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இலங்கை மதுவரித் திணைக்களம்
EXCISE DEPARTMENT OF SRI LANKA

කාර්යසාධන වාර්තාව PERFORMANCE REPORT செயல்திறன் அறிக்கை

2025



Law
Enforcement



Tax
Collection



Social
Protection



இதில், ஐக்கரசாட்சக சහ ஃபர்பீக கவர்ப்பன அமைகாண்ட
நிதி, திட்டமிடல் மற்றும் பொருளாதார அபிவிருத்தி அமைச்சு
Ministry of Finance, Planning and Economic Development



Performance Report

2025

Excise Department of Sri Lanka

Ministry of Finance, Economy and Policy Development

Prepared as per the Guidelines No. PFD/ RED/ COPA/ 2019/ 01 dated 30.01.2020 and submitted through the Department of Public Finance of the Ministry of Finance, Economy and Policy Development of the Democratic, Socialist, Republic of Sri Lanka

Annual Performance Report for the Year 2025

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Chapter 01

Institutional Profile / Executive Summary

- 1.1 Introduction
- 1.2 Vision, Mission and Objectives and Key functions and values of the Excise Department of Sri Lanka
- 1.3 Organizational Structure of the Excise Department of Sri Lanka
- 1.4 Geographical Locations of the Regional Offices of the Excise Department of Sri Lanka

1.1 Introduction

Excise Department of Sri Lanka over one hundred-and thirteen-years old history, is a key government revenue collection institution. In addition, the Department carries into effect three-missions as excise revenue, tobacco and beedi tobacco tax management, enforcing the relevant laws and social security. Over the period of one hundred and twelve years from the year 1912, a number of special events were reported and the year 2025 was marked by a strengthened commitment to increasing revenue and contributing government revenue.

I was appointed as the Commissioner General of Excise of the Excise Department of Sri Lanka on the decision of the Cabinet of the Parliament of Sri Lanka on 11.07.2025. In the year under review, 2025, the following divisions contributed to the administrative and supervisory functions of the Sri Lanka Excise Department, namely: Revenue, Administration, Accounts, Human Resources, Information Technology, Law Enforcement, Logistics, Academic and Research, Supply Chain Regulation, Legal, Social Security, Internal Audit, and Statistics.

Furthermore, there is an Audit Division representing the Auditor General's Department.

Department extends an island wide service with 13 Offices of Assistant Commissioners of Excise, 31 Offices of Superintendents of Excise, 56 Excise Stations, 28 liquor manufactories, 14 distilleries, 05 Special Excise Operation Units and a Law Enforcement Division for Drugs. In addition to the above, permanent staff have been deployed in the Excise Units related to Tobacco and Liquor Manufactories.

The revenue target given to the Sri Lanka Excise Department for the year 2025 is 227.4 billion rupees. The targets were given to collect this total revenue as 226.0 billion rupees by liquor tax revenue and 1.4 billion rupees by tobacco tax revenue. In 2024, the Department was able to collect Rs. 253 billion in liquor tax revenue and Rs. 1.4 billion in tobacco tax revenue. After accounting for tax rebate (Rs. 21.6 billion), the total excise revenue collected stood at Rs. 254.5 billion. Although the shortage of executive-grade and other officer positions significantly affected the Department's overall performance during the year 2025, it is praiseworthy that a revenue achievement of 112% was realized in the year 2025.

The Excise Officers prosecuted on 34,995 illegal liquor and drug detentions throughout the Island in 2024 and the number of fines collected was 213,043,679.00 rupees. 5,176 violations of license conditions were reported in excise licensed premises and the composition fees levied were 121,401,899.00 rupees.

In 2025, a total of 110 seizures of illicit thendu leaves brought into the country in violation of the Tobacco Tax Act were reported, resulting in the seizure of 68,400 kilograms of thendu leaves. Consequently, Rs. 161 million from the composition fee of Rs. 20.5 million and Rs. 27,567 from the auction of the seized thendu leaves were credited to government revenue. Consequently, a sum of Rs. 161 million from composition fees amounting to Rs. 20.5 million, together with Rs. 27,567 derived from the auction of seized thendu leaves, was credited to government revenue.

As of 31st of December, 2025, the approved cadre was 1,649 employees, while the actual number in service stood at 1,140, resulting in 509 vacancies—equivalent to 31% of the approved cadre. Although 56 executive-grade officer positions were approved, only 08 officers were in service during the year, reflecting a 85% vacancy rate in that category. Achieving 100% of the expected performance target despite operating with less than 3/4 the approved number of executive officers is a noteworthy accomplishment.

During the year 2025, 08 Excise Superintendents were assigned, based on seniority, to perform the duties of 08 Deputy Excise Commissioner posts. Additionally, 03 Excise Superintendents appointed to perform/cover/perform on acting basis the duties of 05 Assistant Excise Commissioner posts. 31 Excise Superintendent positions were covered by Chief Excise Inspectors. Applications were called for the promotion of officers to 08 Excise Superintendent posts and 16 Chief Excise Inspector posts.

In the performance of these overall duties, I gratefully recall the support provided by the all officers related to the Ministry of Finance and the Treasury and institutes including Sri Lanka Police, Sri Lanka Customs, Inland Revenue Department, Tourism Promotion Authority, National Dangerous Drugs Control Board, Government Analyst's Department, Sri Lanka Standards Institute, National Authority on Tobacco and Alcohol and the Attorney General's Department to the Sri Lanka Excise Department.

I hereby extend my sincere gratitude to the entire Excise staff-comprising officers from all ranks, including those in Combined and Island-wide Services of the Sri Lanka Excise Department-for their dedicated support in achieving a high level of institutional performance by the Department in the year 2024.



M.B.N.A. Pamarathna
Excise Commissioner General

1.2 Vision, Mission and Objectives and Key functions and values of the Excise Department of Sri Lanka



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Excise Department of Sri Lanka

"වගකීමෙන් ප්‍රතිරක්ෂාව"
"Protection through responsibility"

Vision

To be dedicated the most respectful and responsible revenue collection public institution in order to enhance the public revenue through formally regulating the tobacco and liquor manufacturing.

Mission

"Efficient and effective administration of liquor and other approved alcohol within the country in order to assist economic growth and development through creating incisive awareness programs which are against the improper usage of illegal liquor, dangerous drugs and psychotropic substances abuse by empowering the conformity to all rules and regulations in which we have the power to take action by providing facilities for earning legal trade revenues"

Objectives

- Maximizing Revenue collection through risk management and improving compliance of organizational prospect for the assistance of effective decision making at the strategic, operational and tactical levels.
- To provide facilities for trade through encouraging compliance of stakeholders with the laws pertaining to achieve through perpetual knowledge sharing aimed at enhancing revenue.
- Effective utilization of risk management principles is the core for achieving the equilibrium between control and providing facilities of liquor and tobacco revenue.
- Building good faith among the public on efficiency and the honesty at the time of collecting excise tax
- Regulating production and sale of alcohol, rectified spirit and denatured spirit and other approved intoxicants.
- Implementation of sustained operations and conducting awareness programs against illegal alcohol and drug use.
- Implementation of laws, rules and regulations to intercept illegal distillation of spirits and unlicensed distillation of spirits clandestinely.
- Improving capacity and abilities of employees to make sure sufficient professional and technical staff by incessant training and development.
- Maintaining dedicated staff for the service having well trained and utmost satisfaction.
- Prevention of the use of alcohol and liquor and to keep away from the illicit trafficking of drugs and psychotropic substances.
- Take necessary action to eradicate the toxic drugs and toxic liquor in trade and safeguard the public of them.
- Maintaining efficient tax system with good relationship of the Ministry of Finance and other external institutes

Functions and Values

Functions

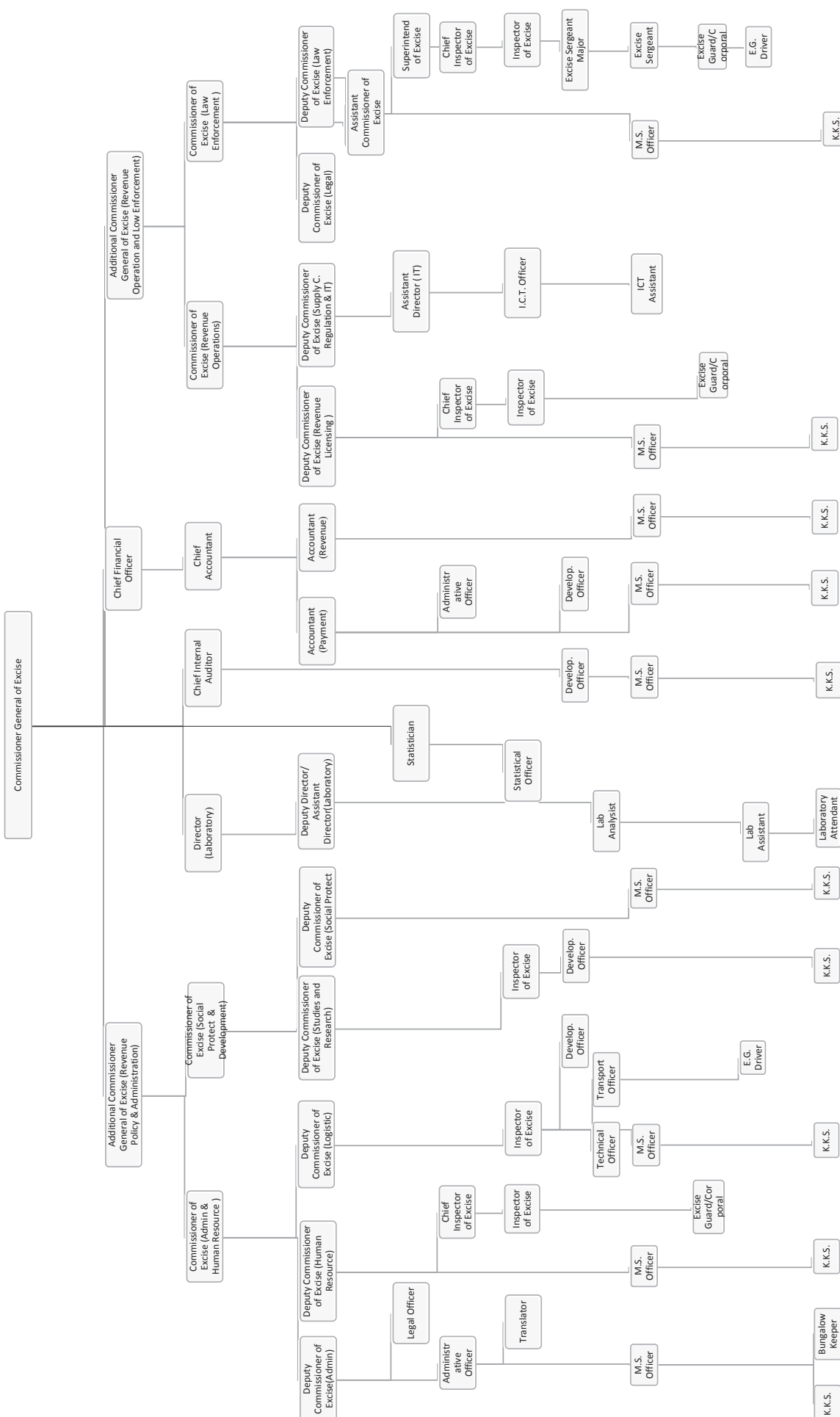
- Supervision and control of all Excise licensed premises and the collection of revenue thereof.
- Efficient and effective implementation of Excise Ordinance and Tobacco Tax Act.
- Act as a law enforcement institution regarding the Poisons, Opium and Dangerous Drugs Ordinance.
- Implementation of National Authority of Tobacco and Alcohol Act for the social protection of the nation.
- Building a close relationship with other law enforcement institutions such as Police, Customs and Inland Revenue Department in Sri Lanka.
- Make awareness through institutional programs against the illicit liquor and drugs abuse and make aware students and the community about the harmfulness of illicit liquor and dangerous drugs abuse.
- Implementation of Convention against Illicit Trafficking in Narcotics Drugs and Psychotropic Substances Act No: 01 of 2008.
- Providing training for all levels of employees within the planned year.
- Active participation for meetings and discussions with all stake holders.

