

REPORT ON THE ACTIVITIES OF THE EXCISE DEPARTMENT FOR THE YEAR 2018-19

1. Excise Department was set up as an independent Department with effect from 01.12.1999 after being carved out of the erstwhile Revenue and Excise Department. It is a resource generation Department of the State. It enforces the State Excise laws and the NDPS Act.1985 in the State.

2. EXCISE REVENUE:

2.1 Excise Department regulates the manufacture, import, export, transport, storage and sale of excise goods. The endeavour of the Government has been to ensure that the existing demand is met by legitimate and safe supply of liquor, which is fit for human consumption. Any short supply of legitimate liquor is bound to result in bootlegging / spurious liquor filling up the gap, which would endanger public safety.

2.2 According to Article 246 (3) of the Constitution of India, the Legislature of the State has exclusive powers to make laws for the State or any part thereof with respect to any of the matters enumerated in list II of the Seventh Schedule of the Constitution. Item No. 8 of the List II envisages intoxicating liquors, that is to say, the production, manufacture, possession, transport, purchase and sale of intoxicating liquors. Item No. 66 of the List II of the Constitution empowers the State Legislature to impose fees in respect of any of the matter enumerated in this list. The excise duty is leviable in respect of alcoholic liquors for human consumption manufactured in the State or produced elsewhere in India (item No. 51 List II. 7th Schedule).

2.3 The State has exclusive right to grant privilege for manufacture, possession and sale of intoxicating liquor. However, the State grants such privileges to persons in shape of licenses.

2.4 The monopoly in wholesale trade in liquor in the State is vested with Government and it operates through a Corporation under the name and style of 'Odisha State Beverages Corporation' (OSBC). An intoxicant can be manufactured or imported as per the provisions of the relevant Act and Rules but the same cannot be sold to any business unit except through the Odisha State Beverages Corporation. Hence the entire saleable quantity of intoxicants is acquired by the Beverages Corporation. The Corporation sells to

the licensees under terms and condition prescribed by the Government as well as by the Corporation from time to time.

2.5 The Excise Revenue has increased over the years. The figures for the last ten years are as follows: -

Year	Excise Revenue (Rs. in Crore)	Percentage of Growth
2009-2010	848.97	28.63%
2010-2011	1094.38	28.91%
2011-2012	1379.91	26.09%
2012-2013	1499.91	8.69%
2013-2014	1780.29	18.69 %
2014-2015	2038.79	14.52%
2015-2016	2568.68	25.99%
2016-2017	2786.23	8.47%
2017-2018	3221.03	15.71 %
2018-2019	3925.41	21.87 %

3. IMFL AND BEER

3.1 The main source of Excise Revenue in the State is through imposition of duty on India Made Foreign Liquor (IMFL) and Beer. There are 1159 Foreign Liquor 'OFF' shops, 516 'On' shops, 18 'ON' Clubs, 95 Beer Parlour, 34 Military Canteen in the State for the year 2018-19.

3.2 Consideration money is collected from the IMFL 'OFF' / 'ON' / Beer Parlour and Club 'ON' shops each month. Besides, the State gets duty on the IMFL and Beer lifted by the retailers. The retailers have to lift a Minimum Guaranteed Quantity (MGQ) of IMFL and Beer, which ensures a guaranteed amount of duty.

4. OUT STILL (OS) LIQUOR:

Twenty districts of the State namely Sambalpur, Bargarh, Jharsuguda, Deogarh, Kalahandi, Nuapada, Bolangir, Sonepur, Boudh, Koraput, Rayagada, Nawarangpur, Malkangiri, Sundergarh, Angul, Keonjhar, Mayurbhanja, Ganjam, Gajapati, Dhenkanal are having Out Still system. These Out Still shops are settled by lottery. There are 551 Nos. of Out Still shops with 1458 branch shops for the year, 2018-19. O.S. shops in the District of Kandhamal has not been renewed for the year 2018-19.

