

**ADMINISTRATIVE REPORT OF THE
COMMISSIONER GENERAL OF EXCISE
FOR THE YEAR 2010**

Introduction

The Department of Excise operates 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 a part of Government 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.
- b. 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 31.12.2010 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
Deputy Excise Commissioner (Revenue) – Covering duties	:	01
Deputy Excise Commissioner (Crime) – Covering duties	:	01
Assistant Excise Commissioners	:	11
Administrative Officers	:	02
Translator	:	01
Superintendents of Excise	:	13
Chief Excise Inspectors	:	25
Excise Inspectors	:	270
Excise Sergeant Majors	:	14
Excise Sergeants	:	67
Excise Guards / Corporals	:	428
Excise Drivers	:	70
Public Management Assitants Service	:	94
Budgetary Assistants	:	01
K.K.S	:	39
Circuit Bungalow Keepers	:	04

5. STAFF CHANGES

- Mrs. K.M.S Kumari reported for duties as an English Translator from 15.10.2010.
- The under named Officers were retired from the Public Service.

Name of Officer	Designation	Date of Retirement
Mr. W.K.S Wijesinghe	Excise Inspector	01.04.2010
Mr. T.H Chandrasena	Excise Inspector	09.11.2010

Excise Inspector Mr. L.P Siripala was dead on 30.10.2010.

6. HUMAN RESOURCES DEVELOPMENT :

This Unit operates under the supervision of the Excise Commissioner (Administration / Human Resources) and consisting of an Assistant Excise Commissioner, 02 Excise Guards, 01 Female Excise Corporal, 01 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 referring them for external training programmes.

Training Courses Organized :

	Course	Period		Number of officers participated	Training Institute / Country
1.	Weapon Training for newly recruited officers	31.01.2010	02.02.2010	12	Excise Training Centre -Panadaragama
2.	Training on Manufactories	22.02.2010	-	21	Excise Head Office
3.	Training for Excise Officers In-charge	01.04.2010	-	56	Foundation Institute of Sri Lanka
4.	Training for Excise Sergeant Majors	30.04.2010	-	57	-do-
5.	Training for Excise Inspectors	09.05.2010	14.05.2010	37	Excise Training Centre -Panadaragama
6.	Training for Excise Sergeant Majors	11.05.2010	-	29	Foundation Institute of Sri Lanka
7.	Computer Training for Asst Excise Commisisoners	13.05.2010	15.05.2010	14	Excise Computer Laboratory
8.	Computer Training for Excise Guards	14.06.2010	16.06.2010	17	Excise Computer Laboratory
9.	Training for Excise Guards	21.06.2010	23.06.2010	24	Excise Training Centre -Panadaragama
10.	Training for Excise Guards	02.07.2010	-	35	Foundation Institute of Sri Lanka
11.	Overseas Training for Excise Commissioners/ Asst Excise Commissioners	05.07.2010	09.07.2010	05	Malaysia
12.	Training for Excise Guards	15.07.2010	-	39	Foundation Institute of Sri Lanka
13.	Training for Excise Guards	21.07.2010	23.07.2010	17	Excise Training Centre -Panadaragama
14.	Computer Training for Excise Guards	26.07.2010	28.07.2010	15	Excise Computer Laboratory
15.	Training for Excise Guards	02.08.2010	04.08.2010	22	Excise Training Centre -Panadaragama
16.	Training for Tamil Excise Guards	16.08.2010	18.08.2010	38	Excise Training Centre -Panadaragama
17.	Computer Training for Excise Guards	16.08.2010	18.08.2010	15	Excise Computer Laboratory
18.	Training for Female Excise Guards	25.08.2010	27.08.2010	21	Excise Training Centre -Panadaragama
19.	Overseas Training for Asst Excise Commissioners & Superintendents of Excise	30.08.2010	03.09.2010	30	Thailand
20.	Training for newly recruited Excise Drivers	31.08.2010	14.09.2010	15	Excise Training Centre -Panadaragama

