

**GOVERNMENT OF KARNATAKA**

No. FD 9 PES 2022

Karnataka Government Secretariat

Vidhana Soudha,

Bengaluru, Dated: 16<sup>th</sup> August 2024.**NOTIFICATION- IV**

Whereas the draft of the following rules further to amend the Karnataka Excise (Brewery) Rules, 1967, was published as required by sub-section (1) of Section 71 of the Karnataka Excise Act, 1965 (Karnataka Act 21 of 1966) in Notification-IV No: FD 9 PES 2022, dated: 09.01.2023 in Part-IV A of the Karnataka Gazette (Extraordinary) No.12 dated:09.01.2023 inviting objections and suggestions from all persons likely to be affected within thirty days from the date of its publication in the official Gazette.

And, whereas the said Gazette was made available to the public on 10<sup>th</sup> January 2023.

And, whereas no objections and suggestions were received in respect of the said draft by the State Government.

Now, therefore, in exercise of the powers conferred by Section 71 of the Karnataka Excise Act, 1965 (Karnataka Act 21 of 1966), the Government of Karnataka hereby makes the following rules, namely:-

**RULES**

**1. Title and commencement.-** (1) These rules may be called the Karnataka Excise (Brewery) (Amendment) Rules, 2024.

(2) They shall come into force from the date of their final publication in the official Gazette.

**2. Amendment of rule 2.-** In the Karnataka Excise (Brewery) Rules, 1967, (hereinafter referred to as the said rules), in rule 2, for clause (o-1), the following shall be substituted, namely:-

“(o-1) “Microbrewery” means a small brewery with an installed capacity not exceeding 3,65,000 litres per annum, in a place having not less than 6,500 sq.ft. built-up area with spacious dining hall and parking facility, where Draught Beer is manufactured and the same is served to their customers for consumption within the premises”.

**3. Amendment of rule 27-A.-** In rule 27-A of the said rules;-

(i) for sub-rule (2), the following shall be substituted, namely:-

“(2) The fee for grant or renewal of Microbrewery licence shall be rupees two lakhs per year and an additional licence fee equivalent to fifteen percent of the licence fee. In addition to the licence fee and additional licence fee, the Excise Duty and Additional Excise Duty, as prescribed in Rule 2 (1-A) and Rule 2-AAA of the Karnataka Excise (Excise Duties and Fees) Rules, 1968, shall be paid in advance at the time of grant or renewal of licence”.

- (ii) in sub-rule (3), for the word “liquor”, the words “draught beer”, shall be substituted;
- (iii) in sub-rule (4), for the word “beer”, the words “draught beer”, shall be substituted;  
and
- (iv) in sub-rule (5), for the word “beer”, the words “draught beer”, shall be substituted.

**4. Insertion of new rules 27-B and 27-C.-** After rule 27-A of the said rules, the following new rules shall be inserted, namely:-

**“27-B. Renewal of Microbrewery licence** – The Excise Commissioner on an application made by the licensee accompanied by the licence fee, additional licence fee specified in rule 27-A (2), the Excise Duty and the Additional Excise Duty specified in Rule 2 (1-A) and Rule 2-AAA of the Karnataka Excise (Excise Duties and Fees) Rules, 1968, renew the licence:

Provided that every such application shall be made at least one month before the expiry of the licence already granted;

Provided further that the Excise Commissioner, may accept and consider any such application made after the aforesaid period of one month, if he is satisfied that the applicant had sufficient cause for not making the application within that period”.

**“27-C. The Microbrewery licensee-** The Microbrewery licensee under these rules may open up to three additional dispensing counters for serving draught beer for the convenience of the consumers”.

**5. Amendment of Form 5.-** In Form 5 of the said Rules, for the word “beer”, wherever they occur, the words “draught beer” shall be substituted.

By Order and in the name  
of the Governor of Karnataka,

(Manjula Nataraj)  
Under Secretary to Government,  
Finance Department (Excise)