

**ADMINISTRATIVE REPORT OF THE
COMMISSIONER GENERAL OF EXCISE
FOR THE YEAR 2009**

Introduction

The Department of Excise comes under the purview of the Ministry of Finance and Planning. It has the legal authority for the implementation of the excise policies of Government and relevant activities including the protection and collection of excise revenue, principally under the Excise Ordinance (Chapter 52 of the Legislative Enactment). In addition, the authority and responsibility for administration of the Tobacco Tax Act No. 08 of 1999, the collective responsibility for the enforcement of Poisons, Opium and Dangerous Drugs Ordinance with the Police and other relevant Agencies and the responsibility of effecting of National Authority Act No.27 of 2006 on Tobacco & Alcohol are also mandatory functions delegated to the Department. The Department also acts as a principal agency holding the authority for the enforcement of provisions of the above Ordinances, Acts and consequential rules and regulations, notifications, orders and directives. The Department is engaged in performing a national mission providing social security by collecting considerable amount of revenue to finance the country's economic development as well as by preventing and detecting illegal activities of every description falling under the above legislations.

2. VISION:

Building of a healthy society in Sri Lanka, which is free from illicit liquor and narcotic drugs.

3. MISSION:

Efficient and effective administration of the liquor and the tobacco industry in Sri Lanka through the collection of revenue and prevention of illicit manufacture and sale of such products, for development and welfare of the society, and the enforcement of the Poisons, Opium and Dangerous Drugs Ordinance for the social protection of Sri Lanka.

Objectives:

- a. The collection and protection of revenue from liquor and tobacco.
- b. The enforcement of the Excise Ordinance and the Tobacco Tax Act.
- c. The effecting of the Poisons, Opium and Dangerous Drugs Ordinance.
- d. The effecting of National Authority Act on Tobacco and Alcohol.

Functions:

- a. Supervision and control of Licenced premises, and collection of revenue there from.
- a. Acting as the law enforcement agency in respect of the Excise Ordinance.
- c. Enforcement of the Tobacco Tax Act including supervision and control of tobacco manufactories.
- d. Acting as a law enforcement agency in respect of the Poisons, Opium and Dangerous Drugs Ordinance.
- e. The effecting of National Authority Act on tobacco and alcohol.

4. THE ORGANIZATION :

This Staff position as at 31.12.2009 stood as follows:-

Commissioner General of Excise (SLAS)	:	01
Excise Commissioner (Revenue) (SLAS)	:	01
Excise Commissioner (Admin/Human Resources) (SLAS)	:	01
Excise Commissioner (Finance) (SLAcctS)	:	01
Deputy Excise Commissioner (Admin) (SLAS)	:	01
Deputy Excise Commissioner (Finance) (SLAcctS)	:	01
Deputy Excise Commissioner (Internal Audit) (SLAcctS)	:	01
Assistant Excise Commissioners	:	12
Administrative Officers	:	02
Superintendents of Excise	:	14
Chief Excise Inspectors	:	24
Excise Inspectors	:	271
Excise Sergeant Majors	:	14
Excise Sergeants	:	67
Excise Guards / Corporals	:	432
Excise Drivers	:	58
Public Management Assitants Service	:	88
Budgetary Assistants	:	01
K.K.S	:	38
Circuit Bungalow Keepers	:	03

5. STAFF CHANGES

- Mr. K.D.J de Lasal (SL.AcctS I) was Posted Out from 11.05.2009 and instead, Miss D.M.V Dissanayake (SL.AcctS I) was Posted In.
- Mrs S.D Sriyalatha (SL.AcctsS II/I) was Posted Out and instead, Mr. G.A Ajith Priyantha was Posted In.
- Mr M.M Wijayasena (SLAS III) was Posted Out from 17.02.2009, and Mr W. Vithanage (SLAF III) was Posted In.
- Mr. C. Jayaratne (SL.AcctS I) was retired from the Public Service from 01.07.2009 and instead, Mr A.N Hapugala (SL.AcctS II/I) was Posted In.
- Mr. UH.N.P Unagalla, Administrative Officer was Posted In from 22.10.2009.
- Under named officers have retired from the public service in the year 2009

Name of Officer	Designation	Date of Retirement
Mr. G.K.M.G Bandara	Excise Inspector	16.06.2009
Mr. K. Ramachandran	Excise Inspector	16.12.2009

Excise Inspector Mr.N. Sri Kanth was dead on 27.03.2009 by an accident.

6. HUMAN RESOURCES DEVELOPMENT :

This Unit operates under the supervision of the Excise Commissioner (Administration / Human Resources) and consisting of an Assistant Excise Commissioner, an Excise Inspector, an Excise Guard, one Female Excise Guard and an Excise Driver.

The main objectives of this Unit are:- To organize various training courses for developing the knowledge and the attitudes of Departmental Officers, and referred them for scholarships.

