PETPOOJA

GUIDE

Bar and Microbrewery Licensing in India

Three states priced to the rupee from their own gazettes: why the same Maharashtra licence costs ₹95,500 in one town and ₹11,40,500 in another, why Delhi charges by the seat and Karnataka by the class of your local body, and what has to be in place before the excise department will look at your file.

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Same Licence, One State

₹95,500 to ₹11,40,500 on population alone

Per seat

How Delhi Prices It

Not per square foot, whatever you have read

₹11.22 lakh

A Brewery Pays At Nil Output

A microbrewery starts at ₹3,20,100

Two regimes

On One Table Bill

Liquor outside GST, food inside it

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Chapters

Constitution through to the mistakes

01 There Is No Indian Liquor Licence

The reason every answer you find online contradicts the last one.

Before any fee, form or timeline makes sense, one thing has to be clear: liquor in India is a State subject, not a central one. There is no national licence, no central registry and no common application. What there is, is 28 states and 8 union territories each running their own Act, their own rules, their own licence codes and their own annual fee notification.

Entry 8

Who Controls Liquor

List II (State List), Seventh Schedule, Constitution of India

Entry 51

Who Taxes It

List II, Seventh Schedule: duties of excise on alcoholic liquors for human consumption

366(12A)

Why GST Does Not Apply

Constitution of India: GST excludes alcoholic liquor for human consumption

What the Constitution actually says

Entry 8 of the State List covers "Intoxicating liquors, that is to say, the production, manufacture, possession, transport, purchase and sale of intoxicating liquors". That is the whole supply chain, handed to the states.

Entry 51 gives the states duties of excise on alcoholic liquors for human consumption. Entry 54, as substituted by the 101st Constitutional Amendment in 2016, keeps the power to tax the sale of alcoholic liquor for human consumption with the states as well.

Article 366(12A) then defines GST as a tax on the supply of goods or services except taxes on the supply of alcoholic liquor for human consumption. Liquor was deliberately left outside GST, which is why your bar deals with the state excise department and the GST department separately.

> **Why this chapter comes first**
>
> Almost every wrong answer about liquor licensing comes from treating one state's rules as the national position. A Mumbai FL-III and a Delhi L-17 are not two names for the same licence. Gujarat has a licence also called FL-III, issued under a completely different Act, meaning something else again. Licence codes do not travel across state lines, and neither do fees, forms or eligibility rules.

Establish these four things before anything else

- ✓ **Which state, and which local body inside it**
  Not the state alone. In Maharashtra the fee is set by the population of the location, so a licence in Pune costs several times what the same licence costs in a taluka town. Fix the exact address first.
- ✓ **Whether that state grants licences on application at all**
  Some do. Telangana notifies a fixed number of bar licences and invites applications in a window. If no notification is out, there is nothing to apply for, regardless of your readiness.
- ✓ **Which licence your format needs, not which one sounds right**
  A beer and wine bar and a full-spirits bar are different licences at very different prices in the same state. Chapter 2 works through this.
- ✓ **The current year's fee notification, read directly**
  States renotify rates annually. A figure without a financial year attached to it is not a figure.
  Maharashtra publishes its schedule each February for the coming financial year

How to read the numbers in this guide

Three states are priced to the rupee here, because their primary documents were read in full: Maharashtra, from the state gazette notification dated 18 February 2026 for FY 2026-27; Delhi, from the Excise Department's own published fee table for FY 2025-26; and Karnataka, from the gazette notification dated 23 June 2025, in force from 1 July 2025. Every other state is named and described but not priced. That is deliberate. Liquor licence fees are the worst-sourced numbers on the Indian internet, and a confidently wrong fee is more damaging to your budget than an honest blank.

02 Decide the Format Before You Touch a Form

The licence follows the concept. Get the concept wrong and you buy the wrong licence.

Owners routinely apply for the most expensive licence available because it sounds the safest. In Maharashtra that decision can cost you several lakh rupees a year, every year, for permissions you never use.

What each format actually needs

The format	What you serve	What that means for the licence
Restaurant with a bar	Spirits, beer, wine	The full on-premises foreign liquor licence. Most expensive route.
Beer and wine bar, taproom	Beer, craft beer, wine, fermented liquor	A separate and much cheaper licence exists for exactly this in several states.
Brewpub or microbrewery	Beer you make on site	A manufacturing licence, on top of the licence to serve. Two permissions, not one.
Members' club	Spirits, beer, wine to members	A club licence, distinct from the restaurant licence and priced differently.
One-off event or festival	Whatever the event calls for	A temporary licence, priced per event. You do not need an annual licence for an annual party.

