

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:6417
ANSWERED ON:06.05.2013
ILLEGAL TRADE IN TOBACCO
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether there have been reports of illegal trade in the tobacco sector;
- (b) if so, the details thereof and the reasons therefor along with the quantum of tobacco products illegally traded in the country;
- (c) whether the Government has assessed the total loss incurred to the national exchequer due to such illegal trade in tobacco sector;
- (d) if so, the details thereof along with the facts in this regard; and
- (e) the remedial action taken/proposed to be taken to curtail such practices in future?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. D. PURANDESWARI)

(a) to (d) Yes, Madam. Differential taxes on tobacco products, easy transportability, light weight and ability to conceal these products among other goods are some of the factors responsible for the illegal trade of tobacco. Some cases of evasion of excise duty are detected against the manufacturers of tobacco products including clandestine production and removals. These cases are booked at the field level i.e. at various commissionerates of Central Board of Excise and Customs (CBEC) spread all over India. No centralized data at the level of CBEC is maintained in respect of such cases. However, Directorate General of Central Excise Intelligence, an apex organization under the CBEC, also books cases of evasion of excise duty. The details of cases of evasion of Central Excise Duty in tobacco trade, booked by the Directorate General of Central Excise Intelligence during last three years are enclosed at annexure- A.

(e) All customs field formations including the Directorate of Revenue Intelligence have been sensitized to be alert and keep constant vigil to thwart the any attempt at illegal trade in tobacco. Similarly, the Central Excise field formations including the Directorate General of Central Excise Intelligence have also been sensitized to be alert and keep vigil on the units manufacturing tobacco products prone to evasion of Central Excise duty and collect Intelligence/ information and book cases of duty evasion against such units where required.