

INTERNATIONAL JOURNAL FOR LEGAL RESEARCH AND ANALYSIS



Open Access, Refereed Journal Multi Disciplinary
Peer Reviewed Edition :

www.ijlra.com

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ISSN

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“CRAFTING SUCCESS: AN INSIGHT INTO BRUUT BEER’S JOURNEY”

AUTHORED BY - TRUPTI AGARKAR

Abstract:

This research delves into the emergence and operations of Bruut Beer, the pioneering microbrewery in Nagpur, India, within the context of the country's evolving beer market. Despite prevailing challenges such as regulatory hurdles and cultural preferences favoring hard liquor, Bruut Beer has strategically positioned itself to introduce and popularize craft beer in a region unaccustomed to such offerings. Through meticulous market research, innovative product diversification, and a commitment to quality, Bruut Beer has not only carved a niche for itself but also set a precedent for aspiring entrepreneurs in the craft beer industry. The study underscores the importance of patience, resilience, and strategic networking in navigating the complexities of the dynamic beverage market landscape.

Keywords: Microbrewery, Craft Beer, Market, Regulatory Compliance, Bruut Beer

INTRODUCTION

The majority of Indians do not particularly favour beer; instead, they have a stronger preference for hard liquor. However, for enthusiasts, the appeal lies in the distinctiveness of freshly crafted beer available at microbreweries. Regrettably, the prevalence of microbrewery culture remains limited in India, primarily due to challenges such as strict state liquor regulations, licensing complications, financial constraints, and a scarcity of skilled labour required for the intricate task of brewing.

Microbreweries represent small-scale beer producers catering to local or regional markets, often evolving into brewpubs. These establishments, also known as craft breweries, typically produce a limited quantity of beer. While specific definitions may vary, they generally refer to breweries significantly smaller than large corporate counterparts and are independently owned. These breweries prioritize quality, flavour, and brewing techniques. Due to the regulatory nature of liquor being under state jurisdiction, microbrewery operators must secure a separate license from

the excise department, which is a demanding process. Complicating matters further, only a select few states, such as Haryana, Karnataka, Maharashtra, Punjab, and West Bengal, issue microbrewery licenses.

In the late 2010s, Nagpur, categorized as a tier II city concerning its array of restaurants, hotels, and clubs, remained unfamiliar with the culture of craft beer. This brewing culture initially emerged in Bangalore; Bangalore being the Microbrewery capital of India, and gradually spread to metropolitan centres such as Mumbai and Pune. Thus, Bruut Beer proudly considers themselves pioneers in introducing this trend to Nagpur and the broader Vidarbha region. The primary objective is to promote and establish the brewing culture within the city, continuously innovating and diversifying the offerings in the beverage market. Ultimately, ambition extends to expanding their business across the entirety of the country. Bruut Beer, established in October 2017, marks a significant milestone in Nagpur's culinary landscape as the first microbrewery in the region.

Bruut Beer can be categorized as a micro-enterprise within the framework of India's startup landscape. Micro-enterprises are typically characterized by their modest scale of operations, small workforce, and relatively constrained financial resources. In the case of Bruut Beer, such attributes are evident in various facets of its operation. Firstly, the brewery functions on a diminutive scale, with a minimal team of four individuals overseeing its daily functions. This staffing arrangement underscores the brewery's lean operational structure, a hallmark of micro-enterprises. Additionally, despite being the inaugural microbrewery in Nagpur and the broader Vidarbha region, Bruut Beer's market presence remains localized, primarily targeting consumers within its geographic vicinity.

Financially, Bruut Beer operates with limited revenue streams, as indicated by its initial investment outlay of approximately 2 crore Rupees, which marginally offsets operational expenses. Such financial modesty is emblematic of micro-enterprises, which typically exhibit restrained levels of capital investment and revenue generation compared to larger enterprises. Moreover, the brewery navigates regulatory complexities associated with licensing and compliance with excise laws, indicative of its status as a small-scale enterprise within the regulated alcohol industry.

In terms of its classification as a startup, Bruut Beer embodies the essence of a microbrewery

startup operating within the craft beer sector. Microbreweries are characterized by their modest production volumes, often focusing on crafting distinctive, high-quality beer tailored to local or regional tastes. Bruut Beer's emphasis on innovation, product diversification, and localized market penetration aligns closely with the ethos of microbrewery startups. Consequently, the brewery's status as a micro-enterprise underscores its role as a burgeoning participant in India's dynamic startup ecosystem, characterized by its commitment to quality, innovation, and localized market engagement.

LITERATURE REVIEW

Drawing upon existing literature on microbreweries, this section explores various thematic areas pertinent to Bruut Beer's operations. Topics covered include market dynamics, product differentiation, regulatory challenges, and the cultural significance of craft beer.

[I] RESEARCH REPORTS

1. An investigation of the growing micro-brewery industry in India¹

Authored by – Shabroni Puri, Sanjeeb Pal, Gaurav Bhattacharya

The study explores the microbrewery industry in India, particularly in the National Capital Region (NCR). It emphasizes the health benefits and nutritional content of beer. Methodologically, it involves interviews and questionnaires with microbreweries, using both primary and secondary data sources. Objectives include studying industry emergence, sustainability, and challenges. Findings highlight gender distribution, age demographics, taxation impact, workplace factors, and consumer feedback methods. Limitations include limited data due to alcohol abstinence, the novelty of microbreweries, and regulatory variations across states.

2. The Economic Impact of Craft Breweries²

Authored by - Bart Watson, Brewers Association Chief Economist

The article discusses the economic impact of craft breweries in the United States, highlighting their significant contribution to job creation, revenue generation, and overall economic growth. It emphasizes the growth of the craft brewing industry over the years, showcasing its role as a vital component of local economies across the country. The data presented underscores the importance of craft breweries in driving tourism,

¹ [\(6\) An investigation of the growing micro-brewery industry in India | Sanjeeb Pal and shiri puri - Academia.edu](#)

² BA Brewers Association – For Small and Independent Craft Brewers [Economic Impact of the Craft Brewing Industry | Brewers Association](#)

supporting agriculture, and fostering community development.

3. Rise of Craft Beer in India³

Authored by – Jadhav, Saurabh, Talukdar, Rupam Pratim (Indian Institute of Management, Bangalore)

The document explores the emergence and growth of craft beer in India, a trend that has gained momentum over the past decade. Despite generating considerable discussion, the financial impact of craft breweries may not be substantial. However, the increasing number of brewpubs and independent craft beer manufacturers suggests that this trend may represent a significant shift in the beer industry, reflecting a global craft revolution. While the growth in this segment has outpaced the industry average, there are challenges such as slow scaling and limited interest from institutional venture capital funds. Notable players in this space include Bira91, backed by Sequoia, which competes directly with industry giants. Brewpubs are also adapting global craft trends to suit local tastes. Mainstream companies like United Breweries and AbInBev acknowledge the craft movement but focus on serving consumers with mainstream beers or adapting popular products to Indian preferences. Overall, there is a consensus that the Indian beer consumer is evolving, seeking new experiences beyond mere alcohol content. Looking ahead, the beer industry in India is expected to follow the global trend of offering more personalized and localized choices across various price ranges.