The categories above exist in some form in most states. The names, codes and prices do not carry across.

The licence most craft-beer operators have never heard of

In Maharashtra, Form E covers the sale of mild liquor (beer), fermented liquor, craft beer and wines on the premises of a hotel, restaurant, canteen or club, granted under Rule 5 of the Special Permits and Licences Rules, 1952. In a town of under one lakh people it costs ₹55,000 for the year. The full spirits licence in the same town costs ₹95,500, and in a large city the gap runs to several lakh. If the concept genuinely does not need whisky, you may be buying a licence you will never use.

Work it out in this order

1. **Write the drinks menu before the business plan**
   Not the full list, just the categories. Spirits, or only beer and wine? Made on site, or bought in? Those two answers determine the licence and therefore a material part of your annual fixed cost.

2. **Check what the premises can legally become**
   Licences carry physical conditions. Maharashtra requires a permit room of at least 25 square metres for a restaurant. Delhi requires a commercial area with adequate parking. These are architectural constraints, so they belong in the site decision, not the fit-out.

3. **Price the licence at your actual address**
   Population slab in Maharashtra, seat count in Delhi. Both are knowable on day one and both move the number by lakhs.

4. **Only then start the file**
   Every document in Chapter 10 is specific to the licence you have chosen. Starting the paperwork before the format is settled means collecting the wrong papers.

03 Maharashtra, Priced to the Rupee

The one state where you can budget precisely, because the gazette is published.

Maharashtra notifies its licence fees every February for the coming financial year. The figures below are from the Home Department notification No. BPA-0126/C.R.14/Exc-2 dated 18 February 2026, published in the Maharashtra Government Gazette, Extraordinary Part IV-B No. 79, issued under section 139 of the Maharashtra Prohibition Act, 1949 read with rule 4 of the Maharashtra Potable Liquor (Periodicity and Fees for Grant, Renewal or Continuance of Licences) Rules, 1996. They apply to FY 2026-27.

₹95,500

FL-III, Town Under 50,000

Maharashtra Gazette, 18-Feb-2026, Sr. E-3, FY 2026-27

₹11,40,500

FL-III, City Above 20 Lakh

Same notification, same licence, same year

₹22,85,100

Five Star Room Service, Added On Top

Additional fee for the FL-III from which liquor is served in rooms

FL-III annual fee for restaurants, by population of the location

Population where the premises sits	Fee for grant or renewal, one year
Up to 50,000	₹95,500
50,001 to 1,00,000	₹1,42,900
1,00,001 to 2,50,000	₹2,85,400
2,50,001 to 5,00,000	₹4,75,500
5,00,001 to 10,00,000	₹7,60,500
10,00,001 to 20,00,000	₹10,45,600
Above 20,00,000	₹11,40,500

FL-III is granted under Rule 45 of the Maharashtra Foreign Liquor Rules, 1953, for sale at a hotel or restaurant of imported foreign liquor and IMFL on which excise duty has been paid. Rates are for FY 2026-27 and are renotified annually.

The 12x problem nobody budgets for

The same licence, the same paperwork and the same conditions cost ₹95,500 in a small town and ₹11,40,500 in Mumbai. That is roughly twelve times more, decided entirely by an address. If you are comparing two sites across a municipal boundary, the licence fee difference can exceed the rent difference. Establish the population slab before you sign a lease, not after. This is also why the figure repeated everywhere, that an FL-III costs "₹5 lakh to ₹50 lakh", is useless: quoted without a population slab and without a financial year, it cannot tell you what your own premises will pay.

Hotels with rooms pay an additional fee on top

Hotel category	Additional annual fee
Three star	₹8,94,400
Four star	₹14,90,600
Five star	₹22,85,100

Hotel category	Additional annual fee
Other than the above	₹50,000

This is in addition to the licence fee, and applies to the one FL-III licence from which liquor is served in rooms. A five star hotel in Mumbai is therefore looking at ₹11,40,500 plus ₹22,85,100 before it has poured anything.

