



# **HOME, PROHIBITION AND EXCISE DEPARTMENT**

## **POLICY NOTE DEMAND NO. 37**

### **PROHIBITION AND EXCISE 2017 – 2018**

**P. THANGAMANI**  
Minister for Electricity, Prohibition and Excise

©  
Government of Tamil Nadu  
2017

# INDEX

<b>Sl. No.</b>	<b>Subject</b>	<b>Pages</b>
1.	Introduction	1 - 2
2.	Prohibition and Excise – Organisation Set up and Functions	2 - 3
3.	Commissionerate of Prohibition and Excise	3 - 22
4.	Prohibition Enforcement Wing	22 - 31
5.	Tamil Nadu State Marketing Corporation Limited	31 - 39
6.	Narcotic Intelligence Bureau (NIB) CID	40 - 51
7.	Conclusion	51
8.	Annexures I – V	52 - 63

**HOME, PROHIBITION AND EXCISE  
DEPARTMENT**

**Demand No. 37**

**PROHIBITION AND EXCISE**

**Policy Note 2017-2018**

**INTRODUCTION**

The Policy of the Government is to achieve total prohibition in a phased manner. As a first step towards achieving total prohibition, this Government has ordered to reduce the working hours of TASMAL retail vending liquor shops and the bars attached thereto and to reduce the number of liquor shops. Accordingly, from 24.05.2016 onwards, the TASMAL retail vending liquor shops and the bars attached thereto are working from 12 noon to 10 p.m as against

10 a.m to 10 p.m. Also, 500 TASMAL retail vending liquor shops have been closed with effect from 19.06.2016. Further, 500 more retail vending liquor shops have been closed with effect from 24.02.2017. Thus, 1000 retail vending liquor shops were closed after identifying suitable shops in the year 2016-2017.

This Government has also been successful in ensuring effective excise administration by taking pro-active measures to eradicate illicit and spurious liquor. Due to effective enforcement measures taken, there is no illicit liquor death since 2011 and this State has now become an illicit liquor death free State.

## **2. PROHIBITION AND EXCISE – ORGANISATION SET UP AND FUNCTIONS**

2.1 The following four wings are functioning under the administrative control of

the Home, Prohibition and Excise Department,  
Government of Tamil Nadu:-

- i) The Commissionerate of Prohibition and Excise
- ii) The Prohibition Enforcement Wing
- iii) The Tamil Nadu State Marketing Corporation Limited (TASMAC)
- iv) The Narcotics Intelligence Bureau (NIB)  
CID

### **3. COMMISSIONERATE OF PROHIBITION AND EXCISE**

3.1 The Commissioner of Prohibition and Excise is the enforcing authority of the Tamil Nadu Prohibition Act, 1937 (Tamil Nadu Act X of 1937) and the Rules made thereunder. The details of Acts and Rules administered by the Prohibition and Excise Department are furnished in **Annexure – I.**

3.2 At the State Head Quarters, the Commissioner of Prohibition and Excise is

assisted by two Joint Commissioners in the cadre of District Revenue Officers, one Financial Controller in the cadre of Joint Secretary to Government (Finance Department) and Five Assistant Commissioners in the cadre of Deputy Collectors.

3.3 The Collectors are implementing the various provisions of the Tamil Nadu Prohibition Act, 1937 in the Districts. The Collectors in Chennai and Coimbatore Districts are assisted by one Deputy Commissioner (Excise) in the cadre of District Revenue Officer and Assistant Commissioner (Excise) in the cadre of Deputy Collector in other Districts with supplementary staff of Revenue Department in the cadre of Tahsildars, Deputy Tahsildars and Revenue Inspectors etc.

3.4 The Deputy Collectors are posted as Distillery Officers and Excise Supervisory Officers in the Distilleries and Indian Made Foreign

Spirits, Beer and Wine manufacturing units. Officers of the Revenue Department in the cadre of Tahsildars and Deputy Tahsildars are posted as Excise Supervisory Officers and Bonded Manufactory Officers in the Chemical units and Bonded Warehouses respectively, in order to exercise control over the use of alcohol and to levy excise duty on excisable articles under the Tamil Nadu Prohibition Act, 1937 and the Medicinal and Toilet Preparations (Excise Duties) Act, 1955 and the Rules framed thereunder.

### **Sugar Mills and Molasses**

3.5 The Molasses, produced as a by-product in the Sugar Mills during the sugar manufacturing process, is being used as the most common raw material in the manufacture of Alcohol. At present, there are 46 sugar mills in the State and among them 16 are in the Co-operative Sector, 3 in the Public sector and 27 in

the Private Sector. The details of Sugar Mills in the State are furnished in **Annexure - II**.

3.6 As per the Tamil Nadu Molasses Control and Regulation Rules, 1958, molasses is allotted by the Commissioner of Prohibition and Excise taking into consideration the estimated availability and demand for molasses in the State. The issue of licences and permits for possession, sale, use, transport, import and export of molasses are governed by the competent authorities as per the above said Rules.

3.7 As per the Tamil Nadu Molasses Control and Regulation Rules, 1958, import of molasses from places outside the State will be permitted only to the holders of licence in Form ML2 or Form ML4. Export of molasses to places outside the State will be permitted only to person holding licence in Form ML2. The power to issue licence for export and import of



molasses has been vested with the District Collectors subject to obtaining prior approval of the Commissioner of Prohibition and Excise. For the export and import of molasses, an administrative service fee at the rate of Rs.300/- per metric tonne of molasses is being levied.

### **Distilleries and Alcohol**

3.8 There are 18 Distilleries manufacturing alcohol in Tamil Nadu. Among them, 16 are in the Private Sector and 2 are in the Co-operative Sector. The details of distilleries functioning in the State are furnished in **Annexure - III**.

3.9 Alcohol is used as raw material in the manufacture of Indian Made Foreign Spirit products. In the educational institutions, laboratories and research institutions, alcohol is used in small quantities. In the paint and varnish industries, denatured spirit is used as a solvent.