4. Microbreweries as Tools of Local Identity⁴

Authored by – Steven M. Schnell, Joe Reese

In the 1490s, a surge of over 1,500 microbreweries emerged across the nation, driven by a desire to break away from mainstream culture. Geographer Wes Flack's concept of "neolocalism" suggests that this reflects a broader movement towards reconnecting with local identity. Despite industry changes, recent trends affirm Flack's thesis. This study explores how microbreweries use ale names and visual marketing to foster local connections, shedding light on the practice of neolocalism.

³ [Rise of craft beer in India | IIMB-](#)

⁴ [\(PDF\) Microbreweries as Tools of Local Identity \(researchgate.net\)](#)

5. Craft breweries and local place development – Perspectives from a Scandinavian context⁵

Authored by – Cecilia, Wilhelm, Anne, Lovisa, Eivind & Ors

The craft beer industry has rapidly expanded globally but remains relatively understudied in Norway and Sweden. This study examines how contextual factors influence craft breweries' contribution to local development. Findings from a survey of 201 brewers indicate that rural breweries face profitability challenges and regulatory constraints. Emphasizing place connection is crucial, particularly for rural breweries, and tourism plays a significant role. Contextual differences impact breweries' ability to engage with and benefit their local communities.

6. Study on Market Analysis of Indian Beer Industry⁶

Authored by – Abhishek Vashishth and Dr. Nisha Tripathi

The text provides a comprehensive overview of the Indian beer industry, tracing its historical evolution and regulatory landscape while highlighting corporate strategies and market dynamics. It discusses the proactive approach of companies like U.B. Group in acquiring breweries to access key markets and analyzes the industry using a PESTLE framework, identifying political, economic, socio-cultural, technological, legal, and environmental factors shaping the market. Furthermore, it delves into the Ownership, Location, and Internalization (OLI) model, emphasizing opportunities and challenges for companies like Inbev India International Private Limited. Additionally, the text showcases corporate social responsibility initiatives, particularly of the UB Group, and presents research findings on consumer behavior and preferences, notably regarding brands like Mohan Meakin. The conclusion synthesizes key insights, including consumer price sensitivity, brand preferences, distribution challenges, and opportunities for market expansion through promotional activities and product availability enhancements. Overall, it offers valuable insights for stakeholders navigating the complex landscape of the Indian beer industry.

⁵ [Craft breweries and local place development – Perspectives from a Scandinavian context - Cecilia Dalborg, Wilhelm Skoglund, Anne Wally Ryan, Lovisa Högberg, Eivind Junker, Øystein Rennemo, Yvonne von Friedrichs, 2023 \(sagepub.com\)](#)

⁶ [\(PDF\) Study on Market Analysis of Indian Beer Industry \(researchgate.net\)](#)

7. A Review on Acceptance of Craft Beers in Mumbai Suburbs⁷

Authored by – Mr. Amit P. Ghadiyali and Swagat Chandrakant Doiphode

The study explores the acceptance of craft beer in Mumbai's suburbs compared to mainstream beers. Despite India's historical preference for heavy liquors, craft beer consumption is rising, especially among educated, middle-class individuals. Craft breweries innovate in ingredients, aging, packaging, and alcohol concentration. Challenges such as high costs and strict regulations hinder the industry's expansion, requiring government support and industry cooperation. Despite obstacles, the rise of domestic brands and the brewpub culture contribute to the significant growth of the craft beer market in India. Efforts to streamline distribution, ease regulations, and promote social reforms are crucial for nurturing local breweries and sustaining craft beer culture in India.

8. Craft beer, consumers, and brewers: Exploring preferences and attitudes for craft beer and food⁸

Authored by - Danielle Heidkamp Department of Marketing, University of South Florida

The report explores the correlation between brand personality and consumer preferences within the craft beer industry. Through a mixed-methods approach involving surveys and focus groups, the study investigates how brand personality impacts consumer choices and purchasing behaviors in this market. The research findings indicate a significant association between brand personality and consumer preferences, with individuals showing a preference for craft beer brands that resonate with their own values and preferences. Moreover, the study underscores the significance of authenticity and distinctiveness in craft beer branding strategies for engaging consumers effectively.

9. The Indian beer dichotomy: an analysis of risk and benefit perception and its effect on consumer behavior⁹

Authored by – Vikas Gupta, Manohar Sanjani

The paper explores the influence of risk and benefit perceptions on beer patrons' purchase and consumption decisions in India. It uses data from 306 beer patrons in Delhi and the National Capital Region, employing exploratory factor analysis and structural equation

⁷ [Paper13706.pdf \(ijarsct.co.in\)](#)

⁸ [thesis-heidkamp-danielle.pdf \(usf.edu\)](#)

⁹ [The Indian beer dichotomy: an analysis of risk and benefit perception and its effect on consumer behavior | Emerald Insight](#)

modeling to examine the factors associated with beer consumption. The findings reveal that patrons' attitudes towards beer are influenced by their perceptions of risk and benefit, with health and socio-psychological risks identified as significant negative factors. Additionally, positive perceptions of benefits such as value for money, sensory appeal, and convenience impact patrons' attitudes positively. The study contributes to understanding how consumer risk and benefit perceptions affect beer consumption patterns and aids stakeholders in better tailoring their beer offerings to meet customer desires and requirements.

10. Utilization of brewery wastes in food industry¹⁰

Authored by – Rogerio Sotelo-Mundo

The article discusses the significant amount of waste generated during beer production and the potential for utilizing these by-products to reduce costs and environmental impact. Beer brewing generates various by-products including brewer's spent grain, hot trub, and residual brewer's yeast. Proper management of these by-products could bring economic benefits and mitigate environmental pollution. The by-products have potential applications in the food industry as low-cost nutritional sources, food additives, and extraction materials for valuable compounds. However, there's a need for further research and development to design feasible processes for their utilization and revalorization. Efficient management of these by-products is crucial for limiting environmental pollution and enhancing economic performance. Utilizing these by-products can reduce food and feed production costs while maximizing their nutritional value. Further research is needed to explore incorporating bioactive components of these by-products into food products.