21.	Computer Training for Excise Inspectors	01.09.2010	03.09.2010	22	Excise Computer Laboratory
22.	Computer Training for Excise Inspectors	15.09.2010	17.09.2010	26	-do-
23.	Training for Excise Inspectors	20.09.2010	24.09.2010	41	Excise Training Centre -Panadaragama
24.	Computer Training for Excise Guards	20.09.2010	23.09.2010	19	Excise Computer Laboratory
25.	Computer Training for Excise Guards	27.09.2010	29.09.2010	18	-do-
26.	Training for Excise Guards	29.09.2010	-	42	Excise Computer Laboratory
27.	Training for Tamil Excise Officers	02.10.2010	09.10.2010	47	Excise Training Centre -Panadaragama
28.	Training for Tamil Excise Inspectors	25.10.2010	29.10.2010	30	-do-
29.	Training for Excise Guards	29.10.2010	-	41	Foundation Institute of Sri Lanka
30.	Computer Training for Excise Inspectors	02.11.2010	04.11.2010	22	Excise Computer Laboratory
31.	Training for Tamil Excise Inspectors	07.11.2010	12.11.2010	30	Excise Training Centre -Panadaragama
32.	Training for Excise Sergeant Majors / Excise Sergeants	22.11.2010	24.11.2010	24	Excise Training Centre -Panadaragama
33.	Computer Training for Excise Inspectors	23.11.2010	25.11.2010	24	Excise Computer Laboratory
34.	Training for Excise Guards	17.12.2010	-	44	Foundation Institute of Sri Lanka

7. INFRASTRUCTURE DEVELOPMENT (BUILDINGS)

A. Outside Areas

Office	Type of Work	Expenditure (Rs)
Circuit Bungalow, Polonnaruwa	Repairs	1,370,705.08
Circuit Bungalow, Anuradhapura	Repairs	1,397,375.74
Asst Excise Cmsr's Office, (North Central)	Repairs	641,000.00
Asst Excise Cmsr's Office, (North Western) II	Repairs	434,703.46
Excise Station – Matale	Repairs	1,264,260.46
Excise Station – Maho	Erecting of Fence around the Land	50,000.00
Excise Station – Embilipitiya	Erecting of Fence around the Land	364,142.21
Circuit Bungalow – Nuwara Eliya	Repairs	2,082,300.10
Total Expenditure		7,604,487.05

B. Head Office – Colombo 2

Rs. 200,000/= has been spent for general maintenance at Excise Head Office, during the year 2010..

C. Following vehicles were purchased during the year 2010.

Vehicle No:	Type	Price (Rs)
PP 3634	Toyota Single Cab	2,165,000.00
PP 3636	Toyota Single Cab	2,165,000.00
PP 3639	Toyota Single Cab	2,165,000.00
PP 3608	Mitsubishi Single Cab	2,450,000.00
PP 3609	Mitsubishi Single Cab	2,450,000.00
PP 3610	Mitsubishi Single Cab	2,450,000.00
PP 3582	Mitsubishi Single Cab	2,450,000.00

8. IMPLEMENTATION OF POLICIES:

The present excise policy is based on the policy frame of “Mahinda Chinthanaya.” Accordingly, the Excise Department takes necessary action to control the consumption of Liquor and the use of Cigarettes. Also, as an action to curtail down the consumption of liquor, the taxes for Liquor were increased several times. Issuance of new liquor licenses has been restricted only for the Hotels approved by the Sri Lanka Tourism Development Authority. Amendments were proposed to resolve the difficulties faced when implementing the National Authority Act on the Tobacco and Alcohol, and the National Authority on Tobacco & Alcohol is now in the process of amending the Act.

Table 8.1 Issue of New Licenses: 2003 - 2010

Year	Number of newly issued Liquor Licences
2003	185
2004	203
2005	132
2006	35
2007	42
2008	36
2009	40
2010	51

Table 8.2 – Liquor Production: 2003 - 2010

Year	Qty by Proof Ltr - Mln	Qty by Proof Ltr - Mln
2003	32.0	47.8
2004	34.5	48.3
2005	38.5	51.5
2006	45.4	46.9
2007	47.2	49.7
2008	45.7	57.3
2009	41.1	55.5
2010	49.0	71.3

Table 8.3 Revenue collected from License Fees and Court Fines 2003 - 2010

Year	Licence Fee (Rs. Mln)	Court 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
2010	407	234	641

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. By the Excise Notification 913 published on 17.02.2010, taxes levied on spirits has been revised. According to that Notification, Rs. 200/= was levied for a Litre of spirits issued for commercial purposes upto a limit of 20,000 Ltrs. Beyond that limit, Rs 500/= was levied for a Ltr of sprits. By Excise Notification 915 published on 31.05.2010, the taxes for Sprits issued for commercial purposes were revised again as Rs 125/= per Ltr upto 20,000 Ltrs, and beyond that limit, it was increased by Rs 500/= per Ltr. The Tax Structure was futher revised as follows by Excise Notification 925 published on 28.10.2010.