## **Grain Based Extra Neutral Alcohol (GENA)**

3.10 Grain based Extra Neutral Alcohol is used in the manufacture of premium brands of Indian Made Foreign Liquor. At present there is no Grain Based Extra Neutral Alcohol distillery in Tamil Nadu. The Indian Made Foreign Spirit Manufacturing Units are being permitted to import Grain based Extra Neutral Alcohol from other States by the Commissioner of Prohibition and Excise after obtaining prior approval of the Government.

## **Ethanol**

3.11 Ethanol is primarily a plant based fuel unlike petroleum which is based on fossil fuels. It greatly reduces the net emission of greenhouse gases and thereby protects the environment from pollution hassles. Ethanol also helps to save foreign exchange by reducing crude oil import. Considering these advantages,

the Government of Tamil Nadu revived the policy to produce ethanol and blend with petrol for the use of Oil Companies from 01.01.2003. However, production of ethanol was stopped from 13.12.2006. The Government in G.O. (Ms) No.12, Home, Prohibition and Excise (II) Department, dated 26.03.2012 has directed to resume ethanol production. The Government also constituted a Committee headed by the Commissioner of Prohibition and Excise to evaluate the ethanol production program on a quarterly basis. There are 8 licensed Distilleries permitted to produce ethanol and the details are furnished in **Annexure - IV**.

3.12 The past few years have witnessed reduction in sugarcane cultivation owing to the failure of monsoon, etc., which in turn adversely affected the production of molasses. In spite of this, the Committee has made allotment of molasses and impure spirit to the distilleries for

manufacture of ethanol. The Committee has also permitted Tvl. E.I.D. Parry (India) Limited, Nellikuppam to utilize a total of 16.4643 lakh litres of impure spirit (without utilizing molasses) for conversion to 15.4765 lakh litres of ethanol. The quantity of ethanol permitted to be produced and actual quantity produced by the distilleries are given in the table below:-

<b>Year</b>	<b>Period</b>	<b>Quantity of ethanol permitted to be produced (in lakh litres)</b>	<b>Quantity of ethanol actually produced (in lakh litres)</b>
2012-2013	1.6.2012 to 30.9.2012	276	44.43
2013-2014	1.3.2013 to 28.2.2014	450	105.57
2015-2016	11.9.2015 to 31.3.2016	50	42.778
2016-2017	1.9.2016 to 31.3.2017	65.4765	01.35

## **Indian Made Foreign Spirits, Beer and Wine Manufacturing Units**

3.13 There are eleven Indian Made Foreign Spirits Manufacturing Units, seven Beer Manufacturing Units and one Wine Manufacturing Unit functioning in Tamil Nadu. The details are furnished in **Annexure-V**.

### **Export of Beer**

3.14 In the year 2013, the Government have accorded permission for export of beer to other States from Tamil Nadu. Further, in the year 2015, the Government have issued orders for exemption from payment of Excise Duty for export of beer to other States and rule amendments for revision of Export Fee and

Export Licence Fee. The details of Export of beer to other States are given below:-

<b>Year</b>	<b>No. of cases exported</b>
2015-2016	1,15,000
2016-2017	5,56,490
2017-2018 (Upto 31.05.2017)	1,27,150

### **Import of Foreign Liquor**

3.15 Considering the requirements of foreign tourists, star hotels and recreation clubs, the Commissioner of Prohibition and Excise, under the Tamil Nadu Liquor (Licence and Permit) Rules, 1981, permits the import of foreign liquor from other countries on collection of a special fee. From 02.03.2012 onwards, TASMAL has been made as the canalising agency to facilitate the import of foreign liquor by collecting a service charge of 3% of the special fee. Also 58% VAT is levied at the point of first sale. During the year 2016 – 2017, the

revenue earned by TASMAC from service charge is Rs.21.55 lakhs. TASMAC also sells imported foreign liquor through select retail outlets.

3.16 The revenue earned through special fee on imported foreign liquor is as follows:-

<b>Sl. No.</b>	<b>Financial year</b>	<b>Special Fee (Rs.in Crores)</b>
1	2010-2011	1.86
2	2011-2012	1.96
3	2012-2013	2.70
4	2013-2014	3.30
5	2014-2015	7.39
6	2015-2016	7.74
7	2016-2017	10.80

### **Action taken on Hon'ble Supreme Court Order**

3.17 The Hon'ble Supreme Court of India in its orders dated 15<sup>th</sup> December, 2016 and 31<sup>st</sup> March, 2017 has directed that-

- (i) All States and Union Territories shall forthwith cease and desist from granting licences for the sale of liquor along National and State Highways.
- (ii) The existing licences which have already been renewed prior to the date of this order shall continue until the term of the licence expires but no later than 1<sup>st</sup> April 2017.
- (iii) All signages and advertisements of the availability of liquor shall be prohibited and existing ones removed forthwith both on National and State Highways.
- (iv) No licence for sale of liquor should be granted along or within a distance of 220 meters from the outer edge of the National Highways/State



Highways/Service lane along the Highway in all those local bodies where the population is 20,000 or less.

- (v) No licence for sale of liquor should be granted along or within a distance of 500 meters from the outer edge of the National Highways/State Highways/Service lane along the Highway in all those local bodies where the population exceeds 20,000.

3.18 Prompt action has been initiated immediately to implement the orders of the Hon'ble Supreme Court of India. Signages and advertisements on the State and National Highways indicating availability of liquor have been removed. As per the orders of the Hon'ble Supreme Court of India, 3321 TASMAC liquor Retail Vending shops have been closed on

01.04.2017. While relocating the shops, it is ensured that the location is as per the norms laid down in the order of the Hon'ble Supreme Court of India and as per rule 8(1) of the Tamil Nadu Liquor Retail Vending (in shops and bars) Rules, 2003. Wherever reasonable objections are raised by the Public, they are also taken into consideration before taking a decision on relocation of shops. The bars in the licenced premises of FL2, FL3, FL3A and FL3AA which are located within 500 mts / 220 mts on the National Highways / State Highways / Service Lane along the Highway were also closed on 01.04.2017.

3.19 A total of 124 FL2 licences, 512 FL3 licences, 12 FL3A licences and 6 FL3AA licences have been closed from 01.04.2017 and no new licence has been granted within a distance of 500 mts / 220 mts (as the case may be) from

the National Highways / State Highways / Service Lane along the Highway.

