HOME, PROHIBITION AND EXCISE DEPARTMENT

DEMAND No. 37

PROHIBITION AND EXCISE

POLICY NOTE
2026 – 2027

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Minister For Prohibition and Excise

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Government of Tamil Nadu
2026

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- The two bodies under the Prohibition and Excise wing: one Head of Department and one State **PSU**.

HOME, PROHIBITION AND EXCISE DEPARTMENT

Demand No.37

PROHIBITION AND EXCISE

Policy Note 2026-2027

- The Prohibition and Excise Policy Note sits under the Home, Prohibition and Excise Department. Demand No.37.

PREFACE

கற்க கசடறக் கற்பவை கற்றபின்
நிற்க அதற்குத் தக.

– திருக்குறள் 391

This Government is committed for adopting a balanced and gradual approach towards reducing alcohol consumption. The Government is taking appropriate steps to create awareness among the people about the ill effect of alcohol. Being a Welfare – State interested in improving the health care and the socio-economic well-being of the people and safeguarding the economically weaker sections from the evils of illicit liquor, this

- The stated policy is NOT immediate prohibition: it is gradual reduction through de-addiction, rehabilitation and awareness.

Government will pursue a policy that focuses on de-addiction, rehabilitation programmes and awareness campaigns. The Government is also firmly committed in eradicating illicit, sub-standard liquor and arresting revenue leakages by curbing non-duty paid liquor. As a public welfare measure, the Hon'ble Chief Minister has ordered for closure of 717 TASMAC Retail Vending Shops located near educational and religious institutions and bus stands.

Closed on the Chief Minister's orders - shops near educational and religious institutions and bus stands.

The Prohibition and Excise Department functions under the administrative control of the Home, Prohibition and Excise Department. The following Head of Department and a State Public Sector undertaking are functioning under the Prohibition and Excise wing of this Department:-

1. The Commissionerate of Prohibition and Excise
2. Tamil Nadu State Marketing Corporation Limited (TASMAC)

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2. COMMISSIONERATE OF PROHIBITION AND EXCISE

The primary objective of the Commissionerate is to create a healthy and addiction free Tamil Nadu with the intention to protect the welfare of Women and families.

2.1 Administrative Structure

At State level, the Commissioner of Prohibition and Excise is assisted by two Joint Commissioners (in the cadre of District Revenue Officer), One Financial Controller in the cadre of Joint Secretary to Government, Finance Department and Five Assistant Commissioners (in the cadre of Deputy Collector).

State-level structure under the Commissioner: Joint Commissioners in **DRO** cadre, a Financial Controller, and five Assistant Commissioners in Deputy Collector cadre.

Chairs the district-level committee monitoring movement of methanol and other solvents.

At the district level, the District Collectors are assisted by Deputy / Assistant Commissioners (Excise). They are entrusted with the primary responsibility of implementation of the State

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Prohibition policy including rules and regulations under the Tamil Nadu Prohibition Act, 1937.

The governing statute. Every enforcement power in this note flows from it.

To ensure control over alcohol production viz., Spirits, IMFL, Beer and Wine and to prevent unauthorized diversion and monitor excise duty collection on excisable articles under Tamil Nadu Prohibition Act, 1937, Deputy Collectors are stationed at manufacturing units, chemical plants and bonded warehouses. Tahsildars and Deputy Tahsildars are appointed as Excise Supervisory Officers and Bonded Manufactory Officers to monitor the activities.

2.2 Functions and Duties

The enforcement of the Tamil Nadu Prohibition Act, 1937 and the rules framed there under are monitored by the Commissioner of Prohibition and Excise. The functions and duties of the Commissionerate are as follows:

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- Monitoring the production of liquor through improved excise administration.
- Eradicating the illicit distillation and sale of illicit arrack.
- Raising public awareness about the evils of alcoholism.
- Preventing the smuggling of fake and non-excised liquor across State border.
- Taking rehabilitation measures to improve the livelihood of erstwhile prohibition offenders.

2.3 Raw Material for Extra Neutral Alcohol production –Molasses

Molasses serves as the main raw material for Extra Neutral Alcohol production and it is a by-product obtained during the sugar production. The District Collector / District Revenue Officer is the licensing authority for the possession, sale, transport and use of molasses with the prior approval of the Commissioner of Prohibition and Excise. Licensees are allowed to possess and

The main raw material for Extra Neutral Alcohol, a by-product of sugar production. Licensing authority is the District Collector / **DRO**.

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utilize molasses within the specified possessional limits determined on a monthly, quarterly and annual basis by the Commissioner of Prohibition and Excise.

2.4 Production of Extra Neutral Alcohol (ENA) and Grain based Extra Neutral Alcohol (GENA)

Extra Neutral Alcohol is used for the production of Indian Made Foreign Spirits by the IMFS Units. 16 distillery units in the State are producing Extra Neutral Alcohol. During 2025-2026, around 16.52 crore bulk litres of Extra Neutral Alcohol has been produced in the 16 distilleries upto March 2026. During the first quarter of 2026-2027 (April 2026 to June 2026) 3.28 crore bulk litres of ENA has been produced. The IMFS manufacturing units have also been allowed to import 9.25 crore bulk litres of Extra Neutral Alcohol from other States during the year 2025-2026.

- 16 distilleries produce Extra Neutral Alcohol - 2 in the co-operative sector, 14 private.
- **ENA** produced in **2025-26**; **3.28 crore** bulk litres in Q1 of **2026-27**.
- **ENA** imported from other States during **2025-26** by **IMFS** units.

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Indian Made Foreign Spirits Manufacturing units require GENA for the production of Premium brand liquors. Grain based Extra Neutral Alcohol (GENA) is not produced in the State. Hence, the IMFS Units have been permitted to import GENA also from other States.During the year 2025-2026 a quantity of 3.20 crore bulk litres of GENA have been imported from other States upto March 2026. During the first quarter of 2026-2027 (April 2026 to June 2026), 82.80 lakh bulk litres of GENA have been imported from other States. Government is exploring the possibilities to manufacture Grain based Extra Neutral Alcohol within Tamil Nadu.

- Grain-based Extra Neutral Alcohol must be imported - **3.20 crore** bulk litres in **2025-26**. Government is exploring making it within Tamil Nadu.

Distilleries are mainly engaged in the production of Extra Neutral Alcohol, which serves as the essential raw material for liquor production. At present, 16 distilleries are functioning in the State out of which two (2)

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distilleries are under Co-operative Sector and fourteen (14) distilleries are in the Private Sector.

