments

Section 34, prior to its substitution by Act 4 of 1994 read as follows:

“34. Whoever, in contravention of this Act or of any rule, notification or order made, issued or passed thereunder or of any licence or permit granted or issued under this Act, —

- (a) imports, exports, transports, manufactures, collects or possesses any intoxicant; or
- (b) cultivates the hemp plant, or fail to take the measure prescribed for checking the spontaneous growth or the extirpation of the hemp plant or collects any portion of such plant from which an intoxicating drug can be manufactured; or
- (c) taps any excise tree; or
- (d) draws toddy from any excise tree; or
- (e) constructs or works any distillery or brewery; or

- (f) uses, keeps, or has in his possession any materials, still, utensil, implement or apparatus whatsoever for the purpose of manufacturing any intoxicant other than toddy; or
- (g) bottles any liquor for purposes of sale; or
- (h) sells or buys any intoxicant; or
- (i) removes any intoxicant from any distillery, brewery or ware house licensed, established or continued under this Act shall on conviction, be punished,-
  - (i) In case of an offence falling under clause (a), clause (e), clause (f), or clause (i) with imprisonment for a term which shall not be less than two years but which shall not exceed five years, and with fine which may extend to five thousand rupees;
  - (ii) in any other case, with imprisonment which may be extended to six months or with fine which may extend to one thousand rupees, or with both.”

It may be seen from the pre-amended Section 34 that the punishment prescribed is the same whatever be the quantity of the intoxicant involved in the offence. In order to enhance the punishment where the quantity of intoxicant is more, Section 34 was suitably amended according to which the Government notifies the quantity for the purpose of imposing graded punishments.

#### CASE-LAW

**Section 34(a):**— From a bare reading of Section 34(a) of the Act, it is clear that where the intoxicant involved in the offence is less than such quantity as may be notified in this behalf, the punishment prescribed is imprisonment for a term which shall not be less than six months but which may be extended upto three years and with fine which shall not be less than Rs. 5,000 but which may extend upto Rs. 20,000. It is thus clear that the prescribed punishment is not six months. The provision prescribes punishment of not less than six months but it may extend upto three years. Therefore, the observation of the Division Bench that the punishment prescribed for the offence falling under Section 34(a) of the Act is six months is *per incuriam*. *Jarnala Subbarayudu @ Yellaiah v. State of A.P.*, 2002 (1) ALD (Cri.) 121 (AP) = 2002 (1) ALT 102 = 2002 (1) LS 91.

It is settled law that an excise officer is a police officer within the meaning of Section 25 of the Evidence Act and a confession made by the accused person before an excise official, if otherwise not proved, is inadmissible in evidence. In the instant case, the prosecution examined PWs. 1 to 9 and got marked Exs.P1 to P7 in support of its case. After appraising the entire evidence on record, the trial Court as well as the appellate Court held that the petitioner and A2 possessed huge quantity of liquor without any valid licence or permit and as such they are liable for punishment under Section 34(a) of the A.P. Excise Act and accordingly sentenced the petitioner and A2.

In the light of the above it was held that the approach of both the Courts in accepting the evidence of PW8 and the confession statement allegedly made by the petitioner, to base conviction was not all sustainable in law. Therefore, the judgments of both the Courts below were set aside. In the result, the criminal revision case was allowed. *Kalidindi Rama Raju @ Rambabu v. State of A.P.*, 2002 (1) ALD (Cri.) 863 (AP) = 2002 (2) ALT (CrI.) 114 (AP).

As per G.O. Ms. No. 268, Revenue (Ex.III) relied on by the learned counsel for the petitioner, a person can be in possession of six (6) bottles of Indian Liquor/ Foreign Liquor of 750 ml. each without any permission.

In the instant case, as per the report of the Inspector of Police, Anti Corruption Bureau, petitioner was in possession of only two one litre bottles of Scotch Whisky and four 375 ml. bottles of Indian Made Foreign Liquor, the total of which is well within the limit prescribed by G.O. Ms. No. 628 (268), dated 1.4.1997. Therefore, even assuming that all the allegations in the complaint are true, no offence under Section 34(a) of Excise Act, is made out against the complainant. Therefore, registering a case for an offence under Section 34(a) of Excise Act, against the petitioner for his being in possession of the above said bottles is unwarranted. So the FIR, in view of the ratio in *State of Haryana v. Bhajanlal*, 1992 SCC (CrI.) 426 can be quashed. *K. Venkata Rama Raju v. State of A.P., through S.H.O. Prohibition & Excise Station, Kovvur, W.G. District. Hyderabad*, 2004 (1) ALD (CrI.) 960 (AP) = 2004 Cr.LJ 3672 (AP) = 2004 (2) ALT (CrI.) 386 (AP).

Adverting to the same, the offence under Section 34 of the A.P. Excise Act is made cognizable offence and once the excise officials are entrusted with the investigation of cognizable offence, they become police officials and the excise officials can never say that they are not the police officials. When once they become police officials, the confession recorded by them in the proceedings is inadmissible. Moreover, Ex.P-5 panchanama is hit by Sections 25, 27 of the Indian Evidence Act and Section 161 of Cr.P.C. The benefit if any arises due to the invalidity of the investigation only goes to the accused and once the Ex.P-5 is hit by Sections 25 and 27 of the Indian Evidence Act, and Section 161 of Cr.P.C. and when the independent witnesses are not examined by the prosecution, the prosecution theory of seizing the sachets from the custody of the accused has to be looked with suspicion. The non-examination of independent mediators is fatal to the prosecution version. The seizure proceedings drafted also cannot be considered in view of the bar under Sections 25 and 27 of the Indian Evidence Act and Section 161 of Cr.P.C. It is not a case where the property was seized by virtue of confession made. When it is also not admissible in view of the legal bar and invalid proceedings, it is a fit case where the accused be given the benefit of doubt. Both the courts have not looked into the evidence from proper angle. The conviction and sentence awarded was, therefore, held liable to be set aside due to the illegality of the proceedings drafted. Moreover, only one sample of sachet was produced before the court and not all the sachets seized and it was for the prosecution to establish

that all the samples of sachets seized contain I.D. Liquor and it was not proved. *Mudavath Mothia v. State of A.P.*, 2002 (1) ALT (Crl.) 437 (A.P.).

Where, the Court has not considered questioning of granting or referring benefits under Section 360 or 361 Cr.P.C., while upholding the conviction of the petitioners, the sentence imposed by the Courts below was set aside and remanded the matter to the Trial Court as the power under Section 360 Cr.P.C., can be exercised by the Trial Court as well. In case, the Trial Court finds that the benefits of Section 360 Cr.P.C., cannot be extended to the petitioners, the learned Judge was held to record the reasons in terms of Section 361 Cr.P.C., and impose the sentence. *Sripuri Appa Rao and another v. State of A.P., rep. by Public Prosecutor*, 2007 (2) ALT (Crl.) 286 (A.P.).

**Section 34(a) r/w. Rule 3 of A.P. Rectified Spirit Rules, 1971:**— It was true that on a careful reading of the charge sheet, the only allegation against the petitioner/A-4 was that he was the owner of the Tata Sumo in which the Rectified Spirit was transported. There was no allegation that A-1 had taken the vehicle with the permission of the owner or the same was done with the knowledge of the owner. Under Section 34(a) of the Act, the word or expression “transports” also had been incorporated. When no specific allegation as such was made as against the owner so as to attract the provisions of the Act, Section 34(a) of the Act and Rule 3 of the Rules, the charge sheet filed against the petitioner/A-4 just on the ground that he was the owner of the vehicle was held not sustainable. In the light of the same, the proceedings so far as the petitioner/A-4 were concerned, were quashed. *G Bhaskar Reddy (A-4) v. State of A.P.*, 2006 (2) ALT (Crl.) 287.

**Section 34(e):**— In the circular referred to by the learned Counsel for the petitioner, the Commissioner of Prohibition and Excise clearly instructed all the subordinate Officers not to seize consignments of black jaggery covered by way-bills and permits issued by the Agricultural Market Committees and where purchase documents clearly indicate the names and addresses of the consignor as well as the consignee, and that they can enquire about the use of the consignment of black jaggery. In this case, the certificate issued by the Sub-Inspector of Police showed that the lorry has trip sheet, sale bill, way-bill, RC.DL. Market Committee receipt No. 49818. When black jaggery is being transported with a valid way-bill and permit issued by the Agricultural Market Committee, and when the documents clearly indicate the names and addresses of the consignor and the consignee, seizure of the lorry of the petitioner was held clearly against the instructions issued by the Commissioner of Prohibition and Excise. If the consignee, after unloading the consignment, is intending to use it for some illicit purpose, owner of the lorry cannot be penalised. Since the transport of the consignment is not for any illicit purpose, seizure of the lorry of the petitioner on the ground that it was being used for an offence under Section 34(e) of the Act was held improper and liable to be set aside. Accordingly, the petition is allowed and the proceedings of seizure of the lorry bearing No. AP 16 TT 1798 belonging to the petitioner were quashed and set aside. The lorry with all the documents seized were directed to be returned to the

petitioner forthwith. *Pusala Venkateswara Rao v. State of A.P.*, 2002 (1) ALD (Cri.) 901 (AP) = 2002 (2) ALT (CrI.) 176.

Being in possession of black jaggery and alum, even with an intention to manufacture illicit liquor, can, by no stretch of imagination, be said to be an offence, because as per the Excise Act an offence under Section 34(e) is committed by a person when he is using the material “for purpose of manufacturing” an intoxicant. So, overt act of ‘making preparation’ for ‘manufacture of an intoxicant’ (i.e., arrack) with the material is the *sine qua non* for the act to constitute an offence under Section 34(e) of the Excise Act. In view thereof sale of black jaggery and alum either together or separately, with or without knowledge that the person to whom they are being sold, is likely to use them for the purpose of manufacturing illicit arrack, is not an offence under Section 34(e) of the Excise Act, because neither black jaggery nor alum, when sold jointly or separately, are intoxicants as defined in the Excise Act. The purpose for which he is purchasing the goods from a vendor need not be disclosed by the purchaser to the vendor, and even if the purchaser discloses that he has an intention to manufacture arrack from the goods purchased by him, the vendor cannot be said to have committed an offence under Section 34(e) of Excise Act, because as stated above, neither alum nor black jaggery are intoxicants either by separately or when they are mixed. They at best are raw materials from which arrack can be prepared. Therefore, even assuming that confession allegedly made by the petitioner, that the sold black jaggery and alum to A-1 for preparation of arrack is true, he cannot be said to have committed an offence under Section 34(e) of Excise Act. *Ulli Bhaskar (A-2) v. State of A.P., rep. by its Public Prosecutor, Hyderabad*, 2004 (2) ALT (CrI.) 30 = 2004 (1) ALD (CrI.) 561 (AP) = 2004 Cr.LJ 2617 (AP).

Even if the vendor makes an enquiry from the purchaser the purpose for his purchase, the purchaser need not truly disclose the purpose of his purchase and can make use of the black jaggery, alum and navasaram purchased by him for some illicit purpose. In such case, the vendor cannot be said to be guilty of abetment of the offence of preparation of illicit arrack by the purchaser of the stock. The FIR did not disclose the necessary ingredients of abetment like ‘instigation’ or ‘conspiracy’ or ‘active support’ by the petitioners in *B. Saroja (A1)* preparing illicit arrack, because mere sale of goods across the counter cannot be said to be ‘instigation’ or ‘conspiracy’ or ‘active support’. So, even if all the allegations in the FIR are taken to be true, petitioners cannot be said to have committed an offence under Section 34 of the Excise Act, or abetment of such offence. Therefore, seizure of black jaggery, alum and Navasaram from the petitioners on the ground that the purchaser of the said items from the petitioners had made use of those items in the preparation of illicit arrack, was held not proper. To elucidate, receptacles are very essential in preparation of illicit arrack. Just because the manufacturer of illicit arrack gives out the name of the vendor of the receptacles used in preparation of illicit arrack, Excise Officials raiding and seizing the entire stock of receptacles sold

to the manufacturer of illicit arrack and registering a case under Section 34 of the Excise Act against the vendor cannot be upheld. So, the case of the vendor of black jaggery, alum and Navasaram which are ingredients used in manufacture of illicit arrack, cannot be different. *Male Ramnadham and another v. State of A.P.*, 2003 (1) ALD (CrI.) 245 (AP) = 2003 (1) ALT (CrI.) 95 (AP).

**Sections 34(e), 46:**— Where admittedly the petitioners were only transporting Black Jaggery, but did not indulge in manufacture of an intoxicant, the ratio laid down in *Ulli Bhaskar v. State of A.P.*, 2004 (I) ALD (CrI.) 561 (A.P.) = 2004 (1) LS 385, was held to be squarely applied to the cases. Merely because the vehicle was found in a different route and the same was intercepted near the village Burugupally Thanda which is notorious I.D. center, the respondents cannot presume that the petitioners had indulged in manufacture of an intoxicant within the meaning of Section 34(e) of the Act. Both the respondents 1 and 2 failed to appreciate the said fact in a proper perspective and ordered confiscation mechanically. *Chindura Muthaiah & Co., Kamareddy, Nizamabad District, A.P. v. Deputy Commissioner of Prohibition and Excise, Karimnagar, A.P. and others*, 2006 (2) ALD 367.

**Section 34(f):**— If the evidence adduced by the prosecution satisfies the Court that the accused stocked those sachets for the purpose of sale, then the conviction and sentence imposed by the Trial Court are liable to be confirmed. It is in evidence that the accused was running a tea stall. It was also in evidence that he is running the tea stall in the front portion of his house. The brass vessel containing the sachets was not found in the said portion. On the other hand, it was not found in another room of the house of the accused. Further, as per the version of the prosecution itself, the vessel containing the sachets was found tied with a cloth. In view of these circumstances, the Courts below were held to have committed a serious error in coming to the conclusion that those sachets found in a brass vessel tied with a cloth were kept by the accused for the purpose of sale. Therefore the conviction and sentence imposed by the Trial Court were held to be bad in law and liable to be set aside. *Cheriboyina Krishna Rao v. State of A.P.*, 2003 (1) ALD (CrI.) 562 (AP) = 2003 Cr.LJ 2927 = 2003 (2) ALT (CrI.) 249 (A.P.).

**Section 34:--** Where the vehicle in question was seized on 25.5.2000 by the third respondent, on finding that certain quantity of I.M.L. was being transported through it, thereafter, proceedings were initiated proposing to confiscate the vehicle, and it was true that the second respondent served a show-cause notice on the petitioner on 27.7.2000 and the petitioner did not submit his explanation, it was held that even assuming that there was no excuse for the petitioner in not submitting the explanation, the second respondent was under an obligation to examine the matter with reference to the record and to record evidence of the panchas. This procedure was not followed. The appellate authority also did not focus its attention on these aspects. *Veeramallu Narasimha Rao v. Commissioner of Prohibition and Excise, A.P. and others*, 2007 (5) ALD 760 = 2007 (5) ALT 68.

A conjoint reading of Sections 34, 36 and 47 of the Act would make it clear that authorities are competent to compound the offences. *Sri Ram Wines (A4 Wine Shop) v. State of Telangana*, 2015 (6) ALD 202.

**Sections 34, 41, 42:--** Where apart from specific allegations about the transportation of jaggery for the preparation of illicit distilled liquor, prosecution also placed reliance on the laboratory analysis report mentioning that the said jaggery is fit for fermentation, producing alcohol unfit for consumption, it was held that whether the raw material in existence would only at the time of trial. *State of Andhra Pradesh v. Gourishetty Mahesh and Others*, 2010 (2) ALD (CrL.) 584 (SC) = 2010 AIR SCW 4386 = 2010 Cr.LJ 3844 (SC).

**35. Penalty for rendering denatured spirit fit for human consumption:--** Whoever renders or attempts to render fit for human consumption any spirit which has been denatured or has in his possession any spirit in respect of which he knows or has reason to believe that any such attempt has been made, shall on conviction, be punished with imprisonment for a term which shall not be less than two years but which shall not exceed five years and with fine which may extend to five thousand rupees.

**Explanation:** For the purposes of this Section it shall be presumed, unless and until the contrary is proved, that any spirit, which is proved on chemical analysis to contain any quantity of any of the prescribed denaturants, is or contains or has been derived from denatured spirit.

#### CASE-LAW

Where in all the 3 cases in question the detenu was found in possession of certain quantities of contraband, and when the samples of those contrabands were analysed, each sample bottle was found containing sediment, which is dangerous to health and unfit for human consumption, it was held to be inferred that if such illicitly distilled liquor is consumed, it causes grave or widespread danger to human lives and public health. Therefore, it can be said that the acts of the detenu are prejudicial to the maintenance of the public order. After considering the material on record, the detaining authority passed the impugned order, which does not suffer from any infirmities so as to call for interference by this Court. *Shaik Subbalakshmi v. Collector and District Magistrate, Khammam and others*, 2008 (6) ALT 57 (DB) = 2008 (2) ALD (CrL.) 359 (AP) = 2008 (3) APLJ 21.

**36. Penalty for misconduct of licensees etc.,:--** (1) Whoever being a holder of a licence or permit granted or issued under this Act or being in the employ of such holder and acting on his behalf;—

- (a) fails to produce such licence or permit on demand by any Prohibition and Excise Officer or any other officer duly empowered to make such demand; or

- (b) willfully does or omits to do any thing in breach of any of the conditions of his licence or permit not otherwise provided in this Act; or
- (c) Willfully contravenes any rule made under this Act; or
- (d) permits drunkenness, disorderly conduct, riot or gaming in any place wherein any intoxicant is sold or manufactured; or
- (e) permits or suffers persons whom he knows or has reason to believe to have been convicted of any non-bailable offence, or who are reputed prostitutes or habitual offenders, to resort to, or assemble or remain in or on the premises where any excisable article is sold or manufactured; or
- (f) sells any intoxicant to a person who is drunk; or
- (g) sells or gives any intoxicant to any *person apparently under twenty one years of age or permits or suffers such person to remain in or on the premises where any excisable article is sold or manufactured; or*

*[For the words 'child apparently under eighteen years of age or permits or suffers such child' the words 'person apparently under twenty one years of age or permits or suffers such person' substituted by Act 4 of 1994. Effective from 26.11.1993]*

- (h) in contravention of Section 19 employs or permits to be employed on any part of his licensed premises referred to in that section any child or person suffering from leprosy or other contagious disease, shall, on conviction, be punished—
  - (i) in the case of an offence falling under clause (a), clause (b), or clause (c), with imprisonment for a term which shall not be less than six months but which shall not exceed two years and with fine which may extend to one thousand rupees;
  - (ii) in any other case, with imprisonment which may extend to three months or with fine which may extend to five hundred rupees or with both.

(2) Where any holder of a licence or permit under this Act or any person in his employ or acting on his behalf is charged with permitting drunkenness on the premises of such holder, and it is proved that any person was drunk on such premises, it shall lie on the person charged to prove that the holder of the licence and the persons employed by him took all reasonable steps for preventing drunkenness on such premises.

### CASE-LAW

A conjoint reading of Sections 34,36 and 47 of the Act would make it clear that authorities are competent to compound the offences. *Sri Ram Wines (A4 Wine Shop) v. State of Telangana*, 2015 (6) ALD 202.

**Sections 36(c), 47:**— Indulging in loose sale of liquor is an offence under Section 36(c) of the Act as it is a contravention of the Rules. Section 36(c) of the Act is not a compoundable offence. Section 47 of the Act deals with compounding of offences. The reading of Section 47 of the Act goes to show that Section 36(c) of the Act is not a compoundable offence. Therefore, the rules made under Section 47 of the Act for compounding of offences do not also provide for compounding of offences under Section 36(c) of the Act. No doubt, where a licence or permit is liable to be cancelled or suspended under clause (a) or clause (b) of sub-section (1) of Section 31 compoundable under Section 47(1) read with the schedule made in Rule 4 of the Andhra Pradesh Excise (Compounding of Offences) Rules, 1973, but, once the licence is cancelled, there is no such power to compound the offence. Even in respect where the licence is liable to be cancelled or suspended for the offence under Section 36(c) of the Act, the said offence cannot be compounded under Section 47(1) of the Act. Only in respect of trivial nature offences other than the offences under Section 36(c) of the Act and where the cases are registered for the breach of the terms and conditions of the licence under Section 31(1)(a) or (b) of the Act, only such of those violations/ offences before the cancellation or suspension of the licences are liable for compounding, but not the offences against whom the criminal cases are registered under Section 36(c) of the Act. For this reason also, the licence of the fourth respondent was held not to be restored. It was further held that there is no power even to compound the offence in the instant case merely because the case against the 4th respondent for the offence under Section 36(c) of the Act ended in acquittal, for conducting loose sales, the licensee is liable to be proceeded criminally and also departmentally for contravening the rules. Acquittal in the criminal case has nothing to do with the cancellation of the licence, which was already made. *K. Penchal Reddy v. Special Chief Secretary to Govt., Revenue (Excise-III) Dept., Govt. of A.P. and others*, 2005 (3) ALD 599 = 2005 (4) ALT 305 = 2005 (2) APLJ 221 = 2005 AIHC 3543 (AP).

**37. Penalty for adulteration etc., by licensed vendor or manufacturer:-** Whoever being the holder of a licence for the sale or manufacture of any intoxicant under this Act, or a person in the employ of such holder—

- (a) mixes or permits to be mixed with intoxicant sold or manufactured by him any noxious drug or any foreign ingredient likely to add to its actual or apparent intoxicating quality or strength, or any article prohibited by any rule made under this Act when such admixture does not amount to the offence of the adulteration under Section 272 of the Indian Penal Code; or

- (b) sells or keeps or exposes for sale as Foreign Liquor, liquor which he knows or has reason to believe to be Indian Made Foreign Liquor; or
- (c) makes any bottle or the cork of any bottle, case, packing or other receptacle containing Indian Made Foreign Liquor, or uses any bottle, case, package or other receptacle containing Indian Made Foreign Liquor, with any mark thereon or on the cork thereof with the intention for causing it to be believed that such bottle, case, package or other receptacle contains foreign liquor, when such act shall not amount to the offence of using a false trade mark with intention to deceive or injure any person under Section 482 of the Indian Penal Code; or
- (d) sells or keeps or exposes for sale any Indian Made Foreign Liquor in a bottle, case, package or other receptacle with any mark thereon or on the mark thereof with the intention of causing it to be believed that such bottle, case, package or other receptacle contains foreign liquor, when such act shall not amount to the offence of selling goods marked with a counterfeit trade-mark under Section 486 of the Indian Penal Code; or
- (e) *makes any block for printing counterfeit excise adhesive label, photo copies of such label for counterfeiting, prints any counterfeit excise adhesive label, makes counterfeit cork or capsule, to be used on bottles, packages or other receptacles containing Indian Made Foreign Liquor or foreign liquor or in possession of counterfeit excise adhesive label, cork, capsule, block or any other material to be used for printing such label or making such cork or capsule.*

Shall on conviction, be punished with imprisonment—

- (i) in case of first offence for a *term which shall not be less than three years but which may extend upto five years* and with fine which shall not be less than rupees ten thousand but which may extend upto rupees thirty thousand;
- (ii) in case of a second or subsequent offence for a *term which shall not be less than three years but which may extend upto six years* and with fine which shall not be less than rupees fifty thousand but which may extend upto rupees one lakh.

[Clause (e) and items (i) and (ii) inserted by Act 4 of 1994. Effective from 26.11.1993]

*[In item (i) for the words “a term which shall not be less than one year but which may extend up to three years”, the words “a term which shall not be less than three years but which may extend up to five years” Substituted by Act 8 of 2010]*

*[In item (ii), for the words “a term which shall not be less than two years but which may extend up to three years” the words ‘a term which shall not be less than three years but which may extend upto six years” Substituted by Act 8 of 2010]*

*[The above two amendments shall come into force on such date as the State Government may, by notification, appoint]*

#### CASE-LAW

**Section 37:**— It is known fact that adulteration of toddy with Diazepam and Alprazolam affects on the human nervous system making the consumers unfit for the normal activities. The adulterated toddy not only affects the human nervous system but also makes the consumer to be addicted to drinking of the adulterated toddy with Diazepam and Alprazolam. Thus, adulteration of toddy is against the public health and public interest and it is a grave crime, which cannot be permitted in the society, as several families are being ruined by drinking. A Full Bench of the High Court in *Tappers Co-op. Society Maddur v. Supdt.. of Excise*, (FB) 1984 (2) APLJ 1 (HC), has held that the licensing authority has got ancillary and incidental powers of suspending a licence or permit pending enquiry in the circumstances clearly warrant and to avoid public danger. In the instant case, suspension pending enquiry is not substantive measure of punishment, but it is made pending enquiry. Once it came to the notice of the licensing authority that the toddy was found adulterated with dangerous drugs such as Diazepam and Alprazolam, which would affect the human health, suspension pending enquiry cannot be found fault with.

Trading liquor being obnoxious in its nature, no citizen can have fundamental right to carry on business on liquor except in accordance with relevant provisions of the Act and Rules made thereunder. In the instant case, there were allegations against the petitioner that he has violated Rule-5 of A.P. Excise (Tapping of Trees and Toddy Shops Special Conditions of Licences) Rules, 1969 and Rule 11 of A.P Excise (Arrack and Toddy Licences General Conditions) Rules, 1969 and also the terms and conditions of the licence, which is not only punishable under Section 37 of the Act, but also his licence will be cancelled under Section 31(1) of the Act. However, the licence of the petitioner was suspended pending enquiry as an interim measure of punishment but not substantive measurement of punishment by way of final order of suspension. *E. Pentaiah Goud v. Prohibition and Excise Superintendent, Mahboobnagar District and another*, 2006 (1) ALD 432 = 2006 (2) ALT 147.

**Section 37(1) r/w. Narcotic Drugs and Psychotropic Substances Act, 1985 - Ss. 8(c), 22:**— “From a careful reading of Rules 24, 24-A and 24-B of the A.P. Excise (Arrack and Toddy Licences General Conditions) Rules, 1969, and on a careful scrutiny of the evidence of P.W. 1, it cannot be said that the offences with which the accused had been charged with were proved beyond all reasonable doubt.

Even otherwise, none except P.W. 1 had been examined and no convincing explanation is forthcoming as to why none others had been examined. In the light of the reasons recorded in detail at paras 8 and 9 of the judgment challenged before it by way of appeal, the High Court did not see any reason to arrive at a different conclusion.” *The Prohibition and Excise Inspector, Kovur, rep. by the Public Prosecutor, High Court of A.P. v. Madaparathi Srinivasulu*, 2004 (2) ALD (CrI.) 366 (AP) = 2004 Cr.LJ 3813 (AP) = 2004 (2) ALT (CrI.) 568 (AP).