### **State Excise Labels**

3.20 Government introduced foolproof Polyester Hologram excise labels from the year 2003 with high security features to be affixed on the Indian Made Foreign Spirits, Beer and Wine bottles sold through Tamil Nadu State Marketing Corporation Limited to prevent the transportation and sale of illicit/spurious liquor. The security features in these labels are also upgraded periodically. At present, the average monthly requirement of excise labels is 25.02 crores. During the year 2016-2017, the revenue earned by sale of excise labels is Rs.22.02 crores.

## **Rehabilitation Fund for Prohibition Offenders**

3.21 In 2003-2004, the Government for the first time, sanctioned financial assistance as loan to rehabilitate persons who had been convicted for distillation and sale of illicit liquor.

3.22 In the year 2011-2012, the Rehabilitation fund was enhanced from Rs.2.20 crores to Rs.5.00 crores and financial assistance was sanctioned as Grant instead of as Loan. Similarly, in subsequent years, Rs.5.00 crores was sanctioned as a grant every year towards Rehabilitation Fund.

3.23 In each district, a Rehabilitation Committee has been constituted with the District Collector as Chairman, the Superintendent of Police of the District, the Senior Regional Manager, TASMAL and the Deputy / Assistant Commissioner (Excise) as members to distribute

the grant to prohibition offenders for their economic rehabilitation.

3.24 The Committee identifies the erstwhile prohibition offenders who have given up their illegal profession and are economically weak. These beneficiaries are sanctioned a maximum financial assistance of Rs.30,000/- per beneficiary as grant to be used for procuring milch animals, goats, production of agarbathi, camphor, preparation of instant sambrani, candles, paper cups, washing soap, soap powder and other such small trades.

3.25 During the year 2016-2017, in G.O.(Ms). No.17, Home, Prohibition and Excise (VII) Department, dated 17.10.2016, the Government have sanctioned Rs.5.00 crores as a grant for the economic rehabilitation of the erstwhile Prohibition Offenders who were convicted for illicit transportation/sale of Imported Foreign Liquor, illicit sale of Spurious/

un-excised Indian Made Foreign Liquor, illicit transportation/sale of rectified spirit and distillation, transportation and sale of illicit arrack.

3.26. The loan amounts/grants sanctioned and the number of beneficiaries in the last ten years are furnished below:-

<b>Year</b>	<b>Amount allotted (Rs. in lakhs)</b>	<b>No.of beneficiaries</b>
2007-2008	250.00	2004
2008-2009	250.00	1651
2009-2010	220.00	1569
2010-2011	220.00	1524
2011-2012	500.00 (Grant)	1898
2012-2013	500.00 (Grant)	1900
2013-2014	500.00 (Grant)	1780
2014-2015	500.00 (Grant)	1643
2015-2016	500.00 (Grant)	1666
2016-2017	500.00 (Grant)	1650

### **Awareness about the Evils of Illicit Liquor**

3.27 To create State-wide awareness among the public about the evils of consuming

liquor, the Government initially sanctioned Rs.10 lakhs during the year 2003-2004 and thereafter Rs.30 lakhs during the year 2004-2005. After a period of seven years, the Government once again sanctioned Rs. 1 Crore for each year during 2011-2012 to 2014-2015.

3.28 In the year 2015-2016, the Government have enhanced the amount from Rs.1.00 crore to Rs.3.00 crores for conducting Awareness Campaign against evils of consuming illicit liquor.

During the year 2016-2017, in G.O.(Ms). No.15, Home, Prohibition and Excise (VII) Department, dated 29.09.2016, the Government have permitted the Commissioner of Prohibition and Excise to receive Rs.3.00 crores from the funds of TASMAL for conducting such awareness campaigns.

3.29 The awareness activities like rallies, camps, seminars, street plays, skits, elocution competition, essay competition, advertisement at public places, distribution of pamphlets, human chain etc., are being conducted every month in specifically identified locations by the district administration with the help of students, Self Help Groups and Non Governmental Organizations, taking into consideration the local needs particularly socio, economic and geographic needs of every district in this issue.

#### **4. PROHIBITION ENFORCEMENT WING**

4.1 The Prohibition Enforcement Wing (PEW) is functioning with avowed objective of eradicating illicit distillation, transportation, possession and sale of illicit liquor and preventing smuggling of spurious liquor and un-excised Indian Made Foreign Spirit from other States.



4.2 The Additional Director General of Police (Enforcement) is the head of this unit. He is assisted by an Inspector General of Police, a Superintendent of Police, Central Investigation Unit at Chennai and three Superintendents of Police (Enforcement) each at Chennai, Salem and Madurai Zones. The Superintendent of Police, Central Investigation Unit is assisted by 2 Deputy Superintendents of Police, 6 Inspectors of Police, 8 Sub-Inspectors of Police, One Head Constable and One Gr.II Police Constable.

4.3 There are ninety six Prohibition Enforcement Wing units functioning in the State. These Prohibition Enforcement Wing units, headed by Inspector of Police, are declared as Police Stations for enforcing the Tamil Nadu Prohibition Act, 1937 and they are supervised by Deputy Superintendents of Police and Additional Superintendents of Police in Districts/Cities. The Prohibition Enforcement Wing units and its

Officers work under the administrative and operational control of the District Superintendents of Police and the City Commissioners of Police who have the primary role of enforcing prohibition.