2.5 Indian Made Foreign Sprits, Beer and Wine manufacturing Units

In Tamil Nadu, at present there are 11 IMFS Manufacturing Units, 7 Beer Manufacturing Units and 1 Wine Manufacturing Unit.

2.5.1 IMFS Manufacturing Units - New Licence and Renewal Fee Details

Sl. No.	Category of fee	Amount (Rs.)
1.	Application Fee	5,000
2.	Licence Fee	25,000
3.	Privilege Fee	10,00,000
4.	Additional Privilege Fee (each standard case)	90
5.	Brand Registration / Renewal Fee	6,00,000
6.	Label Approval/ Renewal Fee	20,000
Total No. of IMFS Manufacturing Licences		**11**

- Common to **IMFS**, beer and wine manufacturing licences. Application fee **Rs.5,000,** licence fee **Rs.25,000**.

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IMFS Excise Duty

Category	Basic Price per Case Rs.	Excise Duty per proof litre Rs.
Ordinary	Upto 924	200
Medium	925-993	264
Premium (1)	994-2493	313
Premium (2)	2494 and above	343

- **IMFS** duty is banded by basic price: Ordinary 200, Medium 264, Premium(1) 313, Premium(2) 343 per proof litre.

2.5.2 Beer Manufacturing Units- New Licence and Renewal Fee Details

Sl. No.	Category of fee	Amount (Rs.)
1.	Application Fee	5,000
2.	Licence Fee	25,000
3.	Privilege Fee	10,00,000
4.	Additional Privilege Fee (For Draught Beer only)	1,25,000
5.	Additional Privilege Fee (each standard case)	40
6.	Brand Registration / Renewal Fee for local supply	6,00,000
7.	Label Approval / Renewal Fee	20,000
Total No. of Beer Manufacturing Licences		**7**

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Beer - Excise Duty

Category	Excise Duty per bulk litre (Rs.)
Glass Bottle / Can Beer	15.00

- Beer excise duty per bulk litre; draught beer is far higher at 42.60.

Draught Beer – Excise Duty

Category	Excise Duty per bulk litre (Rs.)
Draught Beer	42.60

2.5.3 Wine Manufacturing Unit – New licence and Renewal Fee Details

Sl. No.	Category of fee	Amount (Rs.)
1.	Application Fee	5,000
2.	Licence Fee	25,000
3.	Privilege Fee	10,00,000
4.	Additional Privilege Fee (each standard case)	20
5.	Brand Registration / Renewal Fee	6,00,000
6.	Label Approval / Renewal Fee	20,000
Total No. of Wine Manufacturing Licence		**1**

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Wine Excise Duty

Sl. No.	Basic Price per case (Rs.)	Excise Duty per bulk litre (Rs.)
1.	Upto 1500	7.00
2.	From 1501 and above	15.00

Mass Wine Manufacturing Unit – New Licence and Renewal Fee Details

Sl. No.	Category of fee	Amount (Rs.)
1.	Application Fee	800
2.	Licence Fee	400
3.	Privilege Fee	30,000
Total No. of Mass Wine Manufacturing Licences		**4**

Excise Duty	**Rs.2.00 (Per Bulk litre)**
Vend Fee	**Rs.0.50 (Per Bulk litre)**

2.6 Additional Privilege Fees

In order to augment revenue to Government vide G.O (Ms) No. 30, Home Prohibition and Excise Department, dated: 05.06.2026 Government have issued amendments to the Tamil Nadu Indian-made Foreign Spirits (Manufacture) Rules, 1981, the

- Introduced the Additional Privilege Fee by amending the **IMFS** Rules **1981**, Brewery Rules **1983** and Wine Rules **2006**.

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Tamil Nadu Brewery Rules, 1983 and the Tamil Nadu Wine (Manufacture) Rules, 2006. The amendments provide for the levy of an Additional Privilege Fee as a condition of the licence granted for the privilege on manufacture of Indian-made Foreign Spirits (IMFS), Beer and Wine. Accordingly, an Additional Privilege Fee of Rs. 90/- per Standard Case of IMFS, Rs. 40/- per Standard Case of Beer and Rs. 20/- per Standard Case of Wine shall be payable by the licensee on each Standard Case issued or sold before removal from the manufactory/brewery. The fee is in addition to the existing privilege fee prescribed under the respective Rules. The amendments came into force with effect from 05.06.2026, the date of publication of the notification in the Tamil Nadu Government Gazette Extraordinary. This is expected to generate an additional revenue of Rs. 750 crore for this year for the Government. Expected additional revenue is Rs.1000 crore per annum.

- Additional Privilege Fee: **Rs.90 IMFS**, **Rs.40** beer, **Rs.20** wine, effective **05.06.2026**.
- Expected additional revenue from the new fee; **Rs.1000 crore** per annum thereafter.

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2.7 FL2 Privilege Fee

There are 869 FL2 licences are functioning in the State of Tamil Nadu. The Government has issued amendment orders in G.O.(Ms) No. 38, Home, Prohibition and Excise Department, dated: 25.06.2026 enhancing the Annual Privilege fee for FL2 licences.

Revised fee for FL2 licensees under the Tamil Nadu Liquor (Licence and Permit) Rules, 1981, with effect from 01.04.2026 is as follows:-

Area (1)	Application fee (Rs.) (2)	License fee (Rs.) (3)	Privilege fee (Rs.) (4)
Chennai City	10,000	30,000	30,00,000
Other Corporations with Population above 10 lakhs	10,000	30,000	25,00,000
Other Corporations with Population below 10 lakhs	10,000	30,000	20,00,000
Municipalities	10,000	30,000	15,00,000
All other areas	10,000	30,000	10,00,000

- FL2 privilege fees revised by G.O.(Ms) No.38 dated **25.06.2026**, effective **01.04.2026**.
- Top FL2 privilege fee slab; it steps down to **Rs.10,00,000** in all other areas.

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An amount of Rs.52.85 crore is anticipated for the financial year 2026-2027 as additional revenue towards renewal of FL2 Licences.

- Additional revenue anticipated in **2026-27** from renewal of FL2 licences.

2.8 Export of Beer

The Government have accorded permission for Export of Beer to other States / Union Territories and other Countries from Tamil Nadu since, 2017. During the year 2025-2026 (Upto March 2026), 50,26,653 cases of beer were exported to other States / Union Territories and other Countries. The revenue earned by export of beer is Rs. 1684.30 lakh for the year 2025-2026 (Upto March 2026). Export permits to other States and Union Territories are being issued online. Fee details are as follows:-

- 50,26,653 cases of beer exported in **2025-26**, earning **Rs.1684.30 lakh**.