[II] INDUSTRY REPORTS

11. The Indian Beer Boom: Understanding the Rise in Demand¹¹

Authored by - NPCS

The article delves into the burgeoning demand for beer in India, highlighting the factors contributing to this growth. It discusses how changing demographics, urbanization, rising disposable incomes, and evolving lifestyles have led to an increased preference for beer among Indian consumers. The piece also touches upon the impact of

¹⁰ [Utilization of brewery wastes in food industry - PMC \(nih.gov\)](#)

¹¹ [India Beer Market Growth Trends - Unlocking the Potential \(niir.org\)](#)

globalization, marketing strategies by breweries, and the influence of western culture on beer consumption patterns in India. Additionally, it explores the challenges faced by the Indian beer industry, such as regulatory hurdles, taxation policies, and competition from other alcoholic beverages. Overall, the article provides insights into the factors driving the Indian beer boom and the opportunities and challenges associated with this trend.

12. Craft beer brewers enjoying their high in India¹²

Authored by – Sakshi Singh, Edited by - Nusra

The article explores the burgeoning craft beer industry in India, influenced by trends from Europe and the US. It highlights the growing demand for craft beer among millennials, who perceive it as more authentic, and premium compared to regular lagers. The statistics indicate a significant growth in the craft beer market, with brands like Kimaya Himalayan Beverages, Medusa, and Simba experiencing substantial sales increases. Factors driving this growth include consumer experimentation, the rise of brewpub culture in cities, and the appeal of craft beer's freshness due to smaller batch production. Despite challenges posed by the pandemic and regulatory issues, there is optimism for the industry's resilience and innovation, with a focus on direct-to-consumer sales and online transactions as potential growth drivers.

13. How to start Micro Breweries business in India?¹³

Authored by – Community HC

The article discusses microbreweries, which are small-scale breweries that produce limited quantities of beer, often independently owned. Originally recognized for their small size, microbreweries are now renowned for their brewing flexibility, experimentation, and customer service. In India, the microbrewery business is thriving, with craft beer projected to be the fastest-growing segment. The article also provides a step-by-step guide on starting a microbrewery in India, covering aspects such as market analysis, location selection, raising capital, acquiring machinery, obtaining licenses and permissions, ensuring quality production, and implementing effective marketing strategies.

¹² [Craft beer brewers enjoying their high in India - Restaurant India \(indianretailer.com\)](https://www.indianretailer.com)

¹³ [Micro-Breweries business in India - Community - HC \(hospitalityconnaisseur.com\)](https://www.hospitalityconnaisseur.com)

14. India's craft beer Bira 91 is frothing over¹⁴

Authored by – Anshul Dhamija

The report focuses on Bira 91, a craft beer brand that has quickly gained popularity in India despite facing supply chain challenges. Introduced by entrepreneur Ankur Jain, Bira 91 offers two variants—White Ale and Blonde Lager—imported from Belgium. Despite limited advertising, the brand has gained traction through word of mouth, particularly in restaurants, pubs, and bars where it is available on-tap. While Bira 91's success has been overshadowed by supply issues, Jain is optimistic about its growth prospects. Sequoia Capital's investment in the brand underscores its potential in the craft beer market. Bira 91's expansion plans include increasing retail sales and launching new products. However, challenges remain, including competition from established beer brands and the need for scalability. Nonetheless, Bira 91's rapid growth signifies changing consumer preferences and the potential for disruption in the beer market.

15. India Beer Market Outlook, 2027-28¹⁵

Authored by – Research and Markets

The report provides an overview of the beer industry in India, tracing its historical roots from ancient times to its modern evolution. It highlights the emergence of various beer brands and the establishment of microbreweries, such as Doolally in Pune, marking a shift towards craft beer production. The research further delves into the market dynamics, stating that low-priced standard strong beer holds the largest market share, with bottled beer being preferred over canned due to consumer perceptions. The highest beer-consuming cities are identified, with New Delhi and Chandigarh leading the list. The report emphasizes the rapid growth of the Indian beer industry, driven by factors like population growth, urbanization, and changing consumer preferences. Craft beer, in particular, is gaining popularity among younger demographics, with brands like Briggs Brewery and Bira leading the trend. Despite setbacks caused by the COVID-19 pandemic, the industry has shown resilience and adaptation, shifting towards flavored and variety beers. The report also discusses major players in the Indian beer market and provides insights into market segmentation, geographic distribution, and sales channels. Intended for industry stakeholders, the report aims to assist in strategic decision-making and competitive analysis within the Indian alcohol beverages sector.

¹⁴ [India's Craft Beer Bira 91 Is Frothing Over - Forbes India](#)

¹⁵ [India Beer Market Outlook, 2027-28 - Research and Markets](#)

16. Microbrewery in India: Is it a viable business?¹⁶

Authored by – Social Chef

The report discusses the viability of microbreweries in India, focusing on their growth, challenges, and opportunities. Microbreweries, which produce limited quantities of beer with a focus on quality and flavor, are thriving in India due to increasing demand for diverse beer options. Licensing requirements and costs vary by state, with recent reductions in licensing fees making entry into the market more accessible. The article highlights popular microbreweries in cities like Pune, Mumbai, Bengaluru, and Gurugram. Despite the industry's growth, challenges such as obtaining licenses, securing capital, and facing competition persist. However, for entrepreneurs passionate about the business and willing to innovate, starting a microbrewery can be a rewarding venture, provided they conduct thorough research and evaluation beforehand.

17. The story of the Indian Microbrewing Industry¹⁷

Authored by – Anushree Basu-Bhalla

The report provides an insightful overview of the burgeoning microbrewing industry in India, shedding light on its origins, challenges, and what defines a good beer. It discusses how microbreweries emerged as a response to the limitations of the traditional beer supply chain, offering consumers a fresher and more diverse range of options. Craft brewing, driven by a passion for quality and creativity, has become a hallmark of these establishments, providing beer enthusiasts with unique and flavorful experiences. The report also delves into the ingredients and flavoring techniques used by craft brewers, emphasizing the importance of freshness and innovation. Despite facing operational challenges such as licensing issues and a shortage of skilled labor, microbreweries have proliferated in areas with a high concentration of young, affluent consumers. The report concludes with a nod to the historical significance of beer in India and encourages consumers to explore the rich variety of brews offered by microbreweries, signaling a shift away from mass-produced bottled beer towards artisanal craft brews.