### **Check Posts**

4.4 To restrain the infiltration of spurious, un-excised Indian Made Foreign Spirit, Rectified Spirit and Arrack sachets from other States into Tamil Nadu, there are 45 prohibition check posts and 7 mobile check posts functioning in the State as follows:-

#### **a) Check Posts**

<b>Sl.No.</b>	<b>District</b>	<b>No. of Check Posts</b>
1	Nagapattinam	5
2	Kanniyakumari	1
3	Theni	1

<b>Sl.No.</b>	<b>District</b>	<b>No. of Check Posts</b>
4	Thiruvallur	5
5	Vellore	5
6	Cuddalore	4
7	Villuppuram	9
8	Krishnagiri	7
9	Erode	1
10	Salem	2
11	The Nilgiris	1
12	Thiruvarur	1
13	Tiruppur	1
14	Coimbatore	1
15	Chennai City	1
<b>Total</b>		<b>45</b>

**b) Mobile check posts**

<b>Sl.No.</b>	<b>Districts</b>	<b>No. of Mobile Check Posts</b>
1	Nagapattinam	2
2	Cuddalore	1

3	Villuppuram	1
4	Krishnagiri	1
5	Thiruvallur	1
6	Thiruvarur	1
	<b>Total</b>	<b>7</b>

### **Surprise Vehicle Check**

4.5 Generally, Rectified Spirit is transported for selling as un-excised cheap liquor which results in hooch tragedies. Surprise vehicle checks are being regularly organized throughout the State on the basis of intelligence collected by the staff of Central Investigation Unit and Prohibition Enforcement Wing Units. During the year 2016-2017 (upto 31.05.2017), due to this surprise vehicle check, 395 cases were registered and a total number of 108 vehicles (1 Lorry, 6 Trucks, 10 Jeeps, 25 Cars, 3 Autos and 63 two wheelers) were seized.

## **Gandhi Adigal Police Medal**

4.6 “The Gandhi Adigal Police Medal” is given to police personnel on the occasion of the Republic Day who perform outstanding work in curbing illicit liquor along with a cash prize of Rs.20,000/-. The medal for the year 2016 was presented to five police personnel during the Republic day celebrations held on 26<sup>th</sup> January 2017.

In G.O.(Ms).No.09, Home, Prohibition and Excise (VII) Department, dated, 27.03.2017, the cash prize for the awardees has been enhanced from Rs.20,000/- to Rs. 40,000/-.

## **Rewards to Informants**

4.7 During the year 2015-2016, the Government have permitted TASMACH to sanction Rs.15 lakhs for sanction of awards to the informants who are risking their lives for giving information to Prohibition Enforcement Wing

officials about the movement of smuggling of Rectified Spirit. Accordingly, an amount of Rs.13,49,000/- was disbursed to the 97 informants.

### **Prohibition Helpline - 10581**

4.8 The Government have sanctioned a toll free Prohibition Helpline with the telephone No.10581 which started functioning from 24.07.2013 and the same has been installed at the Central Investigation Unit Control Room in the Enforcement Head Quarters. The objective of the helpline is to enable informants and the general public to give information free of cost about prohibition offences viz., illicit arrack distillation, transport of rectified spirit, spurious liquor, selling of illicit liquor etc., During the year 2016-2017 (upto 31.05.2017), a total of 4098 helpline complaints were received and action has been taken against them.

## **Performance and Achievements**

4.9 During the year 2016-2017 (upto 31.05.2017), a total of 7.30 lakh litres of illicitly distilled arrack worth Rs.2.92 crore, 99,884 litre of Rectified Spirit worth Rs.99.88 lakh, 17.62 lakh IMFL bottles worth Rs.17.62 crore smuggled from other States and other varieties of liquor worth Rs.78.17 lakh were seized and destroyed. 3658 motor vehicles engaged in prohibition offences were seized. 5 spurious liquor blending units one each were busted in Thiruvallur, Dharmapuri, Krishnagiri, Tiruppur and Tiruchirappalli Districts.

## **Steps taken to avert Hooch Tragedies**

4.10 Methanol, which was the main reason for causing hooch tragedies, was brought in the year 2002 within the ambit of the Tamil Nadu Prohibition Act, 1937. To maintain a strict control over possession, use, transportation,

import, sales etc., of methanol, suitable amendments were also made in the year 2002 in the Tamil Nadu Denatured Spirit, Methyl Alcohol and Varnish (French Polish) Rules, 1959. The District Superintendents of Police have also been instructed to check all the methanol manufacturing units, end-users, factories and industries that have licence to possess and use methanol in the State and their monthly reports are analyzed closely at the Enforcement Headquarters.

***4.11 Due to continuous steps taken by this Government, there were no hooch tragedies since 2011.***

**Preventive Detention Act (Tamil Nadu Act 14 of 1982)**

4.12 The root cause for the deterioration of public order is due to the dangerous activities of certain persons, who are known as Bootleggers, Cyber Law offenders, Drug-



offenders, Forest-offenders, Goondas, Immoral Traffic offenders, Sand-offenders, Sexual-offenders, Slum-grabbers and Video pirates. To take stringent action against these offenders, Tamil Nadu Act 14/1982 was enacted during the year 1982. As per this Act, the above mentioned offenders are detained under preventive detention upto one year.

312 habitual prohibition offenders were detained under the Preventive Detention Act (Tamil Nadu Act 14/1982), in the year 2016-2017.

## **5. TAMIL NADU STATE MARKETING CORPORATION LIMITED**

5.1 The Tamil Nadu State Marketing Corporation Limited (TASMAC), is a company, incorporated on 23.05.1983 under the Companies Act, 1956. It took over the wholesale distribution of Indian Made Foreign Spirits and arrack in Tamil Nadu from the private sector.

5.2 TASMAC has been granted the exclusive privilege of wholesale of Indian Made Foreign Spirits and Foreign Liquor for the whole of the State of Tamil Nadu, as per Section 17-C (1-A) (a) of the Tamil Nadu Prohibition Act, 1937 (Tamil Nadu Act X of 1937) and is carrying on the Wholesale distribution of liquor from 23.05.1983. Under Section 17-C (1-B) (a) of the Tamil Nadu Prohibition Act, 1937, TASMAC has been granted the exclusive privilege of Retail Vending of Indian Made Foreign Spirits and the retail sale of liquor is being carried on by TASMAC from 29.11.2003. TASMAC is also marketing Imported Foreign Liquor, Beer and Wine products.

### **Board of Directors**

5.3 The Board of Directors of TASMAC directs and controls the activities of the Corporation. The Board comprises of the Hon'ble Minister for Electricity, Prohibition and Excise as

Chairman and the Additional Chief Secretary to Government, Finance Department, the Additional Chief Secretary to Government, Home, Prohibition and Excise Department, the Additional Chief Secretary to Government, Commercial Taxes and Registration Department, the Commissioner of Prohibition and Excise and the Managing Director, TASMAC as Members in the Board of TASMAC.