The other Maharashtra licences worth knowing

Form	What it covers	Annual fee, FY 2026-27
Form E	Beer, fermented liquor, craft beer and wines on the premises of a hotel, restaurant, canteen or club	₹55,000 to ₹4,95,000 across four population slabs
Form E-2	Retail sale of wine	₹38,300 to ₹1,90,300 across the same four slabs
Form FL-IV	Sale at a club	₹99,900 to ₹11,92,400 across seven slabs
Form FL-IV-A	Temporary licence for a function or event	₹5,000 to ₹16,100 for social and family functions; ₹32,100 for a commercial event
Form FL/BR-II	Beer in sealed bottles for consumption off the premises	₹28,700 to ₹3,42,200 across seven slabs

Form E and Form E-2 are granted under the Special Permits and Licences Rules, 1952. FL-IV and FL/BR-II are under the Maharashtra Foreign Liquor Rules, 1953. All figures from the 18-Feb-2026 notification.

What FL-III actually requires of you

✓ **A valid eating house licence, before you apply**
The department's own eligibility line is "Manager or Proprietor of a Hotel or Restaurant having valid eating House". The police-issued eating house licence is a precondition, not a parallel task.
Maharashtra State Excise, FL-III eligibility

✓ **An FDA licence and a police clearance report on law and order**
Both are named requirements. The police report covers the antecedents of the applicant and the law and order position of the location.

✓ **A permit room of at least 25 square metres**
For restaurants, with a minimum of 10 square metres for the room itself. This is a design constraint, so it has to be settled at layout stage.
Maharashtra State Excise, FL-III conditions

✓ **Distance compliance from schools, religious institutions and ST depots**
Checked against the actual premises. A site that fails this cannot be fixed with paperwork.

✓ **Grade-1 hotel grading in municipal corporation areas**
The department requires the hotel to be of good grading, specified as Grade-1 inside municipal corporation limits.

✓ **A bank guarantee of 50% of the licence fee**
On a Mumbai FL-III that is a bank guarantee of over ₹5.7 lakh, sitting alongside the fee itself. This is working capital, and it is routinely left out of opening budgets.

✓ **Application in form FL/A-1C to the District Collector**
Routed through the Superintendent of State Excise of the District. Application fee ₹1,000 with a ₹5 court fee stamp.

In Maharashtra, your customer needs a licence too

Form FL-X-C is a permit for possession, consumption, use and transport of foreign and country liquor, granted under the Bombay Foreign Liquor Rules, 1953. The department's stated eligibility is "Any person above the age of 25 years", applied for in form FL-A-6B, with proof of age a mandatory document. So age verification at your door is not house policy, it is the licensing system working as designed. Confirm the current mechanism for issuing day permits at the bar with your Superintendent of State Excise, because the widely repeated figures for that are not published by the department.

Two provisions buried at the end of the notification

First, cantonment areas are charged at the same rate as the municipal corporation whose boundaries they sit within or adjoin. A cantonment address does not buy a cheaper slab. Second, a five-year renewal runs from 2026-27 to 2030-31 with 2026-27 as the base year, and the FY 2026-27 rates do not apply to licences already renewed for five years before this financial year, during their validity. If you are buying an existing licensed business, ask which basis its licence sits on.

04 Delhi, Priced Per Seat

A completely different logic to Maharashtra, and the figure you have probably read is wrong.

Delhi does not price the restaurant liquor licence by population. It prices it by seat covers, and it splits the fee between Indian liquor and foreign liquor. The figures below are from the Department of Excise, Entertainment & Luxury Tax's own published table for FY 2025-26.

₹14,90,756
L-17, Up To 50 Covers
Delhi Excise Dept published fee table, FY 2025-26

₹36,09,196
L-17, Above 200 Covers
Same table, same year

100 m
Distance Rule That Kills Sites
Rule 51, Delhi Excise Rules 2010

What L-17 is

The department's own description: "L-17 / L-18 Licence is granted to an independent restaurant approved by Department of Tourism, Govt. of India." It permits liquor to be served for consumption on the licensed premises.

Applications go to the Commissioner of Excise, and are filed online through the e-Abkari portal.