**Section 37(a):**— Section 47 deals with certain compoundable offences. A perusal of the said section shows that the offence alleged to have been committed by the petitioner-society viz., Section 37(a), does come under the purview of Section 47 as it is not a compoundable offence. In the instant case, having persuaded with the circumstances pleaded by Laxman Goud, the President of the petitioner-society in the affidavit filed in this appeal, the writ appeal was allowed directing the 1st respondent to restore the licence of the petitioner-society for the remaining licence period without insisting the petitioner-society for payment of rentals from 29.7.2000 till the reopening of the shop. *Toddy Co-operative Society, Hyd. v. Excise Superintendent (Excise and Prohibition), Hyd. and others*, 2002 Supp. (2) ALD 374 (DB).

**37-A. Penalty for adulteration resulting in death etc.,:-** (1) Whoever mixes or permits to be mixed with any liquor or intoxicating drug any noxious substances or any substance which is likely to cause disability or grievous hurt or death to human being, shall, on conviction, be punishable,—

- (i) if, as a result of such an act, disability or grievous hurt or death is caused to any person, with imprisonment for a term which shall not be less than *three years* but which may extend upto imprisonment for life, and with fine which may extend upto rupees one lakh;
- (ii) in any other case, with imprisonment for a term which shall not be less than one year, but which may extend upto ten years and with fine which may extend upto fifty thousand rupees.

**Explanation:** For the purposes of this Section and Section 37-B the expression “grievous hurt” shall have the same meaning as in Section 320 of the Indian Penal Code, 1860 (Central Act 45 of 1860).

*[For the words ‘this section’ the words ‘this section and Section 37-B’ substituted by Act 20 of 1994. Effective from 20.5.1994]*

(2) Whoever omits to take reasonable precautions to prevent the mixing of any noxious substance or any substance which is likely to cause disability or grievous hurt or death to human being, with any liquor or intoxicating drug shall, on conviction, be punishable,—

- (i) if as a result of such omission, disability or grievous hurt is caused to any person, with imprisonment for a term which shall not be less than *three years* but which may extend upto imprisonment for life, and with fine which may extend upto rupees one lakh.
- (ii) if as a result of such omission, death is caused to any person, with imprisonment for a term which shall not be less than three years but which may extend upto imprisonment for life, and with fine which may extend upto rupees one lakh.
- (iii) in any other case, with imprisonment of a term which shall not be less than one year but which may extend upto ten years and with fine which may extend upto rupees fifty thousand.

(3) Whoever possess any liquor or intoxicating drug in which any substance referred to in sub-section (1) is mixed, knowing that such substance is mixed with such liquor or intoxicating drug shall, on conviction, be punishable with imprisonment for a term which shall not be less than one year but which may extend upto ten years, and with fine which may extend upto rupees fifty thousand.

*[Section 37-A inserted by Act 4 of 1994. Effective from 26.11.1993]*

*[In Sub-section (1) in Clause (i) the words "three years" substituted for the words "two years" by Act 8 of 2010]*

*[In sub-section (2) in Clause (i) the words "three years" substituted for the words "two years" by Act 8 of 2010]*

*[The above two amendments shall come into force on such date as the Government may, by notification, appoint]*

**37-B. Order to pay compensation:-** (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (Central Act 2 of 1974) the court when passing the judgment in a case falling under Section 37-A may, if it is satisfied that the death or grievous hurt or disability has been caused to any person or persons by consumption of liquor or intoxicating drug sold in any place, order the person who sold the liquor or intoxicating drug, whether or not he is convicted of an offence under Section 37-A to pay, by way of compensation, such amount as it deems just, to the legal representatives of the deceased or to the person or persons to whom grievous hurt or disability has been caused:

Provided where the liquor or intoxicating drug is sold in a licensed shop, the liability to pay the compensation under this section shall be on the licensee.

(2) Any person aggrieved by an order under sub-section (1) may, within ninety days from the date of the order, prefer an appeal to the High Court.

Provided that no such appeal shall lie unless the amount ordered to be paid under sub-section (1) is deposited in the court which passed such order:

Provided further, that the High Court may entertain the appeal after the expiry of the said period of ninety days if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal in time.

*[Section 37-B inserted by Act 20 of 1994. Effective from 20.5.1994]*

**38. Penalty for consumption in the Chemist's shop:-** (1) A Chemist, druggist, apothecary or keeper of a dispensary, who allows any intoxicant which has not been *bona fide* medicated for medicinal purposes to be consumed on his business premises by any person shall, on conviction be punished with imprisonment for a term which may extend to three months and with fine which may extend to one thousand rupees.

(2) Any person who consumes any such intoxicant on such premises shall, on conviction, be punished with fine which may extend to two thousand rupees.

**39. Manufacture, sale or possession by one person on account of another:-** (1) Where any intoxicant has been manufactured or sold or is possessed by any person on account of any other person and such other person knows or has reason to believe that such manufacture or sale was or that such possession is, on his account, the intoxicant shall, for the purpose of this Act, be deemed to have been manufactured or sold by or to be in the possession of such other person.

(2) Nothing in sub-section (1) shall absolve any person who manufactures, sells, or has possession of any intoxicant on account of another person from liability to any punishment under this Act for unlawful manufacture, sale or possession of such article.

**40. Penalty for cutting down or destroying excise trees:-** Whoever contravenes the provisions of Section 27, shall on conviction be punished with imprisonment –

- (i) in case of the first offence, for a term which shall not be less than three months and with fine which shall not be less than one thousand rupees; and
- (ii) in case of the second and subsequent offences for a term which shall not be less than six months and with fine which shall not be less than two thousand rupees.

*[Section 40 substituted by Act 10 of 1989. Effective from 16.9.1988]*

### Comments

Section 40, prior to its substitution by Act 10 of 1989, read as follows:

40. Penalty for cutting down or destroying Government excise trees: Whoever contravenes the provisions of Section 27 shall, on conviction, be punished for each such offence with imprisonment for a term which may extend to six months with fine which may extend to one thousand rupees.

#### **40-A. Penalty for false statement made in declaration or affidavit:-**

Whosoever in any declaration or affidavit made to a Prohibition and Excise Officer makes any statement which is false or found to be false after due verification or which he believes to be false or does not believe it to be true, touching any point material to the object for which the declaration or affidavit is made or used shall be punished with imprisonment of either description for a term which shall not be less than six months but which may extend upto three years and shall also be liable to fine which may extend upto rupees ten thousand.

*[Section 40-A inserted by Act 4 of 1994. Effective from 26.11.1993]*

#### **41. Penalty for offences not otherwise provided for:-**

Whoever does any act in contravention of any of the provisions of this Act, or of any rule, notification, or order made, issued or passed thereunder and not otherwise provided for in this Act, shall on conviction, *be punished with imprisonment which may extend upto six months and with fine which may extend upto five thousand rupees.*

*[For the words ‘ be punished with fine which may extend to five thousand rupees’ the words ‘ be punished with imprisonment which may extend up to six months and with fine which may extend up to five thousand rupees’ substituted by Act 4 of 1994. Effective from 26.11.1993]*

#### **42. Presumption as to commission of offence in certain cases:-**

In prosecution under Section 34, *Section 37 and Section 37-A* it shall be presumed until the contrary is proved, that the accused person has committed the offence punishable under that section in respect of –

- (a) any intoxicant; or
- (b) any still, utensil, implement or apparatus whatsoever in the manufacture of any intoxicant other than toddy; or
- (c) any materials which have undergone any process towards the manufacture of any intoxicant or from which an intoxicant has been manufactured;

for the possession of which he is unable to account satisfactorily.

[The words 'Section 37 and Section 37-A' inserted by Act 20 of 1994]

#### **43. Criminal Liability of the Licensee for the acts of servants:-**

Where any offence under Section 34, Section 35, Section 37 or Section 38 is committed by any person in the employ and acting on behalf of the holder of a licence or permit granted or issued under this Act, such holder shall also be punishable as if he has committed himself the said offence, unless he establishes that all due diligence was exercised by him to prevent the commission of such offence.

[The proviso under Section 43 omitted by Act 10 of 1989. Effective from 16.9.1988]

#### Comments

The proviso under Section 43, prior to its omission read as follows:

Provided that no person other than the actual offender shall be punishable under this section with imprisonment, except in default of payment of fine.

#### CASE-LAW

**Sections 43(2), 45, 46:**— A law providing for confiscation is an appropriatory legislation. The same has to be strictly construed. Before an order of confiscation is passed, the authority must satisfy itself that all the ingredients therefor are satisfied keeping in view the proposition of law in mind that confiscation is deprivation of property. Existence of *mens rea* is also an essential ingredient and plays a vital role in such matters. In the instant case, a bare perusal of the order impugned clearly go to show that the same suffers from total non-application of mind. Prior to passing of the impugned order the explanation of the petitioner had not been considered at all. The documentary evidence produced by the petitioner had also not been taken into consideration. Surmises and conjectures appear to be the basis of the said order. No material appears to have been placed before the confiscating authority and the appellate authority by the respondents. The 2nd respondent herein had merely proceeded on the basis that as the vehicle of the petitioner was being driven by driver, the same *ipso facto* is liable to be confiscated. In any event, when an offence is said to have been committed, the owner of the vehicle can show by producing evidence that he had no knowledge therefor. *Shaik Gulam Rasool v. Government of A.P. and others*, 2001 (5) ALD 637 (DB) = 2001 (2) ALD (Cr.) 611 (A.P.).

**43-A. Punishment for allowing premises etc., to be used for commission of an offence:-** Whoever being a licensee under this Act and having the control or use of any house, room, enclosure, space, animal, conveyance knowingly permits it to be used for the commission by any other person of an offence punishable under any provision of this Act, shall be

punishable in the same manner as if he had himself committed the said offence.

*[Section 43-A inserted by Act 10 of 1989. Effective from 16.9.1988]*

**44. Enhanced punishment after previous conviction:-** If any person, after having been previously convicted of an offence punishable under Section 34, Section 35, Section 37, Section 38 or Section 40 or under the corresponding provisions of any enactment repealed by this Act subsequently commits and is convicted of any offence punishable under any of those sections, he shall be liable to twice the punishment which might be imposed on the first conviction under this Act.

Provided that nothing in this section shall prevent any offence which might otherwise have been tried summarily under *Chapter XXI of Code of Criminal Procedure, 1973* from being so tried.

*[For the expression 'Chapter XXII of the Code of Criminal Procedure 1898' the expression 'Chapter XXI of the Code of Criminal Procedure, 1973' substituted by Act 4 of 1994. Effective from 26.11.1993]*

**45. Liability of certain things to confiscation:-** Whenever an offence has been committed, which is punishable under this Act, the following things shall be liable to confiscation, namely:-

- (1) Any intoxicant, materials, still, utensil, implements or apparatus in respect of or by means of which such offence has been committed;
- (2) Any intoxicant lawfully imported, transported, or manufactured, had in possession, sold or brought along with, or in addition to any intoxicant liable to confiscation under clause (1); and
- (3) Any receptacle, package or covering in which any thing liable to confiscation under clause (1) or clause (2), is found, and the other contents, if any, of such receptacle, package or covering and any animal, vehicle, vessel, raft or other conveyance used for carrying the same.

*[Proviso under sub-section (3), omitted by Act 4 of 1994. Effective from 26.11.1993]*

#### Comments

The proviso under sub-section (3), prior to its omission read as follows:

Provided that, if any thing specified in clause (3) is not the property of the offender, it shall not be confiscated if the owner thereof had no reason to believe that such offence was being or was likely to be committed.

### CASE-LAW

Where neither the transporting agency nor the distillery has instructed the petitioner to take TTP (through transport permit) from Andhra Pradesh State for passing through the State, there was no route prescribed in the permit, but still they have passed through Maharashtra State after obtaining a TTP of that State, it was held: "When the route is not prescribed in the permit it is always open to the petitioner to take the lorry in any route according to their convenience. In the absence of prescription of any route and after passing through the exit check post of Maharashtra State the petitioner entered Andhra Pradesh through Zaheerabad check post which is the nearest to enter Andhra Pradesh. As already noticed the stocks are duty paid and the transaction in question is a genuine one under valid permit. It is also not the intention of the petitioners to dump the stocks in Andhra Pradesh and there is no evidence to the said effect. In the light of the submissions made in the explanation submitted by the petitioners the authorities ought to have released the stock along with lorries."

It was also further opined that the authorities ought to have considered the provisions of the Excise Act in proper perspective. There is no *mens rea* to commit the offence on the part of the petitioner which is one of the relevant consideration before ordering confiscation and seizure of the vehicle. Therefore, there cannot be an order of confiscation of the goods or the vehicle. Accordingly, the impugned orders in both the writ petitions were quashed. The security or bank guarantee, if any, furnished by the petitioners in both the writ petitions was directed to be released forthwith. *V. Narayana Rao v. State of A.P. and others*, 2002 (6) ALD 163 (FB) = 2002 (5) ALT 91 (FB).

When no incriminating material is found in a vehicle it cannot be seized or confiscated on the basis that it was earlier used for transporting or carrying the contraband found elsewhere. Since in the instant case the panchanama extracted above did not disclose that any incriminating material was found in the tractor or trailer at the time of search, it was held that even assuming that the tractor and trailer were used for transporting the articles found in the hut, where illicit transaction was being carried on by others, the tractor and trailer of the petitioners were not liable for seizure or confiscation inasmuch as Section 45 of the Act being a penal provision, it has to be strictly construed and the benefit should be given to the subject. So, the respondents erred in ordering confiscation of the tractor and trailer of the petitioners. *K. Veeraprasad Rao and another v. Commissioner of Prohibition and Excise, Govt. of A.P. and another*, 2008 (1) ALD 740 = 2008 (1) ALT 218.

**46. Confiscation by Prohibition and Excise Officers in certain cases:-** (1) Notwithstanding any thing contained in this Act or any other law for the time being in force, where any thing liable for confiscation under Section 45 is seized or detained under the provisions of this Act, the officer seizing and detaining such property shall, without any unreasonable delay;

produce the said seized property before the Deputy Commissioner of Prohibition and Excise who has jurisdiction over the area.

(2) On production of said seized property under sub-section (1) the Deputy Commissioner of Prohibition and Excise if satisfied that an offence under this Act has been committed, may, whether or not a prosecution is instituted for the commission of such an offence, order, confiscation of such property.

(3) While making an order of confiscation under sub-section (2), the Deputy Commissioner of Prohibition and Excise may also order that such of the properties to which the order of confiscation relates which in his opinion cannot be preserved or are not fit for human consumption be destroyed.

(4) Where the Deputy Commissioner of Prohibition and Excise after passing an order of confiscation under Sub-section (2) is of the opinion that it is expedient in the public interest so to do, he may order the confiscated property or any part thereof to be sold by public auction or dispose of departmentally.

(5) The Deputy Commissioner of Prohibition and Excise shall submit a full report of all particulars of confiscation to the Commissioner of Prohibition and Excise within twenty four hours of such confiscation.

(6) The Deputy Commissioner of Prohibition and Excise shall for the purpose of this Act, have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908 (Central Act 5 of 1908) when making enquiries under this section in respect of the following matters, namely:-

- (a) receiving evidence on affidavits,
- (b) summoning and enforcing the attendance of any person and examining him on oath; and
- (c) compelling the production of documents.

#### CASE-LAW

**Sections 31, 46:**— (1) By reason of sub-rule (4) of Rule 53 of the Rules, no vicarious liability as such is created. Such a provision exists in Section 43 of the Act read with Sections 34, 36 and 37 of the Act and thus sub-rule (4) of Rule 53 has to be read in the context of Section 43 of the Act. So read, sub-rule (4) of Rule 53 cannot be held to be *ultra vires* the provisions of the Act. Admittedly, all the petitioners were charge-sheeted for the offence under Section 34(a). The various provisions of the Act clearly provide that where offences are committed by any person in the employ and acting on behalf of the holder of a licence or permit granted

or issued under the Act, such holder of licence shall also be punishable as if he had committed himself the said offences unless he establishes that all due diligence was exercised by him to prevent the commission of such offence. Therefore, the burden was on the holder of licence or permit to prove that he had taken all due diligence to prevent the commission of such offence. Correctness or otherwise of the allegation shall be gone into only during the course of enquiry to be made in accordance with the provisions of the Act and the rules made thereunder.

(2) The provisions of the A.P. Excise Act have to be read in entirety and not in isolation. On a reading of Section 43 read with Section 36 which deals with penalty for misconduct of licensees etc., it is clear that the holder of a licence or permit shall be liable for the commissions and omissions of any person who was in his employment and who is acting on his behalf including for the contravention of the provisions of the Act and the rules, made thereunder or for contravention of conditions of licence or permit granted or issued under the Act as if he had committed such acts and omissions unless he (licensee) establishes that all due diligence was exercised by him to prevent the same. The aforementioned provisions of the act would clearly show that the master is liable for all the acts of his servant done in contravention of the Act and the rules in the course of the employment or even for the commissions and omissions done by the servant without his express or implied permission unless the master establishes that all due diligence was exercised by him to prevent the commission of such offence. A true construction of the above provisions clearly shows that the licence holder was vicariously made liable for the acts of omissions and commissions on the part of any person who is in the employment of the licence holder and who is acting on his behalf. *Madikonda Srinivasa Rao v. Govt. of A.P. and others*, 2001 (5) ALD 791 (DB).

**Sections 45, 46 [A.P. Prohibition Act, 1995 - S. 13(2)]:**— Where an offence is said to have been committed, the owner of the vehicle can always show by producing evidence—both oral and documentary—that he had no knowledge thereof. The Supreme Court in the judgment in *Amery Pharmaceuticals v. State of Rajasthan*, 2001 (4) SCC 382, has clearly held that interpretation of the statute must be in consonance with the principles underlying the fundamental rights and that any provision, which visits an accused with adverse consequences, without affording him any remedy to disprove the item of evidence, which stands against his innocence, is inconsistent with the philosophy enshrined in Article 21 and the Court should interpret in such a manner so as to dilute it to make it amenable to Article 21. The same principle should also be applied even in relation to confiscation proceedings. *P. Gokul Anand v. Commissioner of Prohibition and Excise, Hyderabad*, 2002 (2) ALD (Cr.) 201 (AP) = 2002 (4) ALT 522 (FB).

**Section 46(6):**— The submission in relation to Section 46-B of the Act need not be considered at a stage when a criminal case is pending. Further, sub-section (2) of Section 46 of the Act empowers the Deputy Commissioner to proceed with passing of an order of confiscation whether or not a prosecution is instituted for the commission of offence. The institution and pendency of prosecution against

a person who has contravened Excise Law and Prohibition Law is no ground to find fault with the order passed by the Deputy Commissioner. The order passed by the appellate authority, having considered various questions raised, does not suffer from any infirmity, muchless grave error apparent on the face of the record. Further, the authorities relied on by the learned Counsel for the petitioner lay down the proposition that the power of confiscation being appropriatory in nature, must be exercised only in case where *mens rea* is proved. In this case, though the petitioner received show cause notice, he did not file explanation and, therefore, he failed to discharge the burden on him that he is not responsible for carrying the illicitly distilled liquor in his auto rickshaw. Therefore, the two authorities relied on by the learned Counsel for the petitioner have no application to the facts of this case. For the above reasons, the Writ Petition was dismissed. There was no order as to costs. *Akula Tirupathi v. Commissioner, Prohibition and Excise, Government of Andhra Pradesh, Hyderabad and others*, 2003 (2) ALD 95 = 2003 Cr.LJ 2195.

**Section 46(2) & 46F:--** There is abundant authority that there can be number of situations where the Court can exercise its inherent power under Section 151 of CPC to prevent miscarriage of justice by reason of its orders. Such power is to be exercised by Civil Court in discharge of its duty, which is explained by the well known maxim '*actus curiae neminem gravabit*'. The power is exercised by Civil Court to order restitution to ensure that no person – whether such person is party to the suit / application or not; gets undue advantage by its orders, and that no party is grossly prejudiced by its proceedings/orders. *Shri Ram Transport Finance Co., Ltd., Nellore v. Commissioner, Prohibition and Excise, Hyderabad and others*, 2009 (3) ALD 90.

When a thing is made confiscable or power is conferred to confiscate goods/ things involved in an offence, it only means confiscating money value of such goods. The money value of the goods is realized by competent authority by selling goods/things/vehicles confiscated in accordance with the power conferred on such authority. That Excise Act and Prohibition Act confer power on authorized officer to confiscate money value of excise contraband or vehicle involved in excise offence, it becomes clear by some of provisions in these two enactments. *Shri Ram Transport Finance Co., Ltd., Nellore v. Commissioner, Prohibition and Excise, Hyderabad and others*, 2009 (3) ALD 90.

**Sections 46, 46-A:--** The amendments introduced, are regulatory in nature and cannot be regarded as violative of freedom guaranteed under Article 301 of the Constitution. In *Jilubhai Nanbhai Khachar v. State of Gujarat*, 1995 Supp. (1) SCC 596 after examining the principle of "eminent domain" it was held that Article 300-A is not attracted and deprivation is in exercise of police power and the said Article enjoins that such deprivation should not be without sanction of law. *Oma Ram v. State of Rajasthan and others*, 2008 (5) SCC 502 = 2008 (3) Supreme 207 = 2008 (6) SCR 747.

**Seizure of motorcycle at SHO for transporting liquor bottles without any permit and licence:**— In view of Section 46(1) of the Act, any Officer, not necessarily the Excise official but the law and order police also, when a property is seized or detained, is duty-bound to hand over the same to the custody of the jurisdictional Deputy Commissioner of Prohibition & Excise, who in turn, is required to pass necessary orders in terms of the sub-sections of Section 46. In view of Section 46-E, there is a bar contained in any Court to entertain any application for release of the detained or seized property. A combined reading of Sections 46(1) and 46-E leaves no manner of doubt that any Authority, including the law and order police, when seizes/detains the goods/vehicle, forthwith, shall make over the same to the Deputy Commissioner concerned, and shall not surrender the same to the criminal Court notwithstanding the fact that an FIR was registered.

Further held that seized goods vehicle, if any, handed over to R2, R3 shall do so forthwith. The petitioner is given liberty to approach the R2 within a week from the date of receipt of copy of this order under Section 34 of the Act and seek interim custody of the subject vehicle, pending adjudication of the main case. *Mittapalli Kiran Kumar v. State of Telangana*, 2019 (3) ALD 516 (TS) = 2019 (3) ALT 185 (TS).

**An order without reasons:**— Where there was no consideration of the explanation submitted by the petitioner, by R.5, while passing the impugned cancellation proceedings, any order without reasons is an order without application of mind. Hence it held the impugned proceedings are illegal, arbitrary and without reasons and writ petition allowed. *Potu Bhaskar Rao v. State of Telangana*, 2022 (1) ALT 787 (TS) = 2022 (6) ALD 354 (TS).

See also: 2020 (3) ALT 53 (AP); 1998 (8) SCC 1; 1984 (2) APLJ 1; 2013 (5) ALT 713.

**46-A. Issue of show-cause notice:**— No order of confiscation of any property shall be made under Section 46 unless the person from whom the said property is seized,—

- (a) is given a notice in writing informing him of the grounds on which it is proposed to confiscate such property; and
- (b) is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice.

#### CASE-LAW

**Principles of natural justice and fair play:**— While dealing with seizure of vehicle there was a prohibition of confiscation if the owner of the property in question had no reason to believe that such offence was being or likely to be committed and this would be the position in case where the offender was not the owner of the property but the said position was changed by omission of the said

proviso and hence *mens rea* was not required to be established at all by the Prohibition and Excise officials and the proceedings of confiscation makes it clear that a proper notice was issued to the driver of the vehicle from whose possession the vehicle was seized keeping in view of Section 46A of the Act and the owner of the vehicle also had submitted a detailed or exhaustive reply and hence there was compliance of Section 46A of the Act and also the principles of natural justice and fair play and hence the order made by the learned Single Judge to be set aside. *Sub-Inspector v. K. Ravinder Reddy*, 2022 (2) ALT 367 (DB) (TS).

See: 2007 (6) SCC 42; 2002 (4) ALT 522 (FB).

**46-B. Order of confiscation in the absence of offender:-** When an offence under this Act has been committed, but the offender is not known or cannot be found, or when any thing liable to confiscation under this Act, and not in the possession of any person cannot be satisfactorily accounted for, the *District Prohibition and Excise Officer* may by order confiscate such property.

*[The words “District Prohibition and Excise Officer” subs. for “Prohibition and Excise Superintendent” by Act No. 32 of 2017, w.r.e.f. 11-10-2016]*

Provided that no such order shall be made until the expiration of one month, from the date of seizing the goods intended to be confiscated.

**46-C. Appeal:-** Any person aggrieved by an order passed by Deputy Commissioner of Prohibition and Excise under Section 46, may within sixty days from the date of passing such order appeal to the Commissioner of Prohibition and Excise, who may after giving reasonable opportunity to the appellant pass such order as he deems fit.

#### CASE-LAW

Appeal against an order of confiscation of vehicle and rejection on ground of limitation dealt with. *Kallap Dinesh Kumar v. State of Telangana*, 2015 (5) ALD 106 (DB) = 2015 (4) ALT 179 (DB).

**46-D. Order of confiscation not to interfere with other punishments:-** The order of confiscation under sub-section (2) of Section 46 or Section 46-B shall not prevent from initiation of criminal proceedings against the accused under this Act. The result of criminal proceedings either acquittal or conviction or otherwise under the provisions of the Act, will have no bearing on the order of confiscation passed under this Act.

**46-E. Bar of jurisdiction:-** Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (Act 2 of 1974) when the Deputy Commissioner of Prohibition and Excise or the appellate authority is seized with the matter under this Act, no court shall entertain any application in

respect of excisable articles, any package, covering, receptacle, any animal, vehicle or other conveyance used in carrying such articles as far as its release, confiscation is concerned and the jurisdiction of the Deputy Commissioner of Prohibition and Excise or the appellate authority with regard to the disposal of the same shall be exclusive.