5. COUNTRY SPIRIT SHOPS:

5.1 Country Spirit shops are prevalent in 09 Districts namely Cuttack, Jagatsingpur, Kendrapara, Jajpur, Puri, Nayagarh, Khurda, Balasore, and Bhadrak. There are 242 nos. of Country Spirit shops in the State for the year 2018-19.

5.2 As per decision of Govt., C.S. is being supplied in 200 ml. glass bottles by the ACSI Ltd.

6. LIFTING OF IMFL AND BEER:

Lifting position of IMFL and Beer for last ten years are given below: -

Sl. No.	Year	IMFL (in Lakh LPL)	Beer (In Lakh BL)
1.	2009-10	265.26	635.13
2.	2010-11	344.42	751.48
3.	2011-12	400.05	763.16
4.	2012-13	404.20	756.13
5.	2013-14	447.52	802.81
6.	2014-15	451.31	789.74
7.	2015-16	455.70	485.43
8.	2016-17	455.69	530.50
9.	2017-18	461.99	707.99
10.	2018-19	528.92	867.53

7. LIFTING OF COUNTRY SPIRIT

Lifting position of Country Spirit for last ten years are given below: -

Sl. No.	Year	Country Spirit (in Lakh LPL)
1.	2009-10	68.39
2.	2010-11	84.65
3.	2011-12	72.33
4.	2012-13	93.26
5.	2013-14	95.96
6.	2014-15	99.23
7.	2015-16	102.62
8.	2016-17	98.46
9.	2017-18	104.51
10.	2018-19	95.56

8. PERFORMANCE OF ODISHA STATE BEVERAGES CORPORATION:

8.1 Government have taken over the monopoly in wholesale trade of IMFL and Country Spirit through a State owned Corporation namely, Odisha State Beverages Corporation Ltd., which has been incorporated as a wholly owned company of the State Government under the Companies Act, 1956. As a result, the collection of Excise duty and sales tax has been increased. A year-wise growth chart of excise duty and sales tax is given below: -

Year	Item (I)	Item (II)	Total (I+II)
	Excise duty (Rs. in Crore)	Sales Tax including entry Tax (Rs. in Crore)	
2008-09	434.30	166.08	600.38
2009-10	526.41	237.29	763.70
2010-11	722.36	318.74	1041.10
2011-12	972.82	384.58	1357.40
2012-13	1089.88	432.93	1522.81
2013-14	1262.00	504.62	1766.62
2014-15	1404.50	670.94	2075.44
2015-16	1815.85	817.83	2633.68
2016-17	2000.33	1091.64	3091.97
2017-18	2381.81	1243.20	3625.01
2018-19	3205.11	1600.52	4805.63

8.2 The Corporation has an authorized capital of Rs. 5.00 Crores. The Government have subscribed Rs. 1.00 Crore towards equity to the Corporation. The Corporation has opened its depots at Khurda, Cuttack, Berhampur, Sambalpur, Balasore, Angul, Rayagada, Jajpur, Bolangir & Jeypore. The Corporation has also opened Country spirit depots at Cuttack, Khurda, Balasore and Jajpur. The Corporation has paid following amount towards license fees.

Year	Licence Fee (Rs. in crore)
2005-06	12.00
2006-07	20.00
2007-08	30.30

2008-09	30.30
2009-10	40.30
2010-11	40.30
2011-12	50.35
2012-13	50.64
2013-14	100.80
2014-15	151.90
2015-16	2.75
2016-17	2.75
2017-18	3.00
2018-19	3.00

8.3 The total turnover of the Corporation during the last ten years is as follows:-

Sl. No.	Year	Turn Over (Rs. in Crores)	Remarks
1.	2007-08	Rs. 735.28	Audited
2.	2008-09	Rs. 1013.34	Audited
3.	2009-10	Rs.1427.47	Audited
4.	2010-11	Rs.1923.52	Audited
5.	2011-12	Rs.2320.18	Audited
6.	2012-13	Rs.2619.08	Audited
7.	2013-14	Rs.3047.01	Audited
8.	2014-15	Rs.3532.35	Audited
9.	2015-16	Rs.3878.39	Audited
10.	2016-17	Rs.4305.32	Audited
11.	2017-18	Rs.3726.69	Audited
12.	2018-19	Rs.4738.36	Un-Audited