Values

- Maintaining a culture for granting friendly and transparent service that treated as everyone equally.
- Having a dedicated staff with a team spirit who can move towards to achieve ultimate goal.
- Eliminate illicit alcohol and drugs aimed to chasten the children for protective future.
- Socialized a person having valued human values.
- Performing within a formal strategic plan.
- Providing efficient and utmost service to the clients through new technical methodologies.
- Accurate tax collection through modern technology.
- Maintain a reliable database.
- Implementation of programs for reducing the use of toxic drugs and toxic liquor.
- Maintain good coordination with external institutions.

1.1.3 Organizational Structure of the Excise Department of Sri Lanka

Excise Department of Sri Lanka



Chapter 02

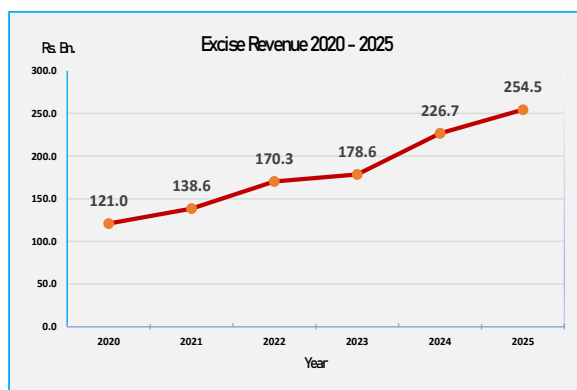
Progress and the Future Outlook

- 2.1. Revenue
 - 2.1.2 Administration
 - 2.1.3 Accounts
 - 2.1.4 Information Technology
 - 2.1.5 Law Enforcement (Crime)
 - 2.1.6 Logistics
 - 2.1.7 Academic and Research
 - 2.1.8 Supply Chain Regulation
 - 2.1.9 Legal
 - 2.1.10 Social Security
 - 2.1.11 Internal Audit
 - 2.1.12 Statistics
- 2.2 Challenges – Future Goals
 - 2.2.1 Future goals
 - 2.2.2 Challenges
- 2.3 Welfare

2.1 Special Achievements

2.1:1 Revenue

According to the action plan submitted by the Sri Lanka Excise Department to the Ministry of Finance at the beginning of the year 2025, the Ministry of Finance had given a revenue target of Rs. 227.4 billion. Accordingly, liquor tax revenue of Rs. 253 billion and tobacco tax revenue of Rs. 1.5 billion were collected, bringing the total revenue collected in 2025 to Rs. 254.5 billion. Furthermore, the Island has received foreign exchange of US\$ 25,718,623.60 million, Euro 121,096.50 and UK Pounds 38,750.00 for exported liquor. Compared to 2024, liquor tax revenue in 2025 increased by 10%, while liquor production rose by 11%. Additionally, the collection progress for liquor and tobacco tax revenue has reached 111.9% and tobacco tax revenue has increased by 8% in 2025 compared to 2024.



- Further, 232.96 billion rupees was able to send to the treasury after the excise duty rebate of 21.6 billion rupees on the exportation of liquor and soft liquor.

2.1:2 Administration

- During the year 2025, 06 Assistant Excise Commissioners have been assigned duties for 08 Deputy Excise Commissioner posts according to seniority.
- The limited competitive examination for recruitment to 08 posts of Excise Superintendent was held on 31.05.2025, and the interviews for the qualified candidates were conducted on 19.11.2025.
- A competitive examination was held on 05.04.2025 to recruit 67 officers to the post of Excise Superintendent on a supernumerary basis. Interviews for 18 qualified candidates were conducted on 08.07.2025, and the results have been forwarded to the Public Service Commission.
- Recruitment to 16 posts of Chief Excise Inspector

as tertiary level promotions was completed on 10.09.2025. In addition, appointments were made to 22 posts of Excise Inspector on a limited basis on 17.01.2025 and to 33 posts on an open basis on 03.11.2025.

- Appointments to 27 posts of Excise Sergeant Major were made on a merit basis as secondary level promotions with effect from 13.10.2025.
- With regard to promotions to the post of Excise Sergeant, 07 vacancies on a limited basis for the year 2021 were filled on 25.02.2025, while 14 vacancies on a merit basis for the year 2022 were filled on 30.04.2025. Furthermore, 22 vacancies on a limited basis for the year 2022 were filled on 29.07.2025.
- Appointments were made to 11 posts of Excise Controller at the secondary level with effect from 24.07.2024. Recruitment to 100 posts of Excise Controller on an open basis commenced on 03.11.2025 with the first batch of 50 selected candidates undergoing training. The second batch is scheduled to commence training on 02.02.2026. Additionally, appointments to 12 posts of Excise Controller Driver were made on 10.02.2025.
- Arrangements were made to grant 988 salary increments to departmental staff. Benefits under the Agrahara Insurance Loan Scheme were processed for 122 applicants. During the year, 28 uniformed officers and 07 civil staff officers retired, and all related administrative formalities were duly completed.
- Furthermore, 204 reservations were made during the year 2025 for the Anuradhapura and Nuwara Eliya circute bungalows belonging to the Department. In addition, 60 official identity cards were issued to uniformed and civil staff.
- Arrangements were made to pay uniform allowances to 53 officers based on applications received during 2025. Loan facilities were also processed in respect of 326 disaster loan applications submitted by departmental officers during the year. Additionally, necessary arrangements were made to settle payments relating to 215 festival advance applications.
- All leave-related administration for 1,180 officers attached to the Department is handled by this Division. The Department dispatches more than 80 letters daily through its official mail system, amounting to approximately 15,000 letters during

the year 2025. Furthermore, over 100 letters are received daily, totaling approximately 25,000 for the year.

- The efficiency bar examinations for the uniformed staff of the Department in respect of the year 2024 were conducted during this year. In addition to these responsibilities, the Division also manages all activities relating to annual and ad hoc transfers of uniformed staff, as well as the issuance of railway passes to departmental officers.

2.1.3 Accounts

According to the approved budget estimates for the year 2025, out of the recurrent allocation of Rs. 2,886,500,000.00, a sum of Rs. 2,699,314,951.00 has been utilized, representing 93.52% of the allocation. Similarly, out of the capital allocation of Rs. 736,000,000.00, an amount of Rs. 191,259,466.00 has been expended, reflecting 25.99% utilization. The net excise revenue collected in 2025 amounted to Rs. 231,541,851,691.49, indicating an increase of 102.45% compared to the estimated excise revenue for the year. Tobacco tax revenue collected during the same period amounted to Rs. 1,545,090,768.96, representing an increase of 110.36% over the estimated tobacco tax revenue.

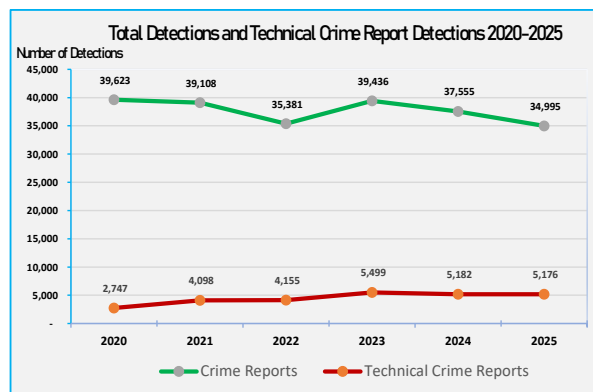
During the year, loans amounting to Rs. 44,999,236.00 were granted, while a total of Rs. 41,225,686.39 was recovered. Repayments to the savings account amounted to Rs. 278,335,783.00. The financial statements, including the reconciliation statements of the Advance "B" Account, Savings Account, and Excise Prize Fund Account for the year 2025, were duly submitted to the Government for audit within the stipulated timeframe. A total of 29 audit queries were received by the Accounts Division during the year, and all queries were addressed within the same period.

2 : 1 : 3 Information Technology

- Providing necessary recommendations and approvals for import and export activities related to excise duty by online through the ACYCUDA system of the Sri Lanka Customs Department as well as providing training and information technology facilities for the related officers.
- Data entry was carried out through the STRATLINK interface of the Import and Export Control Board.
- The Schedule of Requirements (SOR) for the RASED Project was prepared and finalized, and the implementing agency was selected through

a formal tender process. Subsequently, the Department of Excise entered into a contract with Millennium IT for the implementation of the RASED Project.

2:1:4 Law Enforcement (Crimes)



- During the year 2025, through the effective supervision and administration of excise-licensed premises islandwide, a total of 5,176 offence reports relating to violations of licence conditions were submitted. Consequently, a sum of Rs. 121,401,899.91 was recovered as composition fees and credited to Government revenue.
- A special enforcement programme was successfully implemented from 02.06.2025 to 08.06.2025 and again on 23.10.2025. This initiative was carried out with the objectives of achieving the Department's revenue targets, suppressing the illicit manufacture and consumption of illegal liquor at both domestic and commercial levels, ensuring the consumption of alcohol conforming to approved standards, and contributing to public safety through the control of illegal narcotic substances.
- A total sum of Rs. 213,043,679.00 in fines was collected through the prosecution of 34,995 raids conducted in relation to illegal liquor and drug offences.
- 3065 complaints were received through the Special Telephone Number (hot line) 1913 which is operated 24 hours to link closely with the public and to make priority to the public complaints and those complaints were immediately sent to the Excise Regional Offices.
- The Department is equipped with 175 units of 9mm firearms for use by officers conducting raids, thereby enhancing officer safety and improving the effectiveness and quality of enforcement operations.