¹⁶ [Microbrewery in India: Is it a viable business? - Social Chef Priyanka](#)

¹⁷ [In Pursuit of Happiness - BusinessToday - Issue Date: Dec 23, 2012](#)

[III] ARTICLES**18. BIRA 91: Where to Go from Here¹⁸**

Authored by – Tripti Sahu, Lokesh Arora & Prakash Singh

The article provides an overview of the Indian alcohol industry, which ranks third globally, with an estimated value of ₹ 35 billion. While the whiskey market dominates, the beer sector has seen growth potential, with projections of a 7.6% CAGR between 2018 and 2024. Bira 91, a craft beer brand launched in 2015, quickly gained traction, claiming a 4.5% market share by 2017 and aiming for ₹ 6.14 billion in sales by 2018. Despite facing challenges such as the COVID-19 pandemic, Bira 91 diversified its product range and aimed to become a market leader by 2024. With a focus on understanding consumer preferences and effective marketing strategies, Bira 91 positioned itself as a unique and appealing brand in the competitive Indian alcohol market. The article highlights the company's journey, challenges, and strategies for future expansion, emphasizing the importance of market analysis and innovative approaches for success in the industry.

19. Historical Perspective and Current challenges for Microbreweries on Bacterial Spoilage of Beer¹⁹

Authored by – Alex Thompson and Paul Dawson

The background on beer and brewing spans from its ancient origins to its modern-day significance in the beverage market. Historically, beer has been a staple beverage across various cultures, with its production dating back to ancient civilizations like Mesopotamia and Egypt. European influence, particularly through figures like Charlemagne and the introduction of the Reinheitsgebot, shaped beer's development. In America, figures like George Washington and Thomas Jefferson contributed to its popularity. The craft beer movement has seen exponential growth, with numerous microbreweries and brewpubs making significant economic contributions. Despite beer's stability, microbial contamination remains a concern, impacting product quality and financial viability. Understanding the microbiology of beer and identifying common spoilage organisms like *Lactobacillus* and *Pediococcus* is crucial. Solutions to minimize contamination include maintaining sanitation protocols and understanding the unique

¹⁸ [BIRA 91: Where to Go from Here - Tripti Sahu, Lokesh Arora, Prakash Singh, 2023 \(sagepub.com\)](#)

¹⁹368427969_Historical_Perspective_and_Current_Challenges_for_Microbreweries_on_Bacterial_Spoilage_of_Beer_Bacterial_spoilage_of_beer

DATA ANALYSIS

Presented here are findings derived from the interviews with the founder, providing detailed insights into Bruut Beer's product range, market research strategies, operational processes, and financial structure.

General Information:

Bruut Beer, established in Nagpur, a Tier II city with a nascent culture in Restaurants, Hotels, and Clubs, emerged as a pioneer in introducing Craft Beer to the region in the late 2010s. Stemming from the origins in Bangalore, this brewing culture gradually permeated to metropolitan centres like Mumbai and Pune. Bruut Beer's mission is singularly focused on popularizing the craft brewing ethos within Nagpur and the wider Vidarbha region. With an unwavering commitment to innovation, the brewery seeks to continuously enrich the beverage market while harbouring ambitions for nationwide expansion.

Bruut Beer was founded in October 2017. Despite initial preparations for a launch in 2020, the onset of the pandemic necessitated a delay, with operations commencing in 2021 following the acquisition of requisite documentation, land licenses, and regulatory clearances. The genesis of Bruut Beer finds its inspiration in the allure of Craft Beer, a departure from conventional brews laden with preservatives. Distinguishing itself through an extensive repertoire encompassing both bottled and freshly brewed varieties, Bruut Beer offers a spectrum of choices, including wheat beer, ciders, and a myriad of other options. This commitment to variety sets it apart from its contemporaries, leveraging robust word-of-mouth marketing to assert its dominance in a burgeoning market.

Product and Market:

Bruut Beer boasts a diverse portfolio comprising 12 distinct offerings, comprising an equilibrium between ciders and beers. Spanning the spectrum from sweeter ciders to slightly bitter beers, the lineup includes a range of lagers, wheat beers, ales, and ciders such as apple, guava, kokum, and raspberry variants. Quality and consistency are sacrosanct principles at Bruut Beer, underpinned by meticulous sourcing of raw materials exclusively from reputable suppliers in Belgium and Germany.

Market research efforts preceding the launch of Bruut Beer were groundbreaking, effectively

pioneering a nascent market segment in Nagpur. Leveraging personal networks and social engagements, the brewery cultivated intrigue and enthusiasm among consumers unaccustomed to the craft beer experience. Harnessing word-of-mouth marketing and social media platforms like Facebook and Instagram proved instrumental in bolstering brand visibility and engagement.

Business Operations:

The brewing process at Bruut Beer is characterized by its unique idiosyncrasies, akin to the distinct flavors imparted by teas brewed in varied locales. The operational workforce at the brewery comprises a lean team of four, augmented by outsourced personnel overseeing specialized functions such as social media marketing and accounting. Distribution logistics at Bruut Beer eschew conventional middlemen, favoring a direct-to-outlet model facilitated by in-house delivery operations.

Daily operational challenges primarily revolve around equipment maintenance, particularly the refrigeration infrastructure essential for preserving product integrity. Moreover, sourcing premium raw materials and streamlining distribution logistics pose ongoing operational hurdles.

Legal and Regulatory Compliance:

Navigating the labyrinth of regulatory approvals proved a protracted endeavor for Bruut Beer, necessitating exhaustive documentation encompassing state endorsements, no-objection certificates, and excise clearances, among others. The culmination of this process spanned approximately two years. Compliance with alcohol regulations is vigilantly upheld, with routine oversight by excise officers ensuring adherence to stipulated standards. To date, Bruut Beer has encountered no legal adversities, owing to its scrupulous adherence to regulatory imperatives.

Financial and Growth:

Bruut Beer's financial landscape is characterized by an initial investment outlay of approximately 2 crore Rupees, with profitability marginally offsetting operational expenses. Revenue streams are diversified, encompassing core personal accounts, event sponsorships, and bespoke packaging solutions such as growlers. Growth and expansion initiatives are predominantly funded through internally generated revenue streams.

In a burgeoning market, Bruut Beer's long-term growth trajectory entails a concerted effort to rival established industry stalwarts while solidifying its presence through a diversified product

portfolio and strategic market penetration.

Impact and Sustainability:

Sustainability forms an integral tenet of Bruut Beer's ethos, underscored by initiatives such as water recycling and repurposing spent malts as nutrient-rich fodder for livestock. Socially conscious procurement practices underscore Bruut Beer's commitment to supporting local vendors, exemplified by sourcing rice lagers and citrus pulps from nearby suppliers. Though predominantly reliant on local suppliers, certain raw materials necessitate international sourcing to maintain product quality and consistency.

Future Outlook:

Bruut Beer aspires to transcend regional confines, envisioning itself as a formidable contender in the national beer market, rivaling established brands like Budweiser and Bira within the next 5-10 years. Ongoing innovation drives Bruut Beer's product development, with a penchant for experimentation evident in its expanding cider range and microbrewery trial initiatives.

