

COMMITTEE ON SUBORDINATE LEGISLATION
(2017-2018)

(SIXTEENTH LOK SABHA)

THIRTY-FOURTH REPORT

[Action Taken by Government on the Observations/Recommendations contained in the Eleventh Report of the Committee on Subordinate Legislation (Sixteenth Lok Sabha) on 'Cigarettes and other Tobacco Products (Packaging and Labelling) Amendment Rules, 2014]



LOK SABHA SECRETARIAT
NEW DELHI

August, 2018/ Shravana, 1940 (Saka)

COMMITTEE ON SUBORDINATE LEGISLATION
(2017-2018)

(SIXTEENTH LOK SABHA)

THIRTY-FOURTH REPORT

[Action Taken by Government on the Observations/Recommendations contained in the Eleventh Report of the Committee on Subordinate Legislation (Sixteenth Lok Sabha) on 'Cigarettes and other Tobacco Products (Packaging and Labelling) Amendment Rules, 2014]

(PRESENTED TO LOK SABHA ON 8.8.2018)



LOK SABHA SECRETARIAT

NEW DELHI

August, 2018/ Shrawana, 1940 (Saka)

CONTENTS

	Page
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(iv)
 CHAPTER I Report	 1
CHAPTER II Observations/Recommendations which have been accepted by the Government.....	3
CHAPTER III Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies.....	15
CHAPTER IV Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee.....	27
CHAPTER V Observations/Recommendations in respect of final replies of the Government are still awaited.....	28
<u>ANNEXURES</u>	
A Duties And Cess Applicable On Cigarettes	29
B Duty Rates Applicable On Other Tobacco Products (2014-15) (2015-16) & (2016-17)	31
C Amount Payable Under Compounded Levy Scheme (2014-15) (2015-16) & (2016-17)	32
D Trend Of Excise Revenue	34
E List Of Countries Approved/Accepted/ Ratified Fctc Protocol On Prohibition Of Illicit Trade On Tobacco Products	35
<u>APPENDICES</u>	
I Minutes of the Nineteenth sitting of the Committee (2017-18) (16 th Lok Sabha) held on 2.8.2018	37
II Analysis of the Action Taken by the Government on the Observations/Recommendations contained in the 11th Report of Committee on Subordinate Legislation (Sixteenth Lok Sabha)	39

COMPOSITION OF THE COMMITTEE ON SUBORDINATE LEGISLATION

(2017-2018)

1. Shri Dilipkumar Mansukhlal Gandhi Chairperson

MEMBERS

2. Shri Idris Ali
3. Shri Birendra Kumar Choudhary
4. Shri S. P. Muddahanumegowda
5. Shri Shyama Charan Gupta
6. Shri Jhina Hikaka
7. Shri Janardan Mishra
8. Shri Prem Das Rai
9. Shri Chandul Lal Sahu
10. Shri Alok Sanjar
11. Shri Ram Prasad Sarmah
12. Adv. Narendra Keshav Sawaikar
13. Shri V. Panneer Selvam
14. Shri Ram Kumar Sharma
15. Shri Nandi Yellaiah

SECRETARIAT

1. Smt. Sudesh Luthra - Additional Secretary
2. Shri Ajay Kumar Garg - Director
3. Shri Nabin Kumar Jha - Additional Director
4. Smt. Jagriti Tewatia - Deputy Secretary
5. Smt. Vidya Mohan - Committee Officer

INTRODUCTION

I, the Chairperson, Committee on Subordinate Legislation having been authorised by the Committee to present the Report on their behalf, present this Thirty-fourth Report of the Committee on action taken by the Government on the observations/recommendations contained in their Eleventh Report (Sixteenth Lok Sabha) on the 'Cigarettes and other Tobacco Products (Packaging and Labelling) Amendment Rules, 2014'.

2. The Eleventh Report was presented to Lok Sabha on 15.03.2016. The Ministry of Health and Family Welfare, Ministry of Commerce, Ministry of Micro, Small and Medium Enterprises, Ministry of Labour and Employment, Ministry of Agriculture, Ministry of Finance furnished their action taken replies on the recommendations contained in the Eleventh Report (Sixteenth Lok Sabha).

3. The Committee on Subordinate Legislation considered and adopted this Report at their sitting held on 2.8.2018 (Appendix I)

4. An analysis of action taken by the Government on the recommendations contained in the Thirty-fourth Report of Committee on Subordinate Legislation (Sixteenth Lok Sabha) is given in Annexure - II.

New Delhi;
2 August, 2018
11 Shravana, 1940 (*Saka*)

DILIPKUMAR MANSUKHLAL GANDHI
Chairperson,
Committee on Subordinate Legislation

CHAPTER I

REPORT

This Report of the Committee on Subordinate Legislation deals with the action taken by Government on the observations/recommendations contained in their Eleventh Report (Sixteenth Lok Sabha) on the subject '**Cigarettes and other Tobacco Products (Packaging and Labelling) Amendment Rules, 2014**' which was presented to Lok Sabha on 15.3.2016.