L-17 annual licence fee by seat covers, FY 2025-26

Seat covers	Indian liquor	Foreign liquor	Total
Up to 50	₹13,55,232	₹1,35,524	₹14,90,756
Up to 100	₹19,25,858	₹1,92,586	₹21,18,444
Up to 200	₹25,67,807	₹2,56,781	₹28,24,588
Above 200	₹32,81,087	₹3,28,109	₹36,09,196

As published by the Department of Excise, Entertainment & Luxury Tax, GNCTD. The published table shows a 10% escalation over the FY 2024-25 column, so check the current year's figure before you budget on it.

The Delhi figure that is repeated everywhere and does not match the department

A widely copied claim puts the L-17 annual fee at ₹5 lakh up to 1,000 square feet, ₹15 lakh for 1,001 to 2,500 square feet and ₹25 lakh above that. The department's own published table is not based on floor area at all, it is based on seat covers, and the amounts do not match. If a consultant quotes you an area-based Delhi fee, ask them which notification it comes from. This is the clearest example in this guide of why you read the department, not the search results.

What Delhi asks for

✓ **Approval from the Department of Tourism, Government of India**
Built into the definition of the licence. An independent restaurant that is not approved is not eligible.

✓ **Premises in a commercial area with adequate parking**
Stated as a requirement, not a preference.

✓ **Compliance with Rule 51 of the Delhi Excise Rules, 2010**
Which restricts premises within 100 metres of major educational institutions, religious places and hospitals. Measure this before you sign.
Rule 51, Delhi Excise Rules 2010

- **Seventeen documents, including three separate local permissions**
  Health Trade Licence, Eating House Licence and Fire Department NOC are each named in the list, alongside the registered sale or lease deed of the premises and the partnership deed or memorandum of association.

- **An affidavit on seating capacity**
  Filed under section 13(1), Chapter III of the Delhi Excise Act, 2009. Note that the seat count is both a sworn declaration and the basis of your fee, so it is not a number to be casual about.
  Section 13(1), Delhi Excise Act 2009

Seat count is a pricing decision

Because the fee steps up at 50, 100 and 200 covers, a restaurant planning 105 seats is paying the 200-cover slab for five seats. Delhi is one of the few places where the licence fee should feed back into the seating plan. Work out the revenue those marginal seats generate and compare it to the ₹7 lakh step between slabs.

05 Karnataka, Priced by the Local Body

A third state, a third basis. Not population, not seats, but which kind of council you sit in.

Karnataka substituted its whole licence fee table in a gazette notification dated 23 June 2025, No. FD 6 PES 2025, Notification-VI, made under section 71 of the Karnataka Excise Act, 1965 and in force from 1 July 2025. It prices the bar licence on the administrative class of the local body you sit in, which is a different test again from Maharashtra's population slabs and Delhi's seat covers.

₹11,25,000

CL-9 In Bengaluru

Karnataka Gazette, No. FD 6 PES 2025, 23-Jun-2025, Rule 8(1) item 9

₹1,500

Tourist Hotel Beer Bar Licence

Same notification, Rule 8(1) item 7-B, per year

5 years

How Long A Licence Now Runs

Substituted Rule 7, with an annual fee still payable

CL-9 Refreshment Room (Bar) Licence, annual fee

Area classification	Fee per year
City Municipal Corporation areas with population more than 20 lakhs	₹11,25,000
Other City Municipal Corporation areas	₹9,00,000
City Municipal Council areas	₹7,50,000
Town Municipal Council or Town Panchayat areas	₹6,00,000
Other areas	₹6,00,000

Substituted into Rule 8(1) of the Karnataka Excise (Sale of Indian and Foreign Liquors) Rules, 1968, as item 9. CL-9 is the licence for sale of Indian liquor to be drunk on the premises, combined with meals and refreshments.

The rest of the same table, worth knowing before you pick a format

Item	Licence	Fee per year
6-A	Star Hotel Licence	₹15,00,000, flat, with no area split
7	Hotel and Boarding House Licence	₹12,75,000 down to ₹6,00,000 across the same five area classes
4	Licence to Clubs	₹9,75,000 down to ₹3,00,000
7-A	Tourist Hotel Licence	₹45,000
7-B	Tourist Hotel Beer Bar Licence	₹1,500
16	Refreshment Room (Bar) Licence at an International Airport	₹18,75,000
6	Special Licence	₹15,000 per day

A five-year licence that still costs you every year

The same notification replaced Rule 7. Karnataka licences other than Special and Occasional licences now run for five excise years including the year of grant, which sounds like a saving until you read the rest of the sentence: they are valid "subject to annual payment of licence fee and additional licence fee at the prevailing rates". So the five-year term is about security of tenure, not about paying once. There is also an additional licence fee on top of the figures above, which this notification does not quantify. Ask the Deputy Commissioner what it comes to before you build the number into a plan.