Training Courses organized :

	Course	Period		Number of officers participated	Training Institute
1	Training for Excise Guards	18.02.2009	20.02.2009	68	Institute of Govt Accounts & Finance
2	Training for Asst Excise Commissioners	01.06.2009	05.06.2009	17	-do-
3.	Training for Public Management Assistants	04.06.2009	05.06.2009	37	Excise Training Centre - Panadaragama

4.	Training for Excise Officers In-charge	09.06.2009	-	44	Institution of Sri Lanka Foundation
5.	Training for Excise Inspectors	22.06.2009	26.06.2009	38	Excise Training Centre - Panadaragama
6.	Training for Asst Excise Cmsr / Supdt of Excise	13.07.2009	17.07.2009	17	Dangerous Drugs Control Board
7.	Training for Excise Inspectors	20.07.2009	24.07.2009	31	Excise Training Centre - Panadaragama
8.	Training for Excise Sergeants Major/Excise Sergeants/Female Excise Officers	27.07.2009	31.07.2009	60	Institute of Govt Accounts & Finance / National Dangerous Drugs Control Board
9.	Training for Excise Officers (Tamil Language)	07.08.2009	09.08.2009	78	Excise Training Centre - Panadaragama
10.	Training for Asst Excise Cmsr / Supdt of Excise	10.08.2009	14.08.2009	15	National Dangerous Drugs Control Board
11.	Training for Excise Inspectors	10.08.2009	14.08.2009	47	-do-
12.	Training for Excise Guards	17.08.2009	21.08.2009	35	Excise Training Centre - Panadaragama
13.	Computer Training for Excise Inspectors	07.09.2009	09.09.2009	19	Excise Computer Laboratory
14.	Computer Training for Excise Inspectors	10.09.2009	12.09.2009	19	-do-
15.	Training for Excise Guards	14.09.2009	18.09.2009	88	Institute of Govt Accounts & Finance / National Dangerous Drugs Control Board
16.	Computer Training for Excise Inspectors	28.09.2009	30.09.2009	15	Excise Computer Laboratory
17.	Training for Excise Guards	05.10.2009	09.10.2009	31	Excise Training Centre - Panadaragama
18.	Training for Excise Inspectors	12.10.2009	16.10.2009	54	Institute of Govt Accounts & Finance

19	Training for Excise Guards	19.10.2009	23.10.2009	46	Institute of Govt Accounts & Finance / National Dangerous Drugs Control Board
20	Computer Training for Excise Guards	26.10.2009	28.10.2009	15	Excise Computer Laboratory
21	Computer Training for Excise Guards	29.10.2009	31.10.2009	14	Excise Computer Laboratory
22	Training for Excise Inspectors	02.11.2009	06.11.2009	29	Excise Training Centre - Panadaragama
23	Computer Training for New Excise Inspectors	04.11.2009	10.11.2009	13	Excise Computer Laboratory
24	Computer Training for New Excise Inspectors	11.11.2009	25.11.2009	15	Excise Training Centre - Panadaragama
25	Computer Training for Excise Guards	12.11.2009	14.11.2009	20	Excise Computer Laboratory
26	Training for Asst Excise Cmsr / Supdt of Excise	16.11.2009	20.11.2009	17	Institute of Govt Accounts & Finance
27	Computer Training for Excise Guards	23.11.2009	25.11.2009	20	Excise Computer Laboratory
28	Training for New Excise Inspectors	02.12.2009	-	08	Excise Head Office
29	Training for New Excise Inspectors	03.12.2009	-	07	Prison Department
30	Training for New Excise Inspectors	04.12.2009	-	06	Inland Revenue Department
31	Training for New Excise Inspectors	07.12.2009	11.12.2009	13	Institute of Govt Accounts & Finance / National Dangerous Drugs Control Board
32	Training for Excise Guards	07.12.2009	11.12.2009	33	Institute of Govt Accounts & Finance

In addition, this Unit was involved in:-

1. Assisting in legal matters of Divisional Excise Units and Co-ordinating affairs with the Attorney General's Department.

2. Matters relating to the issue of departmental circulars and introducing the new performance appraisal system and co-ordinating with divisional offices.

7. INFRASTRUCTURE DEVELOPMENT (BUILDINGS)

A. (Outside Areas)

Office	Type of Work	Expenditure (Rs)
Circuit Bungalow, Polonnaruwa	Fixing of Iron grills for Windows	133,200.00
Circuit Bungalow, Anuradhapura	Repairs	1,397,375.74
Excise Complex (Southern Province)	Erecting of Name Boards	73,000.00
-do-	Water Supply	34,930.29
-do-	Power Supply	21,126.00
Excise Station, Ampara	-do-	296,524.45
Excise Superintendent's Office, Matale	-do-	10,200.00
Excise Office, Kebithigollewa (Presently build-up)	Erecting of Fence around the land	125,824.50
Excise Station, Polonnaruwa	Constructing a Garage	146,321.80
Excise Complex – Uva Province	Constructing a Wall around the office premises	214,226.00
-do-	Tiling	1,001,560.00
-do-	Repairs to Swerage System	161,763.37
Excise Station, Elpitiya	Water Supply	40,642.44
-do-	Power Supply	62,590.00
Excise Station, Madampe	Constructing a Tube Well	10,000.00
Asst Excise Cmsr's Office, (North Central)	Repairs to offices	641,000.00
Excise Station, Batticaloa	Constructing a Wall around the office premises	300,000.00
Excise Station, Kesbewa	Fixing of Motor to Tube Well	34,000.00
Excise Complex – North Western Province	Water Supply	28,188.60
Supdt of Excise,	Supply of Loding facilities	199,624.30

