

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2515
ANSWERED ON:04.12.2009
EXCISE DUTY COLLECTION FROM TOBACCO PRODUCTS
Jeyadural Shri S. R.

Will the Minister of FINANCE be pleased to state:

- (a) the details of Excise Duty collected from tobacco products like cigarettes, bidis, chewing tobacco and gutkha over the last three years, year-wise;
- (b) whether the tobacco farmers have been adversely affected due to high excise duties;
- (c) if so, the details thereof; and
- (d) the steps taken or proposed to be taken by the Government to help the tobacco farmers in the country?

Answer

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

- (a) the details of Excise Duty collected from tobacco products like cigarettes, bidis, chewing tobacco and gutkha over the last three years are as under:

Year Excise duty collected (Rs. In crores)

2006-07	8213
2007-08	9591
2008-09	12,526

- (b) & (c) VIP references were received stating that the hike in excise duty on non-filter cigarettes with effect from 1st March, 2008 is likely to adversely affect tobacco farmers particularly in the states of Karnataka and Andhra Pradesh.
- (d) The issue was examined and it was decided not to effect any changes in the existing rate in view of the fact that cigarettes are demerit goods and non-filter cigarettes are more toxic and are therefore harmful for health as compared to filter cigarettes.