Sl. No.	Category of fee	Amount (Rs.)
1.	Export Licence and Renewal Fee	
	Other States and Union Territories	1,50,000
	Other Countries	3,00,000

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	Other States, Union Territories and Other Countries	4,50,000
2.	Brand Registration / Renewal Fee (Per Brand) registered for local supply and intended to Export	1,00,000
3.	Brand Registration / Renewal Fee (Per Brand) only to Export	1,00,000
4.	Label Approval and Renewal Fee	20,000
5.	Export Fee (Per Bulk litre)	4
6.	Export Permit Fee (Per Permit)	20
Total No. of Export Licensees		**6**

2.9 Import of Foreign Liquor

The Commissioner of Prohibition and Excise is issuing Import Permits for importing the foreign liquor from other countries on collection of a special fee under the Tamil Nadu Liquor (Licence and Permit) Rules, 1981. From 02.03.2012 onwards, TASMAC has been made as the nodal agency to facilitate the import of Foreign Liquor by FL2 (Recreation Clubs) and FL3 (Star Hotels, i.e., 3 star category and below and non star

Since **02.03.2012 TASMAC** facilitates import of foreign liquor for FL2/FL3/FL3A/FL3AA licensees, charging 3% on Special Fees.

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hotels), FL3A and FL3AA Licensees by collecting a service charge at 3% on the Special Fees.

The FL3 licensees (Four star, Five star and above categories) will continue to procure imported foreign liquor items directly from the suppliers of imported foreign liquor whose excise bonded warehouse are located in other States.

During 2025-2026 (from 01.04.2025 to 31.03.2026) the revenue earned by Government through Special Fee on imported foreign liquor is Rs.119.03 crore.

- Special Fee revenue on imported foreign liquor in **2025-26**; **Rs.53.01** crore in the first four months of **2026-27**.

During 2026-2027 (from 01.04.2026 to 31.07.2026) the revenue earned by Government through Special Fee on imported foreign liquor is Rs.53.01 crore.

2.10. Ethanol

National Bio-fuel Policy promotes the Ethanol Blended Petrol Programme (EBPP) in the States. Ethanol is highly compatible for blending with petrol due to its bio-fuel nature and

- Under the National Bio-fuel Policy. Ethanol is produced in 12 distilleries; 4 produced **0.86 crore** litres in **2025-26**.

non-polluting characteristics. Ethanol production is done in 12 distilleries in Tamil Nadu. Out of the 12 distilleries, 4 Distilleries have produced around 0.86 crore litres of ethanol during the year 2025-2026 in the state.

2.11 Types of Licences

Sl. No.	Types	Description	Total No. Of Licence
1	Distillery	Distillery Licence is being issued for the manufacture of Rectified Spirit, Neutral Spirit from Molasses under the Tamil Nadu Distillery Rules, 1981.	16
2	IMFS	IMFS licence is being issued for the Manufacture of Indian-Made Foreign Spirits under the Tamil Nadu Indian- Made Foreign Spirits (Manufacture) Rules, 1981.	11
3	Brewery	Brewery licence is being issued for the Manufacture of Beer under the Tamil Nadu Brewery Rules, 1983.	7

- The manufacturing base. Plus 4 Mass Wine licences.

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4	Winery	Winery licence is being issued for the Manufacture of Wine under the Tamil Nadu Wine (Manufacture) Rules, 2006.	1
5	Mass Wine	Mass Wine licence is being issued for the Manufacture of Mass Wine under the Tamil Nadu Mass Wine Rules, 1984.	4
6	RL2/RL3/RL4	RL2/RL3/RL4 licences are being issued for possession and use of Rectified Spirit /Absolute alcohol under the Tamil Nadu Rectified Spirit Rules, 2000.	RL2 – 466 RL3- 18 RL4- 25
7	ML2/ML4	ML2/ML4 licences are being issued for manufacture, possess and sell Molasses under the Tamil Nadu Molasses Control and Regulation Rules, 1958.	ML2-35 ML4-202
8	DL2/DL4	DL2/DL4 licences are being issued for the possession, sale and usage of Denatured Spirit, Methylated Spirit / Methyl Alcohol and Varnish by Industries, Hospitals	DL2 - 386

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		etc,. DL Series Licences are issued under the Tamil Nadu Denatured Spirit, Methyl Alcohol and Varnish (French Polish) Rules, 1959.	
9	L	L licence is being issued for possession and usage of spirit for the manufacture of Medicinal and Toilet Preparations containing alcohol, Opium, Indian Hemp and other Narcotic Drugs under Medicinal and Toilet Preparation (Excise Duties) Rules, 1956.	20
10	NDRC	NDRC licence is being issued for possession of any quantity of any manufactured drugs by approved practitioner under the Tamil Nadu Narcotic Drug Rules, 1985.	1430
11	SP	SP XI & SP XIV licences are being issued for sale of spirituous preparation (Whole Sale and Retail) Under the Tamil Nadu Spiritious Preparation (Control) Rules, 1984	SPXI – 16 SPXIV - 54

- The largest licence category by count, for possession of manufactured drugs by approved practitioners under the Tamil Nadu Narcotic Drug Rules, **1985**.

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12	FL2/FL3	FL2/ FL3 licences are being issued for the possession and sale of IMFS /Beer / Wine in Star Hotels / Clubs etc. FL series licences are issued under Tamil Nadu Liquor (Licence and Permit) Rules, 1981.	FL2-869 FL3-812 FL3A – 22 FL3AA -7

- **FL** series licences for possession and sale in star hotels and clubs, under the Tamil Nadu Liquor (Licence and Permit) Rules, **1981**.

2.12 Methanol Monitoring

A district-level committee is functioning under the chairmanship of the District Revenue Officer to monitor the movement of methanol and other solvents, with the following members:-

1. Deputy Commissioner (Excise) / Assistant Commissioner (Excise)
2. Additional Superintendent of Police (Prohibition Enforcement Wing) / Deputy Superintendent of Police (Prohibition Enforcement Wing)
3. District Supply Officer /Deputy Commissioner (Civil Supplies)

The District Level Committee is monitoring the premises holding DL-2 licences, premises involved in the storage and use of solvents and

- The main cause of hooch tragedies, brought within the **1937** Act; the Denatured Spirit Rules **1959** were amended in **2002** for strict control.

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chemicals and unlicenced premises . During the inspections, firms selling methanol without DL-1 licences have been identified and legal action have been taken.

Further, during the inspections, the District Level Monitoring Committees have identified educational research institutions and other industries having possession and use of methanol without valid DL-2 licences and they were made to apply for DL-2 licences and have been issued and regularized.