Polonnaruwa		
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B. Head Office – Colombo 2

Office	Type of Work	Expenditure (Rs)
Stores	Fixing of Wire Mesh	141,350.00
Head Office Complex	Payments made to the Building Department for various repairs done.	200,000.00

C. Following vehicles were purchased during the year 2009.

Vehicle No:	Type	Price (Rs)
PB 8272	Isuzu Crew Cab	4,368,000.00
PB 8273	Isuzu Crew Cab	4,368,000.00

In addition, the following two vehicles confiscated by the Custom Department were obtained to this Department.

- KI 1772 - Toyota Double Cab
- PB 8478 - Vanet Van

8. IMPLEMENTATION OF POLICIES:

The present excise policy is based on the policy frame of “Mahinda Chinthanaya.” The Excise Department takes necessary action to control the consumption of liquor and the use of cigarettes. The taxes for liquor were constantly increased in order to decrease the consumption. The issuance of new liquor Licences have been limited only for the Tourist Board approved Hotels.

Table 8.1 – Liquor Production:

Year	Hard Liquor		Beer	
	Qty by Proof Ltr - Mln	Percentage increase	Qty by Ltrs – Mln	Percentage increase
2003	32.0	-	47.8	-
2004	34.5	8	48.3	1
2005	38.5	11	51.5	6
2006	45.4	18	46.9	-9
2007	47.2	4	49.7	6

2008	45.7	-2	57.3	15
2009	41.1	-10	55.5	-3

Department got revenue from issuing excise Licences, and Court fines collected from the implementation of excise laws. This is a small percentage when compared with the total income. These revenues are credited to relevant Provincial Council funds. Appended below is the progress of that collection of revenue.

Table 8.2

Year	Licence Fee (Rs. Mln)	Fines (Rs. Mln)	Total (Rs. Mln)
2003	177	75	252
2004	212	79	291
2005	231	91	322
2006	355	176	531
2007	357	269	626
2008	379	244	623
2009	384	196	580

The Department levied a tax of Rs 200/= per Ltr for the issuance of spirits, for local industries and Rs 100/= per Ltr for export productions. Accordingly, a revenue of Rs 468.0 Mln has been earned as taxes, in favour of issuing of spirits during the year 2009..

When issuing an application for a liquor Licence, a sum of Rs 7500/= should be paid, and a sum of Rs 100,000/= be charged for shifting of excise Licence to another premises. Besides, Rs. 500,000/= for transferring of FL 04 Licence to another person, and Rs 150,000/= be charged for others. Accordingly, the total revenue collected in the year 2009 from those sources were Rs 114.0 Mln.

9. EXCISE TAX STRUCTURE:

Table : 9.1

Description	Unit	Effect from 07.10.2008 (Rs)	Effect from 27.03.2009 (Rs.)
Molasses, Palmyrah Arrack, Coconut and Processed Arrak	Proof Ltr	560/=	610/=
Foreign Liquor	Proof Ltr	690/=	740/=
Alcohol percentage below 5% for Beer	Bulk Ltr	48/=	48/=
Alcohol percentage 5% and	Bulk Ltr	64/=	64/=

above for Beer			
Wine	Ltr	415/=	465/=
Excise Duty on Tobacco	Per 01 Kg	10/=	10/=
Bottled Toddy	Per 01 Ltr	10/=	10/=

Description	Unit	20.11.2003 Commenced.	04.12.2007
Rectified Spirits – Industrial Productions for Export	Bulk Ltrs	-	100/=
Rectified Spirits – Industrial Productions for Local Market	Bulk Ltrs	200/=	200/=

State of Income/Expenditure of the Department in recent years

Year	Revenue Rs. Mln	Expenditure Rs. Mln	As a Percentage
2001	6,245.471	148.097	2.37
2002	8,541.628	151.395	1.77
2003	10,719.444	146.415	1.37
2004	13,545.502	173.000	1.28
2005	16,117.555	211.933	1.31
2006	20,694.008	297.000	1.44
2007	23,755.648	367.580	1.54
2008	27,436.152	372.023	1.35
2009	28,536.727	418.700	1.46

* Revenue was increased due to excise taxes were increased.

10. INTERNAL AUDIT UNIT :

The Internal Audit Unit is in operation under direct supervision of the Commissioner General of Excise, with a Deputy Excise Commissioner and two Public Management Assistants. Based on the action plan prepared for the Unit, auditing were carried out to achieve the departmental objectives through the following fields:-

- Collection of revenue under Excise Ordinance.
- Development of Human Resources
- Introduction of Information Techlogy
- Effecting of Tobacco Tax Act
- Financial Management

➤ Management of Vehicles and other assets.