8.4 Odisha State Beverages Corporation has paid the following amount to Govt. towards dividend:

Sl. No.	For the Financial Year	Dividend paid to Govt. (Finance Deptt.)
1.	2010-2011	Rs.14,31,87,778/-
2.	2011-2012	Rs.19,79,64,940/-
3.	2012-2013	Rs.22,90,31,747/-
4.	2013-2014	Rs.16,88,37,495/-
5.	2014-2015	Rs.10,01,70,000/-
6.	2015-2016	Rs. 10,88,78,330/-
7.	2016-2017	Rs. 7,64,70,000/-
8.	2017-2018	Rs. 7,64,00,000/-

8.5 Odisha State Beverages Corporation has made the following donation to Chief Minister's Relief Funds.

SL No.	Financial Year	Amount (Rs. in Crore)
1	2002-03	0.50
2	2008-09	0.50
3	2009-10	1.00
4	2010-11	2.00
5	2012-13	15.00
6	2013-14	15.00
7	2014-15	25.00
8	2015-16	10.00
9	2016-17	03.00
10	2017-18	12.00
11	2018-19	5.00

9. ENFORCEMENT

9.1. There are four Excise Intelligence and Enforcement Bureau (E.I. & E.B) Units in the State. Out of 4 units, one unit each is under the control of the three Excise Deputy Commissioners and one unit is under the direct control of Excise Commissioner, Odisha. Besides the EI and EB Units, there are mobile units in the districts to ensure enforcement.

9.2 Comparative statement of enforcement activities is furnished below:

Item		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
(1)		(2)	(3)	(4)	(5)	(6)	(7)
1.	No. of case detected	17,145	17,373	19,321	21,277	20,587	23,307
2.	No. of persons arrested	12,395	12,763	15,482	17,784	17,196	19,965
3.	Major seized article						
	(a) ID Liquor (Ltr)	1,56,829	1,52,818	2,39,963	2,49,090	1,66,750	2,89,601
	(b) IMFL(LPL)	14,904	8,893	13,239	9,860	12,364	9396.375
	(c) Beer (BL)	13,249	12,521	16,361	8,537	11,497	12,071
	(d) Wash (In Ltr.)	15,98,610	15,11,463	15,89,031	13,43,056	15,61,943	1905060.8

10. DETECTION AND DESTRUCTION OF HEMP PLANT

To accelerate the hemp plant destruction, 20 nos. of new vehicles have been provided to the different Superintendents of Excise from C.S.R. fund of OSBC Ltd. Besides that in 9 Districts namely, Angul, Deogarh, Sambalpur,

Rayagada, Boudh, Gajapati, Malkangiri, Kandhamal & Nayagarh where there is high density of hemp plant cultivation, Rs.57.55 Lakh has been provided for strengthening enforcement activities for hemp plant cultivation destruction. During the year 22018-19, the Excise Administration & Police in the State have detected and destroyed following number of Hemp Plants in the Districts by conducting successful raids.

Sl. No.	Name of the District	No. of Hemp Plants Destroyed for 2018-19
1.	Angul	36718
2.	Sambalpur	146
3.	Boudh	3132000
4.	Gajapati	2259768
5.	Kandhamal	4704000
6.	Rayagada	814000
7.	Deogarh	4298
8.	Malkanagiri	1482100
9.	Koraput	57985
Grand Total		12491015
Approximate Value (In Rs.)		12,49,10,15,000

The approximate value of total destroyed Hemp Plants is Rs. 1249.10 Crore @Rs. 1000/- per Hemp Plant.