#### CASE-LAW

“In view of the statutory provisions, it is clear that whenever an excise offence is committed and anything liable for confiscation under Section 45 is seized or detained under the provisions of A.P. Excise Act, the officer seizing or detaining such property shall produce the seized property along with a report before the Deputy Commissioner of Excise who has jurisdiction over the area and who can initiate confiscation proceedings after giving due notice to the parties if he satisfied that an offence has been committed, whether or not a prosecution is instituted for the commission of such an offence. The Sections do not debar the Police/Excise officials from seizing the vehicle for registering a case and reporting crime to the Magistrate. In view of the express bar contained under Section 46-E and when the property is not produced before the Court in an inquiry or trial, the Magistrate is not empowered under Section 457 of the Code to make such order as he thinks fit, respecting the disposal of the property. The general provision of Section 452 of the Code with regard to disposal of property by a criminal court such as by destruction, confiscation or delivery to any person claiming to be entitled to possession thereof, and that Section 457 investing a Magistrate to make an order for disposal of property seized by a police officer and not produced before a criminal court during an inquiry or trial, must necessarily yield where a statute makes a special provision with regard to forfeiture of any property and its disposal. High Court cannot issue a *mandamus* to implement the interim order passed pending final adjudication of CrI.P.No. 5055/2002. *Oruganti Seshachala Venkateswarlu v. Government of Andhra Pradesh and others*, 2003 (1) ALD (CrI.) 433 (A.P.) = 2003 Cr.LJ 2234 = 2003 (2) ALT 444 = 2003 (1) ALT (CrI.) 450 (AP).

**46-F. Property confiscated when to vest in Government:-** When an order of confiscation of any property has been passed under Section 46 and such order has become final in respect of the whole or any portion of such property, such property or portion thereof, as the case may be, shall vest in Government free from all encumbrances.

*[Section 46 to 46-F was substituted for Section 46 by Act 20 of 1994. Effective from 20.5.1994]*

#### Comments

Section 46, prior to its substitution read as follows:

“46. Order of Confiscation: (1) Where in any case tried by him, the Magistrate decides that any thing is liable to confiscation under Section 45, he shall order confiscation of such thing.

(2) When an offence under this Act has been committed, but the offender is not known or cannot be found, or when thing is liable to confiscation under this Act and not in the possession of any person cannot be satisfactorily accounted for, the case shall be enquired into and determined by the Commissioner or by any other officer authorized by the Government in this behalf, who may order such confiscation.

Provided that no such order shall be made until the expiration of one month from the date of seizing the things intended to be confiscated or without hearing the persons, if any, claiming any right thereto and evidence, if any, which they produce in support of their claims;

Provided further that if the thing in the question is liable to speedy and natural decay or if the Commissioner or any other officer authorized by the Government in that behalf is of opinion that the sale would be for the benefit of its owner, he may at any time direct it to be sold, and the provisions of this Section shall, as nearly as may be practicable, apply to the net proceeds of such sale."

The substituted Sections 46, 46-A, 46-B, 46-C, 46-D, 46-E and 46-F provide for confiscation by the Deputy Commissioner of Prohibition and Excise of the articles seized under Section 45 for effective implementation of the Act and provide for appeal against the orders of confiscation and bar the jurisdiction of courts where the excise officials are seized with the matter relating to confiscation.

**47. Compounding of Offences:-** (1) The Collector or any Prohibition and Excise Officer specially empowered in that behalf may accept from any person whose licence or permit is liable to be cancelled or suspended under clause (a) or clause (b) of sub-section (1) of Section 31 or who is reasonably suspected of having committed an offence falling under *clause (b), clause (c), or clause (g) of Section 34*; clause (a), clause (e), clause (f), clause (g) or clause (h) of Section 36; clause (b), clause (c) or clause (d) of Section 37; or Section 41, a sum of money not exceeding *a sum of money subject to such minima, as may be prescribed and notified by the Government from time to time*, in lieu of such cancellation or suspension or by way of compensation for the offence which may have been committed as the case may be, and in all cases in which any property has been seized is liable to confiscation under this Act, may release the same on payment of the value thereof as estimated by such officer;

Provided that where the property so seized is a liquor manufactured in contravention of this Act, such liquor shall not be released but shall be disposed of in such manner as may be prescribed.

*[For the expression 'clause (c), clause (d), clause (g) or clause (h) of Section 34' the expression 'clause (b), clause (c) or clause (g) of Section 34' substituted by Act 4 of 1994. Effective from 26.11.1993]*

*[The words “a sum of money subject to such minima, as may be prescribed and notified by the Government from time to time” substituted for the words “one lakh rupees and subject to such minima, as may be prescribed” by Act No. 8 of 2017, w.e.f. 12-6-2017, vide G.O.Ms.No. 196, Rev. (Ex. II) Dept., dated 9-6-2017]*

(2) On payment by the person, the sum of money or the value or both, as the case may be *in accordance with the provisions of sub-section (1) or Section 47-A*, such person, if in custody shall be set at liberty, and all the property seized may be released and no proceedings shall be instituted *or continued* against such person in any Criminal Court. The acceptance of compensation shall be deemed to amount to an acquittal and in no case any further proceedings be taken against such person or property with reference to same Act.

*[The expression ‘in accordance with the provisions of sub-section (1) or Section 47-A’ and the expression ‘or continued’ added by Act 10 of 1989. Effective from 16.9.1988]*

#### CASE-LAW

A conjoint reading of Sections 34,36 and 47 of the Act would make it clear that authorities are competent to compound the offences. *Sri Ram Wines (A4 Wine Shop) v. State of Telangana*, 2015 (6) ALD 202.

**Sections 47, 37(a):**— Section 47 deals with certain compoundable offences. A perusal of the said section shows that the offence alleged to have been committed by the petitioner-society viz., Section 37(a) does (sic. does not) come under the purview of Section 47 as it is not a compoundable offence. Having persuaded with the circumstances pleaded by the said Laxman Goud, President of the petitioner-Society in the affidavit filed in this appeal, the High Court inclined to allow the writ appeal. *Teddy Co-op. Society, Bhoiguda Kaman, Toddy Group, Hyderabad rep. by its President v. Excise Superintendent (Excise and Prohibition) Hyderabad and others*, 2001 (3) ALT 161 (D.B.).

**47-A. Special powers of Commissioner in regard to compounding of offences:-** (1) Any person who is reasonably suspected of having committed an offence falling under Section 38 may apply to the Commissioner for compounding the offence before he is convicted.

*[The expression ‘falling under Section 38’ for the expression ‘falling under clause (a) of Section 34 or Section 38’ substituted by Act 4 of 1994. Effective from 26.11.1993]*

(2) On receipt of such application, the Commissioner having regard to the circumstances of the case, may in his discretion order for compounding the offence on payment of a sum of money by way of compounding fee or compensation for the offence on such terms and conditions as he deems fit.

Provided that the sum of money fixed as compounding fee or compensation by the Commissioner under this section shall not be less than five times but not more than ten times the duty involved and where no duty is involved, not less than rupees fifteen thousand but not more than rupees one lakh;

Provided further that in all cases in which any property has been seized as liable to confiscation under this Act, may be ordered by him to be released on payment of the value thereof as estimated by him or by an officer authorized by him in this behalf;

Provided also that where the property so seized is a liquor manufactured in contravention of this Act, such liquor shall not be released but shall be disposed of in such manner as may be prescribed.

*[Section 47-A inserted by Act 10 of 1989. Effective from 1.1.1987]*

#### Comments

Prior to insertion of Section 47-A, the Commissioner, the Collector or any Excise Officer is empowered to compound the offences under Section 47 of the Act. It has been decided by the Government to give special powers to the Commissioner with retrospective effect from 1.1.1987 in regard to compounding of offences and also to revalidate the acts of the Commissioner in having compounded certain offences without having specific powers. Accordingly Section 47-A was inserted by Act 10 of 1989 with retrospective effect from 1.1.1987.

**48. Penalty for vexatious delay:-**Any officer or person exercising powers under this Act, who vexatiously and unnecessarily delays forwarding to the nearest Prohibition and Excise Officer or to the officer-in-charge of the nearest police station, as required by sub-section (2) of Section 60 any person arrested, shall on conviction, be punished with fine which may extend to two hundred rupees.

#### CASE-LAW

**Sections 34(a), 48:**— There was absolutely no evidence that the accused had control over the hayrick yard and that he concealed the contraband in the hayrick yard. Further, the prosecution failed to follow the mandatory provisions of Section 55 of the Excise Act and 104(4) of Cr.P.C. The premises was searched without search warrant. In such cases, special proceedings have to be drafted by the prosecution before search. Such a procedure was not followed by the Excise Officials while searching the premises. Therefore, both the Courts below were held to have committed an error in coming to the conclusion that the prosecution proved the offence under Section 34-A of the Andhra Pradesh Excise Act. The revision was allowed. *T. Subbanna v. State of A.P.*, 2003 (1) ALD (Cr.) 805 (AP) = 2003 Cr.LJ 2150 = 2003 (2) ALT (Cr.) 190 (A.P.).

**49. Penalty for Prohibition and Excise Officer refusing to do duty:-** Any Prohibition and Excise Officer, who without lawful excuse, shall cease or refuse to perform or withdraw himself from the duties of his office unless expressly allowed to do so in writing by the Commissioner, or unless he shall have given to his official superior officer two months notice in writing of his intention to do so, or who shall be guilty of cowardice, shall on conviction be punished with imprisonment, which shall not be less than one month but which shall not exceed three months, or with fine which shall not be less than five hundred rupees but which shall not exceed one thousand rupees or with both.

**50. Penalty for abetment:-** Any officer or person who unlawfully releases or abets the escape of any person arrested under this Act, or abets the commission of any offence against this Act, or acts in any manner inconsistent with his duty for the purpose of enabling any person to do any thing whereby any of the provisions of this Act may be evaded or contravened or the excise revenue may be defrauded and any officer of any other department referred to in Section 53 who abets the commission of any offence against this Act in any place shall, on conviction for every such offence, be punished with imprisonment for a term which shall not be less than three months but *which shall not exceed one year*.

*[The words ‘ which shall not exceed one year’ have been substituted for the words ‘ which shall not exceed six months or with fine which shall not be less than five hundred rupees but which shall not exceed one thousand rupees or with both’ by Act 4 of 1994. Effective from 26.11.1993]*

**50-A. Penalty for assault:-** Notwithstanding anything contained in the Indian Penal Code, 1860 whoever assault or threatens to assault or obstructs or attempts to obstruct any Prohibition and Excise Officer in the discharge of his official duties in the matters of detection, seizure, arrest, investigation, prosecution of the offences under the Act or attempts to use criminal force on Prohibition and Excise Officer shall be punished with imprisonment for a term which may extend to three years and with fine which may extend to rupees fifty thousands.

*[Section 50-A, inserted by Act 20 of 1994. Effective from 20.5.1994]*

### **Chapter–VIII**

## **Detection, Investigation and Trial of Offences**

**51. Landholders, Officers and others to give information:-** (1) Whenever any intoxicant is manufactured or collected or any excise tree is tapped or any hemp plant is cultivated, in or on any land or building, in contravention of this Act–

- (a) all owners or occupiers of such land or building or their agents;
- (b) (i) Village officers or servants including members of village police;
- (ii) Sarpanches, members and officers of Gram Panchayat; and
- (iii) all officers other than Prohibition and Excise Officers employed in the collection of revenue or rent on land on behalf of the Government, or a local authority in the locality in which such land or building is situated shall in the absence of reasonable excuse, be bound to give notice of the fact to a Magistrate or to an officer of the Prohibition and Excise or Police or Revenue Department as soon as the fact comes to their knowledge.

(2) Every Prohibition and Excise Officer shall be bound to give immediate information either to his immediate official superior or to the Prohibition and Excise Inspector, of all breaches of any of the provisions of this Act, which may come to his knowledge under sub-section (1) or otherwise.

(3) All such officers, Sarpanches, members or servants as are referred to in Sub-section (1) shall be bound –

- (a) to take all reasonable measures in their power to prevent the commission of such breaches which they may know, or have reason to believe, are about or likely to be committed; and
- (b) to assist the Commissioner in carrying out the provisions of this Act.

**52. Power to enter and inspect places of manufacture and sale:-**

The Commissioner or a Collector or any Prohibition and Excise Officer not below such rank as may be prescribed, or any Police Officer duly empowered in that behalf, may–

- (a) enter and inspect, at any time, by day or by night, any place in which any licensed manufacturer, manufactures or stores any intoxicant, and
- (b) enter and inspect, at any time, within the hours during which sale is permitted, and at any other time during which the same may be open, any place in which any intoxicant is kept for sale by any person holding a licence under this Act; and
- (c) examine the accounts and registers, and examine, test, measure or weigh any materials, stills, utensils, implements, apparatus or intoxicant found in such place.

**53. Power to arrest without warrant, to seize articles liable for confiscation and to make searches:-** (1) Any Officer of the Government employed in the Prohibition and Excise, Police or Revenue Department of the State subject to such restrictions as may be prescribed and any other person duly empowered may –

- (a) arrest without warrant any person for an offence punishable under Section 27 or Section 34 or Section 35 or Section 36 or Section 37 or Section 37-A or Section 40-A or Section 50 or Section 50-A;
- (b) seize and detain any excisable or other article which he has reason to believe to be liable to confiscation under this Act, or any other law for the time being on force, relating to excise revenue; and
- (c) detain and search any person upon whom and any vessel, raft, vehicle, animal, package, receptacle or covering in or upon which, he may have reasonable cause to suspect any such article to be.

(2) When any person is accused or is reasonably suspected of committing an offence under this Act, other than an offence under Section 34, Section 35, Section 36 or Section 37 or Section 37-A or Section 50 and on demand of any such officer as aforesaid, refuses to give his name and residence or gives a name and residence which such officer has reason to believe is false, he may be arrested by such officer in order that his name and residence may be ascertained.

*[Clause (a) of sub-section (1) substituted by Act 20 of 1994. Effective from 20.5.1994]*

*[In sub-section (2) the expression 'Section 37-A or Section 50' inserted after the expression 'or Section 37' by Act 20 of 1994. Effective from 20.5.1994]*

#### Comments

Clause (a) of sub-section (1) of Section 53 prior to its substitution read as follows:

(a) arrest without warrant any person found committing an offence punishable under Section 34, Section 35, or Section 36 or Section 37;

**53-A. Obligation of officers to assist each other:-** The officers of the Departments of Police and Revenue shall upon notice given or request made by a Prohibition and Excise Officer be legally bound to assist him in carrying out the provisions of the Act.

*[Section 53-A, inserted by Act 4 of 1994. Effective from 26.11.1993]*

**54. Powers of Magistrate to issue a warrant:-** If a Magistrate, upon information and after such enquiry, if any, as he thinks necessary, has reason to believe that an offence under Section 34, Section 35, Section 36 or Section 37 has been, is being or is likely to be, committed, he may issue a warrant,—

- (a) for the search of any place in which he has reason to believe that any intoxicant, still, utensil, implement, apparatus or materials which are used for the commission of such offence or in respect to which such offence has been, or is being or is likely to be committed, are kept or concealed; and
- (b) for the arrest of any person whom he has reason to believe to have been, to be, or likely to be engaged in the commission of any such offence.

**55. Power to search without warrant:-** Whenever the Commissioner or a Collector or any police officer not below the rank of an officer-in-charge of a police station or any Prohibition and Excise Officer not below the rank of Prohibition and Excise Sub-Inspector has reason to believe that an offence under Section 34, Section 35, Section 36, *Section 37 or Section 37-A* has been, is being or is likely to be committed, and that a search warrant cannot be obtained without affording the offender an opportunity of escape or of concealing evidence of the offence, he may, after recording the ground of his belief —

- (a) at any time by day or night enter and search any place and seize any thing found therein which he has reason to believe to be liable to confiscation under this Act; and
- (b) detain and search and, if he thinks proper, arrest any person found in such place whom he has reason to believe to be guilty of such offence as aforesaid.

*[For the expression 'or Section 37' the expression 'Section 37 or Section 37-A' substituted by Act 4 of 1994. Effective from 26.11.1993]*

#### CASE-LAW

Section 55 of the Act contains valuable safeguards for the liberty of citizens in order to protect them from ill-founded or frivolous prosecution or harassment. Of course, the petitioner did not raise such pleas before the Courts below. It is for the prosecution to bring on record while charging the accused, that they have followed the procedure contemplated under Section 55 of the Act and 100(4) of the Code. For these reasons, prosecution was held to have failed to prove that PWs. 1 to 3 have followed such a procedure. Consequently, for these lacunae, the search

and seizure was vitiated and the conviction was held wholly unsustainable. Accordingly, the criminal revision petition was allowed and the conviction and sentence were set aside. *Yeduru Sreenivasul Reddy v. State of A.P.*, 2002 (1) ALD (Cri.) 347 (AP) = 2002 (1) ALT (CrI.) 251 = 2002 (1) LS 242.

**56. Power to Prohibition and Excise Officer in matters of investigation:-** (1) Any Prohibition and Excise Officer not below the rank of a Prohibition and Excise Sub-Inspector may, as regards offences under *Section 27, Section 34, Section 35, Section 36, Section 37 or Section 37-A or Section 40-A* exercise within such area as may be notified in this behalf, powers conferred on an officer-in-charge of a police station by the provisions of *the Code of Criminal Procedure, 1973*.

Provided that any such power shall be subject to such restrictions and modifications, as may be prescribed.

(2) For the purpose of Section 156 of the said code, the area in regard to which a Prohibition and Excise Officer is empowered under sub-section (1) shall be deemed to be a police station and such officer shall be deemed to be the officer-in-charge of the station.

*[In Sub-section (1), the expression 'Section 27, Section 34' substituted for the expression 'Section 34' by Act 10 of 1989. Effective from 16.9.1988]*

*[For the expression 'or Section 37' the expression 'Section 37 or Section 37-A or Section 40-A' and for the expression 'the Code of Criminal Procedure, 1898' the expression 'the Code of Criminal Procedure, 1973' substituted by Act, 4 of 1994. Effective from 26.11.1993.]*

**57. Report by Investigation Officer:-** If, on any investigation by a Prohibition and Excise Officer not below the rank of a Prohibition and Excise Sub-Inspector, it appears that there is sufficient evidence to justify the prosecution of the accused, the investigating officer shall submit a report, which shall for the purposes of *Section 190 of the Code of Criminal Procedure, 1973*, be deemed to be a police report, to a Magistrate having jurisdiction to enquire into or try the case and empowered to take cognizance of offences on police reports.

*[The expression 'Section 190 of Code of Criminal Procedure 1973' substituted for the expression 'Section 190 of Code of Criminal Procedure 1898' by Act 4 of 1994. Effective from 26.11.1993]*

**58. Report by Prohibition and Excise Officer:-** Where any Prohibition and Excise Officer not below the rank of a Prohibition and Excise Sub-Inspector makes any arrest, seizure or search under this Act, he shall, within twenty-four hours thereafter –

- (a) make a full report of all the particulars of the arrest, seizure or search to his immediate official superior, and
- (b) unless bail be accepted under Section 60, take or send the person arrested or the thing seized, with all convenient dispatch, to the nearest Magistrate for trial or adjudication.

**59. Arrest, Search etc., how to be made:-** Any person arrested under this Act, shall be informed, as soon as may be, of the grounds for such arrest and save as otherwise expressly provided in this Act, the provisions of *the Code of Criminal Procedure 1973*, relating to arrests, detention in custody, searches, summonses, warrants of arrest, search warrants, the production of persons arrested and the disposal of things seized shall apply, as far as may be, to all actions taken in these respects under this Act.

[The expression 'the Code of Criminal Procedure 1973' substituted for the expression 'the Code of Criminal Procedure 1898' by Act 4 of 1994. Effective from 26.11.1993]

#### CASE-LAW

If non-supply of certain documents causes prejudice to the *detenu* in relation to making effective representation, then only furnishing those documents to the detaining authority as well as supply to the *detenu* is essential and mandatory. In the case on hand, nowhere in the affidavit accompanying the Writ Petition it is stated in what manner and in what way non-supply of the copies of the bail applications and orders in the bail applications, caused prejudice to the *detenu*. Further, the bail applications are not shown to have contained any material facts, which may be taken into consideration for determination by the detaining authority. Similarly, it is not shown that some restrictions were imposed in the bail orders for release of the *detenu*. In the facts and circumstances of the case, it was held that non-supply of the documents which may not influence the question whether or not to make the detention order, need not be placed before the detaining authority and need not be considered by the detaining authority. In such a situation, non-supply of the copies of the bail applications and orders passed by the concerned Magistrate thereon, may not be necessary so as to apply mind by the detaining authority, and so the impugned order cannot be said to be vitiated on this ground. *Shaik Subbalakshmi v. Collector and District Magistrate, Khammam and others*, 2008 (6) ALT 57 (DB) = 2008 (2) ALD (CrI.) 359 (AP) = 2008 (3) APLJ 21.

**60. Security for appearance in case of arrest without warrant:-**

(1) The Government may, by notification, empower any Prohibition and Excise Officer to release on bail persons arrested under this Act otherwise than on a warrant.

(2) When a person is arrested under this Act, otherwise than on a warrant, by a person or officer who is not authorized to release arrested persons on bail, he shall be produced before or forwarded to—

- (a) the nearest Prohibition and Excise Officer who has authority to release the arrested persons on bail; or
- (b) the nearest officer-in-charge of the police station, whoever is nearer.

(3) Whenever any person arrested under this Act, otherwise than on a warrant, is prepared to give bail, and is arrested by or produced in accordance with Sub-section (2) before an officer who has authority to release arrested persons on bail, he shall be released on bail or at the discretion of the officer releasing him on his own bond.

(4) The provisions of *Sections 441 to 446 and Section 449 of the Code of Criminal Procedure, 1973* shall apply so far as may be, in every case, in which bail is accepted or, bond taken under this Section.

*[The expression ‘Sections 441 to 446 and Section 449 of the Code of Criminal Procedure, 1973’ substituted for the expression ‘Sections 499 to 502, Section 513, Section 514 and section 515 of the Code of Criminal Procedure, 1898’ by Act 20 of 1994. Effective from 20.5.1994]*

(5) *Notwithstanding anything contained in the Code of Criminal Procedure, 1973, no Court shall grant any bail to any person accused of an offence punishable under sub-item (i) of item (1) of Section 34 and to any person accused of an offence under clause (h) of Section 34 or Section 40-A, or Section 50, or Section 50-A of this Act, unless the prosecuting officer is given an opportunity to oppose the application, and the Court record reasons while granting the bail.*

*[Sub-section (5) added by Act 20 of 1994. Effective from 20.5.1994]*

*[Sub-section (5) substituted by Act 8 of 2010. This shall come into force on such date as the State Government may, by notifications, appoint]*

### Comments

1. The Government in their G.O. Ms. No.927, Revenue Department dated 25.9.1969, notified empowering Excise Officers of and above the rank of a Sub-Inspector to release on bail, person arrested under this Act otherwise than on a warrant.

2. The Sub-section (5) prior to its substitutions reads as follows:

“(5) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 no person accused of an offence under clauses (a) and (h) of Section 34 or Section 37, Section 37-A, Section 40-A, Section 50 and Section 50-A of this Act, the court shall not grant any bail, unless the prosecuting officer is given an

opportunity to oppose the application, and the court shall record reasons while granting the bail.

**60-A. Non-bailable offences:-** *The Offences punishable under Sub-item (ii) of item (1) of Section 34 or Section 37 or Section 37-A shall be non-bailable and the provisions of the Code of Criminal Procedure, 1973 with respect to non bailable offences shall apply to those offences.*

*[Section 60-A inserted by Act 8 of 2010. It shall come into force on such date as the Government may, by notification, appoint].*

**61. Procedure for prosecution and credit of fines to Prohibition and Excise Department:-** (1) No Magistrate shall take cognizance of an offence punishable –

- a) under Section 38 or Section 41 except on the complaint of the Collector or a “*District Prohibition and Excise Officer*” not below the rank of “*District Prohibition and Excise Officer*”, in this behalf; or

*[The words “District Prohibition and Excise Officer” subs. for “Prohibition and Excise Superintendent” by Act No. 32 of 2017, w.r.e.f. 11-10-2016]*

- (b) under any other Section of this Act other than Section 48, except on his own knowledge or suspicion or on the complaint or report of a Prohibition and Excise or Police Officer.

(2) Notwithstanding anything in any other law for the time being in force in the State, all sums realized on account of fines imposed by a Magistrate on conviction of a person for any offence under this Act, shall on such realization be credited to the head of account to which the receipts of the Prohibition and Excise Department are credited, after deducting there from the expenses incurred in connection with such realization.

**62. Magistrate’s power to impose enhanced penalties:-** Notwithstanding anything in *Section 29 of the Code of Criminal Procedure, 1973* it shall be lawful for any Magistrate of the first class to pass any sentence authorized by this Act in excess of his powers.

*[The expression ‘Section 29 of the Code of Criminal Procedure, 1973’ substituted for the expression ‘Section 32 of the Code of Criminal Procedure, 1898’ by Act 20 of 1994. Effective from 20.5.1994]*

## Chapter–IX

### Appeals and Revision

**63. Appeals:-** (1) Any person aggrieved by an order passed by any officer, other than the Commissioner or Collector, under this Act, may, within forty five days from the date of communication of such order, appeal to the Deputy Commissioner.

(2) Any person aggrieved by an order passed by the Deputy Commissioner or Collector under this Act, may within sixty days from the date of communication of such order, appeal to the Commissioner.

**64. Revision:-** The Government may, either *suo motu* or on an application call for and examine the records of any officer in respect of any decision, order or other proceedings made under this Act, including those relating to the grant, issue or refusal of a licence, or permit, for the purpose of satisfying themselves as to correctness, legality or propriety of any such decision or order or as to the regularity of such proceedings, and if in any case, it appears, to them that such decision, order or proceedings should be modified, annulled, reversed or remitted for reconsideration they may pass orders accordingly.

Provided that no order adversely affecting any party, shall be passed under this Section unless he has been given an opportunity of making his representation.

## Chapter–X

### Miscellaneous

**65. Recovery of Government dues:-** (1) The following moneys, namely –

- (a) all excise revenue,
- (b) any loss that may accrue when, in consequence of default, a lease under Section 17 has been taken under management by the Collector, or has been resold by him.
- (c) Amounts due to the Government by any person on account of any contract relating to the excise revenue; and
- (d) The costs, charges and expenses (including the salaries and allowances of the Prohibition and Excise Officers) specified in sub-section (2) of Section 28,

may be recovered from the person primarily liable to pay the same or from his surety, as if they were arrears of land revenue.

(2) When a lease has been taken under management by the Collector, or has been resold by him, the Collector may recover, in the manner authorized by Sub-Section (1) any money due to the defaulter by lessee or assignee.

(3) Arrears of money recoverable under this Section shall bear interest *at such rates as may be prescribed.*

*[The expression 'at such rates as may be prescribed' substituted for the expression 'at the rate of six percent per annum' by Act 27 of 1981. Effective from 1.7.1981]*

#### CASE-LAW

**Section 65(1):**— In *Syndicate Bank, Branch at Hanamkonda v. Excise Superintendent, Excise Department, Warangal, Warangal District*, 2002 (4) ALD 93, the High Court of Andhra Pradesh held as follows:

(1) When once the amount due to the Government under the Excise Act is treated as arrears of land revenue, the provisions of the Revenue Recovery Act can be invoked and the procedure prescribed therein can be followed for recovery of the said amount.

