

CHAPTER-VIII: CONCLUSION AND SUMMARY OF RECOMMENDATIONS

8.1 Conclusion

The Excise Department has not set forth a mission and vision for itself nor identified risks to the achievement of its goals. Lack of vision has resulted in declaration of conflicting policy statements like reduction of alcohol consumption on the one hand and opening more outlets for liquor consumption on the other.

The Department though entrusted with the task of collection of excise revenue, along with regulatory and enforcement activities, has only a limited role in respect of revenue generation. The Department did not levy permit fee amounting to ₹16.45 crore due on the transport permits issued from FL9 godowns to the retail outlets. It was able to achieve some of the objectives of the Amnesty Scheme by clearing about 50 per cent of the outstanding cases.

There was laxity in enforcement activities and the cases detected were also accumulating due to delay in registration/charge sheeting. 46,183 cases were pending as on 31 March 2011. Even though the department has its own intelligence wing, and sufficient inputs are given, the enforcement wing did not utilise/follow up the inputs to prevent illegal activities.

Chemical analysis results were pending for more than five years due to lack of infrastructure facilities at the laboratories, causing delay in registration/charge sheeting of cases wherever necessary. Around 20,000 samples were pending analysis even after the Department sanctioned destruction of more than 7,000 samples. Even artificial toddy detected was not being reported due to technical reasons.

418 bar hotels were functioning though they were not entitled for licence under the existing rules. Though the declared policy of Government was to discourage alcohol consumption, during the last five years, the Government granted 153 bar licences and the liquor consumption in the state increased by 63 percent.

Lack of sufficient infrastructure facilities, training and proper equipments for the personnel were among the factors contributing to the ineffective enforcement.

8.2 Summary of Recommendations

The Government/Department may consider implementing the following recommendations:

- The Department may consider preparing a strategic plan covering mission, vision and objectives. Further, such a plan may be published widely amongst employees and the public.
- The Department must ensure that security labels are printed under its direct supervision.
- The Department may take immediate steps to levy and recover the permit fees under Section 11 of the Abkari Act for the period from 2006-07 onwards.
- The Government may consider amending the Rules (like prescribing aerial distance) to ensure that the distance restriction principle of prohibiting functioning of bars near educational institutions, places of worship etc is applied in practice.
- The Department may immediately provide the required infrastructure support to the enforcement wing, so that enforcement activities can be carried out more effectively.
- The Department may prescribe norms for leakage of seized spirit and monitor adherence of such norms.
- Fresh toddy collection centres may be started under direct supervision of the Excise Department and toddy distributed to other divisions under excise escort.
- The Department may take timely action to equip enforcement employees with arms, ammunition and provide other support facilities like boat.
- The Department may prescribe time limits for completion of chemical analysis and submission of test results. Chemical laboratories may be provided necessary human resources to enable them to discharge their functions effectively.
- The Government may consider taking action to prescribe clear parameters for identifying natural and artificial toddy. The chemical analysis report should specify whether the sample was of natural or artificial toddy.

- The Department may carry out a work study to clearly assess the manpower needs.



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