Aspiring entrepreneurs in the craft beer industry are advised to cultivate patience, fortitude, and a robust network within the food and beverage sector to navigate the challenges inherent in this dynamic market landscape.

DATA INTERPRETATION AND DISCUSSION

Interpretation of the collected data is followed by a discussion of Bruut Beer's unique selling propositions, market positioning, and strategies devised to navigate operational challenges. Emphasis is placed on the brewery's innovative approach and its impact on the local beverage industry.

Legalities and Licensing:

Currently, only a few Indian states have fully developed excise policies, with Maharashtra and Haryana leading the way in this regard. These policies primarily govern the regulation of substances categorized as narcotics or intoxicants within the alcohol/liquor industry, entailing the imposition of taxes based on predetermined criteria and guidelines. Typically, taxation is applied on a per bulk liter basis for packaged beer in cartons and for microbreweries that do not engage in packaging. These taxes are assessed periodically, either weekly or monthly, and are influenced

by the alcohol by volume (ABV) content, with tax rates escalating as the ABV increases. However, it's important to note that the ABV in microbrewery beers is generally restricted to 8%. The issuance of a microbrewery or brewpub license is overseen by state excise authorities, granting permission for the operation of a commercial microbrewery. Previously, the cost associated with obtaining such a license was approximately Rs. 10 lakhs per annum, similar to fees imposed on standard commercial breweries. However, recent developments have led to a significant reduction in this licensing fee, with fees dropping to as low as Rs. 25,000 per annum. It's essential to acknowledge that these fee structures may vary across states, as excise regulations are decentralized and subject to regional disparities. Therefore, when planning project investments, it's advisable to budget for an estimated annual expenditure ranging from Rs. 1-2 lakhs²¹.

A microbrewery producing a volume of beer totalling up to two hundred thousand liters per annum qualifies for licensing under FORM BRL. Such licensees, adhering to BRL guidelines, are permitted to retail the beer manufactured within the microbrewery premises without bottling or packaging²².

Additional licenses necessary for the establishment include:

1. Provision of Commercial Electricity Connection
2. Installation of Commercial Water Supply Line - Municipality or Underground Bore Water
3. Land Registration or Lease Authorization
4. Incorporation of the Company
5. Acquisition of a Wastewater Disposal Certificate from the Pollution Control Board
6. Certification of Fabricated Equipment Quality from Independent Third-Party Inspection Agencies such as Lloyds or SGS
7. Verification of Water Quality through Testing Certificates from Accredited Quality Control Laboratories like SGS
8. Attainment of Quality Control (QC) Certification for Finished Beer from Government-Authorized QC Laboratories, subject to random inspections.

The regulatory framework under which a beer factory operates in India is primarily governed by state-level excise laws and regulations, as well as various other national and local regulations.

²¹ [Maharashtra State Excise \(mahaonline.gov.in\)](http://mahaonline.gov.in)

²² [Maharashtra Excise Manual Vol-I.pdf](#)

Here's an overview of the key components:

1. **State Excise Laws:** Each state in India has its own set of excise laws that govern the production, distribution, sale, and consumption of alcoholic beverages, including beer. These laws outline the licensing requirements, procedures for obtaining licenses, regulations regarding production processes, labelling requirements, and taxation policies applicable to breweries and microbreweries.²³
2. **Licensing Requirements:** Breweries, including microbreweries, need to obtain specific licenses from the state excise department to legally operate. The type of license required may vary depending on factors such as the scale of production, whether the brewery plans to sell directly to consumers (such as a brewpub), and the state-specific regulations. For example, microbreweries typically require a separate license specifically for microbrewing operations.
3. **Regulatory Compliance:** Breweries must comply with various regulatory standards and guidelines related to hygiene, safety, quality control, and environmental protection. This includes adhering to specific brewing processes, maintaining equipment and facilities to prescribed standards, conducting regular inspections, and obtaining certifications where necessary.
4. **Taxation:** Excise duties and other taxes levied on alcoholic beverages, including beer, constitute a significant component of the regulatory framework. The rates and structures of these taxes vary across states and are subject to periodic revisions by state governments. Taxes are typically based on factors such as the volume of production, the alcohol content of the beer, and the sale price.
5. **Labelling and Packaging Regulations:** Breweries are required to comply with regulations governing the labelling and packaging of beer products. This includes providing accurate information about the ingredients, alcohol content, nutritional values, and manufacturer details on product labels. Additionally, breweries may need to adhere to specific packaging standards to ensure product safety and integrity.
6. **Environmental Regulations:** Breweries are subject to environmental regulations aimed at minimizing their impact on the environment. This may include requirements related to water usage, wastewater treatment, waste management, air emissions, and energy efficiency. Breweries are often required to obtain environmental clearances and comply with prescribed standards to mitigate their environmental footprint.

²³ [Control & regulation of Breweries | COMMISSIONERATE OF EXCISE | Government Of Assam, India](#)

7. **Other Regulations:** Depending on the location and nature of operations, breweries may need to comply with various other regulations, such as zoning laws, building codes, labour laws, food safety regulations, and health and sanitation standards.

Overall, the regulatory framework for beer factories in India is multifaceted and involves compliance with a range of legal, regulatory, and operational requirements at the state, national, and local levels. Navigating this regulatory landscape requires breweries to stay informed about relevant laws and regulations, maintain robust compliance systems, and work closely with regulatory authorities to ensure adherence to prescribed standards.²⁴

THEORETICAL AND PRACTICAL CONTRIBUTION

OF THE STUDY

The Indian beer market has been witnessing substantial expansion, driven by a multitude of factors like,

Population Growth: The increasing population across urban and rural regions has contributed to heightened demand for beer.

Preference for Premium Varieties: Consumers are showing a growing inclination towards premium beer options compared to standard varieties.

Brand Awareness: Greater awareness of imported and premium beer brands has resulted in increased consumption.

Cultural and Lifestyle Changes: Shifts in culture and lifestyle have significantly influenced consumer behavior towards alcoholic beverages.

Rise in Female Consumers: The increasing number of female drinkers and a burgeoning young demographic have propelled the growth of the beer market.

Emergence of Microbreweries and Brewpubs: The proliferation of microbreweries and specialized beer establishments has added dynamism to the industry.