Karnataka's year does not start when yours does

The notification defines it plainly: "Excise Year" means the year commencing on the first day of July and ending with the 30th day of June of the next calendar year. Maharashtra renotifies its rates each February for a year starting 1 April. Karnataka runs 1 July to 30 June. If you operate in both states, your renewal calendar has two different new years in it.

The microbrewery rides on the bar licence

A Karnataka microbrewery licence is granted on top of an existing CL-9, CL-4, CL-7 or CL-6A licence. You do not get a microbrewery permission on its own. That changes the sequence completely: the bar licence comes first, the brewing permission second.

Karnataka's rules also define what a microbrewery is, and the definition carries physical minimums: installed capacity not exceeding 3,65,000 litres a year, premises of not less than 6,500 square feet built-up area, with a dining hall and parking, where draught beer is made and served for consumption on the premises. A 3,000 square foot brewpub is not a small version of this, it is ineligible.

The charging mechanism differs from Maharashtra's too, and this is the part to check carefully. Maharashtra charges a flat fee for a capacity band. Karnataka is reported to charge per bulk litre on half of your annual installed capacity, under the Karnataka Excise (Excise Duties and Fees) (Amendment) Rules 2025. That structure punishes overbuilt capacity in a way a flat band does not, because you pay on the plant you installed rather than the beer you sold. The rate itself is not quoted here because it was not read in the gazette. Confirm it with the department before you size the plant.

06 How the Other States Are Shaped

Named, not priced, and the reason for that is the point of the chapter.

Fees below are deliberately absent. What matters more at the planning stage is the shape of each state's system, because that is what determines whether your plan is possible at all. A fee you can budget for. A capped licence pool you cannot.

Five states, five different systems

State	The licence	What drives the fee
Maharashtra	FL-III for spirits, Form E for beer and wine	Population of the location. Renotified each February.
Delhi	L-17 for an independent restaurant	Seat covers, split between Indian and foreign liquor.
Karnataka	CL-9 refreshment room (bar) licence	Administrative class of the local body. Excise year runs 1 July to 30 June.
Telangana	2B licence for hotels and restaurants	Availability, not price. The department notifies a fixed number and invites applications in a window.
Gujarat	FL-III, but under the Prohibition Act	Exemption rather than ordinary licence. Different meaning to the same code.

Three of these are priced to the rupee in Chapters 3, 4 and 5. The two below are not, and the reason is worth reading.

Telangana: you cannot apply if nothing is notified

The 2B licence lets hotels and restaurants sell IMFL and foreign liquor in glasses or pegs for consumption within the licensed premises.

The part that catches people out is that these are not granted on demand. The Prohibition & Excise Department notifies a fixed number and opens a window. In 2025 it notified 28 bar licences, 24 of them within GHMC limits, with a non-refundable demand draft of ₹1 lakh per application.

If you are planning a bar in Hyderabad, the first question is not what it costs. It is whether a licence is being notified for your area, and when the window opens.

Gujarat: prohibition, with a widening exception

Gujarat operates under the Gujarat Prohibition Act, 1949. Liquor service exists through exemptions and permits rather than an ordinary licence, and individual consumption runs on health permits and visitor permits.

GIFT City is the exception, and it widened in December 2025. A Home Department notification dated 20 December 2025 amended the earlier exemption orders. Units apply for an FL-III licence to the Superintendent of Prohibition and Excise in Form 'A'. Reported terms are ₹1 lakh a year with a ₹2 lakh security deposit, renewable. Confirm those with the Superintendent rather than taking them from coverage.

Service is no longer confined to a designated Wine and Dine area and now extends across hotel and restaurant premises including lawns, poolside areas and terraces. People from outside Gujarat and foreign nationals may consume on production of photo identification, without a personal liquor permit.

Gujarat, Bihar, Nagaland, Mizoram and Lakshadweep have all operated prohibition in some form, and the position in individual states has changed more than once. This guide does not print a definitive national list, because a stale list is worse than no list. Confirm the current status with the state's excise or prohibition department before you commit to a site.