To strengthen the monitoring and regulation of the use and storage of methanol, an online portal has been developed by the National Informatics Centre (NIC) to monitor the movement, usage and storage of methanol in real time. Under the Real-Time Monitoring system, the opening stock, purchases, purpose, usage and closing stock of methanol/denatured spirit are entered by all DL-2 licence holders on daily basis.

Real-time monitoring of methanol movement, usage and storage; **DL**-2 holders enter stock daily.

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These entries are monitored by the Commissioner of Prohibition and Excise and other officials.

2.13 e-Kalaal web application

- The department's web application (ekalaal.tn.gov.in) digitising licensing and permits across 72 services.

The following process have been made online with web enabled applications for transparency in the entire process under e-Kalaal web application in 72 services and have substantially reduced the time taken for issue of import Permits and renewal of licences :-

1. Issue of Import Permit for Import of Foreign Liquor.
2. Issue of Export permit for export of beer to other States.
3. Renewal of licences for FL2, FL3, FL3A and FL3AA licensees.
4. New and Renewal of L series, RL series, DL, ML, SP XI and SP XIV series licences.

Prohibition & Excise Department developed the e-Kalaal (ekalaal.tn.gov.in) web application. It digitizes licensing, permit processing and monitoring the licenses.

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2.13.1 Advantages of the e-Kalaal Website

The system of paperless online applications and approvals for new and renewal of licenses without visiting the department has the following advantages:-

1. Fees collection

Applicants can pay the exact fees of the respective license through online mode and download instantly.

2. Faster Approval

Streamlines application processing and approval workflows, helping reduce delays.

3. Real-Time Application Tracking

Applicants can monitor the status of their applications online.

4. Permit Management

Facilitates processing of import and transport permits for eligible stakeholders.

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5. Improved Transparency

Digital records and online workflows make the process more transparent and easier to monitor.

6. User Level

Different users (officials and stakeholders) receive appropriate system access based on their roles.

7. Integrated Government Services

Includes integration with services such as the e-Treasury and supports digitally signed (DSC-enabled) licenses.

8. Management Reports and Dashboards

Provides dashboards and reports to help officials monitor applications for effective performance of the department.

2.14 State excise labels

The Government introduced foolproof Polyester Based Hologram Excise Label in lieu of paper label to eradicate the sale of spurious liquor, curb the smuggling of liquor from other

- Replaced paper labels to curb spurious liquor. Monthly requirement about 30.03 crore labels.

States and to ensure payment of excise duty on IMFS / Beer and Wine bottles produced by the Manufacturing Units. The security features of these labels are being upgraded periodically. At present, the average monthly requirement of excise labels is around 30.03 Crore. During 2025-26, the net revenue earned by Government towards the sale of excise labels is Rs.39.10 Crore.

- Net revenue from sale of excise labels in **2025-26**.

2.15 Neera

By using anti fermentation technology to arrest the fermentation, Neera, a non – alcoholic nutritious drink is drawn from the unopened inflorescence of Coconut trees. Provisions have been made under Tamil Nadu Neera Rules, 2017 for tapping of Neera from Coconut trees and also manufacture of other products from Neera by obtaining licence.

- Neera is a non-alcoholic drink tapped from coconut inflorescence; licences go to Coconut Producer Companies and Co-operative Societies.

Coconut Producer Companies registered under the Companies Act, 2013 or Co-operative

Societies registered under the Tamil Nadu Co-operative Societies Act, 1983 are eligible to get licences for tapping, distribution, sale and manufacture of products from Neera. These Companies and Co-operative Societies shall apply for the licence to the District Collector and they should also register with the Coconut Development Board.

2.16 Rehabilitation and Awareness measures

2.16.1 Rehabilitation of Erstwhile Prohibition Offenders

The Government initiated a Rehabilitation fund for prohibition offenders in 2002, aiming to socially and economically rehabilitate erstwhile prohibition offenders. Initially provided as a loan, the assistances were later converted into a grant. A sum of Rs.5.00 Crore (Rupees Five Crore only) have been sanctioned as 'Grant' by the Government for the rehabilitation of erstwhile prohibition offenders for the year 2025-2026.

Originally a loan, later converted into a grant for erstwhile prohibition offenders.

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Each district has a District Rehabilitation Committee chaired by the District Collector, along with the following officials as Members:-

1. District Superintendent of Police
2. The Senior Regional Manager of TASMAC
3. Deputy Commissioner (Excise) / Assistant Commissioner (Excise)
4. Project Director – Mahalir Thittam
5. District Manager – TAHDCO
6. Deputy Director – Skill Development Corporation.

This Committee identifies eligible beneficiaries and distributes grants for their rehabilitation. Beneficiaries receive grants, to a maximum of Rs.50,000/- per beneficiary to be used for procuring milch animals, goats and for small trades. Skill development training in production of agarbhathi, camphor, preparation of instant sambrani, candles, paper cups, washing soap and soap powder are also given to the beneficiaries.

- For milch animals, goats or small trades, plus skill training in agarbathi, camphor, candles, paper cups and soap.

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For the financial year 2025-2026, Rs.5.00 crore was allocated to District Collectors and an amount of Rs.5.00 crore was utilized for rehabilitating 1000 erstwhile Prohibition offenders.

Rs.5.00 crore was allocated and fully utilised in **2025-26** to rehabilitate 1,000 offenders.

Government have issued guidelines for utilization of the Rehabilitation Fund. In these guidelines, it has been instructed that the District Rehabilitation Committee, under the Chairmanship of the District Collector will conduct meeting with the erstwhile prohibition offenders and their family members and shall select the beneficiaries. The selected beneficiaries shall be given short term training in their desired trades through Mahalir Thittam, Tamil Nadu Adi Dravidar Housing and Development Corporation Limited (TAHDCO) and Tamil Nadu Skill Development Corporation and help them to start the business in their trained fields by providing financial assistance through rehabilitation fund and bank

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tie-up for additional funds for improving their livelihood.

2.16.2 Awareness Programmes against consumption of liquor and drugs

The Government have allocated a sum of Rs. 5.00 crore towards creation of awareness against use of illicit/spurious liquor and Narcotics for the financial year 2025-2026 which has been allocated to all the District Collectors, Enforcement Wing of Police Department and Prohibition and Excise Department for conducting various awareness campaigns in districts against the harmful effects of alcoholism, drunken driving and drug abuse.

- Awareness allocation for **2025-26**, split among District Collectors, the Enforcement Wing and the Department.

A District Level Committee has been formed under the chairmanship of the District Collector and with the following officials to plan and implement the awareness programmes.