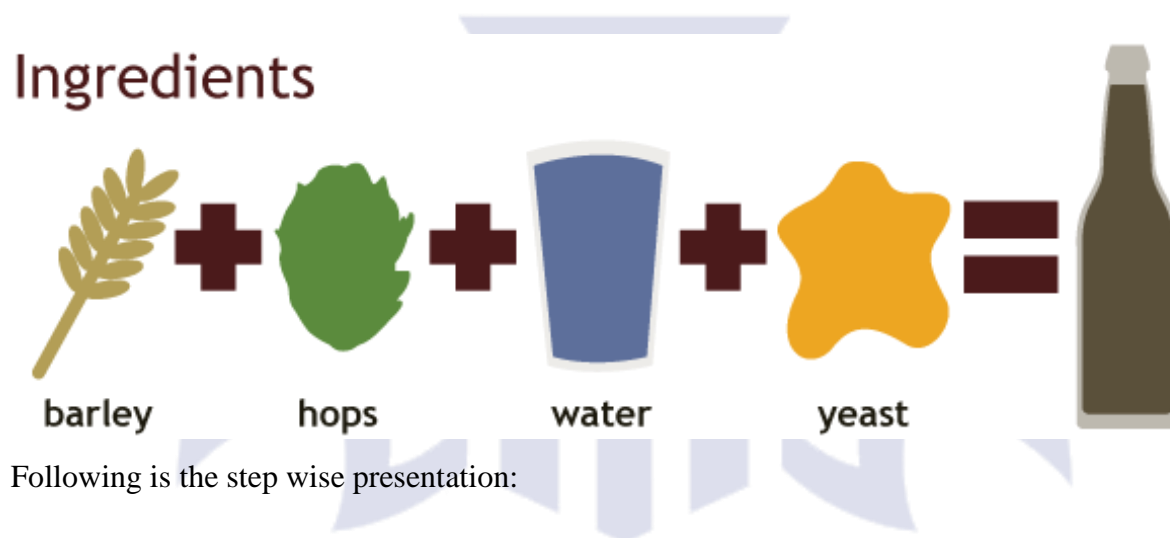
Health Consciousness: Consumer preferences for healthier lifestyles have led to a decrease in

²⁴ [A Guide to Key Compliances for Breweries in Select Indian States - Lexplosion](#)

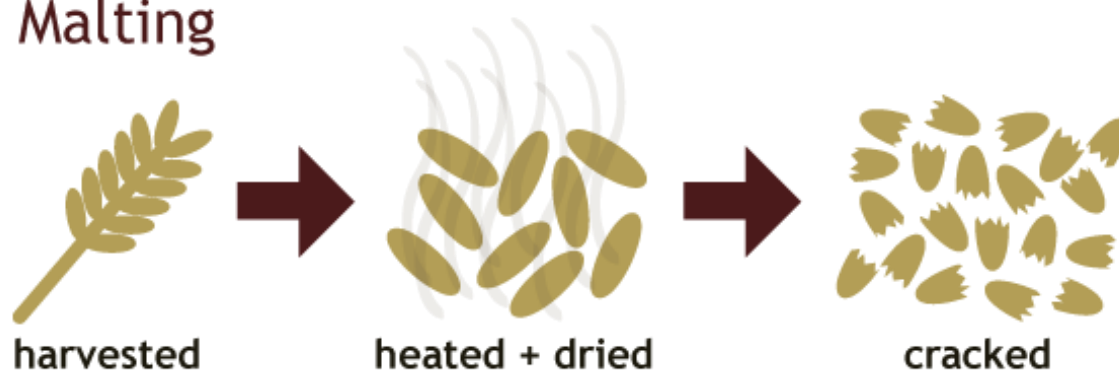
excessive alcohol consumption, with a rising interest in craft beer featuring lower alcohol content. In 2022, the Indian beer market reached a size of INR 352.66 Billion, and it is anticipated to reach INR 707.51 Billion by 2030. Beer consumption is forecasted to reach 595.79 million cases by 2030, exhibiting a Compound Annual Growth Rate (CAGR) of 6.96% during the projected period.²⁵

Here is a detailed process of manufacturing Brewed Beers:

Beer is produced utilizing four primary elements: barley, water, hops, and yeast. The fundamental concept revolves around the extraction of sugars from grains, predominantly barley, enabling yeast to ferment them into alcohol and CO₂, thus yielding beer.



1. Malting

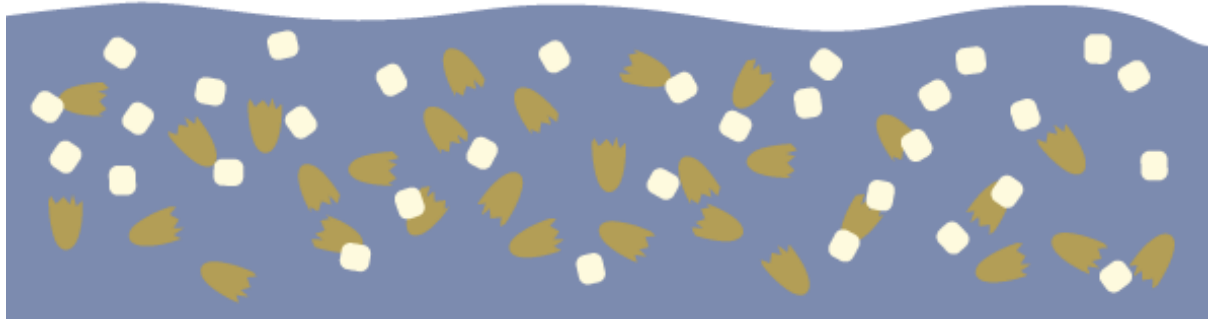


The brewing procedure commences with grains, typically barley, although occasionally wheat, rye, or similar grains may be utilized. These grains undergo harvesting and are subjected to a series of treatments involving heating, dehydration, and fragmentation. The primary objective of malting is to separate the enzymes essential for brewing, thereby preparing the grains for

²⁵ [India Beer Market Growth Trends - Unlocking the Potential \(niir.org\)](https://niir.org/india-beer-market-growth-trends-unlocking-the-potential)

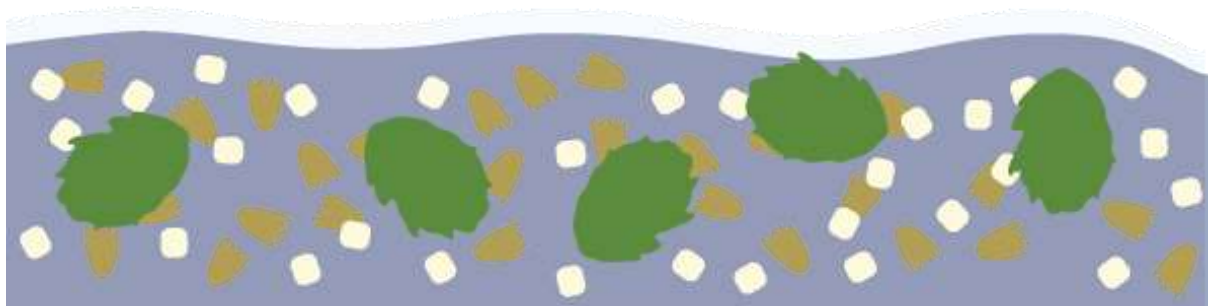
subsequent stages.