07 Microbrewery or Brewery

One question decides it, and the answer changes your fixed cost by seven figures.

If you intend to make beer rather than buy it, you need a manufacturing licence in addition to the licence to serve. In Maharashtra both sit under Rule 3(2) of the Maharashtra Manufacture of Beer and Wine Rules, 1966, in Form BRL, and the gap between the two categories is the single largest number in this guide.

₹3,20,100

Microbrewery, Up To 2 Lakh Bulk Litres

Maharashtra Gazette 18-Feb-2026, Sr. B-3, FY 2026-27

₹11,22,000

Brewery Minimum, Even At Nil Production

Same notification, Sr. B-1

3,65,000 L

Karnataka's Microbrewery Ceiling

Karnataka Excise (Brewery) Rules definition

Maharashtra craft beer licence, by installed capacity

Annual capacity	Fee, FY 2026-27
Up to 2,00,000 bulk litres	₹3,20,100
2,00,001 to 4,00,000 bulk litres	₹6,40,100
4,00,001 to 15,00,000 bulk litres	₹8,00,200

Form BRL, Sr. B-3, for craft beer. Granted under Rule 3(2) of the Maharashtra Manufacture of Beer and Wine Rules, 1966.

The same rules, for a full brewery and for wine

Beer, full brewery	Minimum ₹11,22,000 where the preceding year's average production is up to 1,00,000 cases of 7.8 bulk litres each, or for nil production. ₹11.22 per case above that.
Wine, up to 1,200 cases of 9 B.L.	₹10,000
Wine, 1,201 to 3,000 cases	₹16,100
Wine, above 3,000 cases	₹16,100 or ₹2.06 per case, whichever is higher

A brewery fee is a floor. A microbrewery fee is a slab.

Read the brewery line again: ₹11,22,000 is the minimum, payable on nil production. You pay it for holding the licence, whether or not you brew a litre. The microbrewery categories are priced on installed capacity instead, starting at ₹3,20,100. For a brewpub attached to a restaurant, that difference is usually the whole argument, and it is decided by which category you apply under rather than by how much beer you actually sell.

Before you commit to brewing on site

- ✓ **Check the state's capacity ceiling and floor area rule**
  Karnataka caps a microbrewery at 3,65,000 litres a year and requires at least 6,500 square feet built-up with a dining hall and parking. A site that cannot meet the area minimum cannot hold the licence, whatever the equipment costs.
- ✓ **Confirm whether the brewing licence is standalone or an add-on**
  In Karnataka it rides on an existing CL-9, CL-4, CL-7 or CL-6A licence. That means two applications in sequence, not one.

- ✓ **Size the plant to the slab, not to ambition**
  Maharashtra's first capacity slab runs to 2,00,000 bulk litres. Specifying a plant marginally above a slab boundary doubles a fixed annual cost for capacity you will not use in year one.

- ✓ **Budget the pollution control consent**
  Brewing produces effluent. Consent from the State Pollution Control Board is a separate approval on its own timeline, and it is not part of the excise file.

- ✓ **Plan for excise supervision on the premises**
  Manufacturing under an excise licence brings measurement, record-keeping and departmental oversight that a bar buying sealed stock never deals with. Staff for it.

08 Everything Else That Has To Be In Place

None of these are excise permissions. Every one of them can stop an opening.

The excise licence sits at the end of a queue of other permissions, several of which are formal preconditions. Maharashtra will not consider an FL-III without a valid eating house licence. Delhi's L-17 document list names a health trade licence, an eating house licence and a fire NOC before you get to the excise question at all.

The full permission stack

Permission	Who grants it	Why it matters here
Eating house licence	City police commissionerate	A precondition for FL-III in Maharashtra. Named in Delhi's L-17 document list.
Health trade licence	Municipal corporation	Named in Delhi's L-17 document list.
FSSAI licence or registration	FSSAI or the state food authority	You are serving food. Turnover-based since 1 April 2026: registration up to ₹1.5 crore, State licence ₹1.5 to 50 crore, Central above ₹50 crore.
Fire NOC	State fire service	Named in Delhi's L-17 document list. Tied to occupancy and layout.
Shop & Establishment registration	State labour department	Standard for any commercial premises with staff.
Building occupancy and change of use	Local body	Permit-room area minimums are architectural. The layout is a licensing matter.
Legal Metrology verification	State Legal Metrology department	Peg measures and marked glassware serve a measured quantity, so they are measuring instruments.
Pollution control consent	State Pollution Control Board	For a microbrewery. Effluent from brewing.