5.4 TASMAC has an authorized share capital of Rs.15.00 Crores. The Government have contributed the entire share capital of Rs.15.00 Crores.

### **Registered Office**

5.5 The Registered Office of the TASMAC is situated at Chennai. The Managing Director is assisted by the Chief General Manager (Finance) & Company Secretary, the General Manager (Wholesale & Administration), the General

Manager (Retail Vending) both in the cadre of District Revenue Officer and the General Manager (Personnel Welfare) in the cadre of Deputy Commissioner of Labour and other supporting staff.

### **Regional Offices, District Manager Offices, Depots, Shops and Bars**

5.6 TASMAC has 5 Regional Offices headed by the Senior Regional Managers in the cadre of District Revenue Officer. These Offices are situated at Chennai, Coimbatore, Madurai, Salem and Tiruchirappalli.

5.7 As on 31.05.2017, TASMAC has 38 District Manager Offices, 43 Indian Made Foreign Spirits depots, 2,830 Retail Vending shops and 897 bars attached to these Retail Vending shops. Out of 43 Indian Made Foreign Spirits depots, 30 depots are functioning in own godowns of TASMAC.

## **Retail Vending Employees**

5.8 As on 31.05.2017, 7,203 Shop Supervisors, 15,744 Salesmen and 3,732 Assistant Salesmen are working in the Retail Vending shops on contract/consolidated pay basis. Every year in September, the consolidated pay of these employees are being enhanced.

## **Welfare Measures for Retail Vending Employees**

5.9 In addition to monthly consolidated pay, the Retail Vending Shop employees are being paid Bonus and Ex-gratia at the rate of 20% every year. A number of medical schemes are being implemented for the welfare of these employees. Employees' Provident Fund Scheme, Employees' Deposit Linked Insurance Scheme, Gratuity, Family Benefit Fund Scheme, Annual Additional Fixed Incentive, etc., are being

implemented for the welfare of the Retail Vending personnel.

### **Redeployment of Retail Vending Shop personnel who worked in closed shops**

5.10 The shop personnel of the 1000 retail vending shops which were closed on 19.06.2016 and 24.02.2017 and the shop personnel who were working in the shops which were closed due to the orders of the Hon'ble Supreme Court of India have been redeployed in suitable positions within the Corporation and no employee has been retrenched from service.

### **Procurement of Liquor**

5.11 TASMAL procures Indian Made Foreign Spirits, Beer and Wine from 11 Indian Made Foreign Spirits manufacturing units, 7 Beer manufacturing units and 1 Wine manufacturing unit functioning in the State.

## **Electronic Billing Machines**

5.12 Electronic Billing Machines were introduced in the Retail Vending Liquor Shops of a few Districts in order to avoid delay and mistakes which may occur when preparing manual sales bills and for easy maintenance of accounts of retail sales and closing stock. These machines are functioning successfully in the retail vending shops in Chennai (North), Chennai (Central), Chennai (South), Kancheepuram (North), Kancheepuram (South), Thiruvallur (East), Thiruvallur (West), Tiruchirappalli, Coimbatore (North), Coimbatore (South), Madurai (North), Madurai (South), Erode and Salem Districts. The Electronic Billing Machines, would be provided to the remaining districts also.

## **Dry Days**

5.13 There will be no sale of liquor on dry days. From 03.01.2012 onwards, the number of dry days has been increased from 5 to 8. They are Gandhi Jayanthi Day, Thiruvalluvar Day, Mahavir Jayanthi Day, Birth Day Eve of Nabigal Nayagam, Vadalur Ramalingar Ninaivu Naal, Independence Day, Republic Day and May Day. In addition to the above, days of important events and days related to Parliament, Legislative Assembly and Local Body Elections are also now and then declared as dry days.

## **Government Revenue**

5.14 The details of Government Revenue earned are given below:-



Sl. No.	Year	Excise Revenue	VAT (Sales Tax)	Total
		(Rs. in crores)		
1	2003-04	1657.10	1982.83	3639.93
2	2004-05	2549.00	2323.03	4872.03
3	2005-06	3176.65	2854.12	6030.77
4	2006-07	3986.41	3487.20	7473.61
5	2007-08	4764.05	4057.11	8821.16
6	2008-09	5755.42	4846.08	10601.50
7	2009-10	6740.59	5757.63	12498.22
8	2010-11	8115.90	6849.52	14965.42
9	2011-12	9956.06	8125.10	18081.16
10	2012-13	12125.31	9555.36	21680.67
11	2013-14(*)	5034.82	16640.07	21674.89
12	2014-15(*)	5731.18	18433.77	24164.95
13	2015-16(*)	5836.01	20009.57	25845.58
14	2016-17(*)	6248.17	20747.08	26995.25

(\*) Reduction in Excise Revenue and increase in VAT (Sales Tax) are due to certain amendments in the tax structure.

## **6. NARCOTIC INTELLIGENCE BUREAU, (NIB) CID.**

6.1 The NIB CID unit was first formed in Tamil Nadu at Chennai on 17.12.1963. Through Government Orders issued in 1987, 1990, 1994,1995 and 2004, NIB CID units were started in Tiruchirapalli, Madurai, Salem, Dindigul, Theni, Villupuram, Ramanathapuram, Coimbatore, Thoothukudi, Vellore, Nagapattinam, Kancheepuram, Sivagangai and Kanniyakumari. At present there are 15 NIB CID units functioning in various parts of the State. The main function of NIB CID is to collect intelligence and take action against persons indulging in criminal activities such as manufacturing, consumption and trafficking of Narcotic Drugs and Psychotropic Substances.

## **Organisational Set Up**

6.2 The NIB CID which functions under the Home, Prohibition and Excise Department is led by an Additional Director General of Police, Crime and has an Inspector General of Police, Crime (SIT) (Head of Anti Narcotic Task Force), a Superintendent of Police, an Additional Superintendent of Police, 12 Deputy Superintendents of Police, 16 Inspectors of Police, 17 Sub-Inspectors of Police and 126 other ranks.