2. Mashing



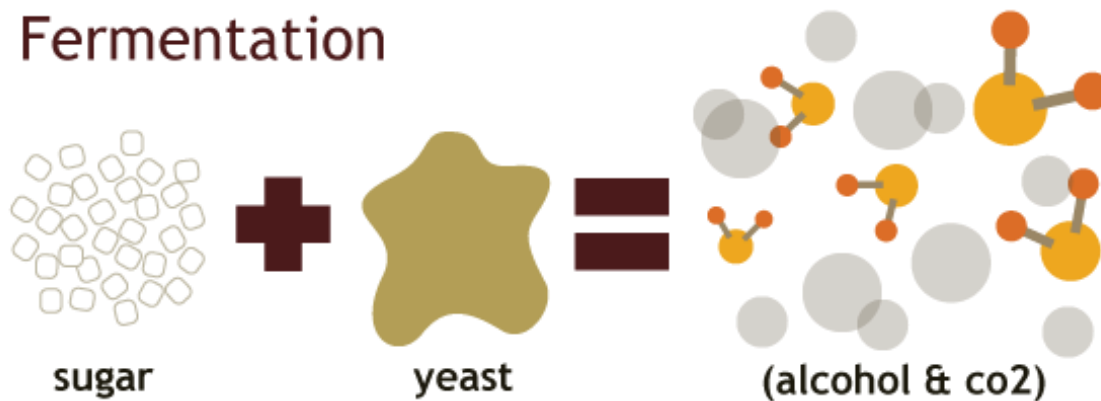
Following malting, the grains undergo a procedure referred to as mashing, wherein they are immersed in hot water, maintained below boiling point, for approximately an hour, akin to the process of steeping tea. This initiates enzymatic activity within the grains, facilitating the breakdown and liberation of their sugars. Subsequently, the liquid, now infused with sugars from the grains, is separated from the mash. This viscous, saccharine liquid, known as wort, essentially represents the precursor to beer, analogous to how dough is the precursor to bread.

3. Boiling



The wort undergoes a boiling process lasting approximately one hour, during which hops and additional spices are incrementally incorporated. Hops, the small, green, cone-shaped fruits derived from a vine plant, play a pivotal role in this stage. They impart bitterness to counterbalance the sweetness inherent in the wort, thereby contributing to its flavor profile. Additionally, hops serve as a natural preservative, originally utilized for this purpose.

4. Fermentation



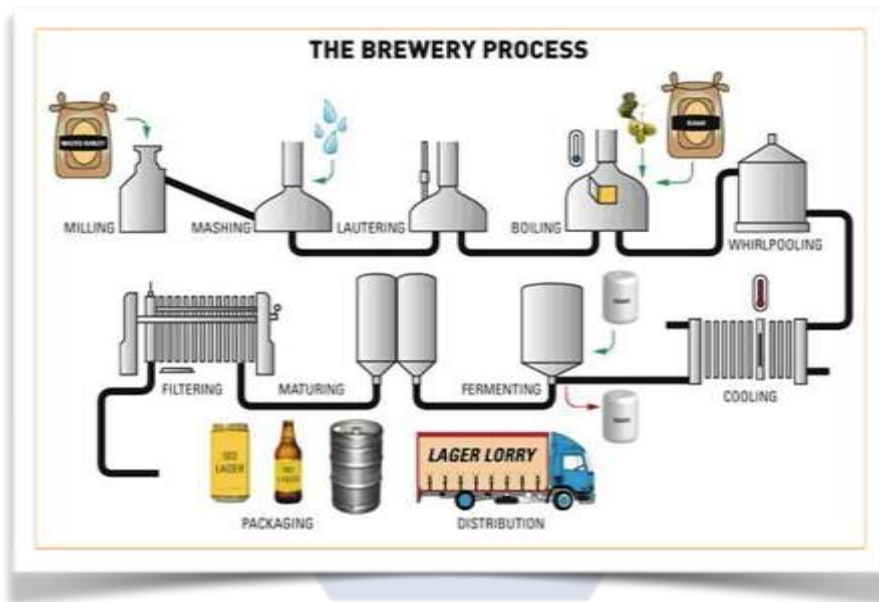
Following the conclusion of the hour-long boiling process, the wort undergoes cooling, straining, and filtration procedures. Subsequently, it is transferred into a fermenting vessel, where yeast is introduced. At this juncture, the brewing process is finalized, initiating the fermentation stage. The beer is then stored for several weeks at ambient temperature (for ales) or a prolonged period at cold temperatures (for lagers), allowing the yeast to commence fermentation. Essentially, the yeast metabolizes the sugars present in the wort, producing carbon dioxide (CO₂) and alcohol as metabolic byproducts.