Linking all above fields, auditing were carried out with regard to Receipts, Supplies, payment vouchers, cost registers in relating to 105 vehicles, aiming at all Receipts, Payments, Supplies, Services and Assets Management in relating to Excise Head Office. Also, auditing were made at Excise Stations, Excise Superintendents' offices, Assistant Excise Commissioners' offices, including 14 sub offices, Manufactories, Distilleries, Warehouses and Toddy Manufactories, under annual audit programme in 2009. The Unit has identified some irregular advises issued against the Excise Ordinance, Excise Notifications, Financial Regulations and Establishment Code, and introduced suitable methodologies to avoid such irregularities.

03 Audit and Management Committee meetings were assembled under the leadership of the Commissioner General of Excise, with the participation of all Staff Officers in the Head Office during the year 2009, and decisions were taken to effect the decisions taken at the Audit & Management Committees of the Ministry, through the all Staff Officers. Observations and difficulties raised from Internal Audit Queries were also discussed.

By all these programmes, this Unit was able to give successful coverage to reach at the targets and objectives of the Department.

11. BOARD OF SURVEY :

By the end of 2009, all Board of Surveys in relation to year 2008 were completed.

12. OFFENCES MADE UNDER THE TOBACCO TAX ACT AND NATIONAL AUTHORITY ACT ON TOBACCO AND ALCOHOL

The details are shown in appendix "I" & "I - 1".

13. EXCISE TAX IN ARREARS :

The details of excise tax in arrears as at end of year 2009 are shown in appendix " J ".

Non-payment of excise taxes in time caused this situation. Action has been taken to collect them through legal procedures.

14. AUDIT QUERIES:

10 Audit Queries were received during the year under review and all were answered. The queries were on Training Programmes, Reward Fund, Revenue & Appropriation Accounts, and Advance B Account.

15. DEPARTMENT'S ASSETS:

A list of buildings and properties belonging to the Department is shown in appendix " K ".

16. FUND ACCOUNTS – Appendix “ L”

17. ADVANCE ACCOUNTS – Appendix “M”

18. APPROPRIATION ACCOUNT – Appendix “N”

19. REVENUE ACCOUNTS – Appendix “O”

20. TYPES OF LIQUOR LICENCES IN USE DURING THE YEAR:

a.

S/No.	Type of Licence	Description
1.	F.L 1	Licence to manufacture malt liquor
2.	F.L A	Licence to manufacture foreign liquor
3.	F.L B	Licence to manufacture, milk punch and/or wine
4.	F.L C	Licence to manufacture country made foreign spirits from spirits distilled from the coconut or any of its products other than toddy.
5.	F.L 3	Wholesale Licence
6.	F.L 4	Retail Licence
7.	F.L 6	Beer and Porter Licence
8.	F.L 7	Hotel Licence
9.	F.L 8	Hotel Bar Licence
10.	F.L 9	Entertainment Bar Licence
11.	F.L 10	Railway Refreshment Room Licence
12.	F.L 11	Restaurant Licence
13.	F.L 12	Rest House Licence
14.	F.L 13 A	Club Licence
15.	F.L 14	Occasional Licence
16.	F.L 15	Supplementary Licence to extend the hours of sale.
17.	F.L 16	Auctioneer’s Licence
18.	F.L 17	Rectified Spirits Licence
19.	F.L 18	Medicated Wine Licence
20.	F.L 19	Special Licence
21.	F.L 22 A	Beer, Ale, Stout and Wine Licence for retail sale
22.	F.L 22 B	Beer, Ale, Stout and Wine Licence for consumption in the premises.

b. Manufacturing Licences:

Licence to tap, draw and manufacture fermented, unfermented sweet toddy.

- Distillery Licence
- Licence to manufacture Vinegar
- Licence to refine, compound, process, spirits.

c. Licence to collect toddy.

➤ Licence for collection stations.

d. Licence for bottling:

- Licence for fermented liquor
- Licence for distilled liquor

e. Auxiliary Licence

f. Licence for produce and sale of fermented toddy.

g. Tourist Hotel & Restaurant Licence:

Grade 'A' Hotels	:	FL 7 FL 8
Grade 'B' Hotels	:	FL 7 FL 8
Grade 'C' Hotels	:	FL 7 FL 8
Grade 'A' Restaurants	:	FL 11
Grade 'B' Restaurants	:	FL 11
Grade 'C' Restaurants	:	FL 11
Tourist Board approved premises – Irrespective of grade	:	FL 22 B

a. Toddy Taverns sold by Tender.

