

ADMINISTRATIVE REPORT OF THE COMMISSIONER GENERAL OF EXCISE FOR THE YEAR 2007

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 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 licensed 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 :**The Staff position as at 31.12.2007 stood as follows :-**

Commissioner General of Excise (SLAS)	:	01
Excise Commissioner (Revenue/Admin) (SLAS)	:	01
Excise Commissioner (Finance) (SLAcctS)	:	01
Excise Commissioner (Crimes/Training) (SLAS)	:	01
Deputy Excise Commissioner (Admin) (SLAS)	:	01
Deputy Excise Commissioner (Finance) (SLAcctS)	:	01
Deputy Excise Commissioner (Internal Audit) (SLAcctS)	:	01
Assistant Excise Commissioners	:	08
Administrative Officer	:	01
Superintendent of Excise	:	13
Chief Excise Inspectors	:	40
Excise Inspectors	:	142
Excise Sergeant Majors	:	26
Excise Sergeants	:	100
Excise Guards / Corporals	:	437
Excise Drivers	:	61
Public Management Assistance Service	:	92
Budgetary Assistant	:	01
K.K.S	:	38
Circuit Bungalow Keepers	:	03

5. STAFFCHANGES :

Mr. D.G.M.V Hapuarachchi (SLAS - Cl.1), who served as the Excise Commissioner (Crimes/Training) was appointed as the Commissioner General of Excise with effect from 24th September 2007, since the Commissioner General of Excise, Mr Parakrama Ekanayake Bandara has been appointed to a Ministerial Secretary post.

Following officers have retired from the public service in the year 2007.

➤ Mr. S. Sivanandan	-	Excise Commissioner	-	07.03.2007
➤ Mr. W.P.P.H Fernando	-	Excise Superintendent	-	16.08.2007
➤ Mr. N.D.A Remond	-	Chief Excise Inspector	-	19.01.2007
➤ Mr. U.G Nanayananda	-	Excise Superintendent	-	13.11.2007
➤ Mr. P.J.E.P Fernando	-	Excise Inspector	-	05.12.2007
➤ Mr. M. Wilbert	-	Excise Inspector	-	31.12.2007

6. HUMAN RESOURCES DEVELOPMENT :

This Unit operates under the supervision of the Excise Commissioner (Crime/Training) 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.

09 workshops have been conducted as follows, for 133 officers at the divisional level.

Asst Excise Commissioners' Division	Date	Participated Number
North Central Province	09.08.2007	07
North Western Province	10.08.2007	17
Western Province III	16.08.2007	15
Western Province II	23.08.2007	17
Western Province I	31.08.2007	22
Southern Province	06.09.2007	14
Sabaragamuwa Province	13.09.2007	09
Uva Province	27.09.2007	11
Central Province	12.10.2007	21

The following residential training courses were conducted for Excise Officers at the Excise Training School at Panadaragama, during the year 2007.

Duration	Participated Number	
22.01.2007 - 02.02.2007	Excise Sergeants	23
24.03.2007 - 30.03.2007	Excise Guard	25
19.05.2007 - 25.05.2007	Excise Sergeant (Promoted)	23
02.06.2007 - 08.06.2007	Excise Guard	32
16.06.2007 - 23.06.2007	Excise Corporal / Guard	29
05.07.2007 - 06.07.2007	Public Management Service	30
07.07.2007 - 13.07.2007	Excise Corporal / Guard	29
21.07.2007 - 27.07.2007	Excise Guard	28
18.08.2007 - 25.08.2007	Excise Corporal / Guard	34
29.08.2007 - 04.09.2007	Excise Guard	35
15.09.2007 - 21.09.2007	Excise Guard	25
23.09.2007 - 27.09.2007	Excise Corporal / Guard	37
20.10.2007 - 27.10.2007	Excise Guard	17
03.11.2007 - 09.11.2007	Excise Guard	25
26.11.2007 - 30.11.2007	Excise Guard	13

Training courses were conducted for following officers at the Sri Lanka Institute of Development Administration, on productivity, consumer security public relations and quality management.

Duration	Participated Number	
15-16.02.2007, 22-23.02.2007	Asst Excise Cmsr / Supdt of Excise	22
21.05.2007 - 22.05.2007	Deputy Excise Cmsr / Asst Excise Cmsr	14
09.07.2007 - 11.09.2007	Excise Inspector	05
16.07.2007 - 20.07.2007	Excise Inspector	10
23.07.2007 - 27.07.2007	Supdt of Excise	10
17.08.2007	Deputy Excise Cmsr	01
03.09.2007 - 14.09.2007		
17.09.2007 - 19.09.2007	Excise Inspector	25
17.09.2007 - 28.09.2007	Excise Inspector	10
08.10.2007 - 19.10.2007	Excise Inspector	10
15.10.2007 - 19.10.2007	Supdt of Excise / Inspector	12
26.10.2007 - 02.11.2007	Excise Inspector	28
09.11.2007 - 16.11.2007		
12.11.2007 - 14.11.2007	Excise Inspector	11
19.11.2007	Excise Inspector	35
13.11.2007	Excise Inspector	30
01.11.2007	Public Management Assts.	36
08.04.2007 - 09.04.2007	Union Leaders	22

Following officers have gone for foreign trainings during the year 2007.

