



ANNUAL REPORT

2008

DEPARTMENT OF EXCISE

ADMINISTRATIVE REPORT OF THE

COMMISSIONER GENERAL OF EXCISE
FOR THE YEAR 2008

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.
- 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 31.12.2008 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	:	07
Administrative Officer	:	01
Superintendents of Excise	:	10
Chief Excise Inspectors	:	32
Excise Inspectors	:	274
Excise Sergeant Majors	:	14
Excise Sergeants	:	67
Excise Guards / Corporals	:	436
Excise Drivers	:	59
Public Management Assitants Service	:	89
Budgetary Assistants	:	01
K.K.S	:	37
Circuit Bungalow Keepers	:	04

5. STAFF CHANGES

- Mrs. P.W Rajapaksha (SLAS – Class I) was appointed as the Excise Commissioner (Administration / Human Resources) with effect from 01.01.2008.
- Under named officers have retired from the publice service in the year 2008

Name of Officer	Designation	Date of Retiremnt
Mr. M.R Gomez	Superintendent of Excise	15.01.2008
Mr. U.A Mohomad	Asst Excise Commissioner	10.02.2008
Mr. M.A Anandarupa	Excise Inspector	15.09.2008

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, two Female Excise Guards and an Excise Driver.

The main functions of this Unit are as follows :-

Conducting training programmes and referring officers for educational trainings, weapon trainings and overseas trainings.

Training Courses organized :

	Course	Period			Number of officers participated	Training Institute
			-			
1	Training for newly appointed Inspectors	01.02.2008	-	10.05.2008	84	Training Centre, Panadaragama
2	Training for promoted Inspectors	17.08.2008	-	17.09.2008	33	Training Centre, Panadaragama
3	1. Training for Excise Guards/Corporals	01.09.2008	-	03.09.2008	153	Sri Lanka Institute of Development Administration
	2. Training for Excise Guards/Corporals	22.09.2008	-	24.09.2008	140	Sri Lanka Institute of Development Administration
4	1. Training for Excise Inspectors	20.10.2008	-	22.10.2008	109	Institute of Govt Accounts & Finance
	2. Training for Excise Inspectors	10.11.2008	-	12.11.2008	74	Institute of Govt Accounts & Finance
	3. Training for Excise Inspectors	18.11.2008	-	20.11.2008	70	Institute of Govt Accounts & Finance
5	Training for Asst Excise Commissioners / Superintendents of Excise	26.10.2008	-	27.10.2008	26	Sri Lanka Institute of Development Administration
6	Training for Excise Sergeant Majors / Excise Sergeants	23.11.2008	-	27.11.2008	43	Training Centre, Panadaragama
7	Computer Training	09.06.2008	-	14.06.2008	27	Computer Laboratory of Excise

Referring Officers for External Training Courses

	Course	Period			Number of Officers participated	Training Institute
			-			
1	Strategic Leadership	15.01.2008	-	-	01	-
2	Positive Tomorrow	23.05.2008	-	24.05.2008	02	Ministry of Finance
3	Positive Tomorrow	30.05.2008	-	31.05.2008	05	-do-
4	Positive Tomorrow	13.06.2008	-	14.06.2008	09	-do-
5	Positive Tomorrow	20.06.2008	-	21.06.2008	16	-do-
6	Positive Tomorrow	29.08.2008	-	30.08.2008	35	-do-
7	Productivity and Quality Management	18.08.2008	-	29.08.2008	01	SLIDA
8	Tobacco & Alcohol Act	15.11.2008	-	-	50	National Authority on Tobacco & Alcohol
9	Human Rights	10.12.2008	-	-	07	Human Rights Commission
10	General Management Training	25.08.2008		12.12.2008	02	SLIDA
11	Disaster Management	17.11.2008	-	28.11.2008	01	SLIDA
12	Disciplinary Procedure	20.11.2008	-	24.11.2008	02	SLIDA

Referring Officers for Overseas Training :