21. LICENCED LIQUOR MANUFACTURERS IN 2009.

1. A.E.F (Pvt) Ltd., No. 324, High Level Road, Galagedara, Padukka
2. Acme Lanka Company Ltd., No. 73/1, Old Road, Hanwella
3. Asia Pacific Brewery (Lanka) Ltd., Mawathagama
4. Co-operative Distilleries, Payagala
5. Classic Distilleries (Private) Ltd., No. 565, Mihindu Mawatha, Malabe.
6. Distilleries Company of Sri Lanka Ltd., 110, Norris Canal Road, Colombo 10
7. Hingurana Distilleries (Pvt) Co., Samanabedda, Thittapattara
8. International Distillers Ltd., Kotalawala, Kaduwela
9. Lion Brewery Ltd., No. 254, Colombo Road, Biyagama
10. Manori Lanka Company (Pvt) Ltd., No. 277/1, Jayamalapura, Gampola
11. Mc-Callum Brewery (Pvt) Ltd., Pearl Estate, Meegoda
12. Nippon Expo Company Ltd., No. 102, St. Andrew Road, Modara, Colombo 15

13. Periceyl Company (Pvt) Ltd., No. 296/10, Park Road, Colombo 5
14. Randiya Marketing Services (Pvt) Ltd., No. 7, Perukkuliya Mawatha, Dankotuwa
15. Randenigala Distilleries Ltd., No. 255/86, Korathota, Kaduwela
16. Rockland Distilleries Ltd., No. 25/20, Mahawatta Road, Egoda Uyana, Moratuwa
17. Sri Lanka Distilleries Ltd., Mestiya, Wadduwa
18. Scotland Distilleries Company Ltd., Passara Road, Vineethagama, Badulla
19. Thikkam Distilleries, Alwai, Point Pedro
20. Uva Glen Company (Pvt) Ltd., Millewa, Moragahahena
21. Valikamam Distilleries, Chankanai
22. W.M Mendis & Company Ltd., Welisara, Ragama

22. THE QUANTITIES OF LIQUOR MANUFACTURED:

Table I – Molassess Arrack

Manufacturing Institution	Qty (Proof Ltr)	Duty (Rs.Cts)
Hingurana Distilleries Ltd., Dompe	23,055.370	13,806,092.70
International Distilleries Ltd.	1,201,097.330	719,000,465.98
Manori Lanka Ltd.,	17,953.450	10,861,048.50
Randenigala Distilleries Ltd.,	14,193.590	8,496,320.40
Uva Glen (Pvt) Ltd.,	2,787.110	1,672,978.60
Classic Distilleries Pvt Ltd.,	12,893.510	7,687,295.00
Randiya (Pvt) Ltd.,	1,038.540	620,078.90
W.M Mendis Ltd.,	310,834.360	187,185,529.68
Total	1,583,853.260	949,329,809.76

Table II : Coconut & Processed Arrack

Manufacturing Institution	Qty (Proof Ltr)	Duty (Rs.Cts)
A.E.F (Pvt) Ltd.,	1,271.270	775,474.70
Acme Lanka Company Ltd.,	9,762.530	5,774,623.60
Pericyl Ltd.,	359,404.880	213,924,214.10
Distilleries Company of Sri Lanka Ltd.,	1,895,440.150	1,132,863,217.50
Hingurana Distilleries Co., Ltd, Dompe	16,145.080	9,790,920.80
International Distilleries Ltd.,	443,623.010	264,471,621.14
Manori Lanka Pvt Ltd.,	11,199.160	6,645,987.60
Nippon Expo Ltd.,	9,827.100	5,863,858.59
Rockland Distilleries Ltd.,	1,539,759.840	907,086,703.10
Scotland Distillery	57,240.890	33,950,272.90
Uva Glen Pvt Ltd.,	3,521.240	2,101,640.80
W.M Mendis & Co., Ltd.	267,137.000	160,983,188.60
Sri Lanka Distilleries Ltd.,	207.480	122,161.40
Total	4,614,539.630	2,744,353,884.83

Table III - Special Arrack

Manufacturing Institution	Qty (Proof Ltr)	Duty (Rs.Cts)
A.E.F (Pvt) Ltd.,	134,297.230	80,312,175.80
Acme Lanka Company Ltd.,	422,604.770	253,094,240.60
Co-operative Distillery	6,989.570	4,089,461.00
Classic Manufacturers	23,189.370	14,055,897.80
Distilleries Company of Sri Lanka Ltd	28,216,409.790	1,6860,269,108.90
Hingurana Distilleries Co., Ltd, Dompe	370,149.860	221,697,249.10
International Distilleries Ltd.,	1,522,604.080	911,635,865.40
Manori Lanka (Pvt) Ltd.,	78,713.250	47,121,224.00
Nippon Expo Ltd.,	131,396.410	78,573,876.58
Rockland Distilleries Ltd.,	108,656.020	64,533,337.27
Randiya (Pvt) Ltd.,	92,321.010	55,595,109.10
Randenigala Distilleries Co., Ltd.	293,441.690	174,946,487.40
Scotland Distillery	65,295.150	39,064,509.00
Sri Lanka Distilleries Ltd.,	1,079.550	642,280.50
Uva Glen Pvt Ltd.,	97,096.370	58,253,208.60
W.M Mendis & Co., Ltd.,	248,998.290	148,960,140.12
Total	31,813,242.410	19,012,844,171.17