2:1:5 Logistics

- The Departmental vehicle fleet, comprising 143 vehicles that directly contributed to achieving the targeted revenue collection for the year 2025, was maintained efficiently and in a timely manner by the Input Division. In addition, maintenance and repair work of 107 regional offices, including the Departmental Head Office, were carried out satisfactorily, ensuring that all premises were equipped with necessary infrastructure and maintained in a conducive working environment for staff. The Input Division also ensured the continuous supply of required documents and institutional registers for both licensee and departmental requirements throughout the year.
- As at 31.12.2025, the Department owned 47 parcels of land, of which 35 had been formally acquired. Continuous efforts were made during the year to facilitate the acquisition and coordination of the remaining 12 lands, along with necessary follow-up actions.
- As approximately 70% of the Department's vehicle fleet is over 20 years old resulting in increased maintenance costs requests have been submitted to the Ministry of Finance and the Presidential Secretariat for the procurement of new vehicles under the proposed government vehicle acquisition programme.
- During the year 2025, necessary premises for excise duty points were secured through 25 building lease agreements entered into by the Department.

2:1:6 Academic and Research

- The Sri Lanka Excise Department commenced the establishment of a Central Excise Laboratory in 2021 for the purpose of testing the quality of liquor produced locally as well as imported liquor beverages. Accordingly, a fully equipped Central Excise Laboratory has been established and laboratory operations were initiated by the end of 2025. Recruitment to the laboratory service is scheduled to take place in 2026, with a view to further strengthening and expanding testing activities. In addition, two small-scale laboratories are already in operation at the Siduwa DCSL Distillery premises and the Kopai Bottled Toddy Production Manufactory in Jaffna.



Jaffna Laboratory



Pugoda Laboratory

- Due to the need to establish standards for natural toddy in Sri Lanka, the Study and Research Division of the Sri Lanka Excise Department, in collaboration with the Sri Lanka Standards Institution, the Government Analyst's Department, and the Sri Lanka Institute of Industrial Technology, has completed the formulation of standards for coconut toddy.
- In addition, standards have been developed for locally produced foreign liquor, arrack, and beer. An expert committee has been appointed to address any issues relating to these standards as well as their alignment with the provisions of the Excise Ordinance. Furthermore, as emphasized by the Parliamentary Committee on Public Accounts, it has been identified as a timely requirement to publish, through Gazette notification, standards for all spirits-based and fermented liquor beverages in order to safeguard consumer health and safety. Arrangements are also underway to formulate standards for sake, cider, and wine in 2026.

- Furthermore, on the basis of a proposal made by the International Monetary Fund, a Risk Management Unit has been established under the supervision of the Deputy Excise Commissioner (Academic Research). A selected group of officers was appointed in 2024, and the Unit is currently engaged in identifying and assessing existing risks, as well as carrying out relevant investigative and mitigation activities.
- The Academic and Research Division is also responsible for preparing the annual performance report of the Excise Department and submitting it to Parliament within the stipulated timeframe. In addition, it is tasked with the preparation of annual and quarterly action plans covering all operational aspects of the Department.

2:1:7 Supply Chain Regulation

- In terms of Excise Notification No. 04/2019, the affixing of printed stickers (paper-based) on imported foreign liquor commenced on 15.07.2019. All rules and procedures relating to the affixing of such printed stickers have been stipulated in the said Notification.
- Excise Notification Nos. 2147/75, 2164/72, 2178/4, 2200/34, as well as Excise Notification Nos. 06/2019, 01/2020, 03/2020, and 01/2021 published in the relevant Gazettes, have from time to time amended the date of commencement for the affixing of security features on country-made liquor bottles, while repealing Excise Notification No. 04/2019 and Excise Notification No. 07/2021. Thereafter, Excise Notification Nos. 08/2021 and 09/2021 further revised the commencement date. Subsequently, repealing those Notifications, Excise Notification No. 10/2021 was issued, declaring 03.01.2022 as the effective date for the affixing of security features and digital marks on country-made liquor bottles. At present, the affixing of security features and digital marks on both country-made liquor and imported foreign liquor is carried out in accordance with the provisions of Excise Notification No. 07/2021. This initiative has significantly minimized the circulation of counterfeit security features in the market and has contributed to the protection of government revenue.
- The Supply Chain Regulatory Division has issued security features, including printed (paper-based) stickers and digital codes for country-made liquor, as well as paper-based stickers for imported foreign liquor, for the year 2025.

- In mid-2024, a new security sticker incorporating enhanced security features was introduced. Concurrently, a new mobile application for verifying security features was launched as a pilot project by Madras Security Printers (Pvt) Ltd.

2:1:8 Legal

- Operating under the direct supervision and authority of the Commissioner General of Excise, this unit is primarily responsible for executing legal functions assigned by him, drafting relevant legal documents, and coordinating with external government institutions - particularly the Attorney General's Department and the Department of Public Fiscal Policy.
- In 2025, the Legal Division, functioning under the direction of the Deputy Commissioner of Excise (Legal), carried out its responsibilities with the support of legal officers as well as uniformed and non-uniformed staff.
- The Legal Division plays a vital role in strengthening the legal framework of the Excise Department to support its overall performance. This includes maintaining effective coordination with the Attorney General's Department in relation to fundamental rights applications and writ petitions filed against the Excise Department, preparing and submitting necessary statements and documentation for such cases, providing legal advice on matters related to administration and licensing, and contributing to the drafting of legislation, including notifications.

2:1:9 Social Security

- This division organizes drug prevention programs in government institutions such as schools, with the aim of safeguarding public well-being and health. It also undertakes measures to mitigate environmental pollution associated with the liquor industry. In 2024, waste bins were installed near liquor shops to address environmental concerns arising from the improper disposal of empty liquor bottles. Additionally, a total of 277 drug prevention programs were conducted across the island during the year.



Conducting drug prevention programs for schools.



Conducting drug prevention programs for parents of school children.

2:1:10 Internal Audit

- Progress under the 2025 Action Plan (Internal Audit Plan) has reached 134%, exceeding the originally expected target. This includes the completion of audits related to rebates from manufacture income on exports and specific investigations assigned by the Commissioner General of Excise have been completed and all relevant reports have been submitted.

2:1:11 Statistics

The primary function of this unit is to compile and analyze statistical data related to the liquor industry regulated by the Excise Department.

- The unit is responsible for preparing statistical reports and presentations for submission to government institutions such as the Ministry of Finance, the Central Bank, and Parliament. In addition, it undertakes the preparation of the department's Annual Performance Report, as well as the annual and quarterly action plans. The unit also provides statistical data in response to requests from government agencies and international organizations.

Implementation of International Monetary Fund (IMF) Recommendations

- Based on the recommendations proposed by the International Monetary Fund (IMF) to increase the revenue of government institutions with the objective of improving Sri Lanka's economic situation, the following committees have been established in the Excise Department.

1. Establishment of a Risk Management Unit for managing and improving the excise revenue

- This unit conducts special inspections of liquor manufactories, distilleries, toddy manufactories and liquor shops operated by liquor selling licensees and detects irregularities and initiate legal proceedings where applicable.

2. Establishment of a Financial Intelligence Unit (FIU) in the Excise Department of Sri Lanka.

- A Memorandum of Understanding (MoU) between the Financial Intelligence Unit of Sri Lanka Customs and the Excise Department was signed on 20.11.2025. Pursuant to this MoU, a dedicated unit comprising competent and experienced professionals has been established to carry out the relevant functions.
- It is proposed to implement policies in line with the Prevention of Money Laundering and the Suppression of Terrorist Financing.
- The unit will facilitate the exchange of intelligence relating to money laundering and terrorist financing with relevant law enforcement agencies.
- It will also ensure the effective sharing of classified information pertaining to raids and other operational activities of the Excise Department with relevant stakeholders.
- In addition, the unit will assess existing risks and provide necessary training and capacity-building in this regard.

3. Establishment of an Internal Administration Unit (IAU)/ Complaints Management Investigation Unit

This unit investigates complaints regarding various irregularities of officers. This unit helps in increasing excise revenue by investigating various frauds, corruption, irregularities, etc.

- In accordance with the recommendations set out in the International Monetary Fund Report No. 23/340 on Sri Lanka, an Internal Affairs Unit was established on 26.07.2024. Subsequently, the Chairman, Supipan Niladhari, and the members of the Unit were re-appointed on 04.03.2025 in terms of the Presidential Secretariat Circular dated 18.02.2025 titled “Establishment of Internal Affairs Units in State Institutions.”
- In line with Presidential Secretariat Circular No. PS/SB/Circular No. 2/2025, all government institutions have been strengthened through the establishment of Internal Affairs Units operating in parallel.
- During the year 2025, the Unit received 32 complaints relating to various matters, all of which were referred to the relevant divisions for investigation and appropriate action.
- Furthermore, six (06) training programmes were conducted for officers of the Sri Lanka Excise Department during the year 2025.
- A handbook compiled by the Sri Lanka Excise Department has been published in all three official languages and distributed to all officers, who have acknowledged receipt. In addition, awareness and training programmes have been conducted to ensure proper understanding and implementation of its contents.

2:2 Future Goals and Challenges

2:2:1 Future Goals.

Reaching the revenue target of Rs. 245 billion in the year 2026.

- A revenue target of Rs. 245 billion has been set for the year 2026, representing an increase of 7.7% compared to the revenue target for 2025. Of this amount, Rs. 243 billion has been projected as tax revenue from liquor, while Rs. 2 billion is expected from beedi, in line with the revised tax policy on beedi production.
- Measures have been initiated to amend the Tobacco Tax Act. Accordingly, the said measures have been taken by making mandatory to register the trade-mark under the Intellectual Property Act and recognizing beedi wrapping materials, including Tendu leaves as raw materials under the Tobacco Tax Act for the regulation. These

measures are intended to prevent the importation of unauthorized Tendu leaves and to curb the circulation of counterfeit products that default beedi manufacturing tax. Additionally, necessary regulatory actions will be implemented through relevant notifications and circulars, particularly in relation to the annual revision of import and export fees applicable to tobacco products. Further, it is proposed to enhance enforcement outcomes by incentivizing officers through reward schemes linked to successful detections and seizures relating to tobacco.