- Rs 150/= per Ltr, upto 10,000 Ltrs per month.
- Rs. 200/= per Ltr, upto 10,001 to 20,000 Ltrs per month.
- Rs. 550/= per Ltr, beyond 20,000 Ltrs per month.

When issuing an application for a liquor Licence, a sum of Rs 7500/= should be paid. The Excise License Fees were revised by Excise Notification 926 published on 19.11.2010, and accordinly a sum of Rs 100,000/= be charged for shifting an Excise Licence to another premises. Besides, Rs. 1,500,000/= be charged for transferring of FL 04 Licence to another person, and Rs 200,000/= for other types of license transferrings. Accordingly, the total revenue collected in the year 2010 from those sources were Rs. 106,766,276/=.

9. EXCISE TAX STRUCTURE:

Excise Taxes were revised thrice as follows.

Table : 9.1

Description	Unit	From 24.06.2010	From 29.10.2010	From 23.11.2010
Molasses, Palmyrah Arrack, Coconut and Processed Arrak	Proof Ltr	660/=	710/=	813/=
Foreign Liquor	Proof Ltr	790/=	840/=	953/=
Alcohol percentage below 5% for Beer	Bulk Ltr	58/=	63/=	80/=
Alcohol percentage 5% and above for Beer	Bulk Ltr	74/=	79/=	96/=
Wine	Ltr	515/=	565/=	668/=
Excise Duty on Tobacco	Per 01 Kg	10/=	10/=	10/=
Bottled Toddy	Per 01 Ltr	10/=	10/=	10/=

Table: 9.2

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
2010	36,666.886	403.601	1.10

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 Annual Action Plan of the Department, 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 Technology

- Effecting of Tobacco Tax Act
- Financial Management
- Management of Assets.

Basically, auditing was carried out in the above mentioned fields. Linking all above fields, receipts, payments, supplies, services and asset management in relation to Head Office were audited. Cost Registers with regard to 113 vehicles were also audited. During the year under review, 14 Excise Stations, Excise Superintendents Offices, Assistant Excise Commissioners' Offices, Distilleries and Toddy Manufactories were audited. Through this process, it was identified some irregular advises issued against relevant Acts, Excise Notifications, Financial regulations and Establishment Code, and introduced suitable methodologies to avoid such irregularities. By giving recommendations to operate new system to avoid delays in revenue accounting, it was introduced a special Bank Credit slip. Also, necessary advises were given to carry out a systematic Vehicle Costing Register.

04 Audit and Management Committee meetings were conducted under the leadership of the Commissioner General of Excise, with the participation of all Staff Officers in the Head Office during the year 2010, and decisions were taken to effect the decisions taken at the Audit & Management Committees of the Ministry, through all the 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 the targets and objectives of the Department.

11. BOARD OF SURVEY :

By the end of 2010, all Board of Surveys in relation to year 2009 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 2010 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:

29 Audit Queries were received during the year under review and all were answered. The queries were on Bank Accounts, purchasing of Uniform materials, Reward Fund, Vehicle Accidents and Imprest Accounts.

15. DEPARTMENT'S ASSETS:

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

16. REWARD 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.

F.L 1	:	Licence to manufacture malt liquor
F.L A	:	Licence to manufacture foreign liquor
F.L B	:	Licence to manufacture, milk punch and/or wine
F.L C	:	Licence to manufacture country made foreign spirits from spirits distilled from the coconut or any of its products other than toddy.
F.L 3	:	Wholesale Licence
F.L 4	:	Retail Licence
F.L 6	:	Beer and Porter Licence
F.L 7	:	Hotel Licence
F.L 8	:	Hotel Bar Licence
F.L 9	:	Entertainment Bar Licence
F.L 10	:	Railway Refreshment Room Licence
F.L 11	:	Restaurant Licence
F.L 12	:	Rest House Licence
F.L 13 A	:	Club Licence
F.L 14	:	Occasional Licence
F.L 15	:	Supplementary Licence to extend the hours of sale.
F.L 16	:	Auctioneer’s Licence
F.L 17	:	Rectified Spirits Licence
F.L 18	:	Medicated Wine Licence
F.L 19	:	Special Licence
F.L 22 A	:	Beer, Ale, Stout and Wine Licence for retail sale
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 production 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

- h. Toddy Taverns sold by Tender.