1. The District Superintendent of Police
2. Superintendent of Police (Enforcement)
3. The Chief Educational Officer

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4. The Deputy Commissioner (Excise) / Assistant Commissioner (Excise)
5. The Public Relation Officer

The above said Committee functions with the objective of educating the public about the adverse effects of addiction to consumption of alcohol and drugs. The awareness programmes are conducted monthly in identified locations by the district administration, involving students, self help groups, non-governmental organizations and other stakeholders.

Government have issued guidelines for conducting awareness programmes using the awareness fund. In order to create a State, free from illicit liquor and drugs, this committee is conducting district-level awareness programmes with the Revenue, Police, Transport, School Education and Higher Education Departments to fully implement the Government's initiatives against the consumption of illicit arrack and

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spurious liquor and the use of narcotics and drugs.

2.17 Rehabilitation Fund

The Government with the aim of ensuring a drug-free Tamil Nadu have made an allocation of Rs. 70 crore towards creation of "Rehabilitation Fund" during the year 2026-2027. This fund will be used primarily for providing rehabilitation to people who need help to get rid of drugs and drug addiction and recover from it.

- The Rehabilitation Fund created for **2026-27** with the aim of a drug-free Tamil Nadu. The single biggest new number in this note.

2.18 De-addiction Centres

The De-Addiction Centres functioning in the State shall serve as comprehensive facilities for the prevention, identification, counselling, treatment, rehabilitation, and social reintegration of individuals affected by alcohol, tobacco, and substance use disorders. At present, 28 De-Addiction Centres are functioning under the Department of Health and Family Welfare at Government Medical Colleges and District

- Under Health and Family Welfare at Government Medical Colleges and District Hospitals.

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Hospitals along with 24 Integrated Rehabilitation Centres for Addicts (IRCAs), 7 De-addiction Centres and 11 Exclusive Deaddiction Centres for Children under the Ministry of Social Justice and Empowerment, Government of India, providing treatment, rehabilitation, aftercare, and recovery support.

The Centres shall coordinate with relevant departments and stakeholders to strengthen referral linkages, community-based rehabilitation, and recovery support. They shall also facilitate the rehabilitation of individuals involved in illicit distillation and related activities through counselling, de-addiction services, and support measures to enable social reintegration and prevent recurrence.

Plus 7 de-addiction centres and 11 exclusively for children, under the Union Ministry of Social Justice and Empowerment.

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3. TAMIL NADU STATE MARKETING CORPORATION LIMITED (TASMAC)

3.1 Key Activities and Functions

The Tamil Nadu State Marketing Corporation Limited (TASMAC) was incorporated as a State Public Sector Undertaking in 1983 under the Companies Act, 1956. Tamil Nadu State Marketing Corporation has been granted the exclusive privilege of wholesale trade of Indian Made Foreign Spirits and Foreign Liquor for the whole of Tamil Nadu and is carrying on the wholesale distribution of liquor since 1983.

- Under the Companies **Act, 1956**. Wholesale privilege since **1983**; retail vending since **2003**.

The Corporation has also been granted the exclusive privilege of retail vending of Indian Made Foreign Spirits and is carrying on the retail vending of liquor since 2003. Imported Foreign Liquor, Beer and Wine products are also marketed by the Corporation.

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As per the orders of Hon'ble Chief Minister to close shops located near the places of worship, educational institutions and bus stands, Government have issued G.O.(D) No. 129, Home, Prohibition and Excise Department, dated: 12.05.2026 and accordingly, TASMAC has closed 717 shops in the interest of the Public.

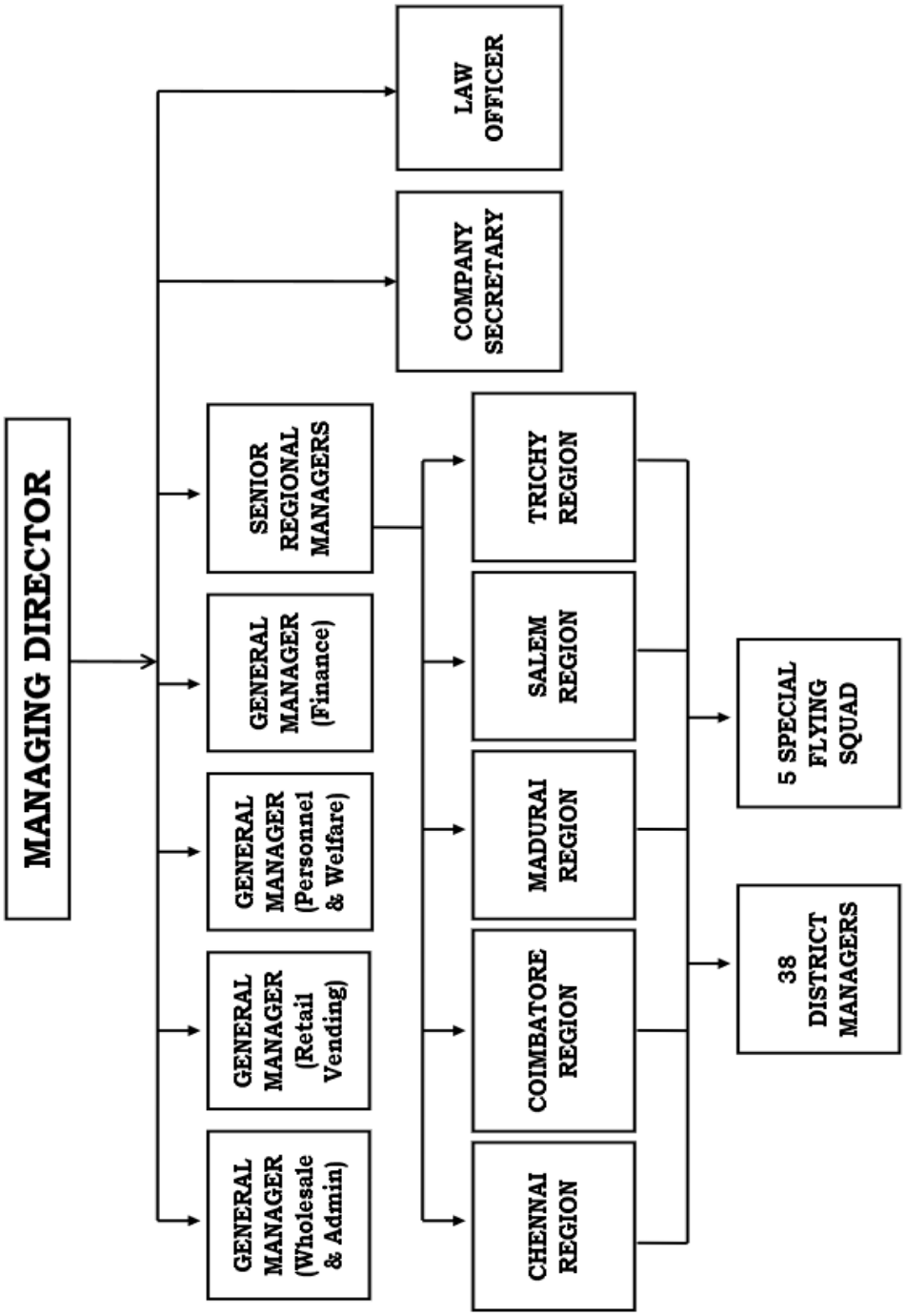
- The order under which **TASMAC** closed 717 shops near places of worship, educational institutions and bus stands.