- Necessary measures are being identified through the Risk Management Unit to enhance excise revenue, and appropriate steps are being taken to mitigate associated risks.
- Steps have been taken to Upon the introduction of standards for Maha Ra (natural toddy) by the Sri Lanka Standards Institution, the publication of such standards is expected to prevent the entry of artificial toddy into the market and to enhance demand by ensuring the availability of higher-quality natural toddy.
- Steps are being taken to formulate standards for wine and sake.
- Arrangements are underway to publish, by way of Gazette notification, the standards developed for liquor manufactured from spirits.
- Necessary measures are being implemented to prevent the circulation of untaxed liquor by updating security features in line with appropriate strategies.
- Enforcement activities, including raids, are being expanded to ensure that security features (stickers) are duly affixed on bottles of country -made liquor and imported liquor.
- Measures are being taken to enhance the security features affixed on liquor bottles, including revisions to the colour and design of existing security features issued to liquor production facilities. In addition, Madras Security Printers (Pvt) Ltd (MSP) is planning to introduce new software for the verification of security features.
- The mobile application developed by Madras Security Printers (Pvt) Ltd for the verification of security features was submitted for approval to the Sri Lanka Computer Emergency Readiness Team (CERT) on 24.10.2025. Upon receipt of the

necessary approval, the application is expected to be made available to the public at the earliest opportunity.

- Steps are being taken to recruit adequate staff to address complaints and technical issues relating to security features more effectively.
- Training programmes are being conducted to meet the capacity-building needs of officers.

Efforts are being made to increase excise revenue by achieving higher collection targets in terms of both quality and quantity.

- Research initiatives are being conducted with a view to ensuring the availability of high-quality liquor that meets required safety standards and minimizes potential harm to consumers.
- Measures are being taken to increase liquor production by curbing the spread of illicit liquor. In this regard, targets have been assigned to Excise Officers to record 38,000 general offences and 4,000 industrial offences islandwide by 2026, with progress subject to monthly review.
- Actions are being strengthened to effectively combat the illegal importation of narcotic drugs and tobacco-related products through maritime routes.
- Comprehensive drug prevention programmes are being implemented across the island with a view to achieving a drug-free Sri Lanka.
- Necessary steps are being taken to prevent illegal production of beedi products under the Tobacco Tax Act, thereby enhancing government tax revenue.

Social protection and public safety initiatives are being carried out through drug-related detentions.

Steps are being taken to recover outstanding tax arrears in accordance with agreements reached with the Attorney General's Department and the Ministry of Finance.

- Legislative amendments are being pursued to enable the suspension of licences and production activities of licensees in default of tax payments, and to facilitate the institution of legal proceedings in such instances.

- Practical rates relating to arrears are being introduced to improve the management and recovery of outstanding taxes, supported by the issuance of relevant excise notices.
- Capital investments are being made to enhance operational efficiency, including the procurement of new vehicles and the construction of permanent office buildings.
- New vehicles are being procured in view of the high maintenance costs associated with the existing fleet.
- 25 regional offices of the Sri Lanka Excise Department currently operating from rented premises, steps are being taken either to relocate them to government-owned buildings or to construct new facilities.

Increase in tourist arrivals - Foreign Liquor (F.L.) licences namely F.L. 7/8, F.L. 11, 22B, and Boutique Villa licences—are being issued with the approval of the Tourism Board.

Complaints lodged against officers are being duly investigated and acted upon by the Internal Affairs Unit (IAU).

- All requirements of the RASSED system have been identified, and a suitable service provider has been selected through a National Competitive Bidding process. Accordingly, software development activities are being implemented in a modular manner, alongside the enhancement of the Department's IT infrastructure.

2.2.2 Challenges

The continued circulation of illicit liquor and duty-free imported liquor within the local market remains a significant challenge.

- Although initial implementation challenges were encountered, these have been largely mitigated through the introduction of security features and digital codes on all liquor bottles. However, inaccuracies in digital code printing continue to pose a major concern. In order to address this issue, Madras Security Printers (Pvt) Ltd has been instructed to upgrade existing machinery and install new equipment to enhance printing accuracy. In addition, steps are currently being taken to introduce a rejection line to prevent liquor bottles without properly printed digital codes from entering the market.

- Enhanced security features incorporating advanced design elements have been introduced to prevent the circulation of counterfeit security features. In support of this initiative, Madras Security Printers (Pvt) Ltd has procured 200 units of updated security feature inspection equipment.
- In line with the implementation of the security feature management system, training programmes have been conducted to strengthen the capacity of officers, and their knowledge has been continuously updated.
- A further challenge arises in relation to duty-free liquor issued through the Colombo Port City. At present, the “Duty Free Departure” security sticker is affixed to such liquor bottles. However, as individuals arriving in the country are permitted to obtain duty-free liquor from the Colombo Port City within three (03) days of arrival, there exists a risk that such liquor-although intended for duty - free consumption-may enter the local market. This situation has the potential to adversely affect government excise revenue.
- Accordingly, necessary measures are being taken to introduce a distinct security feature for liquor bottles issued from the Colombo Port City at the earliest possible stage, with a view to preventing leakage into the local market.
- The imposition of taxes on beedi production, a domestic and commercial industry, together with import duties on Tendu leaves used as raw materials, has contributed to the illegal importation of such leaves by sea without payment of applicable taxes. This continues to pose a significant challenge.
- While coordinated efforts are being undertaken in collaboration with the Sri Lanka Navy to curb such illegal imports, the lack of adequate technical equipment and operational facilities for conducting effective raids remains a constraint.
- The shortage of experienced officers at both senior and junior levels to conduct islandwide enforcement operations has adversely affected the efficiency and effectiveness of raids.
- The absence of specialised and technical training programmes for the gathering of intelligence relating to narcotic drugs and liquor, together with practical difficulties in training officers, presents an additional challenge.

- The retirement of senior uniformed officers across the Department has resulted in a shortage of experienced personnel at Head Office level, thereby affecting revenue collection and administrative efficiency. Furthermore, there is a considerable shortage of officers at tertiary and secondary levels.

Approximately 70% of the vehicles currently in use by the Department are over 20 years old, resulting in high maintenance and repair costs, which place a strain on operational efficiency.

The Sri Lanka Excise Department has also identified the need to regulate the collection and recycling of empty liquor bottles and beer cans used in liquor production. In this regard, discussions have been held with the Central Environmental Authority and other relevant external institutions, and iron collection bins have been installed near liquor outlets to facilitate proper disposal and recycling.

Measures are being considered to regulate and monitor the recycling of empty beer cans collected through this mechanism.

2:3 Welfare

2.3.1 Office-Based Welfare

- A proposal was submitted to the Ministry of Finance to provide an incentive allowance (25% of the basic salary) to motivate all staff working in the Excise Department, who are committed to increasing government revenue, and after the approval of the Cabinet, the incentive allowance was paid from the year 2024.
- A cafeteria was maintained in the year 2024 for the welfare of the employees of the Sri Lanka Excise Department.

2.3.2 Sports

Public Service Cricket Tournament – 2025

- The Sri Lanka Excise Department Cricket Team competed in Group A of the Public Service Cricket Tournament, which comprises the top ten (10) teams in the Island. Based on its performance in the 2025 tournament, the Sri Lanka Excise Department Cricket Team has successfully qualified to continue competing in Group A for the year 2026.



- In addition to the main team, the Excise Department fields a “B” Cricket Team, which competes in the G Division of the Public Service Cricket Tournament.
- The Sri Lanka Excise Department Sports and Welfare Association organized an island-wide softball cricket tournament for officers of the Department. At this tournament, the Excise Head Office Team emerged as the champions.



39th National Public Service Athletics Festival – 2025

At the 39th National Public Service Athletics Festival, held at Mahinda Rajapaksa Stadium, Diyagama on the 20th and 21st of the month, the Sri Lanka Excise Department achieved a historic milestone by securing the Overall Runner-up position in the Amateur Category across all age groups for the first time.

- The achievements of officers at this tournament are as follows:

Amateur Age Group

- **400m Hurdles - Gold Medal**
Excise Inspector Lahiru Kodagoda
- **110m Hurdles - Bronze Medal**
Excise Inspector Thenushka Amilatissa
- **4 × 100m Relay (Men) - Gold Medal**
- **4 × 400m Relay (Men) - Silver Medal**
Excise Inspector Thenushka Amilatissa
Excise Inspector Udara Sampath
Excise Corporal Lalantha Sri Nissanka
Excise Inspector Ishanka Amarasuriya
Excise Inspector Lahiru Kodagoda

Additional Achievements

- **Discus Throw – Bronze Medal**
Excise Inspector Jeewantha Liyanage

35–39 Years Age Group

- **100m Run – Bronze Medal**
Excise Inspector Amila Manage

50–54 Years Age Group (Men)

- **High Jump – Gold Medal**
- **110m Hurdles – Gold Medal**
Excise Inspector Samantha Wijeratne
- **Long Jump – Bronze Medal**
- **Discus Throw – Bronze Medal**
Excise Inspector Samantha Wijeratne

50–54 Years Age Group (Women)

- **Champion Throw – Bronze Medal**
- **Shot Put – Bronze Medal**
Female Excise Sergeant Major Devika Nilanthi

60–64 Years Age Group (Retired – Men)

- **1000m Walk – Bronze Medal**
Retired Excise Corporal N. H.M.W.W. Bandara



Public Service Hockey Tournament – 2025

- The Sri Lanka Excise Department Hockey Team participated in the Public Service Hockey Tournament – 2025.
- Excise Inspector S.M.A.N. Senanayake, who advanced to the semi-final stage of the tournament, was awarded the Best Goalkeeper award in recognition of outstanding performance.



Public Service Volleyball Tournament – 2025

- The Sri Lanka Excise Department Volleyball Team participated in the Public Service Volleyball Tournament – 2025, representing the Department among other government institutions.