21. LICENCED LIQUOR MANUFACTURERS IN 2010.

- I. V&A (Pvt) Ltd., No. 324, High Level Road, Galagedara, Padukka
- II. Acme Lanka Company Ltd., No. 73/1, Old Road, Hanwella
- III. Asia Pacific Brewery (Lanka) Ltd., Mawathagama
- IV. Co-operative Distilleries, Payagala
- V. Classic Distilleries (Private) Ltd., No. 565, Mihindu Mawatha, Malabe.
- VI. Distilleries Company of Sri Lanka Ltd., 110, Norris Canal Road, Colombo 10
- VII. Hingurana Distilleries (Pvt) Co., Samanabedda, Thittapattara
- VIII. International Distillers Ltd., Kotalawala, Kaduwela
- IX. Lion Brewery Ltd., No. 254, Colombo Road, Biyagama
- X. Manori Lanka Company (Pvt) Ltd., No. 277/1, Jayamalapura, Gampola
- XI. Mc-Callum Brewery (Pvt) Ltd., Pearl Estate, Meegoda
- XII. Nippon Expo Company Ltd., No. 152, Nagahakandawatta, Palugama, Dompe
- XIII. Periceyl Company (Pvt) Ltd., No. 296/10, Park Road, Colombo 5

- XIV. Randiya Marketing Services (Pvt) Ltd., No. 7, Perukkuliya Mawatha, Dankotuwa
- XV. Randenigala Distilleries Ltd., No. 255/86, Korathota, Kaduwela
- XVI. Rockland Distilleries Ltd., No. 7/E, Ovitimulla, Artigala, Ferry Rd., Thittapattara, Welgama
- XVII. Sri Lanka Distilleries Ltd., Mestiya, Wadduwa
- XVIII. Scotland Distilleries Company Ltd., Passara Road, Vineethagama, Badulla.
- XIX. Thikkam Distilleries, Alwai, Point Pedro
- XX. Uva Glen Company (Pvt) Ltd., Millewa, Moragahahena
- XXI. Valikamam Distilleries, Chankanai
- XXII. 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	21,614.61	14,372,347.22
International Distilleries Ltd.	2,321,444.20	1,526,271,420.62
Manori Lanka Ltd.,	34,887.41	23,146,377.04
Randenigala Distilleries Ltd.,	8,114.22	5,156,922.70
Uva Glen (Pvt) Ltd.,	4,717.39	3,305,727.10
Classic Distilleries Pvt Ltd.,	6,038.21	3,864,524.68
W.M Mendis & Co., Ltd.,	185,899.11	122,406,765.01
Perecyl Ltd.,	38,360.63	31,187,192.19
Total	2,621,075.78	1,729,711,276.56

Table II : Coconut & Processed Arrack

Manufacturing Institution	Qty (Proof Ltr)	Duty (Rs.Cts)
V&A (Pvt) Ltd.,	279.25	227,030.25
Acme Lanka Company Ltd.,	63,780.78	40,863,792.00
Perecyl Ltd.,	480,422.71	320,048,351.38
Distilleries Company of Sri Lanka Ltd.,	1,903,233.04	1,253,826,436.54
Hingurana Distilleries Co., Ltd, Dompe	27,233.11	18,644,050.14
International Distilleries Ltd.,	433,708.71	284,561,150.41
Co-operative Distillery.	1,306.59	797,019.90
Randenigala Distilleries Ltd.,	1,202.31	733,409.10
Manori Lanka Ltd.,	8,957.22	5,957,840.28
Nippon Expo Ltd.,	10,774.16	7,076,856.28
Rockland Ltd.,	1,464,572.86	954,511,717.00
Scotland Distilleries Ltd.,	64,325.97	42,470,863.49

Uva Glen (Pvt) Ltd.,	3,421.32	2,223,246.20
W.M Mendis & Co., Ltd.,	473,133.95	324,795,823.09
Sri Lanka Distilleries Ltd.	1,568.95	1,118,850.60
Total	4,937,920.93	3,257,856,436.66

