

**GOVERNMENT OF INDIA  
HEALTH AND FAMILY WELFARE  
LOK SABHA**

UNSTARRED QUESTION NO:2254  
ANSWERED ON:12.08.2011  
TAXES ON TOBACCO PRODUCTS  
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**Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:**

- (a) whether taxes on tobacco products in India are much lower than the World Health Organisation's (WHO's) recommendation as per the retail price of a tobacco product;
- (b) if so, the reasons therefor;
- (c) whether the Government proposes to raise taxation on tobacco products to discourage their consumption in the country;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the steps being taken to discourage the consumption of tobacco products particularly among youth?

**Answer**

THE MINISTER OF HEALTH & FAMILY WELFARE (SHRI GHULAM NABI AZAD)

(a) & (b): Central Excise duty on major brands of cigarettes calculated on the MRP of the product ranges from 28% to 69%. The incidence would be even higher when calculated on factory gate prices. In addition, cigarettes bear State taxes such as VAT, Octroi etc.

(c) & (d): there is no such proposal under consideration at present.

(e): Government of India enacted "The Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003" (COTPA) to protect citizens, with special attention to risk groups such as pregnant women and children, from involuntary exposure to tobacco smoke, and to discourage consumption of cigarettes and other tobacco products by imposing various regulatory measures. The salient features of the Act are as under :-

- i. Ban on smoking in public places. (Section -4)
- ii. Ban on direct/indirect advertisement of tobacco products. (Section -5)
- iii. Ban on sale of tobacco products to children below 18 year & ban on sale of tobacco products within 100 yards of the educational institution. (Section - 6)
- iv. Specified health warnings on tobacco products. (Section - 7)

In pursuance of the powers conferred under the aforesaid Act, the Central Government has issued a notification dated 25th February 2004 which came into force w.e.f. 1-5-2004, provides prohibition of sale of cigarette and other tobacco products to a person below the age of eighteen years.

Moreover, Government of India notified "The Cigarettes and Other Tobacco Products (Display of Board by Educational Institutions) Rules, 2009" vide GSR No. 40 (E) dated 19-01-2010 and came into effect from 19-01-2010, provides that no person shall sell, offer for sale, or permit sale of, cigarette or any other tobacco product in an area within a radius of one hundred yards of any educational institution.