(2) The A.P. Excise Act has not prescribed any period of limitation for recovery of the amounts due to the Government whereas limitations is prescribed for filing of suits against the Government.

(3) In the present case the defendant invoked the bank guarantee within time. When once there was invocation of bank guarantee, the amount covered by the guarantee became due and the plaintiff-bank is bound to pay the amount covered by the guarantee. Had the plaintiff aggrieved by the notices of invocation of bank guarantee, it should have approached the Civil Court within six months from the date of such notices, but it slept over the matter for a period beyond six months leading to bar of civil suit.

(4) The RR Act is originally meant to assist the Government officials for the recovery of the amounts due to the Government. Subsequently, certain amendments were brought to the said Act extending the benefit to the Nationalised Banks and Government Corporations etc. There is no force in the contention of the learned Counsel for the bank that the defendant is taking the help of the provisions of Section 52-A. When once the Government is vested with the power, conferred on the Government under the Excise Act, to recover the amount due, it has every right against anybody, including a bank exclusively owned by the Government of India, for recovery of the amount due to it.

(5) In the event of the concerned authorities taking action under the Revenue Recovery Act, they may apply to the Civil Court, under Section 59 of the Revenue Recovery Act, for redress within six months from the date of cause of action. But, when no action was initiated by the Excise Department resorting to the provisions of the Revenue Recovery Act, there is no cause of action for the plaintiff to go to a Civil Court to seek the relief of injunction. The plaintiff instead of making the payment due under the bank guarantee approached the Civil Court without any cause of action by twisting the facts for the reasons best known to it. Therefore the defendant was held to have every right to take the aid of the provisions of the Revenue Recovery Act for realization of the amounts due to the Government against the plaintiff, which is a nationalised bank.

(6) The provisions under this section are applicable only in respect of the suits, appeals or applications filed before a Court of Law. There is no provision under the A.P. Excise Act that the amount due under the Act shall be recovered through Court. Since the defendant in the instant case expressed its intention to proceed under the Revenue Recovery Act, the provisions of Section 29 of the Limitation Act are held not applicable.”

**Sections 65, 70:--** There cannot be any dispute that 1968 Excise Act is consolidated law which repealed Andhra Pradesh (Andhra Area) Abkari Act, 1886, Andhra Pradesh (Telangana Area) Abkari Act, 1316-F and Andhra Pradesh (Telangana Area) Intoxicating Drugs Act, 1333 F. Even prior to the enactment of 1968 Excise Act, there was procedure under these Acts for recovery of excise arrears/revenue treating them as arrears of land revenue under the provisions of R.R. Act. Therefore, the submission that the law of limitation applies to recovery proceedings by the excise department under R.R. Act, was held not to be accepted. *Ch. Siddirama Goud v. Prohibition and Excise Superintendent, Medak District at Medak and another*, 2009 (1) ALT 222 = 2009 (1) ALD 682.

**66. Government's lien on property of defaulter:-** In the event of default by any person licensed or holding a lease under this Act, his distillery, brewery, warehouse, shop or premises and all fittings, apparatus, stocks of intoxicants or materials for the manufacture of the same, held in or upon any such distillery, brewery, warehouse, shop or premises, shall be liable to be attached in satisfaction of any claim for excise revenue or in respect of any loss incurred by the Government through such default, and to be sold to satisfy such claim which shall be a first charge upon the proceeds of such sale.

**67. Recovery of dues by lessee under Section 17:-** Any person to whom a lease has been granted in accordance with the provisions of Section 17, may in a case where sub-letting is not forbidden by the terms of lease, proceed against any person holding under him for the recovery of any money due in respect of such sub-lease as if it were an arrear of rent

recoverable under the law for the time being in force with regard to landlord and tenant;

Provided that nothing in this Section shall affect the right of any such grantee to recover any such money by a civil suit.

**68. Power of Government to exempt, etc:-** The Government may, by notification, and subject to such restrictions and conditions, as may be specified in such notification—

- (a) exempt or reduce the excise duty levied under Section 22 on any liquor sold –
  - (i) for use or consumption by the members of the Armed Forces of the Union; or
  - (ii) for use for *bona fide* medicinal, scientific, industrial or such like purpose;
- (b) exempt any intoxicant from any of the provisions of this Act, other than those of Chapter V, in any specified area or for any specified period or occasion.

**68-A. Exemption of the Government from taking out licence or permit for production, manufacture, etc., of any intoxicant:-** Notwithstanding anything in this Act, it shall not be necessary for the Government or any authority or officer acting on their behalf to take out a licence or permit under this Act for the production, manufacture, possession, import, export, transport, sale or purchase of any intoxicant.

*[Section 68-A inserted by Act 23 of 1971. Effective from 23.11.1971]*

#### Comments

Under Chapter III of the Act, a permit is necessary for the import, export or transport of any intoxicant and under Chapter VI a licence is necessary for production, manufacture, possession, purchase and sale of any intoxicant. At that time (in 1971) Arrack was manufactured in State at Government Distilleries, Narayanguda, Hyderabad and at Kamareddy of Nizamabad district and it was being sold to the arrack shop contractors at the departmental taluk depots. No permit or licence for production, manufacture, possession, import, export, transport, purchase or sale of arrack manufactured in such distilleries and sold to arrack shop contractors through the departmental taluk depots, was being taken out by the State Government or any authority or officer acting on behalf of the Government on the assumption that the Government do not come within the meaning of the expression "Person" as contained in the Act. With a view to place the matter beyond all doubts and to specifically provide in the Act that it shall not be necessary for the

Government to take out a licence or permit under the Act for such purposes, Section 68-A was inserted by Act 23 of 1971.

**68-B. Power of State Government to notify exemptions or grant relaxations:-** The State Government may, by notification in the *Telangana Gazette* and subject to such restrictions and conditions as may be specified in such notification, make exemption or grant relaxation in respect of any of the provisions of the Act.

*[Section 68-B inserted by Act 35 of 2005. Effective from 20.5.2005]*

*[The word "Telangana" subs. for "Andhra Pradesh" by G.O.Ms.No. 162, Rev (Ex.-II) Dept., dt. 10-9-2015.]*

#### CASE-LAW

**Section 68-B [A.P. Excise (Lease of Right of Selling by Shop and Conditions of Licence) Rules, 2005 - Rules 3, 4, 5, 29(3)1]:—** (1) The Rule 29 apparently provides for shifting of the licensed premises. Admittedly, in the case on hand, the respondents 5 to 9 have not yet secured the premises and licences have not yet been sanctioned in their favour and therefore, the question of shifting of the licensed premises does not arise at all. At any rate, even under Rule 29(3) of the Rules, the shifting of the licensed premises is permissible only within the same area/locality where it was originally established. Hence, shifting of the proposed shops from the wards where the respondents 5 to 9 were original granted leases, to different wards, was held not to be permitted.

(2) Though there can be no dispute about the power conferred on the 1st respondent for granting exemptions and relaxations in respect of any of the provisions of the Act, as expressed above, since the respondents 5 to 9 have not yet secured the premises and no licences have yet been sanctioned in their favour, Rule 29 does not come into operation at all. Hence, the permission said to have been granted by the 2nd respondent for change of area/locality notified in the Gazette by virtue of the relaxation granted by the 1st respondent under Section 68-B of the Act was held not to be termed as 'permission to shift the licensed premises'. In the circumstances, it was inevitable to conclude that the impugned action of the respondents 1 and 2 was nothing but permitting establishment of new shops in places/localities other than the notified areas/localities under the garb of exercise of power under Rule 29. Such action being in gross violation of the procedure prescribed under Rules 3, 4 and 5 of the Rules was held to be impermissible and illegal. *Arji Sankara Rao and others v. Govt. of A.P., rep. by Secretary, Prohibition & Excise Department and others*, 2006 (1) ALT 545.

**69. Protection of action taken under this Act:-** No suit or other legal proceedings shall lie against the Government or any Prohibition and Excise Officer or any other person empowered to exercise powers or to

perform the functions under this Act for any thing in good faith done or intended to be done under this Act.

**70. Limitation of suits:-** No suit shall lie against the Government, or against a Prohibition and Excise Officer, other than a suit by Government, in respect of any thing done or alleged to have done in pursuance of this Act, unless the suit is instituted within six months from the date of act complained of.

**71. Offences by Companies etc:-** (1) If the person committing an offence under this Act is a company, the company as well as every person in-charge of, and responsible to the company for the conduct for its business at the time of the commission of the offence, shall be deemed to be guilty of the offence, and shall be liable to be proceeded against and punished accordingly:

Provided that nothing in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything in sub-section (1), where an offence under this Act, has been committed by company, and it is proved that the offence has been committed with the consent or connivance of, or that the commission of the offence is attributable to any neglect on the part of any director, manager, secretary, or other officer of the company, such director, manager, secretary, or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

**Explanation:** For the purpose of this Section:—

(a) “Company” means any body corporate and includes a firm or other association of individuals; and

(b) “Director” in relation to firm means a partner in the firm.

**72. Power to make rules:-** (1) The Government, may, by notification (xxx), make rules for carrying out all or any of the purposes of this Act.

[xxx: The words ‘and after previous publication’ omitted by Act 27 of 1981. Effective from 1.7.1981]

(2) In particular and without prejudice to the generality of the foregoing provision, the Government may make rules —

(a) Prescribing the powers and duties of Prohibition and Excise Officers;

- (b) Regulating the delegation of any power by the Commissioner or Collector or the Prohibition and Excise Superintendent under Section 8;
- (c) Prescribing the time and manner of presenting appeals and the procedure for dealing with appeals;
- (d) Regulating the import, export, transport, manufacture, cultivation, collection, possession, supply or storage of any intoxicant *or Material* and may, by such rules, among other matters –
  - (i) regulate the tapping of excise trees, the drawing of toddy from such excise trees, the marking of the same and the maintenance of such marks;
  - (ii) declare the process by which spirit shall be denatured and the denaturizing of spirit ascertained;
  - (iii) cause spirit to be denatured through the agency or under the supervision of its own officers; and
  - (iv) regulating the drawing of neera and the sale thereof;

*[in clause (d) the words 'or material' inserted by Act 33 of 2008, w.e.f. 2-8-2008].*

- (e) regulating the periods and localities in which and the persons or classes of persons to whom, licenses for the wholesale or retail sale or buying of any intoxicant, may be granted and regulating the number of such licenses which may be granted in any area;
- (ee) Separately for shop, Bar or In-house, to regulate the localities in which and the persons or classes of persons to whom lease or licence or both may be granted and to regulate their number which may be granted in any area and the method of selection for grant of such privilege, lease or licence;
- (f) Prescribing the procedure to be followed and the matters to be ascertained before any licence for such sale or buying is granted for any locality;
- (g) Regulating the time, place and manner of payment of any duty or fee and the taking of security for the payment of any duty or fee;
- (gg) Specifying the factors which should be taken into consideration for according or withholding approval under Section 24 and the period within which, and the manner in which such approval shall be accorded or withheld.

- (h) Prescribing the authority by which, the form in which and the terms and conditions on and subject to which any licence or permit shall be granted or issued and may, by such rules, among other matters—
  - (i) Fix the period of which any licence or permit shall continue in force;
  - (ii) Prescribe the scales of fees or the manner of fixing the fees payable in respect of any lease, licence or permit, or the storing of any excisable article;
  - (iii) Prescribe the amount of surety to be deposited by the holders of any licence or permit for the performance of the conditions of the same.
  - (iv) Prescribe the accounts to be maintained and the returns to be submitted by the licence holders;
  - (v) Prohibit or regulate the transfer of licences; and
  - (vi) Prescribe the ages under which it shall be unlawful to employ children and to sell or give to children excisable articles;
- (i) Providing for the destruction or other disposal of any intoxicant deemed to be unfit for use;
- (j) Regulating disposal of confiscated articles;
- (k) Regulating the grant of expenses to witnesses and to persons charged with offences under the Act, and subsequently released or acquitted;
- (l) Regulating the powers of Prohibition and Excise Officers to summon the witnesses;
- (m) Prescribing the tax payable to the Government in respect of excise trees from which toddy is drawn;
- (n) Constituting mobile courts of Magistrates in consultation with High Court, for the trial of offences against any provisions of this Act or the rules or orders made thereunder;
- (o) Any other matter that may be prescribed under this Act:

(3) Any rule under this Act may be made with retrospective effect and when such a rule is made, the reasons for making the rule shall be specified in a statement to be laid before both Houses of the State Legislature.

(4) Every rule made under this Act, shall, immediately after it is made be laid before each House of the State Legislature if it is in session, and

if it is not in session, in the session immediately following for a total period of fourteen days which may be comprised in one session or in two successive sessions and if, before the expiration of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or in the annulment of the rule, the rule shall, from the date on which modification or annulment is notified, have effect only in such modified form or shall stand annulled, as the case may be, so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

[Clause (ee) under Sub-rule (2) inserted by Act 35 of 2005. Effective from 20.5.2005]

[Clause (gg) under Sub-rule (2) inserted by Act 6 of 1974]

#### CASE-LAW

The power to frame rules encompasses the power to amend them suitably. Section 72 of the Act has conferred power on the State Government to frame rules. Therefore, the rules framed by the State Government are subordinate legislation, authorized to be so made by the Legislation itself. The exercise of making legislation or subordinate legislation for that matter, are the prerogative of the Legislature or the agency upon which such power was conferred/delegated. The Legislature or the delegated agency before exercising such power is not required to put anyone on notice before hand and provide any opportunity of hearing. *V. Srinivasa Murthy v. State of Telangana and others*, 2015 (2) ALD 133.

Section 72 and Section 15A of A.P. Cooperative Societies Act, 1964 scope and ambit discussed. *Toddy Tappers Co-operative Society v. Prohibition and Excise Superintendent cum Functional Registrar*, 2015 (1) ALD 325 = 2014 (6) ALT 19.

**73. Repeal and Savings:-** The following enactments, namely—

- (a) The Andhra Pradesh (Andhra Area) Abkari Act, 1886, (Act 1 of 1886) with all the subsequent statutory modifications thereof;
- (b) The Andhra Pradesh (Telangana Area) Abkari Act, 1316-F;
- (c) The Andhra Pradesh (Telangana Area) Intoxicating Drugs Act, 1333-F.

are hereby repealed;

Provided that Section 8 of the Andhra Pradesh General Clauses Act 1891 shall be applicable in respect of the repeal of the said enactments and Section 8 and 18 of the said Act, shall be applicable as if the said enactments had been repealed and re-enacted by an Andhra Pradesh Act;

Provided further that such repeal shall not affect the right of the Government to continue to levy by virtue of the provisions of Article 277 of the Constitution the gallonage fees on denatured spirits, methylated spirits and other spirits not fit for human consumption, which the Government were lawfully levying immediately before the commencement of this Act.

*[The Schedule Deleted by G.O.Ms.No. 162, Rev. (Ex.II), Dept., dt. 10-9-2015, w.e.f. 10-9-2015.]*

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**NOTIFICATIONS ISSUED UNDER  
THE ANDHRA PRADESH EXCISE ACT, 1968  
(Section-Wise)**

**1. Notifications issued under Section 1:**

**(A) Notification on the date on which provisions of A.P. Excise Act, 1968 came into force in Telangana Area.**

[G.O.Ms.No. 928, Revenue Department, dated 30.8.1968]

[Published in A.P. Gazette –Part I, Extraordinary No.198, dated 30.8.1968]

In exercise of the powers conferred by sub-section (3) of Section 1 of Andhra Pradesh Excise Act, 1968 (Act 17 of 1968), the Governor of Andhra Pradesh hereby appoints the 30th day of August, 1968 as the date on which the Provisions of the said Act shall come into force (Telangana Area).

**(B) Notification on the withdrawal of operative provisions of Andhra Pradesh (Andhra Area) Prohibition Act, 1937 and extension of the Andhra Pradesh Excise Act, 1968 to certain local areas of Andhra Area.**

[G.O.Ms.No. 966, Revenue Department, dated 6.10.1969]

[Published in A.P. Gazette- Part II, Extraordinary No. 23 dated 6.10.1969].

In exercise of powers conferred by proviso to Section 2 of the Andhra Pradesh (Andhra Area) Prohibition Act, 1937 (Act X of 1937) read with clause (b) of Sub-section (2) of Section 1 of the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968) the Governor of Andhra Pradesh hereby declares that with effect from the 1st November, 1969 the provisions of the Andhra Pradesh (Andhra Area) Prohibition Act, 1937, other than Sections 1, 3 and 6, shall cease to be in force in all the local areas of the State of Andhra Pradesh not comprised within the territories referred to in clause (a) of sub-section (2) of Section 1 of the Andhra Pradesh Excise Act, 1968 shall come into force in those local areas.

**(C) Notification on extension of Andhra Pradesh Excise Act, 1968 to Andhra Area.**

[G.O.Ms.No. 989, Revenue Department, dated 11.10.1969]

[Published in A.P. Gazette- Part II, Extraordinary No. 24, dated 13.10.1969]

In exercise of the powers conferred by sub-section (3) of Section 1 of Andhra Pradesh Excise Act, 1968 (Act 17 of 1968), the Governor of Andhra Pradesh hereby appoints the 1st day of November, 1969 as the date on which the Provisions of the said Act shall come into force in all the local areas of the State of Andhra Pradesh not comprising within the territories referred to in clause (a) of Sub-section (2) of Section 1 of the Act.

**2. Notifications Issued Under Section 2:**

**(A) Methyl Alcohol (Methanol) Declaring as Liquor under the Provisions of A.P. Excise Act:**

[Govt. Memo No. 927/E1/73, dated 31.3.1975]

[Published in A.P. Gazette, Part II, Extraordinary No.17, dated 31.3.1975]

In exercise of the powers conferred by sub-clause (b) of Clause (21) of Section 2 of the Andhra Pradesh Excise Act, 1968 (Andhra Pradesh Act 17 of 1968), the Governor of Andhra Pradesh hereby declares "Methyl Alcohol" (substance known as Methanol having the chemical formula of CH<sub>3</sub> OH) to be liquor for the purpose of the said Act.

This notification shall be deemed to have come into force with effect from 1st day of April 1970.

[G.O.Ms.No. 988, Revenue Department, dated 31.10.1991]

[Published in A.P. Gazette, Part II, Extraordinary No.293, dated 8.11.1991]

In exercise of powers conferred by sub-clause (b) of Clause (21) of Section 2 of the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968) read with Section 21 of the General Clauses Act, 1897 (Central Act X of 1897) the Governor of Andhra Pradesh hereby rescinds with immediate effect, the notification issued in Memo No. 927/E1/73-17, Revenue dated 31st March, 1975 and published in Part-II, Extraordinary of the Andhra Pradesh Gazette, dated 31st March, 1975 declaring "Methyl Alcohol"

(substance known as Methanol having the Chemical formula of CH<sub>3</sub>OH) to be liquor for the purpose of the said Act.

*G.O.Ms.No.207, Revenue Department, dated 26.2.1994.*

In exercise of powers conferred by sub-clause (b) of clause (21) of Section 2 of the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968) read with Section 15 of the Andhra Pradesh General Clauses Act, 1891 (Act X of 1891), the Governor of Andhra Pradesh hereby rescinds the Notification issued with G.O.Ms.No.988, Revenue Department dated 31.10.1991 and published in Part-II, Extraordinary issue of the Andhra Pradesh Gazette dated 8.11.1991 with immediate effect.

**(B) Declaring Chloral Hydrate as an Intoxicating Drug**

[Govt. Memo No. 87/E2/72-5, Revenue Dept., dated 12.6.1972]

In exercise of powers conferred by sub-clause (d) of clause (20) of Section 2 of the Andhra Pradesh Excise Act, 1968 (Andhra Pradesh Act 17 of 1968), the Governor of Andhra Pradesh hereby declares “Chloral Hydrate” (Substance having chemical Formula C<sub>2</sub> H<sub>3</sub> O<sub>2</sub> Cl<sub>3</sub>) to be an intoxicating drug.

**3. Notifications Issued Under Section 3:**

**Notification on the Appointment of Commissioner of Excise.**

[Govt. Memo No. ER-36/69-2, Revenue Department dated 14.10.1969]

In exercise of powers conferred by Sub-section (1) of Section 3 of the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968) and in supersession of the notification issued vide G.O. Ms. No.1176, Revenue Department, dated 26.11.1968 published at page 2217 of Part I of the Andhra Pradesh Gazette dated 12th December, 1968, the Governor of Andhra Pradesh hereby appoints the Member, Board of Revenue in-charge of Excise, as the Commissioner of Excise for the State with effect on and from the 1st November, 1969.

Note: In G.O. Ms. No.1176, Revenue Dept. dated 26.11.1968, the Member, Board of Revenue, in charge of Excise and Prohibition was appointed as Commissioner of Excise with effect from 30.8.1968.

**4. Notifications Issued Under Section 5:****(a) Formation of New District in the State of Telangana – Reorganization and Restructuring of jurisdiction of Deputy Commissioners of Prohibition & Excise**

*[G.O.Ms.No. 251, (Rev. (Excise-II) Dept., dt. 11-10-2016)]*

*Read the following:-*

1. From the Commissioner of Prohibition & Excise, Telangana, Hyderabad, Letter Cr No.5430/2016/CPE/A1/, dated 20.9.2016, & 08.10.2016.
2. G.O.Ms.No.221 to 250, Rev (DA & CMRF) Dept., dated 11.10.2016.

**ORDER:**

In the reference 1st read above, the Commissioner of Prohibition & Excise, Telangana, Hyderabad, has stated that reorganization of the existing 10 Revenue Districts into (31) Revenue Districts by the State Government and consequential changes in jurisdiction in certain districts, to achieve better operational efficiency at different levels and to streamline the functioning. Therefore he has requested the Government reorganize the strengthening and jurisdiction of Deputy Commissioners of the Prohibition & Excise.

2. After careful examination of the proposal of Commissioner of Prohibition & Excise, Telangana, Hyderabad, Government hereby decided to Reorganize and Restructuring the jurisdiction of Deputy Commissioners of Prohibition & Excise.

3. The appended notification shall be published in the extraordinary issue of Telangana Gazette dated: 11-10-2016.

4. The Commissioner of Prohibition & Excise, Telangana, Hyderabad, shall take necessary action accordingly.

**Notification**

In exercise of the powers conferred under Section 5 of the Telangana Excise Act, 1968 (Act No.17/1968) and in suppression of all the previous Notifications on this subject, the Governor of Telangana hereby appoints, with effect from 11th Day of October, 2016 the Officers specified below with the Head Quarters and for the jurisdiction respectively specified against them, to exercise the powers and perform the duties that may be conferred on or delegated to them by the Government or the Commissioner of Prohibition & Excise from time to time.

Sl.No.	Designation	Headquarters	Area
1	Deputy Commissioner of Proh. & Excise, Hyderabad	Hyderabad	Hyderabad Revenue District
2	Deputy Commissioner of Proh. & Excise, Rangareddy	Hyderabad	Revenue Districts of Rangareddy, Medchal and Vikarabad
3	Deputy Commissioner of Proh. & Excise, Medak	Sangareddy	Revenue Districts of Medak, Sangareddy and Siddipet
4	Deputy Commissioner of Proh. & Excise, Nalgonda	Nalgonda	Revenue Districts of Nalgonda, Suryapet and <sup>1</sup> [Yadadri Bhuvanagiri]
5	Deputy Commissioner of Proh. & Excise, Mahabubnagar	Mahabubnagar	Revenue Districts of Mahabubnagar, Wanaparthi, Nagarkurnool and <sup>2</sup> [Jogulamba Gadwal]
6	Deputy Commissioner of Proh. & Excise, Nizamabad	Nizamabad	Revenue Districts of Nizamabad and Kamareddy
7	Deputy Commissioner of Proh. & Excise, Warangal	Warangal	Revenue Districts of Warangal (U), Warangal (R), Mahabubabad, <sup>3</sup> [Jayashanker Bhupalpally] and Janagaon

1. Subs. for "Yadadri" by G.O.Ms.No. 165, Rev. (Ex-II) Dept., dated 14-7-2017.

2. Subs. for "Gadwal" by *Ibid.*

3. Subs. by *Ibid.*

Sl.No.	Designation	Headquarters	Area
8	Deputy Commissioner of Proh. & Excise, Khammam	Khammam	Revenue Districts of Khammam and <sup>1</sup> [Bhadradi Kothagudem.]
9	Deputy Commissioner of Proh. & Excise, Karimnagar	Karimnagar	Revenue Districts of Karimnagar, Jagtial, <sup>2</sup> [Rajanna Sircilla] and Peddapally
10	Deputy Commissioner of Proh. & Excise, Adilabad	Adilabad	Revenue Districts of Adilabad, Nirmal, Mancherial and <sup>1</sup> [Kumarambheem Asifabad.]

**(b) Formation of New District in the State of Telangana – Reorganization and Restructuring of jurisdiction of Assistant Commissioners of Prohibition & Excise**

*[G.O.Ms.No. 252, (Rev. (Excise-II) Dept., dt. 11-10-2016]*

*Read the following:-*

1. From the Commissioner of Prohibition & Excise, Telangana, Hyderabad, Letter Cr No.5430/2016/CPE/A1/ dated 20.9.2016, & 08.10.2016.
2. G.O.Ms.No.221 to 250, Rev (DA & CMRF) Dept., dated 11.10.2016.

**ORDER:**

In the reference 1st read above, the Commissioner of Prohibition & Excise Telangana, Hyderabad, has stated that reorganization of the existing 10 Revenue Districts into (31) Revenue Districts by the State Government and consequential changes in jurisdiction in certain districts, to achieve better operational efficiency at different levels and to streamline the functioning. Therefore he has requested the Government reorganize the strengthening and jurisdiction of Assistant Commissioners of the Prohibition & Excise.

2. After careful examination of the proposal of Commissioner of Prohibition & Excise Telangana, Hyderabad, Government hereby decided to Reorganize and Restructuring the jurisdiction of Assistant Commissioners of Prohibition & Excise.