Chapter 03

Overall Financial Performance of the year

- 3.1 Statement of Financial Performance
- 3.2 Statement of Financial Position
- 3.3 Statement of Cash Flows
- 3.4 Statement of Financial Performance – Reward Fund
- 3.5 Statement of Financial Position – Reward Fund
- 3.6 Statement of Cash Flows– Reward Fund
- 3.7 Notes to the Financial Statement
- 3.8 Performance of the Utilization of Allocation
- 3.9 In terms of F.R.208, granting allocations of the Excise Department of Sri Lanka as a departmental agent.
- 3.10 Performance of Reporting Non-Financial Assets
- 3.11 Auditor General's Summary Report - Sri Lanka Excise Department (Annexure 01)
- 3.12 Auditor General's Summary Report - Excise Gift Fund (Annexure 02)

3.1 Statement of Financial Performance

ACA -F

**Statement of Financial Performance
for the period ended 31st December 2025**

Revised Budget Allocations 2025 Rs.		Note	Actual	
			2025 Rs.	2024 Rs.
-	Revenue Receipts		233,086,942,460.00	214,583,521,358.00
-	Income Tax	1	-	-
	Taxes on Domestic Goods & Services	2	233,086,942,460.00	214,583,521,358.00
-	Taxes on International Trade	3	-	-
-	Non Tax Revenue & Others	4	-	-
-	Total Revenue Receipts (A)		233,086,942,460.00	214,583,521,358.00
-	Non Revenue Receipts		3,502,666,512.00	3,449,024,290.00
-	Treasury Imprests		2,744,508,000.00	2,209,570,000.00
-	Deposits		704,915,897.00	1,188,778,755.00
-	Advance Accounts		53,242,615.00	50,675,535.00
-	Other Main Ledger Receipts		-	-
-	Total Non Revenue Receipts (B)		3,502,666,512.00	3,449,024,290.00
	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		236,589,608,972.00	218,032,545,648.00
	Remittance to the Treasury (D)		233,689,612,499.00	215,512,702,254.00
	Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)		2,899,996,473.00	2,519,843,394.00
	Less: Expenditure			
-	Recurrent Expenditure		2,699,314,951.00	2,356,782,858.00
1,202,500,000.00	Wages, Salaries & Other Employment Benefits	5	1,168,011,504.00	1,053,091,312.00
1,677,000,000.00	Other Goods & Services	6	1,526,573,145.00	1,298,271,015.00
7,000,000.00	Subsidies, Grants and Transfers	7	4,730,302.00	5,420,531.00
-	Interest Payments	8	-	-
-	Other Recurrent Expenditure	9	-	-
2,886,500,000.00	Total Recurrent Expenditure (F)		2,699,314,951.00	2,356,782,858.00
	Capital Expenditure		191,259,466.00	126,911,122.00
	Rehabilitation & Improvement of Capital Assets			
141,000,000.00	Assets	10	70,498,143.00	40,661,243.00
555,000,000.00	Acquisition of Capital Assets	11	102,992,813.00	77,349,931.00
-	Capital Transfers	12	-	-
-	Acquisition of Financial Assets	13	-	-
20,000,000.00	Capacity Building	14	17,768,510.00	8,899,948.00
20,000,000.00	Other Capital Expenditure	15	-	-
736,000,000.00	Total Capital Expenditure (G)		191,259,466.00	126,911,122.00
	Deposit Payments		278,335,783.00	149,842,627.00
	Advance Payments		53,695,107.00	39,702,842.00
	Other Main Ledger Payments		-	-
	Total Main Ledger Expenditure (H)		332,030,890.00	189,545,469.00
	Total Expenditure I = (F+G+H)		3,222,605,307.00	2,673,239,449.00
	Balance as at 31st December J = (E-I)		(322,608,834.00)	(153,396,055.00)
	Balance as per the Imprest Adjustment Statement		(322,608,834.00)	(153,849,812.00)
	Imprest Balance as at 31st December		-	453,757
			(322,608,834.00)	(153,396,055.00)



3.2 Statement of Financial Position

ACA-P

Statement of Financial Position
As at 31st December 2025

		Actual	
	Note	2025 Rs	2024 Rs
<u>Non Financial Assets</u>			
Property, Plant & Equipment	ACA-6	2,398,858,198.00	2,290,807,260.00
<u>Financial Assets</u>			
Advance Accounts	ACA-5/5(a)	131,778,421.00	131,325,930.00
Cash & Cash Equivalents	ACA-3	-	453,757.00
Total Assets		2,530,636,619.00	2,422,586,947.00
<u>Net Assets / Equity</u>			
Net Worth to Treasury		(1,711,005,556.00)	(1,284,877,933.00)
Property, Plant & Equipment Reserve		2,398,858,198.00	2,290,807,260.00
Rent and Work Advance Reserve	ACA-5(b)		
<u>Current Liabilities</u>			
Deposits Accounts	ACA-4	1,842,783,977.00	1,416,203,863.00
Unsettled Imprest Balance	ACA-3	-	453,757.00
Total Liabilities		2,530,636,619.00	2,422,586,947.00

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from 07 to 37 and Annexures to accounts presented in pages from 38 to 90 form an integral part of these Financial Statements. **The Financial Statements have been prepared in accordance with the Government Financial Regulations 150 & 151 and State Accounts Guideline No. 02/2025, dated 17.12.2025** and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out as per the Section 38(1) (C) of the National Audit Act No.19 of 2018



Chief Accounting Officer
Name :Dr.Harshana Suriyapperuma
Designation :Secretary
Date : 27/12/24
Secretary to the Treasury and Secretary to the Ministry
of Finance, Planning and Economic Development
Ministry of Finance
Colombo 01




Accounting Officer
Name :M.B.N.A.Pamarathna
Designation :Excise Commissioner General
Date :

M.B.N.A. Pamarathna
Commissioner General of Excise
Excise Department of Sri Lanka
No.353,Kotte Road,
Rajagiriya.



Chief Financial Officer/ Chief Accountant/
Director (Finance)/ Commissioner (Finance)
Name :R.R.Bulathsinhala
Date : 17/12/24

R. R. Bulathsinhala
Chief Finance Officer
Excise Department of Sri Lanka
No. 353, Kotte Road, Rajagiriya.

3.3 Statement of Cash Flows

ACA-C

**Statement of Cash Flows
for the Period ended 31st December 2025**

	Actual	
	2025 Rs.	2024 Rs.
<u>Cash Flows from Operating Activities</u>		
Total Tax Receipts	233,086,942,460.00	214,583,521,358.00
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non Revenue Receipts	-	-
Revenue Collected on behalf of Other Revenue Heads	273,308,346.00	118,189,880.00
Imprest Received	2,744,508,000.00	2,209,570,000.00
Recoveries from Advance	41,225,686.00	42,856,171.00
Deposit Received	704,915,897.00	1,188,778,755.00
Total Cash generated from Operations (A)	236,850,900,389.00	218,142,916,164.00
<u>Less - Cash disbursed for:</u>		
Personal Emoluments & Operating Payments	2,686,032,909.00	2,346,072,472.00
Subsidies & Transfer Payments	4,730,302.00	5,420,531.00
Rehabilitation & Improvement of Capital Assets, Capital Transfers, Capacity Building and Other Capital Expenditure	40,905,981.00	23,539,264.00
Expenditure incurred on behalf of Other Heads	3,744,623.00	2,013,843.00
Imprest Settlement to Treasury	233,689,612,499.00	215,512,702,254.00
Advance Payments	44,999,236.00	31,574,501.00
Deposit Payments	278,335,783.00	149,842,627.00
Total Cash disbursed for Operations (B)	236,748,361,333.00	218,071,165,492.00
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)	102,539,056.00	71,750,672.00
<u>Cash Flows from Investing Activities</u>		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-
Total Cash generated from Investing Activities (D)	-	-
<u>Less - Cash disbursed for:</u>		
Capital Asset Construction, Purchases and Other Investment Acquisitions	102,992,813.00	71,296,915.00
Total Cash disbursed for Investing Activities (E)	102,992,813.00	71,296,915.00
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	(102,992,813.00)	(71,296,915.00)
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	(453,757.00)	453,757.00
<u>Cash Flows from Financing Activities</u>		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (H)	-	-
<u>Less - Cash disbursed for:</u>		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Total Cash disbursed for Financing Activities (I)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)	-	-
Net Movement in Cash (K) = (G) + (J)	(453,757.00)	453,757.00
Opening Cash Balance as at 01st January	453,757.00	-
Closing Cash Balance as at 31st December	-	453,757.00



3.4 Statement of Financial Performance – Reward Fund

Excise Department of Sri Lanka - Excise Reward Fund
Statement of Financial Performance as at 31st December 2025
(in Rupees)

	2025	2024
REVENUE		
T.C.R. Fees	176,228,010	159,642,538
Cigarette Fees	5,093,425	4,254,400
Total Revenue	181,321,435	163,896,938
Expenditure		
Payment of Rewards	61,223,403	36,860,836
To Government Revenue - (T.C.R) 15%	26,238,601	23,946,381
To Government Revenue- Cigarettes Fees 75%	3,820,069	3,190,800
Payables to Tobacco Reward Fund	1,273,356	1,063,600
Special Raids		-
Other Payments		
Depreciations (Schedule 01)		11,421,663
Refund to Licensees		5,000
Total Expenditure	92,555,429	76,488,279
Surplus / (Deficiency)	88,766,006	87,408,658

Prepared by :-

Checked by :-

R.R. Bulathsinhala

Chief Financial Officer

T.P. Hettiarachchi
 Chief Accountant
 Excise Department of Sri Lanka
 No.353, Kotte Road, Rajagiriya

R. R. Bulathsinhala

Chief Finance Officer

Excise Department of Sri Lanka

No. 353, Kotte Road, Rajagiriya.

3.5 Statement of Financial Position – Reward Fund

Excise Department of Sri Lanka - Excise Reward Fund
Statement of Financial Position
as at 31st December - 2025

Monetary Unit -Rupees	2025	2024
Assets		
Current Assets		
T.C.R Receipts and Payment Account	393,900,740	311,340,660
Receivable T.C.R.	11,430,000	
Receivable Cigarette Fees		
	405,330,740	311,340,660
Non Current Assets		
Land and Building (Schedule 02)		47,134,000
Vehicles (Schedule 03)		454,771
Furniture and Equipment (Schedule 04)		6,879,101
Electronic Appliances (Schedule 05)		4,223
Office Equipment (Schedule 06)		42,654,489
Sports Items (Schedule 07)		2,011
Library Books (Schedule 08)		13,034
Other Equipment (Schedule 09)		2,972
Purchasing of Depreciation Assets		
Depreciation Reserve Fund		42,103,687
		139,248,288
Total Assets	405,330,740	450,588,948
Liabilities		
Short Term Liabilities.		
Payables to Government Revenue - T.C.R.	4,492,490	
Payables to Government Revenue - Cigarette Fees		
Payables to Tobacco Reward Fund		
Payables amount as Rewards	63,762,725	
Long Term Liabilities.		
Payable to Tobacco Reward Fund	26,700,706	25,427,350
Total Liabilities	94,955,921	
Net Assets	310,374,819	425,161,598
Net Assets /Equity		
Accumulative Fund	221,608,813	337,752,940
Previos year Adjustment		
(Deficiency) / Surplus	88,766,006	87,408,658
Total Equity	310,374,819	425,161,598

Prepared by :-

Checked by:-

Entries of Accounting policies under page no. 06 is part of this financial statement. The responsibility of preparation and submission of this financial statement is belonged to the Administrative Committee. Administrative Committee approved the Amended financial statement prepared relevant to the year 2025.

K.A.S. Lakshmini Gunathilake
 Commissioner of Excise (Admin & HR)

Gunathilake
 (Admin. & HR)
 Signature
 Date

M.B.N.A. Pamarathne
 Commissioner General of Excise

Thissa Kumara Rajapaksa
 Deputy Commissioner of Excise (Law Enforcement)
 Excise Head Office
 No. 353, Kotte Road,
 Rajagiriya.

M.B.N.A. Pamarathna
 Commissioner General of Excise
 Excise Department of Sri Lanka
 No.353,Kotte Road,
 Rajagiriya.

T.P. Hettiarachchi
 Chief Accountant
 Excise Department
 No.353, Kotte Road, Raj.