2. Action Taken Replies in respect of all the eleven observations/recommendations contained in the Report have been received from the Ministries of Commerce and Industry (Department of Commerce), Labour and Employment, Micro, Small and Medium Enterprises, Agriculture (Department of Agriculture and Cooperation) and Finance (Department of Revenue) and Health & Family Welfare (Tobacco Control Division).

3. Replies to the observations/recommendations contained in the Report have broadly been categorised as follows:-

- | | | |
|-------|--|-------------------------------|
| (i) | Observations/Recommendations which have been accepted by the Government | |
| | Sl. Nos. 3,5,6,7,8 and 10 | Total Nos. 6
(Chapter II) |
| (ii) | Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply. | |
| | Sl. Nos. 1,2, 4 and 9 | Total Nos. 4
(Chapter III) |
| (iii) | Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee | |
| | Sl. Nos. 11 | Total No. 1
(Chapter IV) |
| (iv) | Observations/Recommendations in respect of which final replies of the Government are still awaited | |
| | Sl. No. Nil | Total No. Nil
(Chapter V) |

4. The Committee in their original report on the Cigarette and other Tobacco Products (Packaging and Labelling) Amendment Rules, 2014 which were notified by the Government on 15 October, 2015 made a number of observations/recommendations covering issues such as impact of increased size of the pictorial health warning on tobacco consumers, need for rehabilitation of tobacco workers, promoting tobacco cessation programme in the country, need for development of alternative cash crops to replace tobacco, need for implementation of a national tobacco control policy, implementation of welfare schemes under appropriate statutes for millions of Beedi workers in the country and promoting awareness programmes amongst young children/students on harmful effects of tobacco etc. In this regard, the Action Taken replies have been received from all the Ministries concerned i.e. the Ministry of Health and Family Welfare who are concerned with the implementation of the provision of the Cigarettes and other Tobacco Products (Prohibition and Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 (COTPA, 2003, Ministry of Labour and Employment, Ministry of Agriculture, Ministry of Micro, Small & Medium Enterprises (MSME), Ministry of Commerce, Ministry of Finance (Department of Revenue - CBEC) etc. for implementation of recommendations contained in the Report in respect of the issues concerning them. While taking note of the acceptance of the recommendation made by the Committee at Sl. No. 3, 5, 6, 7, 8 & 10, the Committee emphasize that utmost importance should be given to implementation of these observations/recommendations. As regards the recommendation contained at Sl.No. 11 of the original Report regarding 'Authentic Study on harmful effect of tobacco' the Committee note from the Action Taken Reply that the Ministry have quoted some earlier studies carried out during the years 2004, 2008 etc. The Committee find that such studies have been carried out mostly by external agencies and data mentioned therein is not India specific but includes global studies also and basically are a compilation of various studies carried out world wide. The Committee are not convinced by the Action Taken Replies of the Government and strongly reiterate that India specific authentic studies

should be carried out by the Ministry of Health & Family Welfare over a larger population covering all the areas of the country. The observations/recommendations made by the Committee and the action taken replies received from the Ministries concerned have been reproduced and suitably categorized in the succeeding chapters of the Report.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl.No. 3)

Rehabilitation of Tobacco Workers

The Committee note that the Ministry of Labour and Employment has initiated action for rehabilitation of the beedi workers by way of providing them alternate source of employment / livelihood as there are apprehensions among beedi manufacturers / Beedi Workers Associations that employment may be reduced in the Beedi industry due to amendment in the labeling and packaging Rules, 2014 envisaging increasing the size of pictorial warning on beedi packets. Also the Articles 17 and 18 of the WHO FCTC mandates alternative viable option for tobacco growers.

In this regard, the Committee note that in the court case Cancer Patients Aid Association Vs The State Government of Karnataka and Others, (W.P.No. 55697/2014), filed in the High Court of Karnataka inter-alia against granting of subsidies for tobacco farming, in contravention to the Government of India's obligations under the WHO -Framework Convention on Tobacco Control ("FCTC") and objective of COPTA, 2003, the Hon'ble Karnataka High Court vide order dated 01.06.2015, disposed of the writ petition with the following directions:-

"The Departments of the Central Government and the State Government, in co-ordination with each other, shall take steps for reduction in local demand and supply of tobacco products and shall also, consider a policy for rehabilitation of the tobacco growers and tobacco related workers, particularly the beedi workers. The authorities shall, also, consider the continuance of direct and indirect incentives and subsidies for production of tobacco for local consumption and, also, to tobacco farmers and tobacco related workers, in the interest of justice."

The Committee feel that the above judgement of the Hon'ble High Court strengthen the viewpoint of the Committee that instead of merely focusing on implementation of the stricter warning norms on tobacco products and more particularly the beedi industry, the Government need first take necessary steps for reduction in local demand and supply of tobacco coupled with putting into place a policy for rehabilitation of beedi workers and continuance of subsidies for production of tobacco for local consumption.