3.2 Share Capital

The authorized share capital of Rs.15.00 crore has been fully contributed by the State Government to Tamil Nadu State Marketing Corporation Ltd.

- Fully contributed by the State Government.

3.3 Organizational Structure



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3.3.1 Head Office

The Head Office of Tamil Nadu State Marketing Corporation is situated at Chennai. The Managing Director looks after the day to day operations and functioning of the Corporation. He is supported by General Manager (Wholesale & Administration), General Manager (Retail Vending) in the cadre of District Revenue Officer, General Manager (Finance), Deputy General Manager (Purchase and Sales), Chief Accounts Officer, Company Secretary and other supporting staff.

3.3.2 Board of Directors

The Board of TASMAC provides guidance for the effective functioning of the Corporation. The details of the board members are:-

1. Additional Chief Secretary to Government, Home, Prohibition and Excise Department.

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2. Additional Chief Secretary to Government, Finance Department.
3. Secretary to Government, Commercial Taxes, Registration and Religious Endowments Department.
4. Commissioner of Prohibition and Excise.
5. Managing Director, Tamil Nadu State Marketing Corporation Limited.
6. Additional Director (BPE), Finance Department, Secretariat, Chennai.

3.3.3 Regional Offices

The TASMAC has five regional offices at Chennai, Coimbatore, Madurai, Salem and Tiruchirappalli. These offices are administrated by the Senior Regional Managers in the cadre of District Revenue Officer.

- Chennai, Coimbatore, Madurai, Salem and Tiruchirappalli - also the bases for the Special Flying Squads.

3.3.4 Special Flying Squads

Special Flying Squads headed by Officers in the cadre of Deputy Collectors are posted in the Regional Offices located at Chennai, Coimbatore,

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Madurai, Salem and Tiruchirappalli. The primary responsibility of the Special Flying Squads is to monitor the functioning of the Retail Vending Shops by making surprise checks.

3.3.5 District Offices, Depots and Retail Vending Shops

Tamil Nadu State Marketing Corporation has 38 District Offices, 43 Indian Made Foreign Spirits depots, 4,048 Retail Vending shops and 2,091 bars attached to the Retail Vending Shops. TamilNadu State Marketing Corporation is stocking liquor in 43 depots, out of which 32 depots are functioning in own building and the remaining 11 depots are functioning in rented buildings.

- With 2,091 attached bars, 38 district offices and 43 depots (32 owned, 11 rented).

Details of staff strength:-

TASMAC – SANCTIONED PERMANENT STRENGTH AND PRESENT STRENGTH AS ON 31.07.2026			
Sl.No.	**Office**	**Sanctioned Permanent Strength**	**Present Strength**
1.	Head Office	194	72

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2.	Regional Office	102	49
3.	District Office	437	279
4.	Depot	645	293
TOTAL		**1378**	**693**

- **TASMAC** staffing as on **31.07.2026**: 1,378 sanctioned permanent posts against 693 in position - under half filled.

3.4 Functions of TASMAC

The Corporation procures IMFS, Beer and Wine products from 11 Indian Made Foreign Spirits Manufacturing Units, 7 Beer Manufacturing Units and One Winery Unit functioning in the State. At present, there are 234 Local and other State brands available in TASMAC, which includes 174 local brands of liquor, 40 local brands of Beer, 4 local brands of Wine, 6 other State brands of liquor, 5 other State brands of Beer and 5 other State brands of Wine.

- 174 local liquor, 40 beer, 4 wine, plus 16 other-State brands.

Further, TASMAC sells 538 brands of liquor imported from foreign countries, which includes 301 brands of liquor, 38 brands of Beer and 199 brands of Wine being sold through FL11

- Sold through 205 FL11-licensed Mall/Elite outlets.

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licensed 205 (Mall/Elite shops) retail outlets of Tamil Nadu State Marketing Corporation.

3.5 Welfare of the personnel working in Retail Vending Shops

As on July 2026, in the 4,048 Retail Vending Shops of TASMAC, the number of shop personnel working on contract/consolidated pay basis are as follows:-

Sl. No.	Category	No. of Personnel
1	Supervisors	6,473
2	Salesmen	14,379
3	Assistant Salesmen	2,025
	TOTAL	22,877

Shop personnel on contract/consolidated pay: 6,473 supervisors, 14,379 salesmen, 2,025 assistant salesmen.

Bonus and Ex-gratia are provided every year by TASMAC to the Liquor Retail Vending Shop Personnel as ordered by the Government apart from monthly consolidated pay. The Shop personnel are also covered under Employees Provident Fund Scheme, Employees Deposit Linked Insurance Scheme, Gratuity, Family

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Benefit Fund Scheme, Annual Additional Fixed Incentive, etc. A Medical Assistance Scheme is also being implemented for the welfare of these employees.

Increase in Pay

A substantial increase in pay of all categories of Shop Personnel was approved and increased by 25% in the monthly remuneration payable to all the Retail Vending Shop Personnel with effect from 01.08.2026. The details are as follows:-

- Pay rise for all shop personnel from **01.08.2026** - supervisor **Rs.17,850** to **Rs.22,313**.

Category	Old pay (in Rs.)	New pay (at present) (in Rs.)	At present increase in pay (in Rs.)
Supervisor	17,850	22,313	4,463
Salesman	15,530	19,413	3,883
Assistant Salesman	14,340	17,925	3,585

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Employee's State Insurance Scheme

- To be implemented from **01.10.2026** under the **ESI Act 1948**, replacing the existing Health Fund.