Table III - Special Arrack

Manufacturing Institution	Qty (Proof Ltr)	Duty (Rs.Cts)
V&A (Pvt) Ltd.,	180,646.40	119,212,154.05
Acme Lanka Company Ltd.,	389,852.19	257,447,140.83
Co-operative Distillery	2,655.03	1,619,568.30
Classic Manufacturers	33,066.74	21,664,811.10
Distilleries Company of Sri Lanka Ltd	32,989,276.56	21,624,299,696.14
Hingurana Distilleries Co., Ltd, Dompe	464,050.30	305,032,756.60
International Distilleries Ltd.,	2,290,224.52	1,503,047,663.77
Manori Lanka (Pvt) Ltd.,	59,753.66	39,436,008.66
Nippon Expo Ltd.,	122,708.20	79,320,087.60
Rockland Distilleries Ltd.,	391,717.19	249,583,466.55
Randiya (Pvt) Ltd.,	132,406.69	83,031,088.83
Randenigala Distilleries Co., Ltd.	229,174.32	151,469,736.85
Scotland Distilleries Ltd.,	150,955.54	95,019,446.10
Sri Lanka Distilleries Ltd.,	58.40	38,544.00
Uva Glen Pvt Ltd.,	99,748.21	65,325,190.13
W.M Mendis & Co., Ltd.,	146,578.31	97,629,429.92
Nippon Lanka Ltd.	11,627.12	7,952,370.20
Total	37,694,499.38	24,701,129,159.63

23. COUNTRY MADE FOREIGN LIQUOR

Manufacturing Institution	Qty (Proof Ltr)	Duty (Rs.Cts)
Hingurana Distilleries Co., Ltd., Dompe	83,847.77	65,234,282.09
International Distilleries Ltd.,	1,751,250.07	1,384,925,530.49
Nippon Expo (Pvt) Ltd.,	2,530.95	2,009,654.86
Periceyl Company (Pvt) Ltd.,	996,274.61	789,921,129.34
Rockland Distilleries (Pvt) Ltd.,	1,075,247.97	857,821,390.03
Sri Lanka Distilleries Ltd.,	47,637.70	38,214,678.90
W.M Mendis & Co., Ltd.,	50,318.69	40,105,033.28
Total	4,007,107.76	3,178,231,698.99

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

Manufacturing Institution	Qty (Ltrs)	Duty (Rs. Cts)
Asia Pacific Brewery (Lanka) Ltd.,	881,019.48	47,996,088.60
Lion Brewery Ltd.,	14,204,005.39	795,051,832.51
Mc-Callum Brewery Ltd.,	218,344.23	10,967,666.79
Total	15,303,369.10	854,015,587.90

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

Manufacturing Institution	Qty (Ltrs)	Duty (Rs.Cts)
Asia Pacific Brewery (Lanka) Ltd.,	9,821,657.82	712,438,268.04
Lion Brewery Ltd.,	45,848,092.41	3,330,983,304.73
Mc-Callum Brewery Ltd.,	431,025.69	28,964,604.16
Total	56,100,775.92	4,072,386,176.93

26. WINE

Manufacturing Institution	Qty (Ltrs)	Duty (Rs.Cts)
Home Delights Wine	97.100	64,862.80
Lanka Wine (Pvt) Ltd.,	7,942.712	4,155,703.53
S.D.T Canaries Wine	22.784	12,873.27
Mefal Wine Manufactory	460.500	79,022.27
Total	8,523.096	4,312,461.87

27. SAKE PRODUCTION

Manufacturing Institution	Qty (Ltrs)	Duty (Rs.Cts)
Nippon Lanka Ltd.,	3,102.390	1,667,473.10

28. QTY OF TODDY MANUFACTURED BY BOTTLED TODDY MANUFACTURERS, AND TAX LEVIED.

Manufacturing Institution	Qty (Ltrs)	Duty (Rs.Cts)
Wayamba Super Bottled Toddy Manufactory	626,690.000	6,266,900.00
Eagle Bottled Toddy Manufactory	547,995.000	5,479,950.00
Empire Bottled Toddy Manufactory	7,300.000	73,000.00
Golden Eagle Bottled Toddy Manufactory,	156,390.000	1,563,900.00
Golden Eagle Camel Bottled Toddy Manufactory	7,181.000	71,810.00
Horse Power Bottled Toddy Manufactory	416,355.000	4,163,550.00
Manori Lanka Bottled Toddy Manufactory	926,220.000	9,262,200.00