1. Subs. by G.O.Ms.No. 165, Rev. (Ex-II) Dept., dated 14-7-2017.

2. Subs. for "Sircilla" by *Ibid.*

3. The appended notification shall be published in the extraordinary issue of Telangana Gazette dated: 11-10-2016.

4. The Commissioner of Prohibition & Excise Telangana, Hyderabad, shall take necessary action accordingly.

**Notification**

In exercise of the powers conferred under Section 5 of the Telangana Excise Act, 1968 (Act No.17/1968) and in suppression of all the previous Notifications on this subject, the Governor of Telangana hereby appoints, with effect from 11th Day of October, 2016 the Officers specified below with the Head Quarters and their jurisdiction respectively specified against them, to exercise the powers and perform the duties that may be conferred on or delegated to them by the Government or the Commissioner of Prohibition & Excise from time to time.

Sl.No.	Designation	Headquarters	Area
1	Assistant Commissioner of Proh. & Excise, Hyderabad	Hyderabad	Hyderabad Revenue District
2	Assistant Commissioner of Proh. & Excise, Rangareddy	Hyderabad	Revenue Districts of Rangareddy, Medchal and Vikarabad
3	Assistant Commissioner of Proh. & Excise, Medak	Sangareddy	Revenue Districts of Medak, Sangareddy and Siddipet
4	Assistant Commissioner of Proh. & Excise, Nalgonda	Nalgonda	Revenue Districts of Nalgonda, Suryapet and <sup>1</sup> [Yadadri Bhuvanagiri]
5	Assistant Commissioner of Proh. & Excise, Mahabubnagar	Mahabubnagar	Revenue Districts of Mahabubnagar, Wanaparthy, Nagarkurnool and <sup>2</sup> [Jogulamba Gadwal]

1. Subs. for “Yadadri” by G.O.Ms.No. 166, Rev. (Ex-II) Dept., dated 14-7-2017.

2. Subs. for “Gadwal” by *Ibid.*

Sl.No.	Designation	Headquarters	Area
6	Assistant Commissioner of Proh. & Excise, Nizamabad	Nizamabad	Revenue Districts of Nizamabad and Kamareddy
7	Assistant Commissioner of Proh. & Excise, Warangal	Warangal	Revenue Districts of Warangal (U), Warangal (R), Mahabubabad, <sup>1</sup> [Jayashankar Bhupalpally] and Janagaon
8	Assistant Commissioner of Proh. & Excise, Khammam	Khammam	Revenue Districts of Khammam and <sup>2</sup> [Bhadradi Kothagudem])
9	Assistant Commissioner of Proh. & Excise, Karimnagar	Karimnagar	Revenue Districts of Karimnagar, Jagtial, Sircilla and Peddapally <sup>3</sup> [Rajanna Sircilla]
10	Assistant Commissioner of Proh. & Excise, Adilabad	Adilabad	Revenue Districts of Adilabad, Nirmal, Mancherial and <sup>4</sup> [Kumarambheem Asifabad]

**(c) Formation of New District in the State of Telangana – Reorganization and Restructuring of jurisdiction of Prohibition & Excise Superintendents or Assistant Prohibition & Excise Superintendents in Telangana State**

*[G.O.Ms.No. 253, (Rev. (Excise-II) Dept., dt. 11-10-2016]*

*Read the following:-*

1. From the Commissioner of Prohibition & Excise, Telangana, Hyderabad, Letter Cr No.5430/2016/CPE/A1/ dated 20.9.2016, & 08.10.2016.
2. G.O.Ms.No.221 to 250, Rev (DA & CMRF) Dept., dated 11.10.2016.

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1. Subs. for “Bhupalpally (Jayashankar)” by G.O.Ms.No. 166, Rev. (Ex-II) Dept, dated 14-7-2017.
  2. Subs. for “Kothagudem (Bhadradi)” by *Ibid*.
  3. Subs. for “Sircilla” by *Ibid*.
  4. Subs. for “Asifabad Komaram Bheem” by *Ibid*.

**ORDER:**

In the reference 1st read above, the Commissioner of Prohibition & Excise, Telangana, Hyderabad, has stated that reorganization of the existing 10 Revenue Districts into (31) Revenue Districts by the State Government and consequential changes in jurisdiction in certain districts, to achieve better operational efficiency at different levels and to streamline the functioning. Therefore he has requested the Government reorganize the strengthening and jurisdiction of Prohibition & Excise Superintendents or Assistant Prohibition & Excise Superintendents in Telangana State.

2. After careful examination of the proposal of the Commissioner of Prohibition & Excise, Telangana, Hyderabad, Government hereby decided to Reorganize and Restructuring the jurisdiction of Prohibition & Excise Superintendents or Assistant Prohibition & Excise Superintendents in Telangana State.

3. The appended notification shall be published in the extraordinary issue of Telangana Gazette dated: 11-10-2016.

4. The Commissioner of Prohibition & Excise, Telangana, Hyderabad, shall take necessary action accordingly.

**Notification**

In exercise of the powers conferred under Section 5 of the Telangana Excise Act, 1968 (Act No.17/1968) and in suppression of all the previous Notifications on this subject, the Governor of Telangana hereby appoints, with effect from 11th Day of October, 2016 the Officers specified below with the Head Quarters and their jurisdiction respectively specified against them, to exercise the powers and perform the duties that may be conferred on or delegated to them by the Government or the Commissioner of Prohibition & Excise from time to time.

Sl.No.	District/Designation (P&ES or AP & ES)	Headquarters	Area: Proh. & Excise stations of
<b>Hyderabad Revenue District</b>			
1	Proh. & Excise Superintendent, Hyderabad	Hyderabad	Nampally, Ameerpet, Jubilee Hills, Golconda, Dhoolpet and Charminar
2	Proh. & Excise Superintendent, Secunderabad	Hyderabad	Secunderabad, Musheerabad, Kachiguda, Malakpet and Narayanaguda

Sl.No.	District/Designation (P&ES or AP & ES)	Headquarters	Area: Proh. & Excise stations of
<b>Ranga Reddy Revenue District</b>			
3	Proh. & Excise Superintendent, Shamshabad	Shamshabad	Shamshabad, Chevella and Serilingampally
4	Proh. & Excise Superintendent, Saroonagar	Saroonagar	Saroonagar, Hayathnagar, Ibrahimpatnam, Maheshwaram, Amangal and Shadnagar
<b>Medchal Revenue District</b>			
5	Proh. & Excise Superintendent, Medchal	Medchal	<sup>1</sup> [Medchal], Quthbullapur and Balanagar
6	Proh. & Excise Superintendent, Malkajiri	Malkajiri	Malkajiri, Uppal and Ghatkesar
<b>Vikarabad Revenue District</b>			
7	Proh. & Excise Superintendent, Vikarabad	Vikarabad	Vikarabad, Tandur, Mominpet and Pargi
<b>Sangareddy Revenue District</b>			
8	Proh. & Excise Superintendent, Sangareddy	Sangareddy	Sangareddy, Patancheru, Zaheerabad, Narayankhed and Andole
<b>Medak Revenue District</b>			
9	Proh.& Excise Superintendent, Medak	Medak	Medak, Narsapur and Ramayampet
<b>Siddipet Revenue District</b>			
10	Proh. & Excise Superintendent, Siddipet	Siddipet	Siddipet, Gajwel, <sup>2</sup> [Mirdoddi], Cheryal and Husnabad

1. Subs. for "Malkajiri" by G.O.Ms.No. 167, Rev. (Ex-II) Dept., dated 14-7-2017.
2. Subs. for "Mordoddi" by *Ibid*.

Sl.No.	District/Designation (P&ES or AP & ES)	Headquarters	Area: Proh. & Excise stations of
<b>Nalgonda Revenue District</b>			
11	Proh. & Excise Superintendent, Nalgonda	Nalgonda	Nalgonda, Nakrekal, Chandoor, Miryalaguda, Haliya, Nampally and Devarakonda
<b>Suryapet Revenue District</b>			
12	Proh. & Excise Superintendent, Suryapet	Suryapet	Suryapet, Tungathurthy, Huzurnagar and Kodad
<b><sup>1</sup>[Yadri Bhuvanagiri] Revenue District</b>			
13	<sup>1</sup> [Proh. & Excise Superintendent, <sup>1</sup> [Yadri Bhuvanagiri]	Bhongir	Bhongir, Ramannapet, Alair and Motkur
<b>Mahabubnagar Revenue District</b>			
14	Proh. & Excise Superintendent, Mahabubnagar	Mahabubnagar	Mahabubnagar, Jadcherla, Narayanpet and Kosigi
<b>Nagarkurnool Revenue District</b>			
15	Proh. & Excise Superintendent, Nagarkurnool	Nagarkurnool	Nagarkurnool, Kollapur, Achampet, Telkapally and Kalwakurthy
<b><sup>2</sup>[Jogulamba Gadwal] Revenue District</b>			
16	Proh. & Excise Superintendent, Gadwal	Gadwal	Gadwal and <sup>3</sup> [Alampur]
<b>Wanaparthy Revenue District</b>			
17	Asst. Proh. & Excise Superintendent, Wanaparthy	Wanaparthy	Wanaparthy, Atmakur, and Kothakota
<b>Nizamabad Revenue District</b>			
18	Proh. & Excise Superintendent, Nizamabad	Nizamabad	Nizamabad, Armoor, Bheemgal, Morthad and Bodhan

1. Subs. for "Yadadri" by G.O.Ms.No. 167, Rev. (Ex-II) Dept., dated 14-7-2017.
2. Subs. by *Ibid*.
3. Subs. for "Waddepally" by *Ibid*.

Sl.No.	District/Designation (P&ES or AP & ES)	Headquarters	Area: Proh. & Excise stations of
<b>Kamareddy Revenue District</b>			
19	Proh. & Excise Superintendent, Kamareddy	Kamareddy	Kamareddy, Banswada, Bichkunda, Domakonda and Yellareddy
<b>Warangal (Urban) Revenue District</b>			
20	Proh. & Excise Superintendent, Warangal (Urban)	Warangal	Warangal (Urban), Khila Warangal, Hanamkonda and Kazipet
<b>Warangal (Rural) Revenue District</b>			
21	Proh. & Excise Superintendent, Warangal (R)	Warangal	Parkal, Narsampet and Wardhannapet
<b>Janagaon Revenue District</b>			
22	Asst. Proh. & Excise Superintendent, Janagaon	Janagaon	Janagaon, Ghanpur (Station) and Palakurthy
<b>Mahabubabad Revenue District</b>			
23	Proh. & Excise Superintendent, Mahabubabad	Mahabubabad	Mahabubabad, Thorrur and Gudur
<b><sup>1</sup>[Jayashankar (Bhupalpally)] Revenue District</b>			
24	Proh. & Excise Superintendent, Bhupalpally	Bhupalpally	Bhupalpally, Kataram, Mulug and Eturnagaram
<b>Khammam Revenue District</b>			
25	Proh. & Excise Superintendent, Khammam	Khammam	Khammam-I, Khammam-II, Nelkondapally, Wyra, Madhira, Sathupally and Singareni

1. Subs. for "Bhupalpally (Jayashankar)" by G.O.Ms.No. 167, Rev. (Ex-II) Dept, dated 14-7-2017.

Sl.No.	District/Designation (P&ES or AP & ES)	Headquarters	Area: Proh. & Excise stations of
<b><sup>1</sup>[Bhadradi Kothagudem] Revenue District</b>			
26	Proh. & Excise Superintendent, Kothagudem	Kothagudem	Kothagudem, Palvancha, Ahwaraopet, Bhadrachalam, Manuguru and Yellandu
<b>Adilabad Revenue District</b>			
27	Proh. & Excise Superintendent, Adilabad	Adilabad	Adilabad, Echoda and Uttoor
<b>Nirmal Revenue District</b>			
28	Asst. Proh.& Excise Superintendent, Nirmal	Nirmal	Nirmal and Bhainsa
<b>Mancherial Revenue District</b>			
29	Proh. & Excise Superintendent, Mancherial	Mancherial	Mancherial, Bellampally, Luxettipet and Chennur
<b><sup>2</sup>[Komarambheem Asifabad] Revenue District</b>			
30	Asst. Proh. & Excise Superintendent, Asifabad	Asifabad	Asifabad and Kagaznagar
<b>Karimnagar Revenue District</b>			
31	Proh. & Excise Superintendent, Karimnagar	Karimnagar	Karimnagar (U), Karimnagar (R), Thimmapur, Huzurabad and Jammikunta
<b>Peddapally Revenue District</b>			
32	Proh. & Excise Superintendent, Peddapally	Peddapally	Peddapally, Sultanabad, Ramagundam and Manthani
<b>Jagtial Revenue District</b>			
33	Proh. & Excise Superintendent, Jagtial	Jagtial	Jagtial, Dharmapuri and Metpally
<b><sup>3</sup>[Rajanna Sircilla] Revenue District</b>			
34	Asst. Proh. & Excise Superintendent, Rajanna	Sircilla	Rajanna, Yellareddypet and Vemulawada

1. Subs. for "Kothagudem (Bhadradi)" by G.O.Ms.No. 167, Rev. (Ex-II) Dept, dated 14-7-2017.
2. Subs. for "Asifabad (Komaram Bheem)" by *Ibid*.
3. Subs. for "Sircilla" by *Ibid*.

**(d) Formation of New District in the State of Telangana –  
Reorganization and Restructuring of jurisdiction of Assistant  
Prohibition & Excise Superintendents in Telangana State**  
*[G.O.Ms.No. 254, (Rev. (Excise-II) Dept., dt. 11-10-2016)]*

*Read the following:-*

1. From the Commissioner of Prohibition & Excise, Telangana, Hyderabad, Letter Cr No.5430/2016/CPE/A1/ dated 20.9.2016, & 08.10.2016.
2. G.O.Ms.No.221to 250, Rev (DA & CMRF) Dept., dated 11.10.2016.

**ORDER:**

In the reference 1st read above, the Commissioner of Prohibition & Excise Telangana, Hyderabad, has stated that reorganization of the existing 10 Revenue Districts into (31) Revenue Districts by the State Government and consequential changes in jurisdiction in certain districts, to achieve better operational efficiency at different levels and to streamline the functioning. Therefore he has requested the Government reorganize the strengthening and jurisdiction of Assistant Prohibition & Excise Superintendents in Telangana State.

2. After careful examination of the proposal of the Commissioner of Prohibition & Excise Telangana, Hyderabad, Government hereby decided to Reorganize and Restructuring the jurisdiction of Assistant Prohibition & Excise Superintendents in Telangana State .

3. The appended notification shall be published in the extraordinary issue of Telangana Gazette dated: 11-10-2016.

4. The Commissioner of Prohibition & Excise Telangana, Hyderabad, shall take necessary action accordingly.

**Notification**

In exercise of the powers conferred under Section 5 of the Telangana Excise Act, 1968 (Act No.17/1968) and in suppression of all the previous Notifications on this subject, the Governor of Telangana hereby appoints, with effect from 11th Day of October, 2016 the Officers specified below with the Head Quarters and their jurisdiction respectively specified against them, to exercise the powers and perform the duties that may be conferred on or delegated to them by the Government or the Commissioner of Prohibition & Excise from time to time.

Sl.No.	District/Designation (P&ES or AP & ES)	Headquarters	Area: Proh. & Excise stations of
<b>Hyderabad Revenue District</b>			
1	Asst. Proh. & Excise Superintendent Hyderabad	Hyderabad	Nampally, Ameerpet, Jubilee Hills, Golconda, Dhoolpet and Charminar

Sl.No.	District/Designation (P&ES or AP & ES)	Headquarters	Area: Proh. & Excise stations of
2	Asst. Proh. & Excise Superintendent, Secunderabad	Secunderabad	Secunderabad, Musheerabad, Kachiguda, Malakpet and Narayanaguda
<b>Ranga Reddy Revenue District</b>			
3	Asst. Proh. & Excise Superintendent, Shamshabad	Shamshabad	Shamshabad Serilingampally and Chevella
4	Asst. Proh. & Excise Superintendent, Saroornagar	Saroornagar	Saroornagar, Hayathnagar, Ibrahimpatnam Maheshwaram, Amangal and Shadnagar
<b>Medchal Revenue District</b>			
5	Asst. Proh. & Excise Superintendent, Medchal	Medchal	Medchal, Quthbullapur and Balanagar
6	Asst. Proh. & Excise Superintendent, Malkajiri	Malkajiri	Malkajiri, Uppal and Ghatkesar
<b>Vikarabad Revenue District</b>			
7	Asst. Proh. & Excise Superintendent, Vikarabad	Vikarabad	Vikarabad, Tandur, Mominpet and Pargi
<b>Sangareddy Revenue District</b>			
8	Asst. Proh. & Excise Superintendent, Sangareddy	Sangareddy	Sangareddy, Patancheru, Zaheerabad, Narayankhed and Andole
<b>Siddipet Revenue District</b>			
9	Asst. Proh. & Excise Superintendent, Siddipet	Siddipet	Siddipet, Gajwel, Mirdoddi, Cheryal and Husnabad
<b>Nalgonda Revenue District</b>			
10	Asst. Proh. & Excise Superintendent, Nalgonda	Nalgonda	Nalgonda, Nakrekal, Chandoor, Miryalaguda, Haliya, Nampally and Devarakonda

Sl.No.	District/Designation (P&ES or AP & ES)	Headquarters	Area: Proh. & Excise stations of
<b>Suryapet Revenue District</b>			
11	Asst. Proh. & Excise Superintendent, Suryapet	Suryapet	Suryapet, Tungathurthy, Huzurnagar and Kodad
<b>Khammam Revenue District</b>			
12	Asst. Proh. & Excise Superintendent, Khammam	Khammam	Khammam-I Khammam-II Nelkondapally, Wyra, Madhira, Sathupally and Singareni
<b><sup>1</sup>[Bhadradi Kothagudem] Revenue District</b>			
13	Asst. Proh. & Excise Superintendent, Kothagudem	Kothagudem	Kothagudem, Palvancha, Ahwaraopet, Bhadrachalam, Manuguru and Yellandu
<b>Mahabubnagar Revenue District</b>			
14	Asst. Proh. & Excise Superintendent, Mahabubnagar	Mahabubnagar	Mahabubnagar, Jadcherla, Narayanpet and Kosigi
<b><sup>2</sup>[Jogulamba Gadwal] Revenue District</b>			
15	Asst. Proh. & Excise Superintendent, Gadwal	Gadwal	Gadwal and <sup>3</sup> [Alampur]
<b>Nizamabad Revenue District</b>			
16	Asst. Proh. & Excise Superintendent, Nizamabad	Nizamabad	Nizamabad, Armoor, Bheemgal, Morthad and Bodhan
<b>Karimnagar Revenue District</b>			
17	Asst. Proh. & Excise Superintendent, Karimnagar	Karimnagar	Karimnagar (U), Karimnagar (R), Thimmapur, Huzurabad and Jammikunta

1. Subs. for "Kothagudem (Bhadradi)" by G.O.Ms.No. 168, Rev. (Ex-II) Dept, dated 14-7-2017.
2. Subs. for "Gadwal" by *Ibid*.
3. Subs. for "Waddepally" by *Ibid*.

<b>Warangal Revenue District</b>			
18	Asst. Proh. & Excise Superintendent, Warangal	Warangal	Warangal (Urban), Khila Warangal, Hanamkonda and Kazipet

**(e) Formation of New District in the State of Telangana – Reorganization and Restructuring of jurisdiction of Prohibition & Excise Stations in Telangana State**

*[G.O.Ms.No. 255, (Rev. (Excise-II) Dept., dt. 11-10-2016]*

*Read the following:-*

1. From the Commissioner of Prohibition & Excise, Telangana, Hyderabad, Letter Cr No.5430/2016/CPE/A1/ dated 20.9.2016, & 08.10.2016.
2. G.O.Ms.No.221to 250, Rev (DA & CMRF) Dept., dated 11.10.2016.

**ORDER:**

In the reference 1st read above, the Commissioner of Prohibition & Excise Telangana, Hyderabad, has stated that reorganization of the existing 10 Revenue Districts into (31) Revenue Districts by the State Government and consequential changes in jurisdiction in certain districts, to achieve better operational efficiency at different levels and to streamline the functioning. Therefore he has requested the Government to reorganize the Prohibition & Excise Stations in Telangana State.

2. After careful examination of the proposal of Commissioner of Prohibition & Excise Telangana, Hyderabad, Government hereby decided to Reorganize and Restructuring the Prohibition & Excise Stations in Telangana State.

3. The appended notification shall be published in the extraordinary issue of Telangana Gazette dated: 11-10-2016.

4. The Commissioner of Prohibition & Excise Telangana, Hyderabad, shall take necessary action accordingly.

**Notification**

In exercise of the powers conferred under Section 5 of the Telangana Excise Act, 1968 (Act No.17/1968) and in suppression of all the previous Notifications on this subject, the Governor of Telangana hereby notifies with effect from 11th Day of October, 2016 the Prohibition & Excise Stations specified below with the Head Quarters and its jurisdiction respectively specified against them, to exercise the powers and perform the duties that may be conferred on or delegated to them by the Government or the Commissioner of Prohibition & Excise from time to time.

*1. Hyderabad Revenue District*

<b>Hyderabad Excise District</b>		
<b>Sl.No.</b>	<b>Proh. &amp; Excise Station</b>	<b>Jurisdiction</b>
1	Nampally	Areas covered by the Police Stations of Nampally, Saifabad, Habibnagar and Panjagutta
2	Ameerpet	Areas covered by the Police Stations of S.R. Nagar, Banjara Hills, and Sanathnagar (part of Hyderabad district)
3	Jubilee Hills	Areas covered by Police Station Jubilee Hills
4	Golkonda	Areas covered by the Police Stations of Golkonda, Lungar house, Asifnagar and Humayunnagar
5	Dhoolpet	Areas covered by the Police Stations of Mangalhat, Begumbazar, Bahadurpura, Tappachabutra, Kulshampura and Shahinayathgunj
6	Charminar	Areas covered by the Police Stations of Charminar, Hussaini Alam, Kamatipura, Kalapathar, Shalibanda, Chandrayangutta, Chatrinaka, Moghalpura, Meerchowk and Falaknuma

**Secunderabad Excise District**

<b>Sl.No.</b>	<b>Proh. &amp; Excise Station</b>	<b>Jurisdiction</b>
1	Secunderabad	Areas covered by the Police Stations of Begumpet (part in Hyderabad District), Ramgopalpet, Mahankali, Market, Bowenpally (part in Hyderabad District), Gopalpuram, Bollaram (part in Hyderabad District), Kharkhana, Tirumalagiri, Maredpally and Tukaramgate

Sl.No.	Proh. & Excise Station	Jurisdiction
2	Musheerabad	Areas covered by the Police Stations of Musheerabad, Chikkadpally, Osmania University, Gandhinagar, Chilakalguda and Lalaguda
3	Kachiguda	Areas covered by the Police Stations of Kachiguda, Amberpet, Nallakunta and Chaderghat
4	Malakpet	Areas covered by the Police Stations of Malakpet, Saidabad, Santhoshnagar, Kanchanbagh, Rain Bazar, Bhavaninagar, Madannapet and Dabirpura
5	Narayanaguda	Areas covered by the Police Stations of Narayanaguda, Abid Road, Sulthan Bazar and Afzalgunj

**2. Ranga Reddy Revenue District**

**Shamshabad Excise District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Shamshabad	Revenue Mandals of Shamshabad, Rajendranagar & Gandipet
2	Serilingampally	Revenue Mandal of Serilingampally
3	Chevella	Revenue Mandals of Chevella, Shabad, Shankarapally and Moinabad

**Saroornagar Excise District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Saroornagar	Revenue Mandal of Saroornagar and Balapur
2	Hayathnagar	Revenue Mandals of Hayathnagar and Abudullapurmet
3	Ibrahimpattam	Revenue Mandals of Ibrahimpattam, Yacharam & Manchal
4	Maheshwaram	Revenue Mandals of Maheshwaram & Kandkoo
5	Amangal	Revenue Mandals of Amangal, Thalakondapally, <sup>1</sup> [Madgul] and Kadthal

1. Subs. for "Madugula" by G.O.Ms.No. 169, Rev. (Ex-II) Dept, dated 14-7-2017.

Sl.No.	Proh. & Excise Station	Jurisdiction
6	Shadnagar	Revenue Mandals of Farooqnagar, Kondurg, Kotthur, <sup>1</sup> [Jilled Chowdergudem] and Keshampet <sup>2</sup> [Nandigama]

### 3. Medchal Revenue District

Medchal Excise District		
Sl.No.	Proh. & Excise Station	Jurisdiction
1	Medchal	Revenue Mandals of Medchal and Shamirpet
2	Quthbullapur	Revenue Mandals of Quthbullapur, Bachupally and <sup>3</sup> [Gandi Maisamma Dundigal]
3	Balanger	Revenue Mandals of Balanagar and Kukatpally

### Malkajgiri Excise District

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Malkajgiri	Revenue Mandals of Malkajgiri and Alwal
2	Uppal	Revenue Mandal of Uppal
3	Ghatkesar	Revenue Mandals of Ghatkesar, Keesara, Kapra and Medipally

### 4. Vikarabad Revenue District

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Vikarabad	Revenue Mandals of Vikarabad, Pudur, Nawabpet and Dharur
2	Mominpet	Revenue Mandals of Mominpet, Marpally and Bantwaram
3	Tandur	Revenue Mandals of Tandur, Basheerabad, Yalal, Peddamul and Kotepally (new)
4	Pargi	Revenue Mandals of Pargi, Doma, Kulkacherla and <sup>4</sup> [xxx]
<sup>5</sup> [5	Kodangal	Revenue Mandals of Kodangal, Bomaraspets and Doulothabad]

1. Subs. for "Choudargudem" by G.O.Ms.No. 169, Rev. (Ex-II) Dept, dated 14-7-2017.
2. Added by *Ibid*.
3. Subs. for "Gandi Maisamma" by *Ibid*.
4. The words "Bomaraspets and Kodangal Doulothabad" deleted by G.O. Ms. No. 31, Rev. (Ex.II), Dept., dt. 10-2-2018.
5. Added by G.O. Ms. No. 31, Rev. (Ex.II), Dept., dt. 10-2-2018.