5. Bottling & Aging

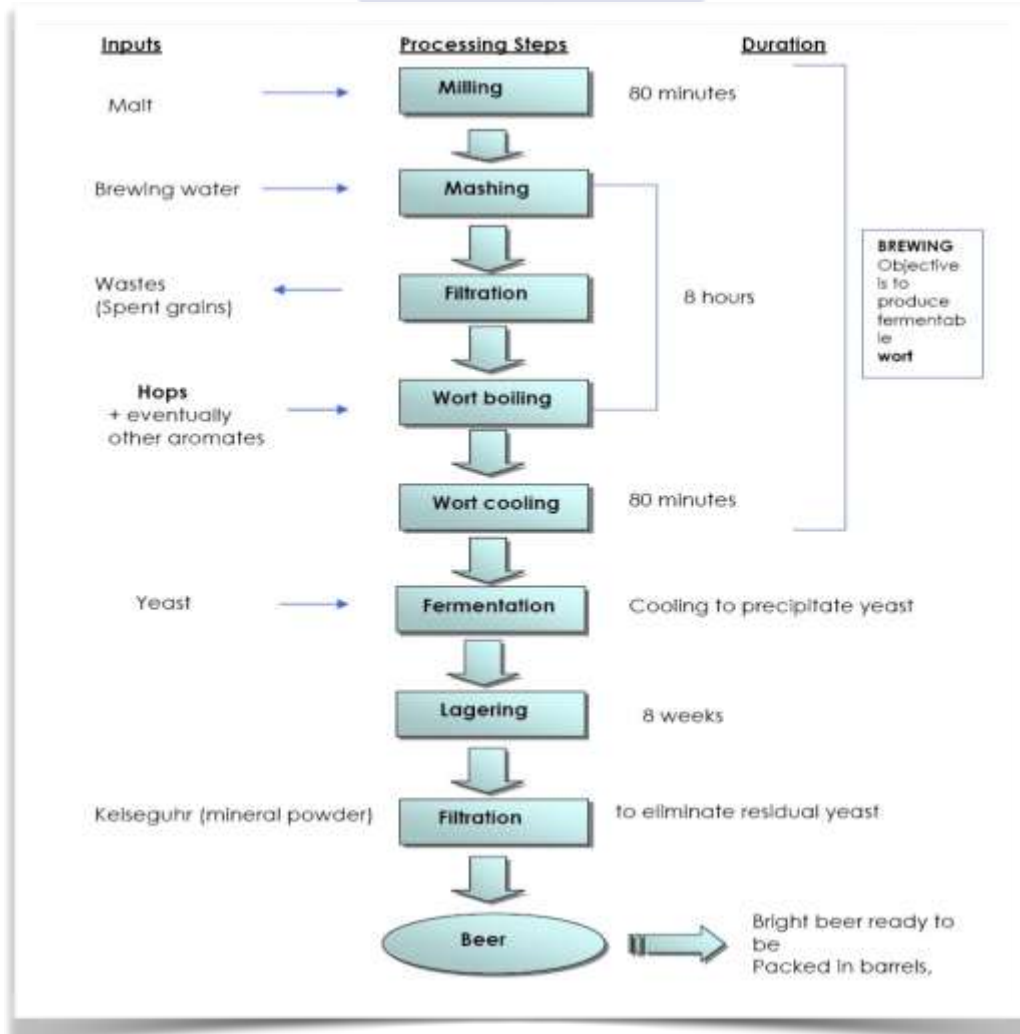


At this stage, the beer has acquired its alcoholic content, yet it remains devoid of carbonation. The uncarbonated beer is then transferred into bottles, where it undergoes carbonation through one of two methods: artificial carbonation, akin to the process employed in carbonating soda, or natural carbonation, termed "bottle conditioning," wherein the CO₂ produced by the yeast naturally carbonates the beer. Following a maturation period lasting anywhere from several weeks to several months, the beer is ready for consumption, delivering a delightful taste experience.

Here is the flowchart and pictorial representation of the brewing process:



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²⁶ [making beer | Beer brewing process, Beer making process, Micro brewery \(pinterest.com\)](#)

²⁷ [Brewing Process Step-By-Step - Micet Craft](#)

LIMITATION AND FUTURE RESEARCH DIRECTION

While this research has provided valuable insights into the operations and challenges faced by Bruut Beer as a pioneering microbrewery in Nagpur, India, there are several limitations that need to be acknowledged.

Firstly, the scope of this study is limited to a single case study of Bruut Beer. While this provides a detailed understanding of the microbrewery's journey and strategies, it may not capture the full spectrum of challenges and opportunities present in the broader craft beer industry in India.

Secondly, the research primarily relies on qualitative data obtained through interviews with the founders of Bruut Beer. While this provides rich insights into the brewery's operations and strategies, future research could benefit from complementing this qualitative data with quantitative data, such as sales figures and market trends analysis, to provide a more comprehensive understanding of the industry landscape.

Furthermore, the study predominantly focuses on the operational and market dynamics of Bruut Beer, with limited exploration of consumer behaviour and preferences in the craft beer market in India. Future research could delve deeper into consumer perceptions, preferences, and purchasing behaviour regarding craft beer, which would be invaluable for microbreweries like Bruut Beer in tailoring their offerings to meet consumer demand.

Additionally, while the research briefly touches upon sustainability initiatives undertaken by Bruut Beer, such as water recycling and sourcing raw materials from local vendors, further investigation into the environmental and social impact of microbreweries in India would be beneficial. Future research could explore the efficacy of sustainability practices adopted by microbreweries and their implications for long-term business viability and community engagement.

In terms of future research directions, there are several areas that warrant exploration:

1. **Sustainability Initiatives:** Conducting in-depth studies on the environmental and social impact of microbreweries in India, evaluating the effectiveness of sustainability initiatives, and identifying opportunities for further improvement.
2. **Market Expansion Strategies:** Investigating strategies employed by microbreweries for

expanding their market reach beyond local and regional boundaries, including partnerships, distribution channels, and brand positioning.

3. **Consumer Behaviour Analysis:** Conducting consumer surveys and market research to understand the evolving preferences, perceptions, and purchasing behaviour of Indian consumers in the craft beer market.
4. **Regulatory Landscape:** Examining the regulatory challenges faced by microbreweries in different states of India, identifying areas for reform, and advocating for policy changes to support the growth of the craft beer industry.
5. **Economic Impact:** Assessing the economic contribution of microbreweries to local economies, including job creation, tourism promotion, and revenue generation.

By addressing these limitations and exploring these future research directions, scholars and practitioners can contribute to a deeper understanding of the craft beer industry in India and support the sustainable growth of microbreweries like Bruut Beer.

CONCLUSION

The culture of microbreweries in India has yet to become widespread, but there is a gradual shift in consumer preferences towards freshly crafted beer. Previously, beer was not widely known or appreciated in India, and its market was relatively undeveloped. However, over time, there has been an increase in awareness and appreciation for beer, particularly for freshly brewed varieties, which are gaining popularity. Several states, including Haryana, Karnataka, Maharashtra, West Bengal, and Punjab, have issued licenses for operating microbreweries. Interestingly, despite holding such licenses, microbreweries are conspicuously absent in West Bengal, and even in Delhi, a major metropolitan area, no licenses have been granted for microbreweries. Various entities, including five-star hotels, malls, and private individuals, have submitted proposals to the government requesting licenses for microbreweries. The establishment of microbreweries is no longer just a distant aspiration; it is becoming a reality as more states grant licenses in response to growing public interest in beer culture. Some view microbreweries as a potentially lucrative business opportunity, while others simply appreciate the fresh and diverse flavours offered by these establishments.

In conclusion, Bruut Beer's journey epitomizes the transformative potential of microbreweries in India's burgeoning beer market. Despite facing formidable challenges ranging from regulatory red tape to cultural preferences, Bruut Beer has demonstrated resilience and innovation, emerging

as a trailblazer in introducing craft beer to Nagpur and the wider Vidarbha region. Through a combination of market insight, product differentiation, and sustainable practices, Bruut Beer has not only established itself as a local favorite but also laid a foundation for future expansion and industry leadership. As the Indian beer market continues to evolve, Bruut Beer stands poised to play a pivotal role in shaping consumer preferences and industry dynamics, setting a high standard for quality, innovation, and social responsibility within the craft beer landscape.

IMAGES FROM THE SITE VISIT



Co-founders of Bruut Beer (from right): Rajat Motghare and Kunal Dhote



Image from the Factory situated at Butibori, Nagpur²⁸

²⁸ Image Courtesy: Bruut Beer Factory, Butibori, Nagpur

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