	Course	Period			Number of Officers participated	Country trained
			-			
1	Economic Development	19.03.2008	-	05.04.2008	01	Korea
2	Management Training	07.09.2008	-	13.09.2008	34	India
3	Management Training	05.10.2008	-	11.10.2008	60	India
4	Computer Training	03.10.2008	-	21.10.2008	01	Singapore
5	Narcotic Training	19.10.2008	-	25.10.2008	01	India
6	Narcotic Training	03.11.2008	-	06.11.2008	01	India
7	Narcotic Training	23.11.2008	-	26.11.2008	01	India

Special Programmes:

1.	Narcotic Prevention	26.06.2008	-	Nittambuwa Maha Vidyalaya,	
2.	Mobile Service at Badulla	08.07.2008	-	09.07.2008	Uva Province

In addition, this Unit was involved in:-

01. Assisting in legal difficulties of Divisional Excise Units and Co-ordinating affairs to obtain the assistance of Attorney General's Department.
02. 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)
Excise Complex, Galle	Constructions	24,900,000.00
Excise Station, Elpitiya	-do-	9,722,100.00
City Office, Colombo	Constructing of a Garage	751,870.00
Narcotic Division, Colombo	Repairs to the Roof, Excise Superintendent's office and Fixing of Water Tank.	2,464,309.00
Excise Complex, Vavuniya	Erecting of a Wall	1,206,867.50
Excise Complex, Kurunegala	Erecting of a Wall to cover the Garage and supply of water	2,159,636.00
Excise Station, Gampola	Survey of Land	13,800.00
Excise Station, Mirigama	-do-	9,125.00
Excise Station, Batticaloa	Constructing a Garage	79,161.20

B. Head Office – Colombo 2

Office	Type of Work	Expenditure (Rs)
Office of the Excise Commissioner (Admin)	Renovations	92,920.00
Human Resources Division	Repairs	111,550.00
Conference Hall	Carpetting	253,000.00
Office of the Deputy Excise Commissioner	Renovations	75,325.00
Head Office	Painting / Repairs and General Maintenance	299,410.00

- C. No new vehicles were purchased in 2008. Following 05 vehicles and a Bus were obtained from the Customs Department, which were confiscated by the Customs. A Three Wheeler was purchased to the Department.

PB 6527 - Van
 PB 6890 - Van
 PB 7429 - Van

PB 7430	-	Van
PB 7953	-	Van
PB 7198	-	Bus
QO 2681	-	Three Wheeler

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.

Appended below is the number of new liquor Licences issued annually from the year 2003:-

Table 8.1

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

Though, the production of hard liquor shows an increase during the passed years, there is a decrease of 2% in the year 2008, as the first time in the history. This situation has arisen due to the policies made after the year 2005. However, an increase of Beer production can be observed in 2008. Appended below is the manner, how the production of hard liquor and the Beer were increased during the past years:-

Table 8.2

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

Department got revenue from issuing excise Licences, and Court fines collected from the implementation of excise laws. These revenues are credited to the Provincial Council fund. Appended below is the progress of that collection of revenue.

Table 8.3

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

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 343.2 Mln has been earned as taxes, in favour of issuing of spirits during the year 2008.

When issuing an application for a liquor Licence, a sum of Rs 7500/= should be paid, and a sum of Rs 10,000/= 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 2008 from those sources were Rs 40.6 Mln.

9. EXCISE TAX STRUCTURE:

Table 1

Description	Unit	Effect from 24.10.2007 (Rs)	Effect from 08.10.2008 (Rs.)
Molasses, Palmyrah Arrack, Coconut and Processed Arrak	Proof Ltr	510/=	560/=

Foreign Liquor	Proof Ltr	640/=	690/=
Alcohol percentage below 5% for Beer	Bulk Ltr	38/=	48/=
Alcohol percentage 5% and above for Beer	Bulk Ltr	54/=	64/=
For Wine	Ltr	365/=	415/=
Excise Duty on Tobacco	Per 01 Kg	10/=	10/=
Bottled Toddy	Per 01 Ltr	10/=	10/=

Table II

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

10. INTERNAL AUDIT UNIT :

The Internal Audit Unit is in operation with two Public Management Assistants, under the supervision of a Deputy Excise Commissioner. During the year under review, audits were carried out in the fields of Receipts, Payments, Supplies, Services and Asset Management in relating to the Excise Head Office. Distilleries, Warehouses, Toddy Manufactories and 18 Sub Offices were audited. In addition to this, 04 special investigations were conducted. Action was taken to identify and correct the circular instructions including financial regulations and Establishment Code.