Music is a licence too, and the answer is not a name

Playing recorded music in a licensed bar needs public performance rights, and there are two separate rights involved: the sound recording, and the underlying musical and literary work. The set of bodies registered as copyright societies under section 33 of the Copyright Act, 1957 has changed over the last decade, and more than one organisation collects in this space. Do not accept a verbal assurance. Ask for written confirmation of which repertoire a licence actually covers, and for the period it covers, before you pay.

Sequence, not a checklist

These are not eight parallel tasks. The eating house licence gates the excise application in Maharashtra. Occupancy gates the fire NOC. FSSAI wants a premises that exists. Treating the list as parallel is the most common reason a launch date slips by a quarter, because the dependency only becomes visible when the excise office refuses to accept the file.

09 Two Tax Regimes On One Bill

The liquor line and the food line are not taxed by the same government.

This is where restaurant operators moving into a bar format are most often caught out. Alcoholic liquor for human consumption is outside GST entirely, by Article 366(12A). Food and non-alcoholic beverages are inside it. Both appear on one table bill.

What applies to what

On the bill	Taxed under	By whom
Liquor	State excise duty and state VAT or sales tax	State excise and commercial tax departments
Food and non-alcoholic beverages	GST	Central and state GST administration

The states' power to levy excise on liquor comes from Entry 51 of the State List, and to tax its sale from Entry 54 as substituted by the 101st Constitutional Amendment in 2016.

The GST rate on the food side, and what decides it

Restaurant service outside specified premises is 5% without input tax credit. Restaurant service at specified premises is 18% with input tax credit.

Notification 05/2025-Central Tax (Rate) dated 16 January 2025 amended Notification 11/2017-Central Tax (Rate) and replaced the old "declared tariff" test with actual value of supply, with effect from 1 April 2025. A premises is specified where the value of supply of any unit of accommodation exceeded ₹7,500 per unit per day in the preceding financial year, or where the supplier has filed a declaration opting in.

For a hotel bar that has an odd consequence: whether your restaurant charges 5% or 18% on food this year is decided by last year's actual room rates, not by anything happening in the restaurant. Suppliers with multiple premises file a separate declaration for each.

Take the credit question to your accountant with your own numbers

Because the liquor line sits outside GST, input tax credit on costs attributable to it does not behave the way it does in a pure food business. That interacts with the 5% without credit and 18% with credit choice on the food side, and the right answer depends on your own mix of sales and input costs. There is no published Indian benchmark for the impact, so model it on your own figures rather than on a number someone quotes you.

What this means for your billing system

- ✓ **Liquor and food must be separable on one bill and in every report**
  Not just visually. Your excise return, your VAT return and your GST return each need their own slice of the same day's sales. If the system cannot split it, someone is doing it in a spreadsheet every month.
- ✓ **Excise-driven price changes have to be date-versioned**
  State excise duty changes move liquor prices mid-year. If your system overwrites the old price rather than versioning it, last quarter's bills will not reconcile with last quarter's returns.
- ✓ **Pour measurement has to tie back to stock**
  A 750 ml bottle sold in 30 ml and 60 ml measures is the easiest place in hospitality for stock and sales to drift apart. Track at the peg, not the bottle. Complimentary drinks and happy-hour pours still leave inventory, so they belong in the system too, otherwise your variance report is measuring generosity as theft.
- ✓ **Dry days are a system setting, not a memory test**
  Days on which liquor cannot be served are notified by the state and vary between them. The bar should not be relying on a manager remembering.

10 The Document Pack and the Sequence

What to gather, and the order that stops you gathering it twice.

The exact list is state-specific and licence-specific. What follows is assembled from the requirements published for Maharashtra's FL-III and Delhi's L-17, which between them cover most of what any state asks for.

The order that works

1. **Settle the entity and the premises**
   Partnership deed or memorandum and articles, and the registered sale deed or lease deed of the premises. Every subsequent application refers back to these two, so an entity change mid-process restarts the file.