3.6 Statement of Cash Flows– Reward Fund

Excise Department of Sri Lanka - Excise Reward Fund

Cash Flow Statement as at 31st December 2025

(In Rupees)

	2025	2024
Cash flows from Operational Activities		
Receipts		
T.C.R. Fees	174,924,010	159,642,538
Cigarette T.C.R Fees	5,093,425	4,254,400
Total receipts	180,017,435	163,896,938
Payments		
Payment of Rewards	45,511,245	36,860,836
To Government Revenue	25,566,180	27,137,181
Special Raids		
Depreciation Reserve Fund (Schedule 01)		
Refund to Licensees		5,000
Other	26,379,930	
Net Cash Flow from operational activities	97,457,355	64,003,017
Net Cash Flow	82,560,080	99,893,921
Cash Flows from Investment Activities		
Purchase of Hydrometers		(6,767,300)
Depreciation Reserve Fund (Schedule 01)		(11,421,663)
Net Cash Flows from Investment Activities		(18,188,963)
Net decrease / Increase in Cash	82,560,080	81,704,958
Cash as at the start of the period	311,340,660	229,635,702
Balance as at 31.12.2025	393,900,740	311,340,660

Prepared by:-

Checked by :-

T.P. Hettiarachchi
Chief Accountant
Excise Department of Sri Lanka
No.353, Kotte Road, Rajagiriya

R.R. Bulathsinhala
Chief Financial Officer

R. R. Bulathsinhala
Chief Finance Officer
Excise Department of Sri Lanka
No. 353, Kotte Road, Rajagiriya.

3.7 Notes to the Financial Statement

Performance of the Revenue Collection

Revenue Code	Revenue Code Description	Revenue Estimation		Collected Revenue	
		Prior Estimation (Rs.)	Last Estimation (Rs.)	Amount (Rs.)	As a % of the Last Revenue Estimation (Rs.)
1002.04.01	Liquor	240,000,000,000.00	226,000,000,000.00	231,563,572,191.00	102.46
1002.06.00	Tobacco Tax	2,000,000,000.00	1,400,000,000.00	1,545,090,769.00	110.36

3'8 Performance of the Utilization of Allocation

Type of Provision	Allocated Provisions		Actual Expenses (Rs.)	Utilized provisions as a percentage (%) of the last allocated provisions that spent
	Prior allocated Provisions (Rs.)	Last allocated Provisions (Rs.)		
Recurring	2,886,500,000.00	2,886,500,000.00	2,699,314,951.00	93.52
Capital	736,000,000.00	736,000,000.00	191,259,466.00	25.99

3.9 In terms of F.R.208, granting allocations of the Excise Department of Sri Lanka as a departmental agent.

No

3.10 Performance of Reporting Non-Financial Assets

Assets Code	Assets Code Description	Balance as per the Inventory Survey reports as at 31.12.2025	Balance as per the Financial Position Report as at 31.12.2025	To be accounted for in the future	Reporting the progress as %.
9151	Buildings and Structures	792,308,830.21	792,308,830.21		100%
9152	Machinery	1,140,117,455.07	1,140,117,455.07		100%
9153	Lands	403,505,000.00	403,505,000.00		100%
9154	Intangible Assets	62,926,913,21	62,926,913,21		100%
9155	Biological asserts	-	-		-
9160	Ongoing works	-	-		-
9180	asserts that leased	-	-		-

**3.11 Auditor General's Summary Report - Sri Lanka Excise Department
(Annexure 01)**

3.12 Auditor General's Summary Report - Excise Gift Fund (Annexure 02)

Chapter 04

Performance Indicators

- 4.1 Introduction
- 4.2 Performance Indicators of the Institute
 - 4.2.1 Administrative Division
 - 4.2.2 Revenue Division
 - 4.2.3 Law Enforcement Division
 - 4.2.4 Accounts Division
 - 4.2.5 Internal Audit Division
 - 4.2.6 Human Resources Division
 - 4.2.7 Information Technology Division
 - 4.2.8 Transport & Logistics Division
 - 4.2.9 Studies & Research Division
 - 4.2.10 Statistic Division
 - 4.2.11 Supply Chain Regulation Division
 - 4.2.12 Legal Division



4.1 Introduction

The Head Office of the Sri Lanka Excise Department, which oversees and coordinates all offices established throughout the island, comprises the following key divisions: Administration, Revenue, Law Enforcement, Accounts, Internal Audit, Human Resources, Information Technology, Transport and Logistics, Academic and Research, Statistics, Supply Chain Regulation, Legal, and Social Security.

Performance indicators for each division have been developed in alignment with the Action Plan submitted to the Ministry of Finance for the year 2025. In accordance with the revised Action Plan for 2025, the Sri Lanka Excise Department was assigned a revenue target of Rs. 227.4 billion.

Based on the performance reports submitted by all divisions contributing towards this target, the Department has achieved an overall level of performance that can be considered optimal.

4.2 Performance Indicators of the Institute

Divisions of the Department	Specific Indicators		Actual output as a percentage (%) of the expected output				
			>100%	90 % - 100%	75% - 89 %	50 % - 74 %	0% - 50%
4.2.1 Administrative Division	Establishment and Administrative functions			97%			
4.2.2 Revenue Division	Collection of expected revenue for 2024	Liquor		100%			
		Tobacco tax				70%	
4.2.3 Law Enforcement Division	Enforcement of relevant laws and acts and Drug crime reports and tobacco related raids.		103%				
	Technical crime reports for excise licenses		119.8%				
4.2.4 Accounts Division	All accounting activities of the year 2024			100%			
4.2.5 Internal Audit Division	Internal audit program to be completed in the year 2024		134%				
4.2.6 Human Resources Division	Trainings for all officers				76%		
	Capacity Building of Officers			100%			
4.2.7 IT Division	Updating the web site			100%			
	Implementing new projects	1. Transferring data to the RAMIS system through the interface		100%			
		2. Facilitate online system through ASYCUDA system		100%			
		3. Preparation of the RASED System		100%			
		4. Coordinating the providing of infrastructure needed to implement the Sticker project and contracting for it		100%			
Logistics Division 4.2.8	Transport and other related duties				80%		
	Construction activities of proposed buildings						10%
4.2.9 Academic & Research Division	Academic and Research activities			90%			
4.2.10 Statistic Division	Statistic activities and Issuing Data			90%			
4.2.11 Supply Chain Regulation Division	Sticker Project	Local		95%			
		Foreign		95%			
4.2.12 Legal Division	Legal requirements and Expected new trends			90%			
4.2.13 Social Security Division	liquor and drug awareness and social welfare activities		139%				
	Ensuring the safety of people from health hazards by providing standardized liquor			100%			

Chapter 05

Performance of Achieving Sustainable Development Goals (SDG)

- 5.1 Introduction
- 5.2 Activities and Progress of the Excise Department of Sri Lanka based on the Sustainable Development Goals

5.1. Introduction

The National Policy on Sustainable Development is a strategic initiative that mandates implementation by all government institutions, educational entities, and civil society organizations in Sri Lanka. This policy is overseen by the Council on Sustainable Development, which was established under the provisions of the Sustainable Development Act No. 19 of 2017. Its primary objective is to guide the country toward achieving the 17 Sustainable Development Goals by the year 2030. As a key institution responsible for generating government revenue to support Sri Lanka's sustainable development goals, the Sri Lanka Excise Department has actively pursued 5 of the 17 Sustainable Development Goals. The selected goals are Goal 1, Goal 3, Goal 12, Goal 16, and Goal 17. A detailed discussion on this initiative can be found in Chapter 5.2.

In line with the above objectives, the implementation of Goal 1 – the eradication of poverty in all its forms and dimensions – remains a priority. To support this effort, the Sri Lanka Excise Department collected Rs. 254.5 billion in revenue in the year 2025, which was credited to the Treasury to be utilized for the development and well-being of all citizens of Sri Lanka. A critical aspect of poverty alleviation is the elimination of illicit liquor, which significantly hinders both individual welfare and broader economic progress. The Sri Lanka Excise Department, with the support of the Sri Lanka Police Department, makes a significant contribution to this effort. Recognizing that tobacco use is harmful to human health, a new tax policy on beedis was introduced with effect from 01.01.2023, with the dual objectives of discouraging tobacco consumption and increasing state revenue to provide necessary public relief. Under the Tobacco Act No. 08 of 1999, measures have been implemented to register all beedi manufacturers and to ensure the proper collection of taxes. However, it is not possible to curb the use of liquor and tobacco solely through raids on illegal activities; reducing demand is equally important. Accordingly, extensive social awareness campaigns and programmes are being carried out in collaboration with other relevant institutions.

The Sri Lanka Excise Department is dedicated to promoting the health and well-being of the poor and vulnerable, in alignment with Sustainable Development Goal 3. One of the key strategies employed is the annual increase of taxes on liquor and tobacco manufacturers, aimed at reducing public purchasing power and, consequently, lowering consumption. Additional measures include stricter controls on the availability of liquor, ensuring that

legally produced liquor meets established quality standards, conducting regular public awareness programs to discourage liquor consumption, and collaborating with relevant institutions to mitigate environmental harm.

In alignment with Sustainable Development Goal No. 12 that ensuring sustainable consumption and production patterns - all liquor manufacturers have been encouraged to comply with the directives and regulations issued by the Central Environmental Authority. They are also expected to follow the recommendations and instructions of relevant local authorities, particularly in matters concerning boiler operations and water purification processes, in order to protect natural water sources and ensure clean air ventilation. Furthermore, waste bins have been installed near liquor shops across the island to mitigate environmental pollution caused by the improper disposal of bottles, cans, and related waste following liquor consumption.

Under Sustainable Development Goals 16 and 17, all uniformed personnel are being given regular instructions to ensure that everyone has access to justice and that those arrested are not subjected to torture, ill-treatment and violence. In order to significantly reduce bribery and corruption in all measures taken to secure government revenue, all duties are being carried out in an effective, accountable and transparent manner. Accordingly, regular officer training, awareness programs to prevent bribery and corruption, and training necessary for law enforcement officers to perform their duties without social violence were constantly carried out. The entire staff, including the Commissioner General of Excise, are committed to working tirelessly to achieve the fundamental

goals of sustainable development in the Sri Lanka Excise Department by the year 2030.

5.2 Activities and Progress of the excise department of Sri Lanka based on the Sustainable Development Goals

- The sustainable development goals have been identified and those goals have been prepared and included to the action plan – 2025.
- Targeted sustainable development goals of the year 2025 and the specific activities for this are as follows.