The request of all Retail Vending Shop Personnel for implementation of the Employee's State Insurance (ESI) Scheme was agreed in accordance with the applicable provisions of the Employee's State Insurance Act, 1948. The Employee's State Insurance Scheme will be implemented with effect from 01.10.2026 in lieu of existing Health Fund, Accident injury Disablement Relief.

3.6 End to End Computerization

- Live across all 38 districts and 43 depots; each case carries a **QR** code linked to its Excise Label Series number.

3.6.1 TASMAC has implemented a project named "Integrated Solution enabling End to End Computerization of Core and Support functions of TASMAC". The project has been successfully implemented and is now live across all 38 districts and 43 depots in the State. In the process of End to End Computerization, TASMAC and the Commissionerate of Prohibition and Excise will have access to transparent, systematic and

technology based solution for monitoring all activities right from production in IMFS Units/ Breweries/ Wineries to sale in retail vending outlets/ Hotels and Clubs.

The stock position and sales details can be tracked by Head Office O/o the Senior Regional Manager and O/o the District Manager in real time. Each case/carton at the production line has a QR code with detailed product information and Excise Label Series number, linked to indents/ transport permits of TASMAC depots.

3.6.2 Transparency Initiatives

Fleet Management System

- Tracks every vehicle from manufacturer to depot to shop, with route-deviation and idle alerts.

TASMAC has created Fleet Management System for monitoring all the vehicles carrying stocks right from Manufacturing Companies to TASMAC Depots and from TASMAC Depots to Retail Vending Shops through Web Application wherein the tracking of all the vehicles have been

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integrated with a software. Routes are created and assigned daily in the Fleet Management System. Route deviations, idle alerts, and other notifications are monitored daily, with email and SMS alerts. TASMAC has installed CCTV Cameras and Cash Safes in shops located in vulnerable areas.

3.7 Buy-Back scheme for Empty Liquor Bottles

In accordance with the directions of the Hon'ble High Court, to address the environmental concerns and to mitigate the harmful effects of liquor glass bottles strewn mindlessly, TASMAC has implemented a Buy-back scheme for empty liquor bottles. Under this scheme, the consumer who returns the empty liquor bottle will receive a refund of Rs.10 collected over and above the MRP. The scheme was initially implemented in The Nilgiris district. So far, TASMAC has implemented the Buy–Back Scheme in 31 districts fully and partly in Vellore District hilly areas.

- Buy-back scheme for empty liquor bottles, on High Court directions - implemented fully in 31 districts.

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3.8 FSSAI Licence

All Depots and Liquor Retail Vending Shops of the Corporation have been registered under the provisions of the 'Food Safety and Standards Act, 2006' and rules framed thereunder. FSSAI Licences are being renewed periodically.

All **TASMAC** depots and retail shops are registered under it and hold **FSSAI** licences.

3.9 TASMAC Online payment facility

To enhance customer service and increase transparency in retail operations, the Tamil Nadu State Marketing Corporation (TASMAC) has introduced a new facility for online liquor pre-booking and payment through the official TASMAC website, effective from 07.08.2026.

Introduced on the **TASMAC** website from **07.08.2026**; uncollected bookings are refunded less a **Rs.10** service charge.

If pre-booked liquor is not collected on the same day, the pre-booking will be automatically cancelled, and the amount paid by the customer will be refunded to the original payment account of the customer. A service charge of Rs. 10/- will be deducted from this amount.

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It steers TASMAC retail operations toward a system that is more transparent, cashless and technology-driven.

3.10 Dry Days

As per Government Orders, there will be no sale of liquor on the following eight days in the Retail Vending Shops of TASMAC:-

1. Thiruvalluvar Day
2. Republic Day
3. Vadalur Ramalingar Ninaivu Naal
4. Mahavir Jayanthi Day
5. May Day
6. Independence Day
7. Birth Day Eve of Nabigal Nayagam
8. Gandhi Jayanthi Day

Apart from the above, dry days are declared during important local events by District Collectors and on polling day and counting day for Parliament, Legislative Assembly and Local Body Elections.

Dry days: Thiruvalluvar Day, Republic Day, Vadalur Ramalingar Ninaivu Naal, Mahavir Jayanthi, May Day, Independence Day, eve of Nabigal Nayagam's birthday, Gandhi Jayanthi.

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3.11 Government Revenue

The details of Government Revenue earned are given below:-

(Rs. In crore)

Sl. No.	Year	Excise Revenue	VAT (Sales Tax)	Total
1.	2021-22	8,236.60	27,814.05	36,050.65
2.	2022-23	10,422.47	33,698.66	44,121.13
3.	2023-24	10,774.28	35,081.42	45,855.70
4.	2024-25	11,055.40	37,325.67	48,381.07
5.	2025-26	11,835.82	39,010.02	50,845.84
6.	2026-27* (up to July)	4,065.75	13,788.89	17,854.63

* Subject to reconciliation

- Total liquor revenue **2025-26** (excise 11,835.82 + **VAT** 39,010.02). The series runs 36,050.65 in **2021-22** to 50,845.84 in **2025-26**.
- Revenue to July in **2026-27**, subject to reconciliation.

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4. PROHIBITION ENFORCEMENT WING OF EB-CID

4.1 Introduction

Enforcement Bureau Crime Investigation Department (EB-CID) is a Police wing functioning under the Director General of Police/ Head of Police Force and it is headed by the Additional Director General of Police (EB-CID) and he is assisted by 2 Inspectors General of Police. It has two wings viz. Prohibition Enforcement Wing and Narcotic Intelligence Bureau.

Prohibition Enforcement Wing, initially functioned under the control of the Excise Department, was merged with the Police Department in the year 1950. Presently, 100 Prohibition Enforcement Wing units are functioning entire the State.

- The Prohibition Enforcement Wing began under the Excise Department.
- **EB-CID** has two wings: **PEW** and the Narcotic Intelligence Bureau.
- Headed by Inspectors of Police and declared as Police Stations for enforcing the **1937** Act.

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4.2 Prohibition Enforcement Wing

The Prohibition Enforcement Wing (PEW) functions with the primary objective to eradicate illicit distillation, transportation, possession, sale of illicit liquor and to prevent smuggling of spurious and non-duty paid Indian Made Foreign Liquor from other States.

There are 100 Prohibition Enforcement Wing units functioning in the State headed by Inspectors of Police, which are declared as Police Stations for enforcing the Tamil Nadu Prohibition Act, 1937. They are being supervised by Deputy Superintendents of Police in districts and Assistant Commissioners of Police in cities and also supervised by Additional Superintendents of Police in 7 selected districts. The officers of Prohibition Enforcement Wing units who are primarily responsible for enforcing the Tamil Nadu Prohibition Act, 1937 are working under the administrative and operational control of the

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Superintendents of Police in districts and Commissioners of Police in cities.