## **Co-ordination with NCB**

6.3 Narcotic Drugs and Psychotropic Substances Act, a Central Act was enacted in the year 1985 and is implemented in all States. NIB CID has close liaison with Narcotic Control Bureau, which is under the direct control of Central Government. The Narcotics Control

Bureau gives valuable training programmes about Narcotic Drugs and Psychotropic Substance to NIB CID officials working under the State Government. This training programme improves the performance of the NIB CID.

#### **6.4 Details of Punishment under the Narcotic Drugs & Psychotropic Substances Act, 1985**

- Possession upto 1 kg. of ganja or up to 5 gm. of heroin (small quantity) is an offence punishable with one year imprisonment or with fine Rs.10,000/- or with both.
- Possession of 1 kg. to 20 kg. of ganja or 6 gm. to 250 gm. of heroin (medium quantity) is an offence punishable with 10 years imprisonment and with fine of Rs.1 lakh.

- Possession of above 20 kg. of ganja or above 250 gm. of heroin (commercial quantity) is an offence punishable with 10 to 20 years imprisonment and with fine of Rs.1 lakh to Rs.2 lakh.
- If any person indulges habitually in any of the offences punishable under this Act, he shall be punished with rigorous imprisonment for a term which may extend to 1½ times of the maximum term of imprisonment and also be liable to fine which could extend to 1½ times of the maximum amount of fine.
- If any person who has been habitually committing or attempt to commit or is involved in criminal conspiracy of any of the offences punishable under this Act and for habitually committing offences involving possession of

commercial quantity of any Narcotic Drugs or Psychotropic Substances or finances directly or indirectly for these illegal activities he shall be punishable with death penalty.

**Prevention of Illicit Traffic in the Narcotic Drugs and Psychotropic Substances Act, 1988 (PIT NDPS Act-1988)**

6.5 Prevention of Illicit Traffic in the Narcotic Drugs and Psychotropic Substances Act, 1988 (Central Act 46 of 1988) enacted by the Government of India came into force with effect from 01.07.1988. Under this Act, the Central and the State Governments have been empowered to detain persons engaging in illicit traffic in Narcotic Drugs and Psychotropic Substances. The offenders are detained for a minimum period of one year and a maximum period of two years from the date of detention, under this Act.

## **Efforts taken to curb Narcotics usage**

6.6 During the year 2016-2017 (April 2016 to May 2017), the NIB CID units of Tamil Nadu detected 2,153 cases, arrested 2,249 accused and seized 6,410 kg. of dry Ganja, 2 kg. of Ketamine, 2.125 kg. of Methaqualone, 2.017 kg. of Methamphetamine, 2.500 kg. of Ganja Chocolate and 34 No. of Tablets, all worth Rs.14.55 Crores.

During the year 2016-2017 (April 2016 to May 2017), 35 Drug Offenders were detained under the Tamil Nadu Act 14 of 1982.

The special training courses were conducted to all unit officers to enforce the Narcotic Drugs and Psychotropic Substances Act, 1985 effectively.

History Sheets have been newly opened for drug offenders and their activities are being watched by the unit officers and supervised at the Headquarters.

Meeting was conducted with forest officials to prevent cultivation of ganja plants.

For effective maintenance of records and its proper utilization in effective supervision, a system of Crime Records Bureau was started in the Crime Wing.

For effective supervision of commercial cases, a system of grave crime records was initiated.

### **International Day against Drug Abuse and Illicit Trafficking**

6.7 The International Day against Drug Abuse and Illicit Trafficking was observed in Tamil Nadu on 26<sup>th</sup> June 2016 in a befitting manner, which raised public awareness and



acquainted the public with the steps taken by the Government against drug abuse and illicit trafficking in Narcotic Drugs and Psychotropic Substances. All the 15 units of NIB CID organized awareness programme in their respective Head Quarters. The District Collectors, Superintendents of Police, Students, Management of Educational Institutions, NIB personnel, Coast Guard, Voluntary Organisations, Indian Red Cross Society and others observed the Day infusing confidence among the Public that various agencies are fighting against the menace of Drug Abuse and Illicit Trafficking.

In Chennai, Human Chain was organized on this day in which employees of IT companies, students of various Colleges & Schools and members of Indian Red Cross Society participated.

## **6.8 Plan of Action for 2017-2018**

1. For better enforcement of NIB CID units, training programmes will be organized.
2. Special Checks will be organized to curb the large quantity of transports of Narcotics Drugs from other neighbouring States.
3. Hill areas would be watched for preventing the cultivation of ganja.
4. Efforts will be taken to prevent cultivation of ganja plants with the coordination of Forest department.
5. Preventive action will be taken under the Tamil Nadu Act 14 of 1982 against drug offenders.

6. Efforts will be taken to dispose the petitions.
7. Collection and collating of existing information through Crime Records Bureau for better enforcement of the Narcotic Drugs and Psychotropic Substances Act, 1985.
8. Efforts will be taken for effective preventive action against habitual drug offenders by identifying such offenders and keep them under watch.
9. Better supervision of NIB CID units including visits and inspections.
10. Better supervision of GCR (Grave Crime Record) cases by analysing the chain link, conducting Review Meeting and giving instructions through memos.

11. Supervision and reviewing of disposal of the Under Investigation and Pending Trial cases disposal in various Courts.
12. More efforts will be taken for eradication of drug menace and eradicate selling of narcotic drugs in the public places especially around educational institutions by way of conducting frequent raids.
13. Intelligence on the activities of courier agencies will be collected and action will be taken.
14. Joint raids will be organized in the medical shops situated near schools and colleges along with Drug Inspectors.
15. The Narcotic Drugs and Psychotropic Substances Act, 1985 will be enforced

effectively in Co-ordination with other enforcing agencies of the Act.

## **7. CONCLUSION**

This Government will continue to take firm and stringent measures to curtail illicit distillation, transportation and sale of illicit and spurious liquor, sale of narcotic drugs and psychotropic substances. The Government will endeavour to bring total prohibition in the State in a phased manner.