Officer's Name	Designation	From	To	Country
Mr. D.G.M.V Hapuarachchi	Excise Commissioner (Crimes/Training)	2007.01.22	2007.02.07	Singapore
Mr. A. Bodaragama	Deputy Excise Commissioner (Revenue)	2007.12.01	2007.12.07	India
Mr. W.M.M.B Wansuriya	Assistant Excise Commissioner	2007.12.08	2007.12.28	India
Mr. M.D.M.W.K Dissanayake	Assistant Excise Commissioner	2007.07.22	2007.08.04	Thailand
Mr. S.D.L de Mellawa	Assistant Excise Commissioner	2007.12.01	2007.12.07	India
Mr. J. Shanthadeva de Silva	Excise Superintendent	2007.07.22	2007.08.04	Thailand
Mr. Channa Weerakkody	Excise Superintendent	2007.12.01	2007.12.07	India
Mr. M.R.W Amarasena	Excise Guard	2007.11.01	2007.12.03	Malaysia

7. INFRASTRUCTURE DEVELOPMENT (BUILDINGS/VEHICLES)

a. Buildings : (Outside Areas)

Office	Type of Work	Expenditure (Rs.)
Excise Station, Galle	Erecting of Fence	7 380.00
Asst Excise Cmsr's Office - Kandy	Repairs & Expansions	370,908.70
Office of Supdt of Excise - Polonnaruwa	Repairs	246990.00
Supdt's official Residence Circuit Bungalow - Polonnaruwa	Repairs	254,739.25
Excise Station - Tangalle	Constructions	1,522,714.69
Excise Station - Madampe	Repairs	363,056.98
Excise Station - Kesbewa	Water Tank / Gate / Erecting the Fence	1,000,000.00
Excise Station - Kesbewa	Constructing a Tube Well	240,350.00
City Office - Colombo	Supply of 60 m.v electricity for Computer Laboratory	661,642.15

	Construct of a Gate and Water Obstacle	379,400.00
Excise Superintendent's Office - Kalutara	Repairs	24,252.25
Excise Station - Kalutara	-do-	266,000.00
Official Residences of Asst Excise Commissioner and Supdt of Excise - Kurunegala	Constructions	6,752,000.00
Asst Excise Commissioner's Office - Kurunegala	Air-conditioning of ACE's office.	78,000.00
	For Lavatory & Pipe-System of ACE's office	82,473.00
	Preparing a room for Special Operation Unit.	201,038.75

b. Buildings : (Head Office - Colombo 2)

Office	Type of Work	Expenditure (Rs.)
Admin Officer's Office/Record Room/Office of Excise Cmsr (Finance)	Repairs and Re-conditions	600,300.00
Office of Deputy Excise Cmsr (Crimes) / Office of Supdt of Excise / Head Office Building	Repairs and Re-conditions	123,400.00
Stores / Record Room	Repairs	200,000.00

c. Following vehicles were purchased during the year 2007.

Vehicle No	Type	Value (Rs)
PB - 3156	Isuzu Crew Cab	2,242,500/=
PB - 3158	do	2,242,500/=
PB - 3159	do	2,242,500/=
PB - 3160	do	2,242,500/=
PB - 3162	do	2,242,500/=
LD - 9334	TATA Single Cab	1,225.000/=
LD - 9337	do	1,225.000/=
LD - 9339	do	1,225.000/=
LD - 9340	do	1,225.000/=
LD - 9341	do	1,225.000/=

8. IMPLEMENTATION OF POLICIES :

Excise taxes were amended twice during the year under review. Taxes on bottled toddy have been increased after 37 years. Department could control illicit liquor by conducting raids relating to unlawful manufacture and sale of liquor. More than 4000 raids were conducted under the newly enacted National Authority on Tobacco and Alcohol Act No. 27 of 2006.

9. EXCISE TAX STRUCTURE :

Table - I

Description	Unit	Effect from 13.03.2007 (Rs)	Effect from 25.10.2007 (Rs)
Molasses, Palmyrah Arrack, Coconut and Processed Arrack	Proof Ltr	446/=	510/=
Foreign Liquor	Proof Ltr	575/=	640/=
Alcohol percentage below 5% for Beer	Bulk Ltr	37/50	38/=
Alcohol percentage 5% and above for Beer, Bulk	Bulk Ltr	53/50	54/=
For Wine	Ltr	300/=	365/=
Excise Duty on Tobacco	Per Kg	10/=	10/=
Bottled Toddy	Per Ltr	10/=	10/=

Revenue collection of the Department has increased by 16.2% over the year 2006.

Table II

State of Income/Expenditure of the department in recent years :

Year	Revenue Rs. Mn	Expenditure Rs. Mn	As a Percentage
2000	6,219.89	120.00	1.93
2001	6,245.47	148.09	2.37
2002	8,541.62	151.39	1.77
2003	10,719.44	146.41	1.37
2004	13,545.50	173.00	1.28
2005	16,120.55	211.93	1.31
2006	20,694.00	297.00	1.44
2007	24,052.48	367.58	1.52

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, 03 audit queries and 02 audit reports were submitted. This Unit audited 27 Excise Sub Offices and 07 Liquor Manufactories. Action was taken to identify and correct the circular instructions including Financial Regulations and Establishment Code. In addition to this, an Internal Audit Code was drafted.

The Audit and Management Committee of the Department is met thrice, under the chairmanship of Commissioner General of Excise and the membership of all Staff Officers of the Head office. A Superintendent of Govt Audit also participated in these meetings as an Observer. Action was taken to solve the problems faced in managing the resources including human resources

11. BOARD OF SURVEY :

By the end of 2007, all Board of Surveys in relation to year 2006 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 2007 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 :

27 Audit Queries were received during the year under review and out of that 25 were answered by 31.12.2007. Replied for 02 internal audit queries and remedial actions taken to avoid repetition of such acts.

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 LICENSES IN USE DURING THE YEAR :

a.

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

b. Manufacturing Licenses :

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

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

c. License to collect toddy :

- License for collection stations.

d. License for bottling :

- License for fermented liquor
- License for distilled liquor

e. Auxiliary License

f. License for produce and sale of fermented toddy.

g. Tourist Hotel & Restaurant License :

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.