**5. Nizamabad Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Nizamabad	Revenue Mandals of Nizamabad (South), Nizamabad (North), Nizamabad (Rural) (new), Mugpal, Navipet, Nandipet and Makloor
2	Armoor	Revenue Mandals of Armoor, <sup>1</sup> [xxx] Balkonda, Dichpally, Jakranpally and Mendora <sup>2</sup> [Mupkal]
3	Bheemgal	Revenue Mandals of Bheemgal, Dharpally, Sirikonda and Indalwai
4	Morthad	Revenue Mandals of Morthad, Kammarapally and Velpoor <sup>2</sup> [Yergatla]
5	Bodhan	Revenue Mandals of Bodhan, Yedpally, <sup>3</sup> [Renjal], Varni, Kotagiri and Rudrur

**6. Kama Reddy Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Kamareddy	Revenue Mandals of Kamareddy, Machareddy, Sada Siva Nagar and Ramareddy
2	Banswada	Revenue Mandals of Banswada, Birkoor and Nizamsagar <sup>2</sup> [Narrullabad]
3	Bichkunda	Revenue Mandals of Bichkunda, Madnoor, Jukkal and Pitlam <sup>2</sup> [Peddakondapgal]
4	Domakonda	Revenue Mandals of Domakonda, Bhiknoor, Tadwai and Rajampet <sup>2</sup> [Bibipet]
5	Yellareddy	Revenue Mandals of Yellareddy, Nagireddipet, Lingampet and Gandhari

**7. Sangareddy Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Sangareddy	Revenue Mandals of Sangareddy, Kandi, Sadasivpet, Kondapur and Munipally

1. The words "Aloor" omitted by G.O.Ms.No. 169, Rev. (Ex-II) Dept, dated 14-7-2017.

2. Added by *Ibid.*

3. Subs. by *Ibid.*

Sl.No.	Proh. & Excise Station	Jurisdiction
2	Patancheru	Revenue Mandals of Patancheru, Ramachandrapuram, Jinnaram, Gummadidala and Ameenpur
3	Zaheerabad	Revenue Mandals of Zaheerabad, Mogudampally, Jharasangam, Kohir and Raikode
4	Narayankhed	Revenue Mandals of Narayankhed, Kalher, Manoor, Nyalkal, Kangti, <sup>1</sup> [Nagilgidda] and Sirgapur
5	Andole	Revenue Mandals of Andole, Pulkal, Vatpally and Hathnura

#### 8. Medak Revenue District

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Medak	Revenue Mandals of Medak, Papannapet, Kulcharam, Tekmal, Alladurg, Regode, Shankarampet (A) and Havelighanpur
2	Ramayampet	Revenue Mandals of Ramayampet, Chegunta, Shankarampet (R), Nizampet, Narsinghi and Yeldurthi
3	Narsapur	Revenue Mandals of Narsapur, Sivampet, Toopran, Manoharabad, Kowdipally and Chilpiched

#### 9. Siddipet Revenue District

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Siddipet	Revenue Mandals of Siddipet (Urban), Siddipet (Rural), Chinnakodur and Dubbaka
2	Gajwel	Revenue Mandals of Gajwel, Jagdevpur, Mulug, Markook and Wargal
3	Mirdoddi	Revenue Mandals of Mirdoddi, Doulthabad, Thoguta and Raipole

1. Subs. by G.O.Ms.No. 169, Rev. (Ex-II) Dept, dated 14-7-2017.

Sl.No.	Proh. & Excise Station	Jurisdiction
4	Cheryal	Revenue Mandals of Cheryal, Komuravelli, Maddur and Kondapaka
5	Husnabad	Revenue Mandals of Husnabad, <sup>1</sup> [Akkannapet] Koheda, Bejjanki and Nangnoor

**10. Nalgonda Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Nalgonda	Revenue Mandals of Nalgonda, Kanagal, Narketpally and Thipparthi
2	Nakrekal	Revenue Mandals of Nakrekal, Kattangoor, Kethepally and Shaligouraram
3	Chandoor	Revenue Mandals of Chandoor, Munugode, Chityal and <sup>2</sup> [xxx]
4	Miryalaguda	Revenue Mandals of Miryalaguda, Damarcherla, Vemulapally and Madugulapally <sup>3</sup> [Adavidevulapally]
5	Haliya	Revenue Mandals of <sup>4</sup> [Anumula (Haliya)] Peddavoora, Nidamanoor, Tripuraram and Tirumalagiri (sagar)
6	Nampally	Revenue Mandals of Nampally, Marriguda, Gurrampode and Chinthapally
7	Devarakonda	Revenue Mandals of Devarakonda, Chandampet, <sup>5</sup> [Gundalapally], K.Mallepally, P.A. Pally and <sup>5</sup> [Neredugommu].

**11. Suryapet Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Suryapet	Revenue Mandals of Suryapet, Atmakur (S), Mothey, Chivvemla and Penpahad

1. Subs. for "Husnabad (Rural)" by G.O.Ms.No. 169, Rev. (Ex-II) Dept, dated 14-7-2017.
2. The word "Gattupal" omitted by *Ibid*.
3. Added by *Ibid*.
4. Subs. for "Anumula" by *Ibid*.
5. Subs. by *Ibid*.

Sl.No.	Proh. & Excise Station	Jurisdiction
2	Tungathurthy	Revenue Mandals of Tungathurthy, Jajireddigudam, Noothankal, Tirumalagiri, Maddirala and Nagaram
3	Huzurnagar	Revenue Mandals of Huzurnagar, Nereducherla, Mellacheruvu, Mattampally, Garedepally, Palakeedu and <sup>1</sup> [Chintalapalem (Mallareddygudem)]
4	Kodad	Revenue Mandals of Kodad, Munagala, Nadigudem, Chilkuru and Ananthagiri

**12. <sup>2</sup>[Yadri Bhuvanagiri] Revenue Distict**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Bhongir	Revenue Mandals of Bhongir, Bibinagar, Bommalararamam and <sup>1</sup> [B. Pochampally]
2	Ramannapet	Revenue Mandals of Ramannapet, Narayanpur and Choutuppal
3	Alair	Revenue Mandals of Alair, Yadagirigutta, Rajapet, <sup>1</sup> [Turkapally] <sup>3</sup> [Motakondur]
4	Motkur	Revenue Mandals of Motkur, Atmakur (M), Addagudur and Valigonda

**13. Adilabad Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Adilabad	Revenue Mandals of Adilabad (Urban), Adilabad (Rural), Tamsi, Talamadugu, Jainath, Bela, Mavala and Bheempur
2	Echoda	Revenue Mandals of Echoda, <sup>1</sup> [Neradigonda], Gudihatnur, Boath, Bazarhatnur and Sirikonda (new)
3	Utnoor	Revenue Mandals of Utnoor, Narnoor, Gadiguda (new) and Indervally

1. Subs. by G.O.Ms.No. 169, Rev. (Ex-II) Dept, dated 14-7-2017.

2. Subs. for "Yadadri" by *Ibid*.

3. Added by *Ibid*.

**14. <sup>1</sup>[Komarambheem Asifabad] Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Asifabad	Revenue Mandals of Asifabad, Wankidi, Kerameri, Sirpur (U), Jainoor, Rebbena, Lingapur and Tiryani
2	Kagaznagar	Revenue Mandals of Kagaznagar, Sirpur (T), Kowtala, Dahegam, Bejjur, PENCHIKALPET and Chintalamanepally

**15. Nirmal Revenue District**

**18. Nirmal Excise District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Nirmal	Revenue Mandals of Nirmal (U), Nirmal (R), Sarangapur, Mamda, Laxmanchanda, Khanapur, <sup>2</sup> [Kaddam Peddur] Kuntala, Dasturabad and Soan <sup>3</sup> [Pembi]
2	Bhainsa	Revenue Mandals of Bhainsa, Kubeer, Mudhole, Tanoor, Lokeshwaram, Basara, Dilawarpur and Narsapur (G)

**16. Mancherial Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Mancherial	Revenue Mandals of Mancherial, Jaipur, Naspur, Hazipur and Bheemaram
2	Bellampally	Revenue Mandals of Bellampally, Mandamarri, Kannepally, Tandur, Kasipet and Bheemini
3	Luxettipet	Revenue Mandals of Luxettipet, Dandepally and Jannaram
4	Chennur	Revenue Mandals of Chennur, Kotepally, Vemanpally and Nennel

1. Subs. by G.O.Ms.No. 169, Rev. (Ex-II) dated 14-7-2017.

2. Subs. for "Kadam" by *Ibid*.

3. Added by *Ibid*.

**17. Khammam Revenue District**

<b>Sl.No.</b>	<b>Proh. &amp; Excise Station</b>	<b>Jurisdiction</b>
1	Khammam-I	1. Khammam Municipal Corporation Divisions (01) to (36) falling in Khammam Urban Mandal 2. Raghunathapalem Mandal and 3. Chintakani Mandal
2	Khammam-II	1. Khammam Municipal Corporation Divisions (37) to (50) falling in Khammam Urban Mandal 2. Khammam Rural Mandal 3. Thirumalayapalem Mandal
3	Nelakondapally	Revenue Mandals of Nelakondapally, Kusumanchi and Mudigonda
4	Wyra	Revenue Mandals of Wyra, Konijerla and Tallada
5	Madhira	Revenue Mandals of Madhira, Yerrupalem and Bonakal
6	Sathupally	Revenue Mandals of Sathupally, Vemsoor, Penubally and Kallur
7	Singareni	Revenue Mandals of Singareni, Kamepally and Enkuru

**18. <sup>1</sup>[Bhadrachalam] Revenue District**

<b>Sl.No.</b>	<b>Proh. &amp; Excise Station</b>	<b>Jurisdiction</b>
1	Kothagudem	Revenue Mandals of Kothagudem, Julurpad, Chunchupally, Lakshmidivipally, Annapureddypally, Chandrugonda and Sujathnagar
2	Palvancha	Revenue Mandals of Palvancha and Mulkalapally
3	Ashwaraopet	Revenue Mandals of Ashwaraopet and Dammampeta
4	Bhadrachalam	Revenue Mandals of Bhadrachalam, Dummugudem, Cherla and Bhurgampadu

1. Subs. by G.O.Ms.No. 169, Rev. (Ex-II) dated 14-7-2017.

Sl.No.	Proh. & Excise Station	Jurisdiction
5	Manuguru	Revenue Mandals of Manuguru, Pinapaka, Karakagudem and Aswapuram
6	Yellandu	Revenue Mandals of Yellandu, Tekulapally, Allapally and Gundala

**19. Mahabubnagar Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Mahabubnagar	Revenue Mandals of Mahabubnagar (U), Mahabubnagar (R), Koilakonda, <sup>1</sup> [Hanwada], Deverkhadra and Nawabpet <sup>2</sup> [CC Kunta]
2	Jadcherla	Revenue Mandals of Jadcherla, Bhoothpur, Moosapet, Balanagar and Rajapur <sup>2</sup> [Addakal and Midjil]
3	Narayanpet	Revenue Mandals of Narayanpet, Utkoor, Narva Dhanwada and Marikal <sup>2</sup> [Makthal, Maganoor and Krishna]
4	Kosigi	Revenue Mandals of Kosigi, Dhamargidda, <sup>3</sup> [xxx], Maddur and Gandeed

**20. Nagarkurnool Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Nagarkurnool	Revenue Mandals of Nagarkurnool, Bijinepally, Tadoor and Thimmajipet
2	Kollapur	Revenue Mandals of Kollapur, Pentlavally, Peddakothapally and <sup>4</sup> [xxx] <sup>2</sup> [Kodair]
3	Achampet	Revenue Mandals of Achampet, Balmoor, Amrabad, Padra and <sup>5</sup> [xxx]
4	Telkapally	Revenue Mandals of Telkapally, Lingal and Uppunuthala
5	Kalwakurthy	Revenue Mandals of Kalwakurthy, <sup>6</sup> [xxx], Veldanda, Vangoor, Urkonda and Charakonda

1. Subs. by G.O.Ms.No. 169, Rev. (Ex-II) dated 14-7-2017.

2. Added by *Ibid.*

3. The word "Doulthabad" omitted by *Ibid.*

4. The word "Chinnambavi" omitted by *Ibid.* 5. The word "Siddapur" omitted by *Ibid.*

6. The word "Midjil" omitted by *Ibid.*

**21. Wanaparthy Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Wanaparthy	Revenue Mandals of Wanaparthy, Ghanpur, Gopalpet, Pangal, <sup>1</sup> [xxx] <sup>2</sup> [Revally and Chinnambavi]
2	Kothakota	Revenue Mandals of Kothakota, Pebbair, Peddamandadi, Weepanagandla, <sup>3</sup> [xxx] <sup>2</sup> [Sri Rangapur]
3	Atmakur	Revenue Mandals of Atmakur, Amarachinta, <sup>4</sup> [xxx], Madanapur <sup>4</sup> [xxx]

**22. <sup>5</sup>[Jogulamba Gadwal] Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Gadwal	Revenue Mandals of Gadwal, Maldakal, Dharoor, <sup>6</sup> [xxx] <sup>2</sup> [Ieeja, Gattu and Kaloorthimman dodd]
2	<sup>7</sup> [Alampur]	Revenue Mandals of Waddepally, <sup>8</sup> [xxx], Itkyal, Manopad and Rajoli <sup>2</sup> [Alampur and Undavally]

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1. The words "Kodair and Yedula" omitted by G.O.Ms.No.169, Rev. (Ex-II) dated 14-7-2017.
  2. Added by *Ibid*.
  3. The words "Alampur and Undavally" omitted by *Ibid*.
  4. The words "Chinna Chintakunta" "and Addakal" respectively omitted by *Ibid*.
  5. Subs. for "Gadwal" by *Ibid*.
  6. The words "Maganur, Makthal, Krishna and Nindinne" omitted by *Ibid*.
  7. Subs. for "Waddepally" by *Ibid*.
  8. The words "Gattu, Ieeja" omitted by *Ibid*.

**23. Karimnagar Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Karimnagar (U)	Karimnagar Municipal Corporation
2	Karimnagar (R)	Revenue Mandals of <sup>1</sup> [Karimnagar (Rural-I)], Choppadandi, Ramadugu, Gangadhara and <sup>2</sup> [Karimnagar (Rural-II)]
3	Thimmapur	Revenue Mandals of Thimmapur, Chigurumamidi, <sup>3</sup> [Ganneruvaram] and Manakonduru
4	Huzurabad	Revenue Mandals of Huzurabad, Shankarapatnam and Saidapur
5	Jammikunta	Revenue Mandals of Jammikunta, Veenavanka and Ellandakunta

**24. Peddapally Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Peddapally	Revenue Mandals of Peddapally, Dharmaram, Eligaid and Julapally
2	Sultanabad	Revenue Mandals of Sultanabad, Odela and Srirampoor
3	Ramagundam	Revenue Mandals of Ramagundam, Palakurthy and Anthargaon
4	Manthani	Revenue Mandals of Manthani, <sup>4</sup> [Mutharam (MNT), Ramagiri Hqrs. at Centenary Colony] and Kamanpur

**25. Jagtial Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Jagtial	<sup>5</sup> [Jagtial, Jagtial(R), Kodmial, Mallial, Medipally and Pegadapally] <sup>6</sup> [Raikal]
2	Dharmapuri	Revenue Mandals of Dharmapuri, Gollapally, <sup>7</sup> [xxx], Sarangapur, Beerpur, Buggaram and Velgatoor

1. Subs. for "Karimnagar (R)" by G.O.Ms.No.169, Rev. (Ex-II) dt. 14-7-2017.
2. Subs. for "Kothapally (H)" by *Ibid*.
3. Subs. for "Vadlur-Begumpet" by *Ibid*.
4. Subs. for "Mutharam (M&T), Ratnapur" by *Ibid*.
5. Subs. for "Jagtial (town), Jagtial (R) Kodmial, Mallial, Medipally and Pegadapally" by *Ibid*.
6. Added by G.O. Ms. No. 70 Rev. (Ex.II), dt. 7-7-2022.
7. The word "Raikal" omitted by *ibid*.

Sl.No.	Proh. & Excise Station	Jurisdiction
3	Metpally	Revenue Mandals of Metpally, Korutla, Ibrahimpatnam, Kathalapur and Mallapoor

**26. <sup>1</sup>[Rajanna Sircilla] Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Sircilla	Revenue Mandals of Sircilla, Ellanthakunta, Boinpally and Thangalapally
2	Yellareddypet	Revenue Mandals of Yellareddypet, Gambhiraopet, Konaraopet, Mustabad and Veernapally
3	Vemulawada	<sup>2</sup> [Revenue Mandals of Vemulawada, Vemulawada (R), Chandurthy and Rudrangi]

**27. Warangal (Urban) Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Warangal (Urban)	1. Part of Warangal Mandal 2. Part of Hanamkonda Mandal 3. Part of Kazipet Mandal (i.e., Division Nos. 1,12,15,16,17,24,25,26,27,28,29 and part of Division Nos. 2,4,11,13,14,18,31,32 and 58 of GWMC limits
2	Khila Warangal	1. Khila Warangal Mandal 2. Part of Warangal Mandal (i.e., Division Nos. 3,5,6,7,8,9,19,20,21,22,23 and part of Division Nos. 2,4,10,11,13,14 and 18 of GWMC limits 3. Inavole Mandal

1. Subs. for "Sircilla" by G.O.Ms.No.169, Rev. (Ex-II) dt. 14-7-2017.

2. Subs. for "Vemulawada (town), Revenue Mandals of Vemulawada (R), Chandurthy and Rudrangi" by *Ibid.*

Sl.No.	Proh. & Excise Station	Jurisdiction
3	Hanamkonda	1. Part of Hanamkonda Mandal (i.e., Division Nos. 30,38,39,40,41,42,43,44,45,46,47, 48,50,55,56,57 and part of Division Nos. 31,37,49,54 and 58 of GWMC limits) 2. Hasanparthy Mandal 3. Elkathurthy Mandal 4. Kamalapur Mandal
4	Kazipet	1. Part of Kazipet Mandal 2. Part of Hanamkonda Mandal (i.e.,Division Nos. 33,34,35,36,51,52,53 and part of Division Nos. 32,37,49 and 54 of GWMC limits 3. Dharmasagar Mandal 4. Velair Mandal 5. Bheemdevarapally Mandal

**28. Warangal (Rural) Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Parkal	Revenue Mandals of Parkal, Shayampet, Atmakur and Geesugonda <sup>1</sup> [Damera]
2	Narsampet	Revenue Mandals of Narsampet, Duggondi, Khanapur, Nallabelly, Nekkonda and Chennaraopet
3	Wardhannapet	Revenue Mandals of Wardhannapet, Rayaparthi, Parvathagiri and Sangem

**29. Mahabubabad Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Mahabubabad	Revenue Mandals of Mahabubabad, Korivi, Dornakal, Garla and Bayyaram
2	Thorrur	Revenue Mandals of Thorrur, Nellikudur, Narsimhulapeta, Maripeda, Chinnagudur, Danthalapalli and Pedda Vangara

1. Added by G.O.Ms.No.169, Rev. (Ex-II) dt. 14-7-2017.

Sl.No.	Proh. & Excise Station	Jurisdiction
3	Gudur	Revenue Mandals of Gudur, Kothaguda, Kesamudram, and Gangaram

**30. <sup>1</sup>[Jayashankar Bhupalpally] Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Bhupalpally	Revenue Mandals of Bhupalpally, Regonda, Chittiyala, Mogullapally and Tekumatla
2	Kataram	Revenue Mandals of Kataram, Mahadevpur, Malharrao, Mahamuttaram and Pallimela
3	Mulug	Revenue Mandals of Mulug, Mulug Ghanpur, Venkatapur, Govindaraopet and <sup>2</sup> [Tadvai]
4	EturNagaram	Revenue Mandals of EturNagaram, Mangapet, Kanniagudem, <sup>1</sup> [Venkatapuram] and Wajeedu

**31. Janagaon Revenue District**

Sl.No.	Proh. & Excise Station	Jurisdiction
1	Janagaon	Revenue Mandals of Janagaon, Bhachannapet, Narmetta, Lingala Ghanpur and Gundala
2	Ghanpur (Station)	Revenue Mandals of Ghanpur (Station), Raghunathpally, Chilpur and Tharigoppula
3	Palakurthy	Revenue Mandals of Palakurthy, Kodakandla, Zaffarghad and Devuruppala

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1. Subs. by G.O.Ms.No. 169, Rev. (Ex-II) dt. 14-7-2017.

2. Added by *Ibid*.

**(f) Formation of New Districts in the State of Telangana – Reorganization and re-structuring of the Prohibition and Excise Department**

*[G.O.Ms.No. 262, Rev. (Excise-II) Dept., dt. 11-10-2016]*

Read the following:-

1. From the Commissioner of Prohibition and Excise, Telangana, Hyderabad Letter Cr.No.5430/2016/CPE/A1, dt.20-09-2016 & 08-10-2016
2. G.O.Ms.No.221 to 250, Rev (DA & CMRF) Dept., dated11.10.2016.

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**ORDER:**

In the reference 1st read above The Commissioner of Prohibition and excise, has stated that in context of reorganization of the existing (10) revenue Districts into (31) Revenue Districts by the State Government and to consequential changes in jurisdiction of certain districts, to achieve better operational efficiency at different levels and to streamline the functioning, it is necessary to review and reorganize the strength and jurisdiction in different cadres of the Prohibition and Excise Department and therefore requested to issue necessary orders in the matter.

2. In the reference 2nd read above, the Government have issued orders for formation of new Revenue Districts and Revenue Mandals in the Stated of Telangana.

3. After careful examination of the proposal of the CPE, TG Hyd., and Government hereby issued the following orders:-

**I. Reorganisation and Creation of prohibition and Excise Units/ Districts:**

The following (34) Districts / Prohibition & Excise Units are created by reorganizing the existing (24) Prohibition And Excise Units, to be operated from the (31) new Revenue Districts

Sl.No.	Name of the Districts/Proh. & Excise Unit
1	Adilabad
2	Nirmal
3	Mancherial
4	Komaram Bheem – Asifabad
5	Karimnagar

Sl.No.	Name of the Districts/Proh. & Excise Unit
6	Jagtial
7	Peddapally
8	Rajanna – Sircilla
9	Khammam
10	Bhadradri – Kothagudem
11	Warangal (Urban)
12	Warangal (Rural)
13	Mahabubabad
14	Janagaon
15	Jayashankar – Bhoopapally
16	Mahabubnagar
17	Nagarkurnool
18	Jogulamba – Gadwal
19	Wanaparthy
20	Nalgonda
21	Suryapet
22	Yadagiri
23	Nizamabad
24	Kamareddy
25	Medak
26	Sangareddy
27	Siddipet
28	Saroornager
29	Rangareddy
30	Medchal
31	Malkajgiri
32	Vikarabad
33	Hyderabad
34	Secunderabad

**II. Redeployments of Officers:**

- (1) The (3) posts of Prohibition and Excise Superintendents sanctioned for TGBCL are permitted to be utilized in the Department for posting them as Prohibition and Excise Superintendents in the newly formed Districts. The pay and allowances of these (3) Prohibition and Excise Superintendents are to be drawn from the TGBCL account.
- (2) The (2) posts of Prohibition and Excise Superintendents available in STF, O/o CPE, TG Hyderabad are permitted to be utilized for posting them as P&ESs in the newly formed Districts.
- (3) The Assistant Prohibition and Excise Superintendents are permitted to be posted in Wanaparthi, Janagaon, Nirmal Komarambheem-Asifabad and Rajanna-Sircilla Districts to perform the duties of districts heads in the newly formed districts.
- (4) The post of P&ES, Dhoolpet is disbanded. On disbandment of post of P&ES Dhoolpet, the post to be utilized as Prohibition & Excise Superintendent in newly formed Unit/District.
- (5) Consequent on above reorganization, Adilabad, Mancherial, Jagtial, Peddapally, Warangal ®, Mahabubabad, Jayahankar-Bhupalpally, Nagarkarnool, Medak, Yadadri, Kamareddy Districts will function without regular Assistant Prohibition and Excise Superintendents:

**III. Formation of New District Task Force Teams:**

The existing Excise Superintendent Task Force henceforth will be called as District Task Force.

The Government hereby create the following (11) District Task Force Teams by redeployment of staff working in the Enforcement, Check-posts and BMPPs as detailed below:

Sl.No.	Name of the DTF	P&EI	P&ESI	Redeployment Particulars
1	Nirmal	—	01	One P&ESI from ESTF, Adilabad
2	Warangal (Rural)	01	01	One P&E.I., from C.P., Ghanpur, Adilabad and one P&ESI form P&E Station, Kagaznagar
3	Jayshankar – Bhoopapally	01	01	P&ES.I., from C.P. Laxmipur and one P&ES.I., from P&E Station, Mancherial
4	Siddipet	01	01	One P&E.I., and one P&E.S.I., from SHO, Dhoolpet
5	Yadadri	01	01	One P&E.I., from AC (enft), Hyderabad and one P&ESI from P&E Station, Golkonda
6	Malkajgiri	01	01	One P&E.I., and one P&E.S.I., from AC (Enft), RR
7	Vikarabad	01	01	One P&EI from from BMPP, Tandur and one P&ESI from AC (Enft),RR
8	Wanaparthi	—	01	One P&ESI from P7E Station, Dhoolpet
9	Komaram Bheem – Asifabad	—	01	One P&ESI ESTF, Mancherial
10	Rajanna – Sircilla	—	01	One P&ESI from ESTF, Jagtial
11	Janagaon	—	01	One P&ESI from P&E Station, Janagaon
<b>Total</b>		<b>06</b>	<b>11</b>	

4. The District Task Force Teams will function with One Head Constable and four Prohibition & Excise Constables. The staff shall be drawn from the jurisdiction of erstwhile Districts.

5. The Commissioner of Prohibition and Excise, Telangana, Hyderabad shall take necessary action.

**(g) Re-organization of the Prohibition & Excise Department - Formation of (14) new Prohibition & Excise Stations in the State.**

<sup>1</sup>[G.O.Ms.No. 113, Revenue (Excise-II), dt. 30-10-2024]

In exercise of the powers conferred under Section 5 of the Telangana Excise Act, 1968 (Act No. 17/1968), Government of Telangana here by notify the nomenclature and jurisdiction of (14) new Prohibition & Excise Stations in the State with effect from 30th Day of October, 2024 as specified below to exercise the powers and perform the duties that may be conferred on or delegated to them by the Government or the Commissioner of Prohibition & Excise from time to time.

Accordingly, the following Amendments issued to G.O.Ms.No. 225, Revenue (Excise-II) Department, dated: 11.10.2016 and subsequently amended from time to time read with G.O.Ms.No. 94, Revenue (Excise-I) Department, dated 31.08.2020.