**P. THANGAMANI**  
**Minister for Electricity, Prohibition**  
**and Excise**

## **ANNEXURE – I**

**(See Para 3.1)**

### **Acts and Rules administered by the Prohibition and Excise Department**

1	The Tamil Nadu Prohibition Act, 1937 (Tamil Nadu Act X of 1937).
2	The Preventive Detention Act, (Tamil Nadu Act 14 of 1982)
3	The Tamil Nadu Neera and Padani Rules, 1939
4	The Tamil Nadu Molasses Control and Regulation Rules, 1958.
5	The Tamil Nadu Denatured Spirit, Methyl Alcohol and Varnish (French Polish) Rules, 1959.
6	The Tamil Nadu Disposal of Articles (Confiscated under the Tamil Nadu Prohibition Act) Rules, 1979.
7	The Tamil Nadu Distillery Rules, 1981.
8	The Tamil Nadu Indian Made Foreign Spirits (Manufacture) Rules, 1981.
9	The Tamil Nadu Liquor (Licence and Permit) Rules, 1981.
10	The Tamil Nadu Liquor (Transit) Rules, 1982.
11	The Tamil Nadu Liquor (Supply by Wholesale) Rules, 1983.

12	The Tamil Nadu Brewery Rules, 1983.
13	The Tamil Nadu Prohibition Appeal and Revision Rules, 1983.
14	The Tamil Nadu Chloral Hydrate Rules, 1984.
15	The Tamil Nadu Mass Wine Rules, 1984.
16	The Tamil Nadu Spirituous Preparations (Control) Rules, 1984.
17	The Tamil Nadu Spirituous Preparations (Inter-State Trade and Commerce) Control Rules, 1985.
18	The Tamil Nadu Narcotic Drugs Rules, 1985.
19	The Tamil Nadu Liquor (Possession for Personal Consumption) Rules, 1996.
20	The Tamil Nadu Rectified Spirit Rules, 2000.
21	The Tamil Nadu Liquor Retail Vending (in Shops and Bars) Rules, 2003.
22	The Tamil Nadu Wine (Manufacture) Rules, 2006.
<b>Central Acts and Rules administered by this Department</b>	
1	The Medicinal and Toilet Preparations (Excise Duties) Act, 1955.
2	The Medicinal and Toilet Preparations (Excise Duties) Rules, 1956.
3	The Narcotic Drugs and Psychotropic Substances Act, 1985.
4	The Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1988.

**ANNEXURE – II**  
(See Para 3.5)

**Details of Storage Capacity and Production of Molasses in the Sugar Mills in Tamil Nadu**

Sl. No.	Name of the Sugar Mills	Permitted Storage Capacity (in M.Ts)	Actual Production (October 2015 – September 2016) (in M.Ts)
(1)	(2)	(3)	(4)
<b>Co-operative Sector Thiruvallargal</b>			
1	Amaravathy Co-operative Sugar Mill Ltd., Tiruppur District.	11000	13701
2	Madurantakam Co-operative Sugar Mill Ltd., Kancheepuram District.	12000	9565
3	Tirutani Co-operative Sugar Mill Ltd., Tiruvallur District.	14000	10244
4	Dharmapuri Co-operative Sugar Mill Ltd., Dharmapuri District.	15000	7747
5	Subramaniya Siva Co-operative Sugar Mills Ltd., Dharmapuri District.	12000	8562



<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
6	National Co-operative Sugar Mill Ltd., Madurai District	17000	11139
7	Ambur Co-operative Sugar Mills Ltd., Vellore District	7000	4288
8	Tirupattur Co-operative Sugar Mill Ltd., Vellore District.	10000	4882
9	Vellore Co-operative Sugar Mill Ltd., Vellore District.	21000	3700
10	Chengalrayan Co-operative Sugar Mill Ltd., Villupuram District.	16000	2120
11	Kallakuriuchi Co-operative Sugar Mill Ltd., Unit-I, Villupuram District.	15000	18712
12	M.R.Krishnamoorthy Co-operative Sugar Mill Ltd., Cuddalore District.	12000	9489
13	Kallakurichi Co-operative Sugar Mill, Unit-II, Villupuram District.	12000	23196
14	Salem Co-operative Sugar Mills, Namakkal District.	19000	14663
15	N.P.K.R. Ramaswamy Co-operative Sugar Mills, Nagapattinam District.	18000	3365

(1)	(2)	(3)	(4)
16	Cheyyar Co-operative Sugar Mill Ltd., Tiruvannamalai District.	12000	10990
<b>Total</b>		<b>223000</b>	<b>156363</b>
<b>Public Sector Thiruvalargal</b>			
17	Madura Sugars, Madurai District.(Not functioning)	6000	0
18	Arignar Anna Sugar Mill Ltd., Thanjavur District.	14000	12516
19	Perambalur Sugar Mills Ltd., Perambalur District.	12000	13278
<b>Total</b>		<b>32000</b>	<b>25794</b>
<b>Private Sector Thiruvalargal</b>			
20	Padmaadevi Sugars Ltd., Kancheepuram District.	9000	0
21	Rajshree Sugars & Chemicals Ltd, Unit-I, Theni District.	12000	19716
22	Dharani Sugars & Chemicals Ltd., Unit-I, Tirunelveli District.	12600	9820
23	Sakthi Sugars Ltd., Unit-I, Erode District.	19300	49506
24	Bannari Amman Sugars Ltd., Unit-II, Erode District.	18000	22257

<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
25	Sakthi Sugars Ltd., Unit-II, Sivaganga District.	12000	17784
26	Shree Ambika Sugars, Thanjavur District.	24000	9011
27	EID Parry (India) Ltd, Cuddalore District.	18600	59077
28	Rajshree Sugars & Chemicals Ltd., Unit-II, Villupuram District.	13000	39517
29	Ponni Sugars & Chemicals Ltd., Namakkal District.	12600	24604
30	Thiru Arooran Sugars Ltd., Unit-I, Cuddalore District.	24000	18598
31	Thiru Arooran Sugars Ltd., Unit -II, Thanjavur District.	12000	10895
32	EID Parry (India) Ltd., Tiruchirappalli District.	11000	4179
33	EID Parry (India) Ltd., Karur District.	21000	36194
34	Kothari Sugars & Chemicalas Ltd, Tiruchirappalli District.	12100	13611
35	Dharani Sugars and Chemicals Ltd., Unit-II, Tiruvannamalai District.	15000	21354
36	Shree Ambika Sugars, Cuddalore District.	38000	23028
37	EID Parry (India) Ltd., Pudukkottai District.	10000	15766

