

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5877
ANSWERED ON:31.08.2001
TAXATION POLICY FOR TOBACCO
ADHIR RANJAN CHOWDHURY

Will the Minister of FINANCE be pleased to state:

- (a) The collection of Central Excise and AED for the period 1.4.2000-31.3.2001 in respect of tobacco products such as cigarettes, bidi, chewing tobacco, pan masala and snuff;
- (b) The percentage of tobacco being consumed in India in the form of cigarettes, bidi and others;
- (c) Whether the taxation policy of the Government is same in respect of tobacco products also; and
- (d) if not, the reasons therefor ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

- (a) The total excise duty collection, for the period 1.4.2000-31.3.2001, from tobacco products (including pan masala, whether containing tobacco or not) was about Rs. 6433 crore. Out of this A.E.D. collection was about Rs. 1726 crore.
- (b) Cigarettes account for about 16% of the total tobacco consumption. Biris and other forms account for about 84%.
- (c) & (d) Cigarettes, biris, and other tobacco products are charged to different rates of excise duties. The respective rates of excise duty on various tobacco products have been prescribed taking into account relevant factors such as, the nature of the product, the class of consumer, revenue potential etc.