4.3 Action taken measures to prevent the movement of Rectified Spirit / Spurious Liquor

4.3.1 Special teams have been formed to take necessary action on notorious offenders for smuggling of rectified spirit, spurious liquor and other State liquor from neighbouring States based on the intelligence information received from the general public and CDR analysis.

4.3.2 In order to prevent smuggling of spurious/non duty paid IMFL/rectified spirit/arrack from the neighbouring states into Tamil Nadu, totally 45 permanent Prohibition check posts erected at Inter State District Borders in 16 districts and in one city throughout the State. In addition, temporary check posts are also being erected from time to time during festivals and dry days.

- At inter-State district borders in 16 districts and one city.

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4.3.3 Rectified spirit is a highly concentrated form of Ethyl alcohol. It is generally smuggled for selling as cheap liquor. Many a time consumption of rectified spirit results in serious health issues. On the basis of intelligence collected by the Central Intelligence Unit, surprise vehicle checks are being conducted throughout the State to prevent the smuggling of rectified spirit.

4.3.4 Through the enforcement activities carried out from May 2026 to July 2026, a total of 8,122 prohibition cases were registered and 8,520 persons have been arrested, of which 1,928 persons were remanded in judicial custody. Fermented wash 3,120 litres, illicit Arrack liquor 5,008 litres, 3,743 litres of toddy and 5,325 litres of Indian Made Foreign Liquor were seized and destroyed. Further, a total of 486 vehicles, including one lorry, 30 four-wheelers, 18 three-wheelers and 437 two-wheelers, were seized. 19 habitual prohibition offenders involved

- Registered May-July **2026**, with 8,520 arrested and 1,928 remanded.

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in repeated offences were detained under Tamil Nadu Act, 1982.

4.3.5 Intensive prohibition raids are being conducted to prevent hooch tragedies. Methanol, which is the main reason for hooch tragedies has been brought within the ambit of the Tamil Nadu Prohibition Act, 1937. Necessary amendments were also made in 2002 in the Tamil Nadu Denatured Spirit, Methyl Alcohol and Varnish (French Polish) Rules, 1959 to maintain strict control of possession, use, transportation, import and sale of methanol.

4.3.6 Enhanced Punishment to Prohibition Offenders

To enhance the quantum of punishment for offences such as manufacture, possession and selling of illicit liquor that endangers human life, Tamil Nadu Prohibition (Amendment) Act was enacted in the year 2024. The stringent punishment includes life imprisonment for

- Life imprisonment for bootleggers where illicit liquor causes death, and the fine raised from **Rs. 5,000** to **Rs. 10** lakh.

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bootleggers in case of fatalities due to the consumption of illicit liquor and the quantum of the fine for such cases has been increased from Rs. 5,000 to Rs. 10 lakh. It also includes provisions for sealing the unlicensed places used for consumption of liquor and all movable properties used in these offences will be confiscated.

4.4 Action taken to create awareness about the evils of illicit liquor

In the year 2025-2026, the Government have accorded sanction for a sum of Rs.2.40 crore for conducting awareness campaigns against consumption of illicit liquor, drugs and narcotic substances through Additional Director General of Police, Enforcement.

To create awareness about the evils of consumption of illicit liquor among School/College students, group discussions, poster making and essay competitions are being conducted. Further,

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awareness materials like T-Shirts, travel bags, Pamphlets and calendars are distributed to the public. Stickers have been supplied to transport authorities which are pasted in buses as part of awareness campaign.

4.5 Cash awards to the Informants

Every year, the Government grants permission to TASMAC to sanction Rs.20.00 lakhs from its own funds to provide cash award to the informants, who are risking their life giving information to Prohibition Enforcement Wing officials about movement of smuggling rectified spirits. An amount of Rs. 8,86,250/- has been sanctioned by TASMAC for the financial year 2025–2026 and the same has been distributed to the concerned informers.

- Sanctioned annually from **TASMAC** funds for cash awards to informants; **Rs.8,86,250** was actually distributed in **2025-26**.

4.6 Incentive

Every year, the Government grants incentive of Rs.20.00 lakhs from funds of TASMAC as incentive to Prohibition Enforcement Wing

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personnel and local police personnel who helped in major seizures of smuggled Rectified Spirits, Spurious liquor and non-duty paid Liquor.

4.7 Gandhi Adigal Police Medal

- Awarded to a maximum of five police personnel on Republic Day with a cash prize of **Rs.40,000**.

Every year Gandhi Adigal Police Medal is given to Police Officers / Personnel (maximum 5 persons) for their outstanding work in curbing illicit liquor. The above medal and cash prize of Rs.40,000/- is awarded to the Police Officers / Personnel during the Republic Day function on 26th January, by the Hon'ble Chief Minister of Tamil Nadu.

4.8 Prohibition Control Room - Helpline Number -10581

- The toll-free Prohibition Helpline, manned 24x7, with WhatsApp on 9498410581. 2,302 calls in **2025-26**.

A Toll-Free Prohibition Helpline No. '10581' has been installed in the Control Room at the Enforcement Headquarters which is manned 24X7. Apart from this number, to receive information through messages and in Whatsapp, a mobile number "9498410581" has also been

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provided. The objective of the Helpline and the complaint number is to enable informants and the general public to give information about prohibition offences viz., illicit arrack distillation, smuggling of rectified spirit, spurious liquor, selling of illicit liquor, drugs, etc. During the financial year 2025-2026 (01.04.2025 to 31.03.2026), a total of 2,302 calls were received and action was taken. During the current financial year from 01.04.2026 to 31.07.2026, a total of 1,598 calls were received and action was taken.

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CONCLUSION

The Government is committed to completely eradicate the production, distribution and sale of contraband liquor. The Government has taken a firm stand to treat these offences as serious criminal offences and to take stringent legal action against all individuals involved, including manufacturers, suppliers, distributors, vendors and those who aid or abet these operations. Dedicated efforts are being taken to rehabilitate individuals previously involved in illegal liquor distillation and sale. Efforts will be taken for effective rehabilitation of the erstwhile Prohibition Offenders by providing them incentives and skill training.

The Government will make all efforts to effectively control this menace based on the United Nations Sustainable Development

- The department frames its whole effort against **SDG** 3, Target 3.5 on preventing drug and alcohol abuse.

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Goal 3 – Target 3.5 towards preventing drug use and alcohol abuse and strengthening treatment systems to ensure healthy lives and promote well-being for all at all ages.

VIGNESH.K
Minister for Prohibition and Excise

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