Commondo Bottled Toddy Manufactory	139,525.000	1,395,250.00
New Commondo Bottled Toddy Manufactory	135,145.000	1,351,450.00
Shooting Star Bottled Toddy Manufactory	467,955.000	4,679,550.00
Singha Bottled Toddy Manufactory	764,590.000	7,645,900.00
A.M.P Bottled Toddy Manufactory	202,017.500	2,020,175.00
T.S.R Bottled Toddy Manufactory	575,385.000	5,753,850.00
Nemta Bottled Toddy Manufactory	212,505.000	2,125,050.00
New T.S.R Bottled Toddy Manufactory	220,365.000	2,203,650.00
Thellipalei Bottled Toddy Manufactory	21,336.520	213,365.20
Atchchuvely Bottled Toddy Manufactory	9,042.500	90,425.00
Manipai Bottled Toddy Manufactory	27,235.000	272,350.00
Chankanei Palm Development Co-operative	48,136.875	481,368.75
Point Pedro Palm Development Co-operative	6,819.375	68,193.75
Chavakachcheri Palm Development Co-operative	24,074.375	240,743.75
Pandatharippu Palm Development Co-operative	56,663.125	566,631.25
Kondavil Palm Development Co-operative	3,268.750	32,687.50
Kayts Palm Development Co-operative	14,070.625	140,706.25
Jaffna Palm Development Co-operative	11,633.750	116,337.50
Kareinagar Palm Development Co-operative	11,508.125	115,081.25
Karaveddy Palm Development Co-operative	4,668.750	46,687.50
Chunnakam Palm Development Co-operative	14,138.375	141,383.75
Total	5,658,214.645	56,582,146.45

29. SPIRITS

Table No: 1 : Qty of Spirits distilled from Coconut Toddy

Distillery	Pure Toddy (Ltrs)	Spirits Manufactured (Ltrs)
Acme Distillery	1,192,028.400	79,196.400
Beruwala Distillery	10,415,854.000	790,685.000
Mestiya Distillery	4,141,227.000	334,176.800
Vavulugala Distillery	158,501.000	11,982.500
Rockland Distillery	8,446,485.100	657,662.100
Seeduwa Distillery	8,487,829.400	640,335.17
Total	32,841,924.900	2,514,037.97

Table No.2 : Qty of Spirits distilled from Palmyrah Toddy

Distillery	Pure Toddy (Ltrs)	Spirits Manufactured (Ltrs)
Thikkam Distillery	237,926.250	9,896.900
Warani Distillery	216,039.750	9,501.800
Valikamam Distillery	472,070.000	18,808.500
Total	926,036.000	38,207.200

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

Distillery	Arrack Proof Ltrs	Duty (Rs.Cts)
Thikkam Distillery	38,568.39	24,502,187.40
Warani Distillery	20,930.87	14,082,205.43
Valikamam Distillery	26,521.97	14,830,375.57
Scotland Distilleries Ltd	745.20	490,914.00
Hingurana Distilleries Ltd	10,302.67	6,645,277.70
Total	97,069.10	60,550,960.10

30. Production of Rectified Spirits

Distillery	Qty Manufactured (Bulk Ltrs)
Pelwatta	4,289,259.900
Sevanagala	2,857,262.400
Total	7,146,522.300

31. Qty of Sprits issued for production of Arrack

Distillery	Qty Manufactured (Bulk Ltrs)
Pelwatta	2,909,490.000
Sevanagala	1,540,000.000
Hingurana - Korambe	103,700.000
Total	4,553,190.000

32. Rectified Spirits (Imported for manufacture of Arrack)

Company	Qty Imported (Bulk Ltrs)
Distilleries Company of Sri Lanka Ltd.,	17,662,242.000
International Distilleries Ltd.,	2,967,100.000
Periceyl Company (Pvt) Ltd.,	638,717.000
Rockland Distilleries (Pvt) Ltd.,	953,671.000
Classic Distilleries Ltd.,	20,000.000
Nippon Expo Ltd.,	60,000.000
Manori Lanka Pvt Ltd.,	19,600.000
W.M Mendis & Co., Ltd.,	22,000.000
Hingurana Distilleries Pvt Ltd.,	803,600.000
Total	23,146,930.000

33. Rectified Spirits/Weak Spirits/Neutral Spirits issued for industrial purposes

Distillery	Rectified Spirits (Ltrs)	Weak Spirits	Neutral Spirits
Hingurana Distillery, Korambe	-	100,000.000	120.000
Pelawatta	1,348,962.750	-	-
Sevanagala	796,213.000	-	-
Total	2,145,175.750	100,000.000	120.000

34. Denatured Spirits

There was no production of denatured spirits in Pelawatta and Sevanagala Distilleries in the year 2010

35. MANUFACTURE OF VINEGAR

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

36. TOBACCO PRODUCTION AND TAX

I. The Quantify of Tobacco issued and the duty recovered during the year 2010 were as follows:-

Production (Kgs)	Tax (Rs)
3,267,187.20	32,671,872.00

II. Tax received from imported tobacco:-Rs. 248,629.00

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

a. Colombo Unit

This Unit has been under the purview of the Commissioner General of Excise and consists of 01 Superintendent of Excise, 08 Excise Inspectors including an Excise Officer In-charge, and 21 other ranks.