23. COUNTRY MADE FOREIGN LIQUOR

Manufacturing Institution	Qty (Proof Ltr)	Duty (Rs.Cts)
Hingurana Distilleries Co., Ltd., Dompe	62,695.000	45,473,811.00
International Distilleries Ltd.,	1,224,496.680	891,603,994.75
Nippon Expo (Pvt) Ltd.,	3,152.910	2,276,956.69
Periceyl Company (Pvt) Ltd.,	783,131.600	567,428,821.00
Rockland Distilleries (Pvt) Ltd.,	873,144.740	632,390,539.59
A.E.F (Pvt) Ltd.,	331.840	245,561.60
Sri Lanka Distilleries Ltd.,	38,764.760	28,162,787.90
W.M Mendis & Co., Ltd.,	42,191.230	30,872,950.08
Total	3,027,908.760	2,198,455,422.61

24. MALT LIQUOR (BEER) : Alcohol Percentage below 5%

Manufacturing Institution	Qty (Ltrs)	Duty (Rs. Cts)
Asia Pacific Brewery (Lanka) Ltd.,	578,792.100	27,782,020.80
Lion Brewery Ltd.,	11,777,866.660	565,337,599.68
Mc-Callum Brewery Ltd.,	490,845.330	23,560,575.60
Total	12,847,504.090	616,680,196.08

25. MALT LIQUOR (BEER) : Alcohol Percentage above 5%

Manufacturing Institution	Qty (Ltrs)	Duty (Rs.Cts)
Asia Pacific Brewery (Lanka) Ltd.,	7,065,484.800	452,191,027.20
Lion Brewery Ltd.,	34,278,019.180	2,193,793,227.52
Mc-Callum Brewery Ltd.,	1,353,958.510	86,653,344.64
Total	42,697,462.490	2,732,637,599.36

26. WINE

Manufacturing Institution	Qty (Ltrs)	Duty (Rs.Cts)
Home Delights Wine	167.000	77,655.00
Lanka Wine (Pvt) Ltd.,	5,830.192	2623,340.28
S.D.T Wine	21.156	9,837.54
Mihiri Wine	118.500	12,367.76
Mefal Wine Manufactory	125.010	58,129.69
Total	6,261.858	2,781,330.27

27. BOTTLED TODDY MANUFACTURERS

Appended below are the names of Toddy Manufacturers, Qty produced and tax levied.

Manufacturing Institution	Qty (Ltrs)	Duty (Rs.Cts)
Wayamba Super Bottled Toddy Manufactory	557,585.000	5,575,850.00
Eagle Bottled Toddy Manufactory	474,195.000	4,741,950.00
Empire Bottled Toddy Manufactory	2,275.000	22,750.00
Golden Eagle Bottled Toddy Manufactory, Colombo	8,530.000	85,300.00
Horse Power Bottled Toddy Manufactory	416,070.000	4,160,700.00
Manori Lanka Bottled Toddy Manufactory	982,500.000	9,825,000.00
New Commondo Bottled Toddy Manufactory	113,989.250	1,139,892.50
Shooting Star Bottled Toddy Manufactory	555,795.000	5,557,950.00
Singha Bottled Toddy Manufactory	637,530.000	6,375,300.00
A.M.P Bottled Toddy Manufactory	323,929.375	3,239,293.75
T.S.R Bottled Toddy Manufactory	883,530.000	8,835,300.00
Nemta Bottled Toddy Manufactory	33,215.000	332,150.00
New T.S.R Bottled Toddy Manufactory	131,100.000	1,311,000.00
Thellipalei Bottled Toddy Manufactory	15,127.500	151,275.00
Atchchuvely Bottled Toddy Manufactory	8,500.000	85,000.00
Manipai Bottled Toddy Manufactory	19,038.750	190,387.50

Chankanei Palm Development Co-operative	27,753.750	277,537.50
Point Pedro Palm Development C-operative	907.500	9,075.00
Chavakachcheri Palm Development Co-operative	1750.00	17,500.00
Pandatharippu Palm Development C-operative	12,356.250	123,562.50
Commandar Bottled Toddy Manufactory	101,040.000	1,010,400.00
Total	4,272,662.375	42,726,623.75

28. SPIRITS

Table No: 1 : Spirits distilled from Coconut Toddy

Distillery	Pure Toddy (Ltrs)	Spirits Manufactured (Ltrs)
Acme Distillery	275,571.200	20,006.300
Beruwala Distillery	11,414,836.500	852,009.300
Co-operative Distillery	27,905.000	1,432.000
Mestiya Distillery	3,020,751.000	243,163.200
Vavulugala Distillery	47,066.000	3,267.200
Rockland Distillery	6,284,195.000	465,536.000
Seeduwa Distillery	18,432,456.700	1,408,021.400
Total	39,502,781.400	2,993,435.400

Table No.2 : Spirits distilled from Palmyrah Toddy

Distillery	Pure Toddy (Ltrs)	Spirits Manufactured (Ltrs)
Thikkam Distillery	643,320.000	28,179.500
Warani Distillery	132,525.000	6555.300
Valikamam Distillery	915,564.250	39,798.100
Total	1,691,409.250	74,532.900

Table No.3 : Qty of Palmyrah Arrack manufactured from spirits distilled from Palmyrah Toddy