**AMENDMENTS**

Sl. No.	Name of the Excise District	Sl. No.	Name of the new Prohibition & Excise Station	Jurisdiction	Excise Station from which areas in column no. 5 are deleted
(1)	(2)	(3)	(4)	(5)	(6)
1	Hyderabad	1	Banjara Hills	Areas covered by Banjara Hills and Filmnagar (New) PS	Ameerpet
2	Secunderabad	2	Maredpally	Areas covered by Gopalpuram, Mahankali, Market & Maredpally, Thukaramgate PS	Secunderabad

1. Pub. in Telangana Gaz., Part I, Ext. No. 321, dt. 11-11-2024.

(1)	(2)	(3)	(4)	(5)	(6)
		3	Chikkadpally	Areas covered by the Police Stations of Chikkadpally, Gandhinagar & Domalaguda (New) PS	Musheerabad
3	Shamshabad	4	Gandipet	Gandipet Mandal	Shamshabad
		5	Kondapur	Madhapur Division and Kondapur Division of GHMC	Serilingampally
4	Saroornagar	6	Meerpet	Division: 15 (Colonies of Chintalkunta, Omkar Nagar, Shakti Nagar, Jangaiah Nagar, Christian Colony) Division: 16 (Hastinapuram) Meerpet Municipal Corporation, Badangpet Municipal Corporation, Jalpally Municipality	Saroornagar
		7	Pedda Amberpet	Ward No. 14 (BN Reddy Nagar), Abdullapurmet Manda I. Pedda Amberpet Municipality & Turkayamzal Municipality	Hayathnagar
5	Medchal	8	Kompally	Ward No. 129, Nizampet Municipal Corporation, Dundigal Municipality & Kompally Municipality	Qutubullapur

(1)	(2)	(3)	(4)	(5)	(6)
		9	Kukatpally	Ward No. 114, 122, 123 & 124	Balanagar
6	Malkajgiri	10	Kapra	Kapra Mandal except AS Rao Nagar Division 2 of the GHMC	Ghatkesar
		11	Nacharam	Ward No.4 - Meerpet -HB Colony Ward No. 5 - Mallapur, Ward No. 6 - Nacharam, Ward No. 7 - Chilkanagar Ward No. 8 - Habsiguda	Uppal
		12	Alwal	Alwal Mandal	Malkajgiri
7	Sangareddy	13	Ameenpur	Ramchandrapuram and Ameenpur Mandals	Patancheru
8	Warangal (Urban)	14	Hasanparthy	1) Hanumakonda Mandal GWMC:- Division Nos. 4,5, 6,7,8,9,10,49 (only Julaywada) 50, 54 (excluding KUC 1st Gate and Pegadapally Road) 2) Hasanparthy Mandal GWMC Division No: 2 (only Vangapahad) Siddapur (V), Bairanpally (V), Harishchandra Naik Thanda(V), Aruvapally (V), Sudanpally(V) Mallareddy Pally (V), 3) Kamalapur Mandal	Hanamkonda

**5. Notification Issued under Section 11:****Prohibition on Transportation of Intoxicants Without Permit:**

[G.O.Ms.No.982, Revenue Dept., dated 6.10.1989]

[Published in A.P. Gazette, Part II Extraordinary, dated 9.10.1989]

In exercise of powers conferred by Sub-section (1) of Section 11 of the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968) and in supersession of the notification issued in Memo No.ER-20/69-2, Revenue (Excise Rules) Dept. dated 20.11.1969, the Governor of Andhra Pradesh hereby prohibits the transport of the following intoxicants from any area into any other area within the State or from any place outside the State to any other place outside it through the intervening area lying within the State, whether by way of consignment or otherwise, except under a permit issued under Section 12 of the Act.

- (1) Arrack
- (2) Beer
- (3) Indian Liquor
- (4) Intoxicating Drug
- (5) Foreign Liquor
- (6) Toddy
- (7) Wine
- (8) Rectified Spirit
- (9) Denatured Spirit and Denatured Spirituous Preparations
- (10) Methylated Spirit
- (11) Molasses
- (12) Mohwa Flower
- (13) Any other intoxicant.

**6. Notifications issued under Section 13:**

**Exemptions on manufacture etc., of excisable articles:**

[G.O.Ms.No. 1199, Revenue Dept. dated 23.9.1986]

[Published in A.P. Gazette, Part II Extraordinary No. 151, dated 25.9.1986]

In exercise of powers conferred by sub-section (3) of Section 13 of the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968) read with sub-rule (2) of Rule 3 of Andhra Pradesh Excise (Mohwa Flowers) Rules, 1973, the Governor of Andhra Pradesh hereby directs that in the Scheduled Areas, it shall not be necessary for the members of the Scheduled Tribes to take out a licence or permit for collection, possession, sale and transport of Gulmohwa within the said areas.

For the purpose of this notification, "Scheduled Areas" means such areas as the President may declare to be Scheduled area by an order under sub-paragraph (1) of paragraph 6 of the Fifth Schedule to the Constitution.

[G.O.Ms.No.1123, Revenue Dept., dated 10.11.1992]

[Published in A.P. Gazette, Part II Extraordinary, dated 16.11.1992]

In exercise of powers conferred by sub-section (3) of Section 13 of the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968), the Governor of Andhra Pradesh hereby directs that in the Scheduled areas, it shall not be necessary for the members of the Scheduled Tribes to obtain a licence/ permit for the manufacture and possession of liquor for the *bona fide* domestic consumption subject to the following conditions, namely:

- I. (a) The manufacture and possession of liquor shall be for *bona fide* domestic consumption only and shall not be for any commercial purpose.
- (b) The concession shall apply only to manufacture of liquor from *Mohwa flower and it shall not apply to manufacture of liquor from jaggery, Molasses or any other raw material.*  
*[The words "Mohwa flower and it shall not apply to manufacture of liquor from" inserted by G.O. Ms. No.1213, Revenue, dated 1.12.1993]*
- (c) A tribal family shall not possess more than one distillation still. The manufacturing capacity of the still shall not be more than five litres, and

- (d) The maximum quantity of liquor which a tribal family may have in its possession shall not exceed five litres at a time.
- II. Any Officer of the Excise Department not below the rank of Sub-Inspector, any official of the Police Department not below the rank of Sub-Inspector and Officers of the Revenue Department not below the rank of Mandal Revenue Officer, subject to such restrictions as may be specified by the Commissioner of Excise, may enter upon and inspect any place on reasonable suspicion for breach of these conditions and seize the raw material, wash, liquor and the still and implements or any other apparatus whatsoever used for manufacturing liquor.
- III. The Project Officer, I.T.D.A. shall act as Mobile Court and conduct cases relating to Excise offences in Scheduled Areas.
- IV. Any tribal enjoying the concession of free manufacture, if found in possession of stills or liquor exceeding the limit prescribed, or indulge in manufacture of liquor with any raw materials other than Mohwa flower or sells liquor shall be liable for action under the Andhra Pradesh Excise Act, 1968.
- V. For the purpose of this notification:-
- (a) "Scheduled Tribe" means any tribe or tribal community or parts of groups within tribes or tribal communities residing in Scheduled Areas and specified as such by public notification by Clause (1) of Article 342 of the Constitution.
- (b) "Scheduled Areas" means such areas as the President of India may declare to be Scheduled Areas by an order under Sub-paragraph (1) of paragraph 6 in the Fifth Schedule to the Constitution.

[G.O.Ms.No. 186, Revenue Dept., dated 7.4.1995]

In exercise of the powers conferred by sub-section (3) of Section 13 of the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968) read with Section 15 of Andhra Pradesh General Clauses Act, 1891 (Act 1 of 1891) and Sections 7, 8, and 34 of the Andhra Pradesh Prohibition Act, 1995 (Act 17 of 1995), the Governor of Andhra Pradesh hereby rescinds the notification issued in G.O. Ms. No.1123, Revenue Department, dated 10.11.1992.

**7. Notifications issued under Section 14:**

**Maximum quantity of intoxicants that a person can possess without permit or licence:**

[G.O.Ms.No. 268, Revenue Dept., dated 1.4.1997]

[Published in A.P. Gazette, Part-II Extraordinary No.96, dated 18.4.1997]

In exercise of powers conferred in sub-section (1) of Section 14 of the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968), the Governor of Andhra Pradesh hereby specifies the maximum quantity of intoxicants which a person may have in his possession at a time without a permit or licence with effect from 18.4.1997.

1. Indian Made Foreign Liquor..... Six (6) Quart bottles each 750 ml.
2. Foreign Liquor..... Six (6) Quart bottles each 750 ml.
3. Denatured Spirit..... Three (3) Bulk Litres.
4. Methylated Spirit..... Three (3) Bulk Litres
5. Beer..... Twelve (12) bottles each 650 ml.
6. Toddy.....Two (2) Bulk Litres
7. Rectified Spirit..... No quantity.
8. Intoxicating Drugs..... No quantity.

**8. Notifications issued under Section 21 & 22:**

**(a) Levy of Excise Duty and Countervailing Duty:**

GO.Ms.No. 1025, Revenue Dept., dated 30.9.1968

[Published in A.P. Gazette, Part-II Extraordinary No.33, dated 30.9.1968]

In exercise of powers conferred by Section 21 of the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968), the Governor of Andhra Pradesh hereby levies, with effect on and from the 1st October, 1968:

- (i) The excise duty on excisable articles, specified in column (2) of the table below, manufactured or produced in the State under any licence granted under the Act, at the rates specified in column (3) thereof; and

- (ii) The countervailing duty on similar excisable articles manufactured or produced elsewhere in India and imported into the State under a permit issued or licence granted under the Act, at the same rates.

**THE TABLE**

Sl.No.	Description of the Excisable Article	Rate of Excise Duty
(1)	(2)	(3)
1.	* <sup>1</sup> Arrack	Rs.7/- per litre of strengm of proof spirit.
2.	* <sup>2</sup> Beer	sBelow 5% v/v Rs.9/- per Bulk Litre. 5% v/v and above Rs.il/- per Bulk Litre.
3.	* <sup>3</sup> IMFL (Other than Beer & Wine)	
	1. Basic price per case upto Rs.350/-	<sup>3</sup> Rs.47/- per RL or 85% of basic price whichever is higher.
	2. Above Rs350/- and upto Rs.400/-	Rs.54/- per RL. or 90% of basic price whichever is higher.
	3. Above Rs.400/- and upto Rs.450/-	Rs.75/- per RL.
	4. Above Rs.450/- and upto Rs600/-	Rs.83/- per RL.
	5. Above Rs.600/- and upto Rs.700/-	Rs.91/- per RL.
	6. Above Rs. 700 and upto Rs.850/-	Rs.95/- per P.L.
	7. Basic price Rs,850/-and above	Rs.100/-perRL.
4.	* <sup>4</sup> Wine	
	1. Basic price per case upto Rs.2000/-	28% on basic price.
	2. Above Rs.2000/-	15% on Basic price or Rs.560/- whichever is higher.
	* <sup>4</sup> Ready to drink (RTD): all ranges	9% on basic price.
5.	Rectified Spirit.	Rs. 15.40 per litre of the strength of proof Spirit.

\*<sup>1</sup> Notified by Govt. by Memo No.1300, Rev. dt.13.9.1982

\*<sup>2</sup> Notified by GO. Ms.No.19 Revenue (Ex.III) dated 10.1.2013

\*<sup>3</sup> Notified by GO. Ms. No.666 Revenue (Ex.III) dated 30.11.2012.

\*<sup>4</sup> Notified by GO. Ms.No. 18 Revenue (Ex.III) dated 10.1.2013

**Basic Price means:** Ex-factory price + Cost of boules + Cost of packing material Fright + Insurance + Handling charges and import fee if any.

**Case means:** 9 NOS. of 1000 ml, 12 NOS. of 750 ml, 24 NOS. of 375 ml, 48 NOS. of 180 ml, 96 NOS of 90 ml. bottles of IMFL / Wine and 12 NOS. of bottles of Beer. (as defined in GO. Ms. No. 230, Revenue (Ex.II) Department dated 23.2.2005.

The Government in their G.O. Ms. No.2602, Revenue (Excise-II) Department dated 28.12.2005 added the following packs / sizes to the definition of Case in addition to the above sizes:

1. 150 NOS. of 60 ml Bottles of IML / Wine.
2. 6 NOS of 750 ml Bottles of IML / Wine.
3. In respect of Low alcoholic beverages / ready to drink case 24 NOS of 250 ml. Bottles and 24 NOS of 330 ml bottles.
4. 24 NOS of 330 ml bottles of Beer.
5. 24 NOS of 500 ml. Beer in cans.s

**(b) LEVY OF EXCISE DUTY ON TODDY:**

**[G.O.Ms.No. 10, Revenue Department, dated 4.1.1994]**

*[Published in A.P. Gazette, Part-II Extraordinary, dated 7.1.1994]*

In exercise of powers conferred by Sub- section (1) of Section 21, read with Section 22 of the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968) and in supersession of the notification issued in G.O. Ms. No.1125, Revenue, dated 24.11.1969 and published in issue No.272, part-I Extraordinary of the Andhra Pradesh Gazette, dated 27.11.1969 and G,O.Ms.No. 631, Revenue, dated 8.9.1988, published in the Andhra Pradesh Gazette, dated 9.9.1988, the Governor of Andhra Pradesh hereby levies in the State of Andhra Pradesh with effect on and from the 1st October, 1993 the excise duty on toddy at the rates specified in column (3) of the Table below, in the form of a tax on each variety of excise trees mentioned in column (2) thereof.

**TABLE**

Sl.No	Variety of Excise Tree	Rate of the duty in the form of tax per annum
(1)	(2)	(3)
1.	Sendhi (Date)	Rs.15.00
2.	Palmyrah (Toddy)	Rs.18.00
3.	Date palm (Khajoor)	Rs.28.00
4.	Sago	Rs.34.00
5.	Coconut	Rs.28.00

**(c) Revision of Excise Duty and Countervailing Duty on Domestic Wine in the State – Notification**

**[G.O. Ms. No. 209, Revenue (Excise-II) Dept., dt. 27-9-2016]**

**Notification**

In exercise of the powers conferred by sub-sections (1) and (2) of Section 21 of the Telangana Excise Act, 1968 (Act 17 of 1968) and in supersession of the Notification issued in G.O. Ms. No. 18, Rev. (Ex. II) Dept., dated 10.01.2013, the Government of Telangana hereby levy an Excise Duty on Wine manufactured or produced in the State under any licence granted under the said Act and Countervailing Duty on Indian Made Foreign Liquor manufactured or produced elsewhere in India and imported into the State under a permit issued or licence granted under the said Act as specified in column (2) of the Table below at the rates specified in column (3) thereof.

**TABLE**

**Wine:**

Sl. No.	Category	Rate of Excise Duty/Countervailing Duty
(1)	(2)	(3)
1)	Upto Rs. 2000/-	90% of basic price
2)	Above Rs. 2000/- & upto Rs. 3000/-	15% of basic price or Rs. 1800/- whichever is higher
3)	Above Rs. 3000/-	10% of basic price or Rs. 450/- whichever is higher

Consequent on the revision in the Excise Duty/Countervailing Duty there will be certain differences in the issue price and additional privilege fee of the stocks in the inventories of the various Depots of the Telangana State Beverages Corporation Limited (TGBCL) as on 27.09.2016 and the stocks in transit (dispatched on or before 27.09.2016 and reaching the TGBCL depots on or after 27.09.2016 on the one hand and the stocks that are dispatched by the manufactories after the revision on the other. In order to avoid dual pricing of Domestic Wine during the transition from the pre-revised rates to the revised rates, it is ordered that the Excise Duty/Countervailing Duty, Special Privilege Fee and Additional Privilege Fee be worked out based on the rate of Excise Duty/Countervailing Duty, as specified in column (3) of the Table of this Notification and shall be remitted to the Government by the licensees, including imbedded notified rate of Value Added Tax on purchasing such stock, under the relevant heads. However, payments to the suppliers be made at the existing landed cost (Basic Price + Excise Duty/Countervailing Duty) only.

**(d) Revision of Excise Duty/Countervailing Duty on Indian Made Foreign Liquor (other than Wine) – Notification**

**[G.O. Ms. No. 286, Revenue (Excise-II) Dept., dt. 30-11-2016]**

**Notification**

In exercise of the powers conferred by sub-sections (1) and (2) of Section 21 of the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968) as adapted to the State of Telangana vide G.O. Ms. No. 162, Revenue (Ex. II) Department, dated 10.9.2015 and in supersession of the Notification issued in G.O. Ms. No. 666, Rev. (Ex-II) Dept., dated 30.11.2012, G.O. Ms. No. 18, Rev. (Ex-II) Dept, dated 10.01.2013 and G.O. Ms. No. 19, Rev. (Ex-II) Dept., dated 10.01.2013, the Government of Telangana hereby levy an Excise Duty on Indian Made Foreign Liquor manufactured or produced in the State under any licence granted under the said Act and Countervailing Duty on Indian Made Foreign Liquor manufactured or produced elsewhere in India and imported into the State under a permit issued or licence granted under the said Act, as specified in column (2) of the Table below at the rates specified in column (3) thereof.

**TABLE**

**1. Indian Made Foreign Liquor (other than Wine, Beer and Ready to drink varieties):**

Sl. No.	Basic Price Range in Rs. per case	Rate of Excise Duty/Countervailing Duty
(1)	(2)	(3)
1.	Basic Price upto Rs. 450/- per case	224% of Basic Price or Rs. 138/- per Proof Liter whichever is higher
2.	Basic Price above Rs. 450/- and up to Rs. 700/- per case	240% of Basic Price or Rs. 190/- per Proof Liter whichever is higher
3.	Basic Price above Rs. 700/- and up to Rs. 2000/- per case	160% of Basic Price or Rs. 260/- per Proof Liter whichever is higher
4.	Basic Price above Rs. 2000/- per case	50% of Basic Price or Rs. 495/- per Proof Liter whichever is higher

**2. Ready to drink varieties**

Sl. No.	Basic Price per case	Rate of Excise Duty/Countervailing Duty
(1)	(2)	(3)
1.	All ranges	70% on Basic Price

**3. Beer**

Sl. No.	Category	Rate of Excise Duty/Countervailing Duty
(1)	(2)	(3)
1.	Below 5% v/v	108% on Basic Price
2.	5% v/v and above	115% on Basic Price

Consequent on the revision in the Excise Duty/Countervailing Duty there will be certain differences in the issue price and additional privilege fee of the stocks in the inventories of the various Depots of the Telangana State Beverages Corporation Limited (TGBCL) as on 02.12.2016 and the stocks in transit (dispatched on or before 02.12.2016 and reaching in the depots on or after 02.12.2016) on the one hand and the stocks that are dispatched by the manufacturers after the revision on the other. In order to avoid dual pricing of IMFL during the transition from the pre-revised rates to the revised rates, it is ordered that the Excise Duty/Countervailing Duty, Special Privilege Fee and Additional Privilege Fee be worked based on the Excise Duty/Countervailing Duty, as specified in Column (3) of the Table of this Notification and shall be remitted to the Government by the licensees, including embedded notified rate of VAT on purchasing such stocks, under the relevant heads. However, payments to the suppliers be made at the existing landed cost (Basic Price + Excise Duty/Countervailing Duty) only.

**Note:** 1. Basic Price means ex-factory price + cost of bottles + cost of packing material + freight + insurance + handling charges and import fee, if any.

**2. IMFL other than Beer & Ready to Drink Varieties:**

'Case' means 9 Nos. of 1000 ML, 12 Nos. of 750 ML, 24 Nos. of 375 ML, 48 Nos. of 180 ML, 96 Nos. of 90 ML bottles of Indian Made Foreign Liquor (excluding Wine, Beer and Ready to Drink Varieties).

**3. Ready to Drink Varieties:**

Case means 24 numbers of 275 ml. and all such types of packs or sizes as approved by the Commissioner of Prohibition & Excise, Telangana State from time to time.

**4. Beer:**

Case means 12 numbers of 650 ml., 24 numbers of 330 ml. bottles and 24 numbers of 500 ml. in cans.

**(e) LEVYING OF ADDITIONAL EXCISE DUTY ON BEER**

**[G.O. Ms. No.22, Revenue (Excise-11), dt. 13-3-2025]**

*[Published in T.G. Gazette, Part-I Ext., No. 65-E, dt. 13.3.2025]*

In exercise of the powers conferred by sub-section (4) of section 21 of the Telangana Excise Act, 1968 (Act No.17 of 1968), the Government of Telangana hereby levy a duty called "Additional Excise Duty" inclusive of Value Added Tax by Excise, on Beer brands, manufactured or produced in the State under any license granted under the said Act and manufactured or produced elsewhere in India and imported into the State under a permit issued or license granted under the said Act. The "Additional Excise Duty" inclusive of Value Added Tax by Excise, amount brand wise and size wise on Beer brands is appended to this order.

The above Additional Excise duty shall be collected from the holders of Licenses issued under the Telangana Excise (Grant of Licence of Selling by Shops and Conditions of Licence) Rules, 2012, the Telangana Excise (Grant of Licence of Selling by Bars and Conditions of Licence) Rules, 2005 and the Telangana Excise (Grant of Licence of Selling by In-House and Conditions of Licence) Rules, 2005.

**Explanation:** Issue Price = Basic Price + Excise Duty/Countervailing Duty + Value Added Tax on (Basic Price + Excise Duty/Countervailing Duty) + Additional Excise duty inclusive of VAT by Excise.

This order shall be deemed to have come into force with effect on and from 11-2-2025.

**Additional Excise Duty Inclusive of VAT by Excise per case (in Rs.)**

Sl. No	Brand Name	330 ml		500 ml		650 ml		20,000 Lit		30,000 Lit		50,000 Lit	
		Existing	Revised	Existing	Revised	Existing	Revised	Existing	Revised	Existing	Revised	Existing	Revised
1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>LAGER SEGMENT</b>													
1	Becks Ice Super Crisp Beer	382	588	-	-	310	416	-	-	-	-	-	-
2	Bira 91 Exclusive Blonde Summer Lager Beer	-	-	-	-	293	467	-	-	-	-	-	-
3	Bira 91 Super Fresh Natural White Wheat Beer	595	933	697	1035	623	761	1598	1952	2397	2927	3994	4879
4	Bira 91 Blonde Summer Lager Beer	284	525	586	827	212	353	544	906	816	1358	-	-
5	Block Buster Lager Beer	405	645	-	-	134	274	-	-	338	1054	617	1757

1	2	3	4	5	6	7	8	9	10	11	12	13	14
6	Block Buster Ultra Lager Beer	365	539	667	1041	293	467	-	-	-	-	-	-
7	Budweiser King of Beers	365	538	667	1040	293	467	-	-	1127	1797	-	-
8	Carlsberg Superior Allmalt Premium Beer	370	545	672	1047	198	273	-	-	-	-	-	-
9	Corona Extra Premium Mild Beer	191	468	-	-	119	197	-	-	-	-	-	-
10	Flying monkey Belgian Style Craft Beer	492	675	794	1177	321	504	-	-	-	-	-	-
11	Foster's Export Premium Lager Beer	402	603	648	1049	274	376	-	-	-	-	-	-
12	Green Deer Premium Lager. Beer	405	645	-	-	134	274	-	-	-	-	-	-
13	Heineken Lager Beer	461	790	763	1092	189	318	-	-	-	-	-	-
14	Hoegaarden Belgian Witbier	591	868	-	-	619	797	-	-	-	-	-	-
15	Karjura Lager Beer	405	645	707	1147	134	274	-	-	338	1054	617	1757
16	Khajuraho Lager Beer	405	645	-	-	134	274	-	-	338	1054	617	1757
17	King Fisher Premium Lager Beer	405	645	-	-	134	274	-	-	338	1054	617	1757
18	Kingfisher Ultra Lager Beer	365	539	667	1041	293	467	-	-	-	-	-	-
19	Red Rhino Craft Lager Beer	592	930	-	-	320	458	-	-	1231	1762	2052	2936
20	Royal Challenge Premium Lager Beer	405	645	-	-	133	273	-	-	-	-	-	-
21	Tbull Lager Beer	405	645	-	-	134	274	-	-	338	1054	617	1757
22	Tuborg Green Premium Lager Beer	405	645	-	-	134	274	-	-	-	-	-	-

*Additional Excise Duty Inclusive of VAT by Excise per case (in Rs.)*

Sl. No	Brand Name	330 ml		500 ml		650 ml		20,000 Lit		30,000 Lit		50,000 Lit	
		Existing	Revised	Existing	Revised	Existing	Revised	Existing	Revised	Existing	Revised	Existing	Revised
1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>STRONG SEGMENT</b>													
1	Amstel Bier Super Premium Strong Beer	-	-	-	-	131	211	-	-	-	-	-	-
2	Becks Ice Beer	507	703	-	-	140	236	-	-	-	-	-	-
3	Bira 91 Gold Wheat Strong Beer	-	-	-	-	805	1050	-	-	-	-	-	-
4	Bira 91 Premium Rise Rice Strong Lager Beer	-	-	-	-	205	350	526	898	789	1347	-	-
5	Blockbuster Matinee Cranberry Beer	372	518	456	801	205	350	-	-	-	-	-	-
6	Blockbuster Strong Beer	467	687	351	571	100	220	-	-	-	-	-	-
7	Blockbuster Ultra Strong Beer	372	518	456	801	205	350	-	-	-	-	-	-
8	Budweiser Magnum Premium Strong Beer	372	518	455	801	205	350	-	-	-	-	-	-
9	Carlsberg 1847 Pilsner Strong Beer	467	687	-	-	100	220	-	-	-	-	-	-
10	Carlsberg Elephant Super Strong Super Prem. B	-	-	369	732	174	260	-	-	-	-	-	-
11	Carlsberg Premium Strong Danish Beer	342	562	-	-	100	220	-	-	-	-	-	-
12	Foster's Gold Strong Beer	435	620	519	904	168	253	-	-	-	-	-	-
13	Geist James Blond	-	-	-	-	188	261	483	670	724	1004	1206	1674

1	2	3	4	5	6	7	8	9	10	11	12	13	14
14	Geist Lager	-	-	-	-	188	261	483	670	724	1004	1206	1674
15	Geist Stout Space	-	-	-	-	188	261	483	670	724	1004	1206	1674
16	Geist Uncle Dunkel	-	-	-	-	188	261	483	670	724	1004	1206	1674
17	Geist Weiss Guy	-	-	-	-	188	261	483	670	724	1004	1206	1674
18	Geist Witty Wit	-	-	-	-	188	261	483	670	724	1004	1206	1674
19	Haywards 5000 super strong Beer	467	687	-	-	100	220	-	-	-	-	-	-
20	Karjura Strong Beer	467	687	351	571	100	220	-	-	-	-	-	-
21	Khajuraho Super Strong Beer	467	687	-	-	100	220	-	-	-	-	-	-
22	King Fisher Strong Premium Beer	467	687	-	-	100	220	-	-	-	-	-	-
23	Kingfisher Ultra Maxpremium Strong Beer	372	518	456	801	205	350	-	-	-	-	-	-
24	Kingfisher Ultra Witbier True Belgian Whit	976	1168	878	1051	804	901	-	-	-	-	-	-
25	Knockout High Punch Strong Beer	467	687	-	-	100	220	-	-	-	-	-	-
26	Original Bira 91 Strong Beer	976	1168	878	1051	804	901	-	-	-	-	-	-
27	Proost Supreme Beer Strong	474	736	525	987	253	385	-	-	-	-	-	-
28	Red Rhino Craft Lager Beer	592	795	-	-	320	328	-	-	-	-	-	-
29	Red Rhino Craft Wheat Beer	843	1159	-	-	876	1092	-	-	-	-	-	-
30	Tbull Strong Beer	467	687	-	-	100	220	-	-	-	-	-	-
31	Tuborg Classic Black Premium Strong Beer	-	-	-	-	160	259	-	-	-	-	-	-
32	Tuborg classic Denmark's premium strong Beer	453	611	-	-	286	444	-	-	-	-	-	-

1	2	3	4	5	6	7	8	9	10	11	12	13	14
33	Tuborg Gold Premium Strong Beer	-	-	-	-	158	272	-	-	-	-	-	-
34	Tuborg Strong 1880 Export Beer	-	-	-	-	100	220	-	-	-	-	-	-
35	V9 Spyk Hard Seltzer Lime	455	773	538	856	287	405	-	-	-	-	-	-
36	V9 Spyk Hard Seltzer Mixed Berry	455	773	538	856	287	405	-	-	-	-	-	-
37	V9 Spyk Hard Seltzer Orange	455	773	538	856	287	405	-	-	-	-	-	-
38	V9 Spyk Hard Seltzer Original	455	773	538	856	287	405	-	-	-	-	-	-

**(f) RESTORATION OF SPECIAL CESS (SEC).**

***[G.O.Ms.No.60, Revenue (Excise-II), dt. 17-5-2025]***

*[Published in T.G. Gazette, Part-I Ext., No. 102-A, dt. 17.5.2025]*

In exercise of the powers conferred by sub-section (4) of section 21 of The Telangana Excise Act, 1968 (Act. No.17 of 1968), the Government of Telangana hereby notify "Special Excise Cess" inclusive of Value Added Tax by Excise, on Indian Made Foreign Liquor brands including Beer, Wine & Ready to Drinks manufactured or produced in the State under any license granted under the said Act and manufactured or produced elsewhere in India and imported into the State under a permit issued or license granted under the said Act including Foreign Liquor imported into India. The "Special Excise Cess" inclusive of Value Added Tax by Excise, size wise on Indian Made Foreign Liquor & Foreign Liquor brands including Beer, Wine & Ready to Drinks is appended to this order.