The Audit and Management Committee of the Department met thrice, under the leadership of Commissioner General of Excise and all Staff Officers of the Head Office, during 2008. Actions were taken to fulfill the targets of the Department by taking decisions on the observations made by Internal Audit Queries and the Auditor General, through the discussions

11. BOARD OF SURVEY :

By the end of 2008, all Board of Surveys in relation to year 2007 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"

13. EXCISE TAX IN ARREARS :

The details of excise tax in arrears as at end of year 2008 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 recruitments, vehicle and building repairs, maintaining of service documents, Reward Fund, Appropriation Account, Bank Accounts and Advance B Account were included.

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 |
- h. Toddy Taverns sold by Tender.

21. LICENCED LIQUOR MANUFACTURERS OF 2008

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	24,947.46	13,001,421.60
International Distilleries Ltd.	101,446.93	52,360,088.60
Manori Lanka Ltd.,	7,300.06	3,772,364.60
Randenigala Distilleries Ltd.,	25,049.06	12,892,304.60
Uva Glen (Pvt) Ltd.,	28,039.93	14,307,627.30
Classic Distilleries Pvt Ltd.,	16,186.38	8,322,651.30
Acme Lanka Ltd.,	15,455.24	8,043,559.90
W.M Mendis Ltd.,	290,941.33	152,285,687.30
Total	509,366.39	264,985,705.20

Table II : Coconut & Processed Arrack

Manufacturing Institution	Qty (Proof Ltr)	Duty (Rs.Cts)
A.E.F (Pvt) Ltd.,	378.98	193,279.80
Acme Lanka Company Ltd.,	4,639.83	2,454,413.80
Co-operative Distillery	260.04	132,620.40
Distilleries Company of Sri Lanka Ltd.,	2,126,138.71	1,109,762,211.10
Hingurana Distilleries Co., Ltd, Dompe	4,398.82	2,291,801.20
International Distilleries Ltd.,	441,244.04	230,730,895.12
Manori Lanka Pvt Ltd.,	1,638.57	859,340.20
Nippon Expo Ltd.,	6,144.58	3,199,667.30
Randenigala Distilleries Co., Ltd	5,102.42	2,678,828.20
Rockland Distilleries Ltd.,	835,845.37	434,826,415.20
Scotland Distillery	6,554.54	3,442,508.90
Uva Glen Pvt Ltd.,	132.98	67,819.80
W.M Mendis & Co., Ltd.	66,143.06	34,588,573.60
Sri Lanka Distilleries Ltd.,	519.30	264,843.00
Total	3,499,141.24	1,825,493,217.62

Table III - Special Arrack

Manufacturing Institution	Qty (Proof Ltr)	Duty (Rs.Cts)
Acme Lanka Company Ltd.	388,905.60	202,848,179.90
A.E.F (Pvt) Ltd.,	38,376.32	20,668,616.80
Co-operative Distillery	3,460.25	1,764,727.50
Classic Manufacturers	6,428.95	3,326,588.50
Distilleries Company of Sri Lanka Ltd	32,533,070.76	16,962,382,068.10
Perecyl (Pvt) Co., Ltd.,	274,569.47	144,031,780.70
Hingurana Distilleries Co., Ltd, Dompe	392,392.15	204,978,416.00
International Distilleries Ltd.,	2,576,594.22	1,340,950,216.93
Manori Lanka (Pvt) Ltd.,	108,640.61	56,540,323.60
Nippon Expo Ltd.,	138,843.57	72,386,202.20
Rockland Distilleries Ltd.,	894,840.38	465,532,128.80
Randiya Marketting Service Pvt Ltd.	1,516.15	849,044.00
Randenigala Distilleries Co., Ltd.	337,685.97	176,294,321.70
Scotland Distillery	167,077.66	86,997,499.10
Sri Lanka Distilleries Ltd.,	2,489.32	1,280,058.20
Uva Glen Pvt Ltd.,	111,093.91	58,074,739.10
W.M Mendis & Co., Ltd.,	486,629.10	254,409,196.00
Total	38,462,614.39	20,053,314,107.13