Goals	Targets	Indicators of the achievement	Progress of the Achievement up to date		
			0% - 49%	50% - 70%	75%- 100%
Goal – 01 Eliminate the poverty in all the ways in every where	➤ Contribute to the development of the country through collection of taxes efficiently and effectively and appropriately crediting taxes to the Treasury for economic and social development and infrastructure development.				✓
	➤ Eliminate the poverty and development of social security by efficient and effective law enforcement on illicit liquor and dangerous drugs.				✓
	➤ Conduct awareness programs for creating social development on effective control of liquor and dangerous drugs and its bad effects by selection of villages in every Divisional Secretary's Division.		✓		
	➤ Developing rural economy through increasing annual taxes or increasing prices to discourage the purchase of liquor and tobacco products.				✓
	➤ A new tax called Beedi Tobacco Tax was imposed on Beedi manufacture in terms of the Act No.08 of 1999 dated 31.02.2022 and providing relief to the community by discouraging the purchase of Beedi and revenue that received, credited to the state revenue.				✓
	➤ Actions are taken to reduce or decrease liquor and tobacco consumption through awareness programs on liquor and tobacco consumption and its bad effects.				✓
Goal - 03 Ensure healthy lives and promote well-being for all at all ages	➤ Preparation of standards for all liquors by linking with the Sri Lanka Standards Institution to ensure the quality of the liquor manufactured legally.				✓
	➤ Reduce and control the spread of illicit liquor and tobacco manufactures for protecting health and living standards.				✓
	➤ Establishment of social security through implementing effective prevention programs				✓

	➤ Law enforcement on dangerous liquor for the wellbeing of the general public ➤ Controlling the sale of liquor and tobacco related manufactures for the persons under 21 years of age. ➤ Ended up the preparation of specific standards for palm, coconut, and Kitul in 2023 in order to control the illegal manufacturing of local toddy. ➤ Conduct awareness programs for communities of all levels and prevent them of the danger of addiction to liquor and drugs to the human lives. ➤ Installation of bins near liquor shops to collect and recycle discarded bottles and cans after consumption of liquor to prevent environmental pollution for the benefit of public health.			✓	✓
Goal - 12 Ensure sustainable consumption patterns and patterns of manufacturing	➤ Conducting community awareness programs for controlling consumption of liquor and tobacco ➤ Calculation of annual per capita consumption of liquor to control illicit liquor and controlling per capita consumption of liquor accordingly. ➤ Introducing a safety sticker for alcohol to facilitate tax administration and to control access to the substitute market and to protect health. ➤ The effective and efficient monitoring of liquor and tobacco manufactories for ensuring liquor and tobacco with high standards. ➤ Actions are taken for issuing Certificates of Environmental Safety, Boiler Certificates and Water Purification Certificates of the Central Environmental Authority to all liquor manufactories. ➤ To enhance service delivery to customers, clients, and members of the public, while ensuring their safety and security, the Department has established a Financial Intelligence Unit, an Internal Control Unit, a Risk Management Unit, and a 1913 Operations Room.			✓	✓

Goal - 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	➤ Taking action to build a peaceful environment for the community through enforcement of law effectively on dangerous drugs, illegal liquor and tobacco products ➤ Providing necessary training and awareness to all officers to perform their duties legally. ➤ Creating necessary environment for all staff to perform their duties responsibly. ➤ Create conducive environment to perform duties in a legal environment by implementing a legal division. ➤ Granting at least 12 hours training to all male and female officers either institutionally or externally. ➤ Equal opportunities granted for the promotions of female officers and no discrimination on the basis of gender by granting opportunities with reasonable salary for both male and female. ➤ Ensuring effective employment through making effective use of the revenue from the legally manufactured liquor and tobacco industry for sustainable development and economic development.				✓ ✓ ✓ ✓ ✓ ✓ ✓
Goal -17 Strengthening and revitalizing the requirements by implementing global cooperation for sustainable development	➤ Granting and protecting the annual collection of liquor and tobacco tax revenue to the treasury. ➤ Introducing ERMS and RASED systems to expedite revenue collection process through introduction of new technology. ➤ Protecting excise revenue through use of Fool Proof Sticker or digital printing which is a globally popular security measure. ➤ Introducing a mobile phone application to enable the public to verify that the liquor they purchase has been produced in accordance with legally prescribed standards.			✓ ✓ ✓ ✓	

Chapter 06

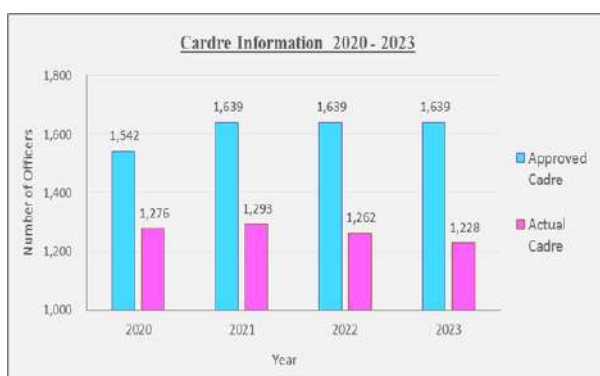
Human Resource Profile

- 6.1 Cadre Management
- 6.2 The impact of the shortage or excess in human resources for the Performance of the excise Department of Sri Lanka
- 6.3 Details on vacancies
- 6.4 Human Resource Development
 - 6.4.1 Method of the training programs contributed to the Performance of the institute
 - 6.4.2 Human Resource Development- Training Programmes

6.1 Cadre Management

	As at 31.12.2025		
	Approved Cadre	Actual Cadre	Vacancies
Senior	70	19	51
Territory	381	300	81
Secondary	1,052	767	283
Primary	148	54	94
Total	1,649	1,140	509

6.2 Impact on human resource shortage or surplus for the performance of the Excise Department of Sri Lanka.



- During the year 2025, eight (08) Senior Level Deputy Excise Commissioner positions were performed duty/ assigned duties for five (05) Assistant Excise Commissioners based on seniority.
- A limited competitive examination for the recruitment of eight (08) Excise Superintendents was held on 31.05.2025, and the interviews were conducted on 19.11.2025.
- Applications were called on 20.12.2024 to recruit sixty-seven (67) candidates to the post of Excise Superintendent on a supernumerary basis. The written examination was held on 05.04.2025, and interviews for eighteen (18) qualified candidates were conducted on 08.07.2025. The results have been forwarded to the Public Service Commission.
- Thirty-one (31) Chief Excise Inspectors were appointed to perform duties in twenty (20) Excise Superintendent positions and to cover the duties of an additional eleven (11) Excise Superintendent posts.
- Recruitment for sixteen (16) posts of Chief Excise Inspectors under tertiary level promotions was carried out on 10.09.2025. Further, appointments were made to twenty-two (22) posts of Excise Inspectors on a limited basis on 17.01.2025, and to thirty-three (33) posts of Excise Inspectors on an open basis on 03.11.2025.
- Appointments were made to twenty-seven (27) posts of Excise Sergeant Major on a merit basis as secondary level promotions, with effect from 13.10.2025.
- Appointments to the post of Excise Sergeant were made as follows: seven (07) vacancies on a limited basis for the year 2021 on 25.02.2025; fourteen (14) vacancies on a merit basis for the year 2022 on 30.04.2025; and twenty-two (22) posts on a limited basis for the years 2021 and 2022 on 29.07.2025.
- Training for Excise Guards commenced on 03.11.2025 with the first batch of fifty (50) candidates who qualified under the open recruitment process for one hundred (100) posts.

- Appointments were made to eleven (11) posts of Excise Guards on a limited basis, with effect from 24.07.2024.
- Appointments were made to twelve (12) posts of Excise Guard Driver as at 10.02.2025.
- Further, steps were taken to grant nine hundred and eighty-eight (988) salary increments to the staff of the Department. Action was also taken in respect of one hundred and twenty-two (122) applications under the Agrahara Insurance Loan Scheme. In addition, thirty-five (35) officers from both uniformed and civil staff retired during the period, and all related administrative matters were duly attended to.

6.3 Details of vacancies in the year 2025

Post	Number of Vacancies	Status to the date 31.12.2025	Period that the vacancy existed
Additional Commissioner General of Excise (Revenue Operations and Law Enforcement)	1	The vacancy remains unfilled from 24.11.2020 due to the absence of a suitably qualified candidate who meets the eligibility criteria outlined in the approved recruitment procedure for appointment to the position.	05 years
Commissioner of Excise (Social Security and Development)	1	This post has been vacant since 31.12.2022	03 years
Commissioner of Excise (Revenue and Operations)	1	This post has been vacant since 01.01.2024	02 years
Commissioner of Excise (Law Enforcement)	1	This post has been vacant since 31.12.2022	03 years
Deputy Commissioner of Excise (Administration)	1	This post has been vacant since 28.10.2021	04 years and 02 months
Deputy Commissioner of Excise (Human Resources)	1	This post has been vacant since 31.12.2022	03 years
Deputy Commissioner of Excise (Logistics)	1	This post has been vacant since 31.12.2022	03 years
Deputy Commissioner of Excise (Academic and Research)	1	This post has been vacant since 28.12.2023	01 year
Deputy Commissioner of Excise (Social Security)	1	This post has been vacant since 20.07.2021	04 years and 05 months

Deputy Commissioner of Excise (Supply Chain Regulation and IT)	1	This post has been vacant since 31.12.2022	03 years
Deputy Commissioner of Excise (Law Enforcement)	1	This post has been vacant since 31.12.2022	03 years
Deputy Commissioner of Excise (Revenue/Licenses)	1	This post has been vacant since 31.12.2022	03 years
Deputy Commissioner of Excise (Law)	1	This post has been vacant since 31.12.2022	03 years
Assistant commissioner of Excise	06	These positions became vacant following the retirement of senior-level officers.	
Superintendent of Excise	28	These positions became vacant due to the retirement of senior-level officers.	

6.4 Human Resource Development

The Human Resources Division of the Excise Department of Sri Lanka is performed under the direct supervision of a Commissioner of Excise and Deputy Commissioner of Excise to lead the Human Resources Division with the objective of organizing the human resources correctly with the intention of achieving institutional as well as individual improvement by development of knowledge, skills and attitudes of the human resources of the Excise Department. In addition, it is supervised under the Additional Commissioner General of Excise (Policy Administration). The Sri Lanka Excise College located in Panadaragama of Kurunegala district is used for the implementation of training programs of the Excise Department and also the auditorium of the head office and the places owned by external institutions are also used for this purpose.

In accordance with the action plan prepared for the year 2025, it had been decided to provide minimum twelve hours training for all uniform staff as well as all island and combined service staff.

During the year 2025, all uniformed staff were provided with full understanding and knowledge of the law as well as the documents of the Department and public administrative laws and regulations. Special training programs on public finances were implemented for the staff grade officers of this Department. Further, special training opportunities are provided by external institutions for Development Officers, Management Service Officers and Uniformed Staff. Two training programs were implemented for every officer to acquire his language proficiency through learning Tamil language as per the 18/2020. Apart from that, workshops were held regarding manufacturing manufactories, distilleries, warehouse duties as well as legal regulations of the Tobacco and Liquor Authority and the Department arranged to provide special training for drivers regarding the cars of the National Apprenticeship Board. Creating a group of officers capable of achieving the goals and objectives by strengthening and developing human resources of the Excise Department and beyond that, drug prevention programs have been implemented for youth and school children and various organizations on liquor and drug abuse in the outer society. Accordingly, in the year 2024, the Human Resources Division has conducted 16 training programs and has managed all activities by spending an amount of Rs. 1,696,500.00.