The Special Excise Cess shall be collected from the holders of Licenses issued under the Telangana Excise (Grant of Licence of Selling by Shops and Conditions of Licence) Rules, 2012, the Telangana Excise (Grant of Licence of Selling by Bars and Conditions of Licence) Rules, 2005 and the Telangana Excise (Grant of Licence of Selling by In-House and Conditions of Licence) Rules, 2005.

This order shall be deemed to have come into force with effect on and from the 18th May, 2025.

## ANNEXURE

## a) "Special Excise Cess" on BEER (IMFL &amp; FL)

S.No.	Size in ML	Rs.- Per Bottle, over MRP
1.	250	10
2.	330	10
3.	355	10
4.	500	10
5.	650	20

## b) "Special Excise Cess - on LIQUOR, Wine, RTDS and FOREIGN LIQUOR

S.No.	Size in ML	Rs. - Per Bottle, over MRP		
		Medium Category	Premium Category	Scotch (IMFL) & Foreign Liquor Category
1.	50	10	10	20
2.	60	10	10	20
3.	90	10	20	20
4.	180	20	30	40
5.	200	20	30	40
6.	275	20	30	40
7.	375	40	60	80
8.	500	40	60	80
9.	700	80	120	160
10.	750	80	120	160
11.	1000	120	180	240
12.	2000	240	360	480

**9. Notifications issued under Section 26:**

**Rates of Tree Owners Rent:**

[G.O.Ms.No.951, Revenue Dept., dated 6.9.1968]

In exercise of powers conferred by Section 72 read with Section 26 of A.P. Excise Act, 1968, the Government notified the Andhra Pradesh Excise (Tree Owners Rent) Rules, 1968 wherein the owner or other person in possession of excise trees shall be entitled to receive as rent for each excise tree from which toddy is tapped or drawn at the rates specified therein.

The Government in their G.O. Ms. No.9, Revenue (T) Department, dated 4.1.1994 (Published in A.P. Gazette, Part-II Extraordinary, dated 7.1.1994) notified the following rates of Tree Owners Rent applicable with effect from 1.10.1993.

**TABLE**

Sl.No	Variety of Excise Tree	Rent per tree
(1)	(2)	(3)
1.	Sendhi (Date)	Rs.15.00
2.	Palmyrah (Toddy)	Rs.18.00
3.	Date palm (Khajoor)	Rs.28.00
4.	Sago	Rs.34.00
5.	Coconut	Rs.28.00

**Note:** The tree tax and the Tree owners rent as indicated above have been incorporated in new set of Toddy Rules, 2007 in Rule No.33.

**10. Notifications issued under Section 27:**

**Payment of compensation to owner of the Trees and Toddy Tappers on submergence/cutting down of the trees-Guidelines**

[G.O.Ms.No. 137, Revenue, (Excise II) Dept., dated 19.7.2018]

Whereas, as per section 27 of the Telangana Excise Act, 1968, no person shall cut down an Excise Trees without prior permission of the District Collector. The Government is acquiring land for its own use and holding for development of essential infrastructure facilities. In the process of development of infrastructure project excise trees are cutting down, consequently land owners are losing the Tree owners Rent, the tappers families (TCS/TFT members) who depends on tapping the trees and selling toddy are losing their livelihood.

The Commissioner of Prohibition & Excise, proposed the compensation, payable to the owner of the tree and TCS / TFT for their betterment.

2. Keeping in view of the Tree Owner Rent (TOR) and Consumer Price Index (CPI) criteria, the Government after careful examination of the matter hereby fixed the compensations in respect of sendhi and palymarah trees and other conditions are as follows: -

- (1) The Compensation shall be sanctioned @Rs.1020/- to Sendhi (Date) per Tree and @Rs.1968/- to the Toddy/ Palmyra per Tree.
- (2) The above compensation shall be payable @ the ratio 50:50 to the Owner of the Tree and the Toddy Cooperative Society /Tree for Tappers.
  - a) The compensation of TCS / TFT, shall be proportionate in the ratio @ 50% for raising the plants ie., Eeetha and Khajoor and 50% their welfare (in case of Private land).
  - b) The Trees located in Government lands the Compensation shall be given to the TCS/TFT of the area. Out of which the 50% amount shall be for raising the plants and 50% for the welfare of the tapper community.
- (3) The Government hereby constitute the District Level Committee with the following Members for recommending the exact compensation for submergence / cutting down of the trees.
  - i) District Collector - Chairman
  - ii) Excise Superintendent /DPEOs - Convener
  - iii) District Horticulture officer - Member
  - iv) District Forest Officer/ Forest Development Officer - Member
  - v) Any other member nominated by the District Collector.

3. Therefore all the District Collectors & Magistrates in the State of Telangana, and the CPE, TG Hyd., shall take necessary action in the matter accordingly.

**11. Notifications issued under Section 34:**

**Quantity of Intoxicants Notified for the purpose of punishment under Section 34.**

[G.O.Ms.No. 146, Revenue, Dept., dated 14.2.1994]

In exercise of powers conferred by Clause (i) of Sub-section (1) of Section 34 of the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968) the following quantities of intoxicants that are involved in the offences are hereby notified for the purpose of deciding the punishments under sub-section (1) of Section 34 of the said Act.

- |                                    |                   |
|------------------------------------|-------------------|
| (1) Arrack .....                   | 500 Litres        |
| (2) Illicit Distilled liquor ..... | 100 Litres        |
| (3) Toddy .....                    | 300 Litres        |
| (4) IMFL (duty paid).....          | 192 quart bottles |
| (5) Beer:                          |                   |
| (a) Non-duty paid.....             | 48 quart bottles  |
| (b) Duty paid .....                | 384 quart bottles |
| (6) Bhung .....                    | 500 grams         |

**12. Notifications issued under Section 60:**

**Powers of excise officers to release on bail, a person arrested otherwise than on a warrant:**

[G.O.Ms.No. 927, Revenue, Dept., dated 25.9.1969]

[Published in A.P. Gazette Part-I, dated 16.10.1969 at page 1627]

In exercise of the powers conferred by sub-section (1) of Section 60 of A.P. Excise Act, 1968 (Act 17 of 1968), the Governor of Andhra Pradesh hereby empowers Excise Officers of and above the rank of a Sub-Inspector to release on bail, persons arrested under the said Act otherwise than on a warrant.

**13. Notifications issued under Section 68:****(a) Exemptions and concessions notified for possession, import, export, transport and use of intoxicants.**

[G.O.Ms.No. 441, Revenue Department, dated 27.4.1970]

[Published in A.P. Gazette Part-I, dated 15.5.1970, page 509]

In exercise of powers conferred by clause (b) of Section 68 of the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968), the Governor of Andhra Pradesh exempts the Military Units and Depots located in Secunderabad from the provisions of the said Act with regard to possession, import, export, transport and use of rectified spirit and denatured spirit for military purposes.

**(b) Concessional Rates of Excise Duty for Armed Forces:**

[G.O. Ms. No.825, Revenue Dept., dated 24.7.2003]

In exercise of powers conferred by sub-clause (i) of clause (a) of Section 68 of the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968) the Governor of Andhra Pradesh, hereby notifies the concessional rate of excise duty in respect of liquor for use or consumption by the members of the Armed Forces of the Union, as specified in the Table below:

**TABLE**

<b>Sl.No.</b>	<b>Description of the excisable article</b>	<b>Concessional rate of Excise Duty</b>
(1)	Beer	Rs.3.65 per B.L.
(2)	Rum	Rs.22.00 per P.L.
Other category IML:		
(3)	“O” Category: Basic price from Rs. 0 to Rs.275/- per case.:	Rs.28.50 per P.L.
(4)	“A” Category: Basic price from Rs.275/- to Rs.400/- per case:	Rs.33.50 per P.L.
(5)	“B”, “C” & “D” Category: Basic price from Rs.400/- and above:	Rs.43.50 per P.L.

- (1) Basic price means: Ex-factory price +Cost of bottles + Cost of packing material + Fright + Insurance +Handling charges and import fee if any.
- (2) Case means 12 Nos. of 1000 ml, 12 Nos of 750 ml, 24 Nos. of 375 ml, 48 Nos. of 180 ml, 96 Nos. of 90 ml. bottles of IML / Wine and 12 Nos. of bottles of Beer.

These concessional rates will deem to be come into force with effect from 1st June 2003.

**NOTE:** The countervailing duty on excisable articles manufactured or produced elsewhere in India and imported into the State for consumption by the Armed Forces under a permit issued under the Act shall also be at the same rate.

**(c) Excise Duty On Rectified Spirit For Industrial Use:**

[G.O.Ms.No. 147, Revenue Dept., dated 16.3.1998]

[Published in A.P. Gazette Part II Extraordinary No.31, dated 24.3.1998]

**I.** In exercise of the powers conferred by sub-clause (ii) of Clause (a) of Section 68 of the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968) and in supersession of all the existing orders on the subject, the Government of Andhra Pradesh hereby orders that no excise duty shall be levied on Rectified Spirit manufactured or produced in the State and sold for *bona fide* industrial use, except administrative fee of 0.50 paise per Bulk Litre subject to the restrictions and conditions specified below:

Restrictions and Conditions

- (a) the administrative fee specified shall be applicable only in respect of Rectified Spirit issued (actually utilized) for industrial purpose;
- (b) any loss, wastage or other deficit to be indemnified by payment upto 5 times the cost price of the spirit and with such other penalty as the Commissioner of Prohibition and Excise may decide for all categories of licenses to which the spirits are issued;
- (c) in case of misuse, without prejudice to any action that may be taken under the provisions of the Act, the rectified spirit shall be liable for payment upto 5 times the cost price of the spirit and with such other penalty as the Commissioner of Prohibition and Excise may decide for all categories of licenses to which the spirits are issued; and
- (d) the administrative fee on Rectified Spirit shall not be applicable to the Rectified Spirit used in the manufacturer of Indian Liquors existing.

**II.** In exercise of the powers conferred by sub-clause (ii) of Clause (a) of Section 68 of the Andhra Pradesh Excise Act, 1968 (Act 17 of 1968) and in supersession of all the existing orders on the subject, the Government of Andhra Pradesh hereby orders that no countervailing duty shall be levied on Rectified Spirit manufactured or produced elsewhere in India and imported into the State for bonafide industrial use, except administrative fee of 0.50 paise per Bulk Litre subject to the restrictions and conditions specified below:

Restrictions and Conditions

- (a) the administrative fee specified shall be applicable only in respect of Rectified Spirit actually utilized for industrial purpose;
- (b) any loss, wastage or other deficit to be indemnified by payment upto 5 times the cost price of the spirit and with such other penalty as the Commissioner of Prohibition and Excise may decide for all categories of licenses to which the spirits are issued;
- (c) in case of misuse, without prejudice to any action that may be taken under the provisions of the Act, the rectified spirit shall be liable for payment upto 5 times the cost price of the spirit and with such other penalty as the Commissioner of Prohibition and Excise may decide for all categories of licenses to which the spirits are issued; and
- (d) The payment of Administrative fee shall not be applicable to the Rectified Spirit used in the manufacture of Indian liquor and Ethanol (Anhydrous Alcohol) for petroleum blending purpose.]

*[Item (d) subs. by G.O. Ms. No. 1139, Rev. (Ex. III), dt. 27-12-2002]*

This notification shall be deemed to have come into force with effect from 25.10.1989.

**14. Rules Framed Under Section 72**

**In exercise of the powers conferred by Section 72 of the Andhra Pradesh Excise Act, 1968, the following Rules were framed by the Government: These rules are in force as on date:**

1. The Andhra Pradesh Excise (Regulation of Drawal and Sales of Neera) Rules, 1969. [Govt. Memo No.434/T-1/70, Revenue, dated 13.5.1970]
2. The Andhra Pradesh Excise (Disposal of Confiscated and other Articles) Rules, 1969. [Govt. Memo No.ER.6/69-3, Revenue, dated 12.11.1969]
3. The Andhra Pradesh Excise (Appeal and Revision) Rules, 1969. [Govt. Memo No.ER-10/69-4, Revenue, dated 30.12.1969]
4. The Andhra Pradesh Excise ( Issue of Duplicate Licences and Permits) Rules, 1969. [G.O.Ms.No. 78, Revenue, dated 22.1.1970]
5. The Andhra Pradesh Denatured Spirit and Denatured Spirituous Preparations Rules, 1971. [G.O.Ms.No. 336, Revenue, dated 24.3.1971] [Adapted by the Govt. of Telangana vide G.O. Ms. No. 181, Revenue (Ex. II) dept. dt. 29.9.2015]
6. Andhra Pradesh Arrack (Manufactory, Possession, Transport and Export) Rules, 1971. (G.O.Ms.No. 741, Revenue, dated 31.7.1971)
7. The Andhra Pradesh Rectified Spirit Rules, 1971. [G.O.Ms. No.1079, Revenue, dated 27.10.1971] [Adapted by the Govt. of Telangana vide G.O. Ms. No. 180, Revenue (Ex. II) dept. dt. 29.9.2015]
8. The Andhra Pradesh Excise (Grant of Expenses) Rules, 1971. [G.O.Ms.No. 1332, Revenue, dated 9.12.1971]
9. The Andhra Pradesh Excise (Powers and Duties) Rules, 1972. [G.O.Ms.No. 1094, Revenue, dated 29.9.1972]
10. The Andhra Pradesh Excise (Deligation of Powers) Rules, 1972. [G.O.Ms.No.1095, Revenue, dated 29.9.1972]

11. The Andhra Pradesh Excise (Transportation of Maximum Quantity of intoxicants) Rules, 1972. [G.O.Ms.No.676, Revenue, dated 21.6.1972]
12. The Andhra Pradesh Excise (Compounding of Offences) Rules, 1973. [G.O.Ms.No. 94, Revenue, dated 12.2.1973]
13. The Andhra Pradesh Excise (Mohwa Flowers) Rules, 1973. [Govt. Memo No.1327-T2/70-30, Revenue, dated 7.8.1973] [Adapted by the Govt. of Telangana vide G.O. Ms. No. 72, Revenue (Ex. II) dept. dt. 16.5.2016]
14. The Andhra Pradesh Excise (Chloral Hydrate) Rules, 1973. [G.O.Ms.No. 1158, Revenue, dated 28.12.1973]
15. The Andhra Pradesh Excise (Levy of Interest on Government Dues) Rules, 1982. [G.O.Ms.No. 1545, Revenue, dated 23.10.1982]
16. The Andhra Pradesh Excise (Import, Export and Transport of Indian Made Foreign Liquor and Foreign Liquor-Permits) Rules, 2005 [G.O.Ms.No. 996, Revenue, dated 24.5.2005] [Adapted by the Govt. of Telangana vide G.O. Ms. No. 184, Revenue (Ex. II) dept. dt. 29.9.2015]
17. The Andhra Pradesh Excise (Grant of Licence of Selling by Bar and Conditions of Licence) Rules, 2005 [G.O.Ms.No. 997, Revenue, dated 24.5.2005] [Adapted by the Govt. of Telangana vide G.O. Ms. No. 9, Revenue (Ex. II) dept. dt. 27.1.2015]
18. The Andhra Pradesh Excise (Lease of Right of Selling by Shop and Conditions of Licence) Rules, 2005 [G.O.Ms.No. 998, Revenue, dated 24.5.2005] [Adapted by the Govt. of Telangana vide G.O. Ms. No. 85, Revenue (Ex. II) dept. dt. 29.9.2015]
19. The Andhra Pradesh Excise (Grant of Licence of Selling by In-house and Conditions of Licence) Rules, 2005. [G.O.Ms. No. 999, Revenue, dated 24.5.2005] [Adapted by the Govt. of Telangana vide G.O. Ms. No. 183, Revenue (Ex. II) dept. dt. 29.9.2015]

20. A.P. Distillery (Manufacture of IMFL other than Beer and Wine) Rules, 2006 [G.O.Ms.No.90, Revenue, Dept., dated 27.1.2007 effective from 29.1.2007] [Adapted by the Govt. of Telangana vide G.O. Ms. No. 35, Revenue (Ex. II) dept. dt. 16.10.2014]
21. A.P. Distillery (Manufacture of Ready to Drink Alcoholic Beverages) Rules, 2012 (G.O. Ms. Mo. 673, Revenue (Ex. III) dept. dt. 6.12.2012)
22. A.P. Distillery (Manufacture of Spirits) Rules, 2006 [G.O.Ms. No. 91, Revenue, Dept., dated 27.1.2007 effective from 29.1.2007] [Adapted by the Govt. of Telangana vide G.O. Ms. No. 204, Revenue (Ex. II) dept. dt. 13.11.2015]
23. A.P. Brewery Rules, 2006 [G.O.Ms.No. 92, Revenue, Dept., dated 27.1.2007 effective from 29.1.2007] [Adapted by the Govt. of Telangana vide G.O. Ms. No. 203, Revenue (Ex. II) dept. dt. 13.11.2015]
24. Telangana Micro Brewery Rules, 2015 [G.O. Ms. No. 151, Revenue (Ex. II) dept. dt. 28.8.2015]
25. A.P. Winery Rules, 2006 [G.O.Ms.No.93, Revenue, Dept., dated 27.1.2007 effective from 29.1.2007]
26. A.P. Excise (Grant of licence to sell toddy, conditions of licence and tapping of Excise Trees) Rules, 2007 [G.O.Ms.No.1228, Revenue, (Ex.III) Dept., dated 9.9.2007 effective from 20.9.2007] [Adapted by the Govt. of Telangana vide G.O. Ms. No. 24, Revenue (Ex. II) dept. dt. 4.9.2015]
27. A.P. Excise (Possession, Import, Export, Transport of Molasses – Conditions of Licence and Permits) Rules, 2008. [G.O.Ms. No. 1292, Revenue, (Ex.III) Dept., dated 10.11.2008] [Adapted by the Govt. of Telangana vide G.O. Ms. No. 182, Revenue (Ex. II) dept. dt. 29.9.2015]
28. Telangana Excise (Grant of License for selling Foreign Wine, Foreign Liquor (Foreign Beer and Premium Indian Made Foreign Liquor & Wine at Elite Outlets and Conditions of License) Rules, 2016. [G.O.Ms.No. 271, Rev. (Excise-II) Dept., dt. 26-10-2016]

## Other Important Orders of Government of Telangana

### 15. Levy of Import Pass Fee on imports of RS/ENA/IS/DS.

*[G.O.Ms.No.133, Rervernue (Ex-III) Dept., dated 12.8.2015]*

Read the following:-

1. G.O.Ms.No.630, Revenue (Ex.III) Dept., dated 24.5.2003
2. From the CPE, TG Hyd., Letter Cr.No.615/2015/CPE/G1, dated 26.2.2015
3. Govt.Memo.No.3623/Ex.II(2)/2015-1, dt.3.7.2015
4. From the CPE, TG Hyd., Letter Cr.No.1916/2015/CPE/G1, dated 20.7.2015
5. From the CPE, TG Hyd., Letter Cr.No.615/2015/CPE/G, dated 16.7.2015
6. From the CPE, TG Hyd., Letter Cr.No.615/2015/CPE/G, dated 20.7.2015

#### Order:

In G.O. 1st read above, Government accorded permission to the Commissioner of Prohibition & Excise to levy import pass fee of Rs.1/- per bulk liter on the import of RS / ENA / IS / DS.

2. In his Letters read above, the Commissioner of Prohibition & Excise, Telangana, Hyderabad has proposed for enhancement of the import pass fee on the import of RS/ENA/IS/DS.

3. Government, after careful consideration of the matter and in supersession of the orders issued in reference 1st read above, hereby order the following:-

- (a) To enhance the import pass fee on Spirits i.e., RS / DS / IS from Rs.1/- (One Rupee only) to Rs.2/- (Two Rupees only); and
- (b) To enhance the import pass fee on ENA from Rs.1/- (One Rupee only) per Bulk Liter to Rs.4/- (Four Rupees only) per Bulk Liter toward ENA utilizing manufacture of Indian Made Foreign Liquor (IMFL) whose basic price is above Rs.450/- per case and Rs.1/- (One Rupee only) per Bulk Liter to Rs.2/- (Two Rupees only) per Bulk Liter towards utilizing in manufacture of IMFL whose basic price is up to Rs.450/- per case. The import pass fee on ENA towards industrial use is enhanced from Rs.1/- (One Rupee only) per Bulk Liter to Rs.2/- (Two Rupees only) per Bulk Liter.

4. This order shall come into force with effect from 20.7.2015. The Commissioner of Prohibition & Excise, Telangana, Hyd., shall take necessary action in the matter accordingly.

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**16. Fee structure for analysis of samples in the Prohibition & Excise Laboratories in the State – Amendment.**

*[G.O.Ms.No. 185, Revenue (Ex.II) Dept., Dated: 26/09/2015]*

Read the following:-

1. Andhra Pradesh Gazette Notification No.16, dated 16.4.1981
2. From the CPE, TG Hyd., Letter Cr.No.615/2015/CPE/G1, dated 26.2.2015

**Order :**

The following amendment shall be published in the next issue of Telangana Gazette.

**Amendment**

In Sl.No.2 and 5, in Column No.3 of Notification No.16, dated 16.4.1981, the figures and words “Rs.200/- (Rupees Two hundred only) per sample” and “Rs.500/- (Rupees Five hundred only) per sample” shall be substituted

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**Other Important Notifications Issued Under Different Acts  
Relating to Excise Matters**

**17. Notification Issued under Standards of Weights and Measures  
(Enforcement) Act, 1985**

*[G.O.Ms.No.81, Food and Civil Supplies (CS.III) Dept., dt. 25.10.2004]*

In exercise of powers conferred under Section 71 of the Standards of Weights and Measures (Enforcement) Act, 1985 the Governor of Andhra Pradesh hereby delegate the powers to the officers of the rank of Sub-Inspectors and above of the Prohibition and Excise Department to enforce the maximum retail price on Liquor and Beer.

**Note:** The Government of India, Ministry of Consumer Affairs and public distribution in GSR No.760 (E), dated 24.9.2003 have made it mandatory to print MRP on all alcoholic beverages duly amending the relevant rules of the Standards of Weights and Measures (Enforcement) Act, 1985.

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**18. Official Abbreviation for the Telangana adopted by the Government of India is TG**

*<sup>1</sup>[U.O. Note. No. 4634/Genl, L&C/2024, dt. 17-5-2024]*

Sub: Official abbreviation for the Telangana adopted by the Government of India is TG – Replacement of all references to ‘TS’ with ‘TG’ in the nomenclature of all State PSUs, Agencies, Autonomous Institutions and any other Government bodies - Instructions - Issued.

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All the Special Chief Secretaries/Principal Secretaries/ Secretaries are informed that, the official abbreviation for the Telangana adopted by Government of India is ‘TG’. Accordingly, it has been decided to adopt ‘TG’ as the official abbreviation at the State level also with immediate effect.

2. All the Departments of Secretariat are directed to replace all references to ‘TS’ with ‘TG’ in the nomenclature of all State PSUs, Agencies, Autonomous Institutions and any other Government bodies, official documents (including letterheads, reports, notifications, etc.), signages within and outside Government offices, Websites and Online platforms and any other official communication.

3. All the Special Chief Secretaries/ Principal Secretaries/Secretaries are requested to review with all Government Institutions under their administrative control to ensure this migration seamlessly across the board and specifically ensure the following:

1) Adopt ‘TG’ in all official Documents: All official documents, including policy papers, GOs, notifications, circulars, reports, letter heads, and other communication materials, should use ‘TG’ instead of ‘TS’. This includes both electronic and hard copy documents.

2) Standardization in Communication: All future official communication, both internal and external, should utilize ‘TG’ as the abbreviation for Telangana.

3) Inventory and Stationary: Departments are requested to take stock of existing stationery and printed materials with ‘TS.’ A plan should be devised for their time bound replacement or overprinting with the updated abbreviation ‘TG.’

4. All the Departments are requested to submit the action taken/compliance report immediately, latest by 31<sup>st</sup> May, 2024 to the Joint Secretary to Government (Coordination), General Administration Department, Room No.20, 5<sup>th</sup> Floor, Dr. B.R. Ambedkar Telangana Secretariat, Hyderabad.

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1. Issued by Government of Telangana, General Administration (General, L&C) Dept.