

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5083  
ANSWERED ON:27.08.2010  
TAXATION POLICY ON TOBACCO PRODUCTS  
Reddy Shri Mekapati Rajamohan

**Will the Minister of FINANCE be pleased to state:**

(a) whether Tobacco Institute of India (TII) has urged the Government to formulate a pragmatic and equitable taxation policy to reduce the disparity in the rates between cigarettes and other tobacco products; and

(b) if so, the details thereof and reaction of the Govt. thereto?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a): Yes, Sir. Tobacco Institute of India (TII) has requested for reduction in the excise duty rates on filter and non filter cigarettes so that the gap between the excise duty rates on cigarettes and other tobacco products is reduced.

(b): In a representation dated 11-03-2010, the Institute had requested for reduction in excise duty on filter cigarettes below 60 mm length to Rs. 300/- per 1000 sticks and to reduce excise duty on "Non-filter cigarettes exceeding 60 mm but not exceeding 70 mm length" to Rs. 969/- per 1000 sticks. The request of the Tobacco Institute of India (TII) was examined and after taking into account all relevant factors, it was not found possible to accede to the request.