<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
38	Arunachalam Sugars, Tiruvannamalai District. (Not Functioning)	0	0
39	Kothari Sugars & Chemicals Ltd., Ariyalur District.	16000	14105
40	Sakthi Sugars Ltd, Unit-III, Erode District.	10000	25040
41	Rajshree Sugars and Chemicals Ltd., Unit- III, Villupuram District.	27000	26092
42	Dharani Sugars and Chemicals Ltd., Unit-III, Villupuram District.	26000	27498
43.	Dhanalakshmi Srinivasan Sugars Private Ltd., Perambalur District.	18000	33894
44	Bannari Amman Sugars Ltd., Tiruvannamalai District.	12000	31975
45	Empee Sugars, Tirunelveli District. (Not functioning)	20000	0
46	Madras Sugars Ltd., Villupuram District.	12000	35755
<b>Total</b>		<b>435200</b>	<b>589276</b>
<b>Grand Total</b>		<b>690200</b>	<b>771433</b>

## ANNEXURE – III

(See Para 3.8)

### Details of the Distilleries in Tamil Nadu

Sl. No.	Name of the Licensee	Permitted quantity of daily production capacity of spirit (Kilo litre)	Permitted quantity of annual production capacity of spirit (Kilo litre)
(1)	(2)	(3)	(4)
<b>Co-operative Sector</b>			
<b>Thiruvallur</b>			
1	Salem Co-operative Sugar Mills, Namakkal.	55	16500
2	Amaravathi Co-operative Sugar Mills, Tiruppur.	55	16500
<b>Private Sector</b>			
<b>Thiruvallur</b>			
3	Bannari Amman Sugars Ltd., Erode.	67.5	20250
4	Sakthi Sugars Ltd., Erode.	120	36000
5	E.I.D.Parry (India) Ltd., Cuddalore.	75	26300
6	Trichy Distilleries & Chemicals Ltd., Tiruchirappalli	60	18000
7	Southern Agrifurane Industries Ltd., Villupuram.	20	6000

<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
8	Mohan Breweries & Distilleries Ltd., Kancheepuram.	62	18600
9	Chemplast Sanmar Ltd., Cuddalore.	80	26400
10	Thiru Arooran Sugars Ltd., Thanjavur .	60	19800
11	Kothari Sugars & Chemicals Ltd., Tiruchirappalli.	60	20700
12	Rajshree Sugars and Chemicals Ltd., Theni.	45	13500
13	Dharani Sugars and Chemicals Ltd., Tirunelveli.	60	18000
14	Bhavani Distilleries and Chemicals, Vellore.	44	13200
15	Shree Ambika Sugars Ltd., Cuddalore.	70	21000
16	E.I.D.Parry (India) Ltd., Sivaganga.	74	22200
17	Rajshree Sugars & Chemicals Ltd., Villupuram	80	24000
18	Dharani Sugars and Chemicals Ltd., Villupuram	100	30000
<b>Total</b>		<b>1187.5</b>	<b>366950</b>

**ANNEXURE – IV**  
**(See Para 3.11)**

**Details of Distilleries Licensed to Produce Ethanol**

Sl. No.	Name of Distilleries	Permitted Quantity of Daily Production Capacity of Ethanol (in Kilo Litre)
(1)	(2)	(3)
<b>Co-operative Sector Thiruvalargal</b>		
1	Amaravathi Co-operative Sugar Mills.	30
2	Salem Co-operative Sugar Mills.	30
<b>Private Sector Thiruvalargal</b>		
3	Sakthi Sugars Ltd.,	50
4	Rajshree Sugars & Chemicals Ltd.,	45
5	Dharani Sugars and Chemicals Ltd.,	30
6	Kothari Sugars and Chemicals Ltd.,	30
7	E.I.D.Parry (India) Ltd.,	45
8	Thiru Arooran Sugars Ltd.,	60
<b>Total</b>		<b>320</b>

**ANNEXURE – V**  
**(See Para 3.13)**

**Details of the Indian Made Foreign Spirits,  
Beer and Wine Manufacturing Units**

Sl. No.	Name of the Licensee	Date of Privilege
(1)	(2)	(3)
<b>Indian Made Foreign Spirits Manufacturing Units</b>		
<b>Thiruvalargal</b>		
1	Mohan Breweries and Distilleries Ltd., Thiruvallur.	03.03.1982
2	Southern Agrifurane Industries (P) Ltd., Villupuram.	26.07.1982
3	Shiva Distilleries Ltd., Coimbatore.	26.08.1982
4	Empee Distilleries Ltd., Kancheepuram.	06.06.1984
5	Enrica Enterprises (P) Ltd., Thiruvallur.	28.07.1984
6	Midas Golden Distilleries (P) Ltd., Kancheepuram.	31.05.2002
7	Elite Distilleries (P) Ltd., Kancheepuram.	28.11.2007
8	SNJ Distillers (P) Ltd., Kancheepuram.	30.07.2008
9	KALS Distilleries (P) Ltd., Pudukkottai.	10.01.2008



(1)	(2)	(3)
10	Golden Vats (P) Ltd., Tiruvarur.	20.10.2010
11	Imperial Spirits & Wine (P) Ltd., Coimbatore.	24.01.2011
<b>Beer Manufacturing Units Thiruvallargal</b>		<b>Date of Letter of Intent</b>
1	Mohan Breweries and Distilleries Ltd., Thiruvallur.	24.08.1983
2	Empee Breweries Ltd., Thiruvallur.	20.03.1987
3	United Breweries Ltd., Thiruvallur.	29.07.1994
4	SNJ Breweries (P) Ltd., Kancheepuram.	08.03.2010
5	KALS Breweries (P) Ltd., Pudukkottai.	30.09.2010
6	Appollo Distilleries & Breweries (P) Ltd., Thiruvallur.	01.07.2010
7	A.M. Breweries (P) Ltd., Kancheepuram.	03.09.2010
<b>Wine Manufacturing Unit Thiruvallargal</b>		
1	Cumbum Valley Winery (P) Ltd., Theni.	25.10.2007