This Unit bears the responsibility of curbing all excise Crime in all areas, inquiring the complaints received by the Commissioner General of Excise from Public. Accordingly, the number of detections made by this Unit is 2194. Details are given below:-

Unlawful Distillation of Spirits	130
Possession of unlawful Spirits	1012
Possession & Sale of unlawful Spirits	209
Possession & Sale of unlawful Toddy	14
Possession of unlawful Toddy	114
Sale of unlawful Toddy	120
Possession of Arrack (Without Licence)	02
Sale of Govt Approved Arrack (Without Licence)	366
Unlawful sale of Malt Liquor or Beer	156
Possession of unlawfully manufactured liquor	03
Possession of equipment using for manufacture of illegal liquor	01
Sale of Govt Approved Arrack (Without License) / Illegal sale of Beer	01
Possession of Heroin	18
Possession of Ganja	27
Possession of Non Tax Paid Cigarettes	21
Total	2194

During the year 2010, a sum of Rs 12,997,800/= was recovered from the raids conducted by this Unit. A sum of Rs 19,816,967/= was recovered from offences committed in 585 Licenced premises. Accordingly, a total sum of Rs 32,814,767/= collected as Govt income during the year 2010.

The Officers of this Unit managed to detect 6462.490 Ltrs of unlawful sprits and 20.995 Grms of Heroin and 04 High Court cases were filed in those Heroin detections. Also, 24,010 Nos of non tax paid Cigarettes were detected by this Unit during the year 2010.

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 Chief Excise Inspector, 06 Excise Inspectors, 02 Excise Sergeants, 10 Excise Guards, 01 Female Excise Guard and an Excise Driver. The Unit was established in 2003 and covered special duties in islandwide.

A Table is appended below with regard to the detections carried out by this Unit.

Number of Crime Reports detected	Court Fines levied under the Crime Reports – Rs.	Number of Technical Crime Reports detected.	Composition Fees levied under the Tehnical Crime Report - R\$
1969	12,851,500.00	501	9,243,500.00

1969 Crime Reports are categorized as follows:-

Distillation of unlawful sprits	186
Possession of unlawful sprits	850
Possession and Sale of unlawful sprits	230
Possession and Sale of unlawful Toddy	57
Possession of unlawful Toddy	149
Sale of unlawful Toddy	46
Possession of Arrack (Without License)	01
Sale of Government Approved Arrack (Without License)	320
Possession of unlawfully manufactured Liquor	09
Possession and Sale of unlawfully manufactured Liquor	03
Illegal sale of Arrack and Foreign Liquor	02
Illegal sale of Foreign Liquor	65
Possession of Heroin	02
Possession of Ganja	10
Raids of Ganja Chenas	21
Raids of unlawful Cigarettes under the Tobacco Tax Act	15
Tapping of Trees without License	01
Illegal sale of Wine	01
Possession of unlawful "Modaka"	01
Total	1969

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, 04 Excise Inspectors, 01 Excise Sergeant and 04 Excise Guards. 698 detections were carried out and 09 Technical Crime Reports have been submitted in respect to the violation of license conditions. 636 Crime Reports were submitted and 561 Court cases were finalized. 64 cases were under warrants and 11 cases were on pending. Rs 3,957,100/= were collected as Courts fines and Rs 146,000/= were collected as composition fees for Technical Crime Reports.

698 Crime Reports are categorized as follows:-

Distillation of unlawful spirits	41
Possession of unlawful spirits	90
Possession and Sale of unlawful spirits	38
Possession of unlawful Toddy	68
Sale of unlawful Toddy	29
Possession of Arrack (Without License)	01
Possession of unlawfully manufactured Liquor	15
Illegal sale of Arrack (Without License)	163
Illegal sale of Beer	142
Possession of Heroin	05
Possession of Ganja	28
Raids of Ganja Chenas	61
Raids of unlawful Cigarettes under the Tobbaco Tax Act	14
Tapping of Trees without License	03
Total	698

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 - I) It comprises of 03 Excise Inspectors, 01 Excise Sergeant, 06 Excise Guards and an Excise Driver. During the year under review, this Unit has carried out 901 detections and collected Rs 8,265,000/= as Courts fines. 50 Technical Crime Reports were submitted against licensed premises and Rs 730,860/= were collected as composition fees.