11. STEPS TO CHECK ILLICIT LIQUOR:

11.1 In order to prevent the illegal inflow of non-duty paid liquor, affixture of Excise Adhesive Labels has been introduced to distinguish duty paid liquor. Such labels are being affixed on each bottle of IMFL, Beer Cartoon and Country Spirit bottle.

11.2 The Collectors of the Districts have been instructed to form a multidisciplinary squad consisting of selected officers with good track record from Police, Excise and Forest Departments to conduct extensive raids on the illicit distillation centers.

11.3 Public awareness has been made involving N.G.Os., S.H.Gs. and Panchayati Raj institutions about the dangers of drinking, particularly I.D. and spurious liquor. Besides, to gather information about illicit liquor traders one toll free Helpline No.1800-3456-713 has been introduced and the same is functioning in the office of the Excise Commissioner, Odisha, Cuttack.

11.4 Sub-Inspector of Excise and above rank officers have been vested with power of entry, search, seizure, arrest, authorization of arrests and filing of complain under provision of N.D.P.S. Act.

11.5 Government of Odisha in Excise Department vide notification No.1036/Ex dt 25.02.2019 invested the powers under section 77,79 (2),80,83,84,85 under Odisha Excise Act 2008 with the officer-in-charge of a Police Station and with such other officer sub-ordinate to him to perform the functions of an Excise Officer.

11.6 The Odisha State Reward Committee has been constituted vide Excise Department Resolution No. 7816 dated 16.12.2016 to provide financial incentive to motivate the Informers / Officers assisted in detection of NDPS Cases.

A comparative Statement of no. of NDPS cases detected and arrested since last five years is given below.

Subject	2014-15	2015-16	2016-17	2017-18	2018-19
No of cases detected.	254	360	342	307	545
No of persons arrested.	248	370	385	344	579

More concerted efforts are being made for training of the excise field functionaries so as to achieve better coordination with all related agencies so that the conviction rate in excise offences can go up significantly.

11.7 The Odisha Excise Act 2008 and the Odisha Excise Rule, 2017 have been enforced in the State w.e.f. 01.04.2017. In the new law provisions have been made for establishment of Excise Stations, trial by Special Courts and forfeiture of property of the bootleggers and liquor mafias.

11.8 187 Excise Stations have been notified vide Excise Department notification No. 4522 dtd 07.09.2018. As per sub-section (2) of section 82 of the Odisha Excise Act, an Excise officer not below the rank of a Sub-Inspector of Excise shall function the officer-in-charge of each Excise Station.

Besides, a committee has been constituted to prepare a draft NDPS Policy for the State to motivate the traditional cannabis cultivators to grow other crops which are not harmful to the society and to provide assistance under various development schemes for their better lives and livings.

12. STAFF STRENGTH:

There is only one Directorate under the Administrative control of Excise Department headed by the Excise Commissioner. There are three Excise Deputy Commissioners for Central Division, Cuttack, Southern Division, Berhampur and Northern Division, Sambalpur.

The staff position of Excise Field functionaries is as follows: -

SI No.	Name of the Post	Sanctioned strength	Persons in Position	Vacant
1.	Superintendent of Excise	31	19	12
2.	Deputy Superintendent	34	25	9
3.	Inspector of Excise	95	87	08
4.	Sub-Inspector of Excise	240	188	52
5.	Assistant Sub-Inspector of Excise	301	223	78
6.	Excise Constable	1198	879	219
7.	Head Clerk	31	16	15
8.	Senior Clerk	17	11	6
9.	Junior Clerk	45	36	9

13. COMPUTERIZATION :

One Web-portal of Excise Directorate has been developed by NIC. One (Government to business) service like label registration has been made online. Other services like issue of NOC, license renewal, issue of fresh Excise licenses etc. now under process of implementation.

14. Policy 2019-20:

Excise Policy (Excise Fee, Duty and Margin Structure along with Regulatory Guidelines) for the year 2019-20 has been issued vide this Department letter no.1161/Ex dated 07.03.2019 first four months i.e upto 31.07.2019.

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