23. COUNTRY MADE FOREIGN LIQUOR

Manufacturing Institution	Qty (Proof Ltr)	Duty (Rs.Cts)
Hingurana Distilleries Co., Ltd., Dompe	1,281.29	848,004.10
International Distilleries Ltd.,	1,605,038.70	1,059,378,684.64
Nippon Expo (Pvt) Ltd.,	969.48	641,536.70
Periceyl Company (Pvt) Ltd.,	785,746.67	512,743,483.30
Rockland Distilleries (Pvt) Ltd.,	825,283.88	538,860,715.70
Sri Lanka Distilleries Ltd.,	62,467.96	40,598,619.90
W.M Mendis & Co., Ltd.,	44,074.32	28,731,754.30
Total	3,324,862.30	2,181,802,798.64

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

Manufacturing Institution	Qty (Ltrs)	Duty (Rs. Cts)
Asia Pacific Brewery (Lanka) Ltd.,	897,679.10	36,077,345.80
Lion Brewery Ltd.,	15,268,722.72	615,506,980.56
Mc-Callum Brewery Ltd.,	535,199.80	21,404,957.56
Total	16,701,601.62	672,989,283.92

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

Manufacturing Institution	Qty (Ltrs)	Duty (Rs.Cts)
Asia Pacific Brewery (Lanka) Ltd.,	7,726,257.00	434,070,144.00
Lion Brewery Ltd.,	32,182,840.77	1,816,511,822.96
Mc-Callum Brewery Ltd.,	846,113.96	48,803,358.64
Total	40,755,211.73	2,299,385,325.60

26. WINE

Manufacturing Institution	Qty (Ltrs)	Duty (Rs.Cts)
Home Delights Wine	212.261	88,088.40
Lanka Wine (Pvt) Ltd.,	6,665.750	2,501,404.71
S.D.T Wine	17.059	7,079.82
Sri Lanka Cashew Corporation	250.662	104,025.00
Total	7,145.732	2,700,597.93

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	541,055.000	5,410,550.00
Eagle Bottled Toddy Manufactory	477,255.000	4,772,550.00
Empire Bottled Toddy Manufactory	24,185.000	241,850.00
Golden Eagle Bottled Toddy Manufactory, Colombo	1,2440.00	124,400.00
Golden Eagle Bottled Toddy Manufactory, Madampe	117,040.750	1,170,407.50
Horse Power Bottled Toddy Manufactory	381,395.000	3,813,950.00
Manori Lanka Bottled Toddy Manufactory	1,121,925.000	11,219,250.00
New Commondo Bottled Toddy Manufactory	6,141.250	61,412.50
Shooting Star Bottled Toddy Manufactory	621,540.000	6,215,400.00
Singha Bottled Toddy Manufactory	636,485.625	6,364,856.25
A.M.P Bottled Toddy Manufactory	106,538.125	1,065,381.25
T.S.R Bottled Toddy Manufactory	915,540.000	9,155,400.00
New T.S.R Bottled Toddy Manufactory	59,310.000	593,100.00
Three Lion Bottled Toddy Manufactory	119,735.200	1,197,352.00
Uyilankulama Bottled Toddy Manufactory	2,709.750	27,097.50
Thellipalei Bottled Toddy Manufactory	11,062.500	110,625.00
Atchchuvely Bottled Toddy Manufactory	4,468.750	44,687.50
Manipai Bottled Toddy Manufactory	17,063.750	170,637.50
Chankanei Palm Development Co-operative	40,757.500	407,575.00
Commander Bottled Toddy Manufactory	117,615.000	1,176,150.00
Total	5,334,263.200	53,342,632.00