901 Crime Reports are categorized as follows:-

Distillation of unlawful spirits	146
Possession and Sale of unlawful spirits	662
Possession of unlawful Toddy	01
Illegal sale of Arrack and Foreign Liquor	90
Raids of unlawful Cigarettes.	02
Total	901

38. ACTIVITIES OF THE MANUFACTURING OPERATION UNIT AND ITS PROGRESS

Under the control of the Commissioner General of Excise, this Unit has been consisted of an Assistant Excise Commissioner, 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.

Supervision of all Distilleries, and the production process of Arrack, Beer and Toddy Manufactories scattered through out the island, Co-ordination affaris to collect excise revenue,

Maintaining of information and statistics on liquor and tobacco manufactories, Supervision of all arrack and wholesale foreign liquor shops established in the island, Submitting technical crime reports for detections, Observing of all spirit importation made through Greyline Custom Yard at Orugodawatta, Educate the way how such activities should control according to the excise regulations, and the Supervision the accounts of spirits received by every manufactories, are the main roles of this Unit.

150 Technical Crime Reports have been submitted against the Excise Licensees in year 2010 by this Unit and Rs. 9,125,500/= has been collected as composition fees. Rs. 6,475,201/35 was charged for exceeding the approved annual limit of wastage in liquor manufactories.

This Unit also assists for preparing of plans and policies on manufactories, estimating how excise taxes be revised in future for bottled liquor, analyzing new projects forwarded to the Department and submitting observation reports on them.

39. 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, 04 Excise Inspectors, 02 Female Excise Sergeants, 10 Excise Guards and 01 Excise Driver.

710 detections were carried out by the Officers of this Unit during the year 2010 and, this includes 584 Heroin cases, 96 Ganja cases and 30 others. Cases to be filed in High Court are 58. In these 584 Heroin Cases, 04 special detections consisted detecting of 1002.4, 516.8, 252.0 and 101.2 Grms of Heroin.

Over 12 Acres of Cannabis Chenas have been destroyed in 07 occasions.

20 detections have been carried out regarding possession and transportation of Non Tax Paid Cigarettes under the Tobacco Tax Act. Among these detections, 02 detections were over 20 and 15 Lakhs of Cigarettes, and 08 detections were over 01 Lakh. Total Number of Cigarettes detected by these raids was 4,446,600 and Rs 12,265,000 were recovered as fines. Total revenue collected was Rs 15,658,750/=.

40. EXCISE CRIME:

The number of raids conducted in the year under review was 44599 and Rs. 234,845,970/= were recovered as Court fines.

44599 detections includes, 38164 excise crime detections, 3437 narcotic detections, 1084 detections under the Tobacco Tax Act, and 1914 detections under the National Authority on Tobacco & Alcohol Act.

41. INFORMATION & TECHNOLOGY UNIT

This Unit has been under the purview of Excise Commissioner (Admin/Human Resources). The Unit was consisted with an Officer In-charge, 01 Excise Inspector and Female Excise Guard.

The main role of this Unit is to link the provincial offices with the Excise Head Office to obtain information and update the Departmental Website. (www.excise.gov.lk) Also, this Unit trains officers in ICT and resolve computer problems and make recommendations when purchasing computer components.

42. ASSAULTS & OBSTRUCTIONS

An incident has been reported from Special Operation Bureau of Southern Province regarding obstructions to the duties, and a case has been filed at Galle Magistrate Courts, under the Number 48394.

CONCLUSION

Rs. 36,666 million has been collected as excise duties during the year 2010. This is an increase of 28% over the revenue collected in the year 2009. An increase of production of Hard Liquor and Soft Liquor have been shown in 2010 over the 2009. The reasons for this increase are:- (a) removal of obstacles for the liquor sales in Northern and Eastern areas due to the restoration of law and order in those areas, (b) due to the increase of Tourist arrivals, (c) due to the intensive raids carried out by the Excise Department and Police Department caused decrease of illicit liquor supply. This fact has been proved by a research carried out by the Colombo University in Western and North Western Provinces. 44599 excise raids have been carried out by the Department in the year under review.

I am thankful to His Excellency the President, the Hon Deputy Minister of Finance & Planning, and the Secretary to the Ministry of Finance and Planning 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 all other officers and the staff of the Ministry of Finance and Planning, 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 Departmental officers.

Also, I specially thank for the support extended to this Department by the Director and Staff of Fiscal Management Reform Programme (FMRP) which was 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.

Vasantha Hapuarachchi
Commissioner General of Excise