Distillery	Arrack Proof Ltrs	Duty (Rs.Cts)
Thikkam Distillery	52,999.990	31,676,530.55
Warani Distillery	8,607.700	5,088,322.19

Valikamam Distillery	49,394.560	29,383,789.70
Scotland Distilleries Ltd	680.400	401,814.00
Total	111,682.650	66,550,456.44

29. Production of Rectified Spirits

Distillery	Qty Manufactured (Bulk Ltrs)
Pelwatta	5,455,312.1
Sevanagala	3,908,390.2
Total	9,363,702.3

30. Rectified Spirits (Imported for manufacture of Arrack)

Company	Qty Imported (Bulk Ltrs)
Distilleries Company of Sri Lanka Ltd.,	11,479,377.000
International Distilleries Ltd.,	991,926.000
Periceyl Company (Pvt) Ltd.,	501,300.000
Rockland Distilleries (Pvt) Ltd.,	98,288.000
Hingurana Distilleries Co., Pvt Ltd.,	92,000.000
Total	13,162,891.000

31. Rectified Spirits/Weak Spirits/Neutral Spirits issued for industrial purposes :

Distillery	Rectified Spirits (Ltrs)	Weak Spirits	Neutral Spirits
Hingurana Distillery, Korambe	-	615,000.000	448,439.600
Pelawatta	1,677,447.800	1,279.800	-
Sevanagala	1,115,384.700	-	-
Total	2,792,832.500	616,279.800	448,439.600

32. Denatured Spirits

There was no production of denatured spirits in Pelawatta and Sevanagala Distilleries in the year 2009

33. MANUFACTURE OF VINEGAR

The number of trees Licenced, the quantity of Vinegar manufactured, and the selling prices are given in the appendix “C”.

34. TOBACCO PRODUCTION AND TAX

The Quantify of Tobacco issued and the duty recovered during the year 2009 were as follows:-

Production (Kgs)	Tax (Rs)
2,059,445.600	20,594,456.00

35. FUNCTIONS OF SPECIAL OPERATION BUREAU (S.O.B)

a. Colombo Unit

This Unit has been under the purview of the Commissioner General of Excise. This Unit consists of 01 Superintendent of Excise, 07 Excise Inspectors including an Excise Officer In-charge, and 21 other officers.

This Unit bears the responsibility of curbing all excise crimes in all areas, inquiring the complaints received by the Commissioner General of Excise from Public. The number of detections made by this Unit is 2060. Details are given below:-

Unlawful Distillation of Spirits	131
Possession of unlawful Spirits	837
Possession & Sale of unlawful Spirits	431
Possession & Sale of unlawful Toddy	46
Possession of unlawful Toddy	79
Sale of unlawful Toddy	63
Sale of Govt Approved Arrack & Beer (Without Licence)	01
Possession of Arrack (Without Licence)	310
Unlawful sale of Malt Liquor or Beer	42
Possession of unlawfully manufactured liquor	23

Possession of Ganja	65
Number of Ganja Chenas detected.	08
Other faults	24
Total detections done	2060

During the year 2009, a sum of Rs 12,752,650/= was recovered from the raids conducted by this Unit. A sum of Rs 18,166,138/= was recovered from offences committed in 602 Licenced premises. Accordingly, a total sum of Rs 30,918,788/= collected as Govt income during the year 2009.

The Officers of this Unit managed to detect 262 grms of Heroin, 289 Kgs of Ganja, and 05 High Court cases were filed against these detections. Also, 34 ½ acres of Ganja (06 Ganga Chenas) were destroyed.

b. Central Province Unit

This Unit has been under the purview of the Commissioner General of Excise and supervised by the Assistant Excise Commissioner (Central Province). Unit consisted of an Officer Incharge, 04 Excise Inspectors, an Excise Sergeant, 07 Excise Guards, 01 Female Excise Guard and an Excise Driver. The Unit was established in 2003 and covered special duties in islandwide.

Through 1505 raids conducted, 1505 personnel were taken into custody during the year 2009, and a sum of Rs. 10,052,150/= was recovered as fines. 142 unlawful distillation points were raided.

439 Licenced premises were detected for violating the conditions in 05 Provinces in the island, and 439 Technical Crime Reports were forwarded. Rs 9,843,925/= were earned as composition fees.

c. Southern Province Unit :

This Unit has been under the the Commissioner General of Excise, with the supervision of Assistant Excise Commissioner (Southern Province). The Unit was consisted of an Officer Incharge, 03 Excise Inspectors and 05 Excise Guards. 740 detections were carried out by this Unit, and earned Rs 1,820,500/= as Courts fines and Rs 517,350/= were collected as composition fees from 37 Technical Crime Reports.

d. North-Western Province Unit

Under the supervision of the Commissioner General of Excise, this Unit has been administered by the Assistant Excise Commissioner (North-Western Province) It comprises of 03 Excise Inspectors, 01 Excise Sergeant, 01 Excise Corporal and

04 Excise Guards. During the year under review, this Unit has carried out 841 detections and filed 764 cases against the culprits. Rs. 5,149,650/= were recovered as Court fines, and have managed to detect 70 mg of Heroin under the Dangerous Drugs Ordinance and Rs. 10,000/= was collected as fines.