28. SPIRITS

Table No: 1 : Spirits distilled from Coconut Toddy

Distillery	Pure Toddy (Ltrs)	Spirits Manufactured (Ltrs)
Acme Distillery	224,575.400	16,613.200
Beruwala Distillery	10,591,120.100	796,464.000
Co-operative Distillery	1,430,047.000	97,875.000
Mestiya Distillery	4,405,850.000	355,424.300
Rockland Distillery	8,704,130.000	780,599.000
Seeduwa Distillery	31,922,333.600	2,414,731.000
Total	57,278,056.100	4,461,706.500

Table No.2 : Spirits distilled from Palmyrah Toddy

Distillery	Pure Toddy (Ltrs)	Spirits Manufactured (Ltrs)
Thikkam Distillery	1,429,482.750	51,439.800
Warani Distillery	95,426.250	5,203.100
Valikamam Distillery	1,577,022.750	70,942.200
Total	3,101,931.750	127,585.100

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

Distillery	Arrack Bulk Ltrs	Arrack Proof Ltrs	Duty (Rs.Cts)
Thikkam Distillery	76,536.750	45,233.200	23,540,630.00
Warani Distillery	15,123.000	8,936.900	4,327,314.00
Valikamam Distillery	98,597.250	59,128.450	30,929,111.00
Total	190,257.000	113,298.550	58,797,055.00

29. Production of Rectified Spirits

Distillery	Qty Manufactured (Proof Ltrs)
Pelwatta	4,333,968.800
Sevanagala	3,539,859.000
Total	7,873,827.800

30. Rectified Spirits (Imported for manufacture of Arrack)

Company	Qty Imported (Bulk Ltrs)
Distilleries Company of Sri Lanka Ltd.,	17,836,364.000
International Distilleries Ltd.,	2,256,765.000
Periceyl Company (Pvt) Ltd.,	615,625.000
Rockland Distilleries (Pvt) Ltd.,	436,735.000
Acme Lanka (Pvt) Ltd.,	48,000.000
Hingurana Distilleries Co., Pvt Ltd.,	44,000.000
Total	21,237,489.000

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

Distillery	Rectified Spirits (Ltrs)	Weak Spirits	Neutral Spirits
Hingurana Distillery, Korambe	-	343,500.000	633,835.000
Pelawatta	1,104,380.750	-	-
Sevanagala	1,095,153.750	-	-
Total	2,199,534.500	343,500.000	633,835.000

32. Denatured Spirits

There was no production of denatured spirits in Pelawatta and Sevanagala Distilleries in the year 2008

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 2008 as follows:-

Production (Kgs)	Tax (Rs)
3,235,593.000	32,320,827.00

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, 06 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 2311. Details are given below:-

Unlawful Distillation of Spirits	288
Possession of unlawful Spirits	877
Possession & Sale of unlawful Spirits	675
Possession & Sale of unlawful Toddy	10
Possession of unlawful Toddy	06
Sale of unlawful Toddy	105
Sale of Govt Approved Arrack & Beer (Without Licence)	10
Possession of Arrack (Without Licence)	05
Sale of Govt approved Arrack (Without Licence)	207
Unlawful sale of Malt Liquor or Beer	34
Possession of unlawfully manufactured liquor	45
Possession of Ganja	20
Possession of unlawful Cigarettes.	05
Number of Ganja Chenas detected.	03
Other faults	21
Total detections done	2311

During the year 2008, a sum of Rs 19,033,650/= / = was recovered from the raids conducted by this Unit. A sum of Rs 13,032,815/= was recovered from offences committed in Licenced premises.

The Officers of this Unit managed to detect 03 Ganja Chenas, 14,400 Nos of Cigarettes by 05 Cigarette raids and 340 Kgs of Ganja.

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, 09 Excise Guards, 01 Female Excise Guard and an Excise Driver. The Unit was established in 2003 and covered special duties islandwide.