Despite the severe financial constraints resulting from the ongoing economic and social crisis in the country,

the department was able to achieve its training objectives, even though the implementation of many planned programs was hindered. In accordance with Circular No. 18/2020, two training programmes were implemented for each officer with the objective of enhancing proficiency in the Tamil language. In addition, the Department undertook initiatives to provide training on manufacturing processes, distillery operations, warehouse management, as well as the relevant laws and regulations governed by the Tobacco and Alcohol Authority.

With a view to strengthening and developing human resources, and fostering a cadre of officers capable of achieving and exceeding the goals and objectives of the Excise Department, several programmes were also conducted targeting the wider community. These included drug prevention and awareness programmes on liquor and drug abuse for youth, school children, and various organizations.

Accordingly, during the year 2025, the Human Resources Division conducted a total of 27 training programmes, with an expenditure amounting to Rs. 19,956,972.24, while effectively managing all related activities.

During the year 2025, nearly 800 officers participated in these programmes and were awarded certificates upon completion. Notably, all programmes were conducted under the direct supervision of the Additional Excise Commissioner General, with the active involvement of an Excise Commissioner, a Deputy Excise Commissioner, a Chief Excise Inspector, an Excise Inspector, a Development Officer, and an Office Assistant.

A detailed description of the training programmes conducted by the Human Resources Division is provided in Section 6.4.2.

6.4.1 Contribution of Training programmes for the performance of the Institution.

Human resources are identified as the most important resource of any institution. The proper preparation for fulfilling the objectives of the institution is delegated to the human resources division. Employee training and employee development are considered an essential requirement for achieving institutional goals as well as individual aspirations. In order to increase employee efficiency and effectiveness, it is

expected to create self-confidence on the employees through employee training. In this process, employee motivation and job satisfaction will increase employee performance and employee motivation through updating knowledge, skills and attitudes. The Human Resources Division directly intervenes for development of the uniformed staff of the Excise Department as well as the officers of the Combined Service.

In the year 2025, 27 training programs have been conducted in which nearly 800 officers participated and a certificate was also awarded to them.

In addition to these programmes, nearly 30 drug prevention programs were implemented in schools, youth centers, liquor manufactories and vocational training centers without charging money (free of charge) for preventing the youth from drugs and various anomalous situations as a

social service. Despite the absence of government provisions allocated for conducting these programs, it is commendable that the Excise Department has undertaken these initiatives, supplementing them with its own resources. Further, the Human Resources Division has assigned officers of the Excise Department to make aware the officers within the Department and outside Semi-Government Institutions.

The Human Resource Division has been able to work to lead the task of organizing correctly with the intention of achieving institutional as well as individual improvement by developing the human resources of the Excise Department with knowledge, skills and attitudes through the performance of the above-mentioned functions, as the mission of the Human Resources Division of the Sri Lanka Excise Department.

6.4.2 Human Resource Development - Training programmes

S/ No	Name of the training Program	Place of the training Program held	No. of employees trained	Total Investment (Rs'000)	Output/Knowledge Gained
01	Manufactory, warehouse, distillery training	Head Office	130	Rs.110,380.00	E.C, E.I, E.S.M, E.S, E.G - Maintenance of manufactory documents.
02	Training workshop for promotion officers of all ranks	Panadaragama Excise School	35	Rs.1,484,911.51	Orientation Training Programme for Newly Recruited Drivers and Officers Promoted to the Rank of Excise Inspector
03	Referral to external institutions for training workshops i. Postgraduate degree in Social Sciences	Sri Jayewardhanapura University	1	Rs.155,000.00	Deputy Commissioner of Excise (Revenue)
	ii. Course on Procurement and Course on Artificial Intelligence	National Institute on Labour Studies	3	78,000.00	officers of Procurement Division and Human Resources Division
	iii. Participating a seminar on auditing		1	20,000.00	Internal Auditor
	iv. Diploma Course in Criminal Law	Foundation Institute	37	1,379,400.00	All officers submitted applications
	v. Course on Procurement Prag Service (Pvt) Ltd	Grand Oriental Hotel	4	50,000.00	Providing training for officers of Procurement Division

04	Right to Information Act and Disciplinary Procedures of Public Officers	Panadaragama Excise School	36	Rs.201,240.00	Acting and Duty Performing Excise Superintendent
05	Attitude Development and Office System Training Workshop	Panadaragama Excise School	26	Rs.218,390.00	Management Service Officers and Development Officers
06	Discussion on Excise Ordinance Amendment	Panadaragama Excise School	25	Rs.143,665.0000	Selected Officers
07	Discussion on annual plans, financial documents, annual reports and progress.	Head Office	55	Rs. 52,327.23	D.E.C,A.E.C,Officers-In-Charge-Annual Plans,Financial Documents,Annual Reports and Annual Progress Report
08	Dangerous Drugs Act, Introduction to New Drugs and Attitude Development Workshop	Head Office	140	Rs.117,210.00	Training Programme for Excise Guards on the Dangerous Drugs Act and Emerging Drug Trends
09	Training workshop for promoted Excise Sergeants	Panadaragama Excise School	42	Rs.869,155.00	Promoted Excise Sergeant
10	Training workshop for promoted Excise Inspectors	Panadaragama Excise School	16	Rs.247,650.00	Promoted Chief Excise Inspectors
11	Training Workshop for Apperantice Excise Guards	Panadaragama Excise School	49	Rs.7,894,232.50	Apperantice Excise Gurads- Orientation Training
12	Training workshop for apprentice Excise Inspectors	Panadaragama Excise School	33	Rs.6,814,661.00	Apperantice Excise Inspectors-Orientation Train
13	Awareness workshop on the provisions of the Right to Information Act	Head Office	57	Rs.8,250.00	Officers of the Head Office, Officers of the Western Province Excise Assistant Commissioner's Office
14	Tamil Language Proficiency Training Course 150 hours (Department of Official Languages)	Online	80	Rs. 112,500.00	Uniformed staff and civil staff of the Excise Department
		Total		Rs.19,956,972.24	

Chapter 07

Compliance Report

7.1 Compliance Report on the manner of contribution to the departmental Performance.

7.1 Compliance Report on the manner of contribution to the departmental Performance.

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non-Compliance	Corrective actions proposed to avoid non-compliance in future
1	The following financial statements/ accounts have been submitted on due date			
1.1	Annual financial statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Not Applicable	1.This account is not relevant to the Excise Department of Sri Lanka (EDSL)	
1.4	Stores Advance Accounts	Not Applicable	2.This account is not relevant to the EDSL	
1.5	Special Advance Accounts	Not Applicable	3.This account is not relevant to the EDSL	
1.6	Others	Not Applicable	4.This account is not relevant to the EDSL	
2	Maintenance of books and registers (FR 445)			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register/ Personal emoluments cards has been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit reports has been maintained and update	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied		
2.6	Register for cheques and money orders has been maintained and update	Complied		
2.7	Inventory register has been maintained and update	Complied		
2.8	Stocks Register has been maintained and update	Complied		
2.9	Register of Losses has been maintained and update	Complied		
2.10	Commitment Register has been maintained and update	Complied		
2.11	Register of Counterfoil Books (GA – N20) has been maintained and update	Complied		

03	Delegation of functions for financial control (FR 135)			
3.1	The financial authority has been delegated within the institute	Complied		
3.2	The delegation of financial authority has been communicated within the institute	Complied		
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied		
3.4	The controls have been adhered to by the accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied		
4	Preparation of Annual Report			
4.1	Preparation of the annual action plan.	Complied		
4.2	Preparation of the annual procurement report	Complied		
4.3	Preparation of the annual audit report.	Complied		
4.4	Preparation and Submission of the annual estimate to the Department of National Budget by the prescribed date	Complied		
4.5	Submission of the annual cash flows to the Department of Treasury Operations by the prescribed date.	Complied		
5	Audit queries			
5.1	All the audit queries have been replied within the specified time by the Auditor General	Complied		
6	Internal Audit			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2)) DMA/1 -2019	Complied		
6.2	All the internal audit reports have been replied within one month	Complied		
6.3	Copies of all the internal audit reports have been submitted to the Management Audit Department in terms of Sub-section 404(4) of the National Audit Act No. 19 of 2018	Complied		
6.4	All the copies of internal audit reports have been submitted to the Auditor General in terms of Financial Regulation 134(3).	Complied		
7	Audit and Management Committee			
7.1	Minimum 04 meetings of the Audit and Management Committee have been held during the year as per the DMA Circular 1 - 2019	Complied		

8	Asset Management			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of 13 the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied		
8.3	The board of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular	Complied		
8.5	The disposal of condemn articles had been carried out in terms of FR 772	Complied		
9	Vehicle Management			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Complied		
9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	Complied		
9.5	The fuel consumption of vehicles has been re -tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	Complied		
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	Complied		
10	Management of Bank Accounts			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied		

10.2	The dormant accounts that had existed in the year under review or since previous years settled	Complied		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	Complied		
11	Utilization of Provisions			
11.1	The provisions allocated had been spent without exceeding the limit	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	Complied		
12	Advances to Public Officers Account			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	Complied		
12.3	The loan balances in arrears for over one year had been settled	Not Complied	Loan balances of officers who have vacated the service and those who have been interdicted are available.	Relevant legal actions are being taken to recover the loan balances.
13	General Deposit Account			
13.1	The action had been taken as per F.R.571 in relation to the lapsed deposits	Complied		
13.2	The control register for general deposits had been updated and maintained	Complied		
14	Imprest Account			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied		
14.2	The ad -hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task	Complied		
14.3	The ad -hoc sub imprests had not been issued exceeding the limit approved as per F.R. 371	Complied		
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied		
15	Revenue Account			
15.1	The refunds from the revenue had been made in terms of the regulations	Complied		

15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Complied		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176	Complied		
16	Human Resource Management			
16.1	The staff had been maintained within the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		
16.3	All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017	Complied.		
17	Provision of information to the public			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right To Information Act and Regulation	Complied.		
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures	Complied.		
17.3	Bi - Annual and Annual reports have been submitted as per section 08 and 10 of the Right to Information Act	Complied.		
18	Implementing citizens charter			
18.1	A citizen's charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	Complied		
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular.	Complied		
19	Preparation of the Human Resource Plan			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.	Complied.		

19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Complied.		
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Complied.		
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	Complied.		
20	Responses Audit Paras			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified.	Complied.		