2. **Clear the site rules before spending on the site**
   Distance from educational institutions, religious places, hospitals and transport depots. Commercial zoning. Parking. Population slab or seat plan. All knowable before a lease is signed and all fatal afterwards.

3. **Get the local permissions that gate the excise file**
   Eating house licence, health trade licence, fire NOC, occupancy. Maharashtra will not take an FL-III application without a valid eating house licence in hand.

4. **Add the food layer**
   FSSAI licence at the right turnover tier, and the state food authority approval where the state requires it, as Maharashtra does with the FDA licence.

5. **Prepare the excise-specific documents**
   Architectural blueprints showing the permit room and its area, solvency certificate, tax clearances, police registration certificate, affidavit on seating capacity where required.

6. **Arrange the money before you file**
   The licence fee itself, plus a bank guarantee of 50% of it in Maharashtra, plus the application fee. On a large-city FL-III the guarantee alone runs to several lakh rupees.

7. **File, then expect scrutiny of the location, not just the papers**
   The police report on law and order and the distance verification are assessments of the site. They are not clerical checks and they are the stage at which files most often stall.

> **On timelines**
>
> This guide does not give you a number of days. None of the state departments read for this guide publishes a processing service level for a bar licence, and every "get licensed in 45 days" claim traces back to someone selling the service. What is safe to say is that the sequence above has dependencies in it, and the dependencies, not the departments, are usually what set your date.

11 What Goes Wrong

Ten failures, drawn from how the rules are actually written.

Most of these are not exotic. They are the predictable consequences of treating liquor licensing as a form-filling exercise rather than as a set of constraints on the site, the layout and the concept.

Check yourself against each of these

- ✓ **Signing the lease before checking the population slab or the distance rule**
  In Maharashtra the population of the location moves the same licence fee by a factor of twelve. In Delhi, Rule 51 puts a 100 metre exclusion around major educational institutions, religious places and hospitals. Both are checkable on day zero and unfixable on day one hundred.

- ✓ **Buying a spirits licence for a beer and wine concept**
  Maharashtra's Form E covers beer, craft beer, fermented liquor and wine on the premises and starts at ₹55,000. FL-III starts at ₹95,500 and runs to ₹11,40,500. Pay for what you will actually pour.

- ✓ **Budgeting the licence fee and forgetting the bank guarantee**
  Maharashtra requires a bank guarantee of 50% of the licence fee alongside the fee. It is working capital that never appears in the fee tables people quote.

- ✓ **Taking a fee figure without a financial year attached**
  Maharashtra renotifies annually each February. The Delhi table itself shows a 10% year-on-year escalation. A fee without a year is not information.

- ✓ **Planning 105 seats in Delhi**
  The fee steps at 50, 100 and 200 covers. Five seats over a boundary can cost ₹7 lakh a year. Model the marginal seats against the slab.

- ✓ **Assuming a licence is available**
  In Telangana the department notifies a fixed number of 2B licences and opens a window. Readiness is irrelevant if nothing is notified for your area.

- ✓ **Treating the permission stack as parallel tasks**
  The eating house licence gates the Maharashtra excise application. Occupancy gates the fire NOC. Run them as parallel and you discover the dependency at the excise counter.

- ✓ **Sizing a brewpub without reading the state's microbrewery definition**
  Karnataka requires at least 6,500 square feet built-up with a dining hall and parking, and caps capacity at 3,65,000 litres a year. Equipment budgets do not fix an ineligible floor plate.

- ✓ **Running liquor and food through one undifferentiated sales line**
  They are taxed by different governments under different laws. If the split happens in a spreadsheet at month end rather than in the system at the table, the returns will not reconcile and nobody will be able to say why.

- ✓ **Letting pour measurement live in someone's judgement**
  Spirits sold in 30 ml and 60 ml measures from a 750 ml bottle is where stock and sales drift apart fastest. Measured pours, recorded complimentary drinks and a nightly variance check are the whole of the discipline.

The one habit worth building first

Keep a single file with, for each permission you hold: the licence number, the granting authority, the date of grant, the expiry date, and the notification or rule it sits under. Most of these renew annually and several renew on the financial year rather than on your anniversary. The businesses that get caught out by a lapsed licence are almost never the ones that could not afford the fee, they are the ones where nobody owned the calendar.

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