36. ACTIVITIES OF THE MANUFACTURING OPERATION UNIT AND ITS PROGRESS

Under the control of the Commissioner General of Excise, this Unit has been guided by an Assistant Excise Commissioner. The Staff consisting of a Chief Excise Inspector, 01 Excise Inspector, a Female Excise Corporal, and an Excise Driver. In addition, an Excise Inspector is attached to Greyline Custom Yard at Orugodawatta to monitor the matters relating to importation of spirits, when required.

The main functions of this Unit are the supervision of Distilleries, Liquor Manufactories, Toddy & Wine Manufactories, Liquor Wholesale Licenced places (FL 03) established island wide and collect excise revenue. The Officers attached to this Unit, inspect these places regularly and submit Technical Crime Reports if they found any offences occurring in these places. They also provide advises to these Establishments regarding the excise rules and regulations and keep them under close supervision.

138 Technical Crime Reports have been forwarded for the offenses of the Licenced premises through supervision, during the year 2009 and Rs. 5,295,500/= has been collected as composition fees. This Unit closely monitored the Licenced manufacturing establishments in order to achieve the targeted revenue.

Also, this Unit assist to maintain the statistics, and making policy planning in relating to Liquor Manufactories, on behalf of the Department.

37. ACTIVITIES OF THE NARCOTICS UNIT:

The Narcotic Unit which has been established for the enforcement of law under the Poisons, Opium and Dangerous Drugs ordinance is in operation at D.R Wijewardena Mawatha, Colombo 10. This Unit operates under the supervision of a Superintendent of Excise with an Officer Incharge, and 20 other officers.

808 detections were carried out during the year 2009 and 730 males and 73 females were taken into custody. Out of the 808 detections, 641 were connected to Heroin, 160 were connected to Ganja detections. There are 23 cases Cannabis plantation cases and 83 cases filed in High Courts. . Total revenue collected from Court fines were Rs 4,094,300/=.

38. EXCISE CRIMES:

The number of raids conducted in the year under review was 45737 and Rs 196,313,030/= were recovered as Court fines.

This includes, 38965 excise crime detections, 4280 narcotic detections, 1237 detections under the Tobacco Tax Act, and 1255 detections under the National Authority on Tobacco & Alcohol Act.

39. ASSAULTS & OBSTRUCTIONS

- An Excise Inspector who attached to the Excise Station, Kegalle was hospitalized due to an assault by the suspect. Case has been filed against the suspect at Magistrate Courts, Kegalle and case is still on warrant.

CONCLUSION

The excise revenue collected during the year under review was Rs 28,516 million, and that was an increase of 4% compared to year 2008. Reason for the slower increase of revenue was due to the drop in consumption of liquor. Comparing to the year 2008, it shows that 10% and 3% decrease in production of hard liquor and soft liquor respectively. Though, the production of liquor has come down, the excise revenue was slightly increased, due the increase of taxes. When perusing the figures of liquor productions, it is revealed that in past years, the production has been increased by year and year, but since 2008, it was dropped due to the new policy adhered from 2005. The Department conducted 45737 raids in 2009. This was a decrease of 19%, than previous year. Reason for this was that, as we organized some mass detection programmes to evacuate illegal liquor, it is numeritically shows a drop of detection figures, but, qualitatively these detections were much better. Accordingly, I am pleased that we have been successful in fulfilling our objectives during the year under review,

I am thankful to His Excellency the President, the Hon Minister of State Revenue & Finance and Deputy Minister of Finance & Planning, and the Secretary to the Ministry of Finance for giving me the strength, directions and guidelines to carry out my duties through continuous review of our activities, and to the Deputy Secretaries to the Treasury who cleared the hindrances by co-ordinating and constantly giving instructions. I also wish to thank the Additional Secretary and all other officers and the staff of the Ministry of Finance, who assisted us in this task.

Also, I am grateful for the assistance extended to me by the District Secretaries and the Divisional Secretaries to perform our functions of the Department properly. I also wish to thank and extend my gratitude to the National Dangerous Drugs Control Board, Attorney General's Department, Police Department, Government Analyst Department, National Authority on

Tobacco & Alcohol and other Govt Institutions for the friendly assistance offered to the Department to achieve its goals.

I express my gratitude to Sri Lanka Institute of Development Administration (SLIDA) the Institute of Govt Accounts & Finance (INGAF), the Human Rights Commission, Bribery Commission, and the Sri Lanka Foundation Institute, for providing training opportunities and enhance the knowledge, skills and attitudes of the Department officers.

Also, I specially thank for the support extended to this Department by the Director and Staff of Fiscal Management Reform Programme (FMRP) which is funded by the Asian Development Bank, in giving opportunities for overseas trainings.

Finally, I extend my special thanks and gratitude to my dedicated and courageous staff from every grades who contributed to the success of the Department.

(Vasanth Hapuarachchi)
Commissioner General of Excise

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