Through 2001 raids conducted, 2001 personnel were taken into custody during the year 2008, and a sum of Rs. 16,689,450/= was recovered as fines. 313 unlawful distillation points were raided and two acres of Ganja chenas and 8245 of Ganja plants were destroyed.

522 Licenced premises were detected for violating the conditions in 05 Provinces in the island, and 522 Technical Crime Reports were forwarded. Rs 12,428,780/= were earned as composition fees. This Unit showed a progress when compared with 2007.

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 is consisted of an Officer Incharge, 03 Excise Inspectors and 05 Excise Guards. 802 detections were carried out by this Unit, and earned Rs 3,294,500/= as Courts fines. Rs 804,700/= were collected as composition fees from 57 Technical Crime Reports.

Number of unlawful liquor distilling places at Benthara, Walambagala, Elpitiya and Hiyare reservoir were destroyed by this Unit.

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 772 detections and filed 717 cases against the culprits. Rs. 4,776,100/= were recovered as Court fines, and have managed to detect 05 Ganja cases under the Dangerous Drugs Ordinance and a fine of Rs. 20,000/= 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, 04 Excise Inspectors, a Female Excise Corporal, a Female Excise Guard and an Excise Driver. In addition, an Excise Inspector is attached when required to Greyline Custom Yard at Orugodawatta to monitor the matters relating to importation of spirits.

The main functions of this Unit are the supervision of Distilleries, Liquor Manufactories, Toddy & Wine Manufactories, Liquor Wholesale Licenced places 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.

This Unit maintains statistics in relating to Liquor Manufactories and carries out activities relating to payment of rewards with regard to Technical Crime Reports.

94 Technical Crime Reports have been forwarded for the offenses of the Licenced premises through supervision, during the year 2008 and Rs. 4,822,000/= has been collected as composition fees. This Unit closely monitored the Licenced manufacturing establishments in order to achieve the targeted revenue.

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, 02 Apprenctice Inspectors, 05 Excise Inspectors and 14 of other ranks.

803 detections were carried out during the year 2008 and 659 males and 142 females were taken into custody. Out of the 803 detections, 522 were connected to Heroin, 249 were connected to Ganja detections. 95 cases were filed in High Courts. Total revenue collected from Court fines were Rs 4,482,100/=.

38. EXCISE CRIMES:

The number of raids conducted in the year under review was 56445 and Rs 244,476,700/= were recovered as Court fines.

This includes 48610 excise crime detections, 4789 narcotic detections, 1118 detections under the Tobacco Tax Act and 1928 detections under the National Authority on Tobacco & Alcohol Act.

39. ASSAULTS & OBSTRUCTIONS

- A case has been filed at Hambantota Magistrate Court against the accused in relating to obstructions made to the duties of the officers by behaving cantankerously, at the areas of Pallemalala, Weligaththa in Hambantota, while detecting the crime report 33/2008, by Special Operation Bureau (Southern Province)
- A case has been filed at Galle Magistrate Court, with regard to obstructions made to the duties of the officers, at the area of Gonamulla, Akmeemana, when detecting a crime report 383/2008.
- A case has been filed against the suspects in respect of roguish attack to the officer who has gone to inquire into public information received to Special Operation Bureau (Southern)

CONCLUSION

The excise revenue collected during the year under review is Rs 27436 million, and that is an increase of 15% compared to year 2007. The Department conducted 56445 raids in 2008. Accordingly, I am pleased that we have been successful in fulfilling our responsibilities during the year under review.

The success of the department was due to the qualitative improvements made in the operational activities through proper using of limited resources and systematic human resources management.

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 in accordance with the Excise Ordinance and the connected legislations, 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, the Operation Committee of National Narcotic Prevention and the Inland Revenue Department for providing training opportunities and enhance the knowledge, skills and attitudes of the Department officers.

Also, the support extended to this Department by the Fiscal Management Reform Programme (FMRP) which is funded by the Asian Development Bank, is appreciated.

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

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