Reply by Ministry of Health & Family Welfare

The Ministry agrees that necessary steps need to be taken for reduction in local demand and supply of tobacco and for putting into place a policy for rehabilitation of beedi workers. However, the Ministry does not support the continuance of subsidies for production of tobacco for local consumption, as promotion of tobacco production through incentives negates efforts to reduce the demand, supply and use of tobacco, and is against public health interest.

**[Ministry of Health & Family Welfare (Tobacco Control Division)
OM No. P-16011/01/2015-PH-I] dated 14/10/2016**

(Recommendation S.No. 5)

Tobacco Cessation Programmes

From the information furnished by Ministry of Health and Family Welfare, the Committee note with concern that 34.6% of all adults of the country use tobacco in one form or the other. However, the efforts of the Government in helping this one third of the country's population to come out of this addiction appear to have been negligible. Despite claims made by the Ministry of Health and Family Welfare that under National Tobacco Control Programme, the Ministry are implementing nation wide tobacco cessation projects, the Committee find it worrying that very meager amounts of Rs. 13.48 lakh for District Tobacco Control Cells and Rs.7.52 Lakh for State Tobacco Control Cells under the 11th Five Year plan were allocated which were marginally increased to Rs. 47.50 lakhs and Rs.40.00 lakhs respectively during the 12th Five Year Plan. The Committee find this effort just negligible and meaningless as it has failed to create any visible impact. On one hand the Ministry of Health and Family Welfare are claiming that tobacco related diseases cost the Indian economy over Rs.1,04,500 crores for the year 2011, on the other, the budgeting of such meager amounts on cessation programmes cast doubts on the seriousness of the Government in really tackling the menace of tobacco amongst the adults as there is no significant impact on the consumption of tobacco in the country. Moreover, the Ministry have not been able to estimate the number of people who have quit tobacco consumption after availing the tobacco cessation services provided by the Government. The Committee, therefore, strongly recommend that the Government instead of just focusing on stringent regulatory measures, should also make concerted efforts on promoting its tobacco cessation projects so as to assist the one third of the tobacco addicted population of the country to come out of this habit.

Reply of the Ministry of Health & Family Welfare

The Ministry agrees that the Government should make concerted efforts on promoting tobacco cessation projects including through greater budget allocation for tobacco control and cessation programmes at the National, State and District Level, to assist the tobacco addicted population of the country to come out of this habit. Tobacco Cessation Centers (TCCs) at the

district level are an integral part of the National Tobacco Control Programme (NTCP), which is currently under implementation in more than 200 districts in 36 States/UTs. The Ministry of Health & Family Welfare has taken other measures also, in this direction, such as mobile cessation services (m-cessation), quitline etc. The Ministry is, however, of the view that the tobacco cessation efforts need to go hand with preventive measures to control tobacco use or prevent its initiation, especially among children, youth, women and the uninitiated. Large pictorial health warnings on tobacco products are the most cost effective means of cessation as they motivate the use to quit or inform him/her about the consequences of use.

[Ministry of Health & Family Welfare (Tobacco Control Division)
OM No. P-16011/01/2015-PH-I] dated 14/10/2016

(Recommendation S.No. 6)

Need for Alternative Cash Crops to replace Tobacco

The Committee have carefully considered the views and suggestions of the representatives of the Government as well as non-governmental organizations on the question of switching over to alternative crops in place of tobacco. The Committee look at this problem in its totality. The serious health hazards caused to the millions by the use of tobacco and the insiders damage being done to the whole generation of youth cannot be ignored. At the same time the Committee is fully conscious of the need to protect the economic interest of farmers and the livelihood of millions workers partially or fully engaged in the industry. All the representatives who appeared before the Committee were of the view that the farmers should be persuaded for smooth transition to alternative crops.

The Committee, therefore, feel that the Government is responsible for promotion of appropriate economically viable alternative for tobacco growers and workers, whose livelihoods are affected as a consequence of stringent regulation. The Committee, however, note with concern that according to the representatives of the Ministry of Agriculture (Department of Agriculture and Cooperation) who appeared before the Committee on 12 August, 2015, there is no centralized scheme of the Government which is tobacco specific but it is only for the State Governments to encourage the farmers to switch over to other cash crops. According to them, no other crop is as remunerative as tobacco and as far as combination of crops is concerned, for such system, proper irrigation facilities are required which are difficult to be implemented. Even in respect of other tobacco producing countries, the information available with the Ministry of Agriculture clearly indicates that so far no country has cut down the size of their tobacco production. Even amongst the 180 FCTC signatory countries, including Brazil, China and USA, which are amongst the largest tobacco producers, there is no evidence to show that they have tried to cut down their tobacco cultivation. The Committee, therefore, feel that this issue alongwith its entire ramifications needs to be addressed by the Government in accordance with the objectives sought to be achieved.

Reply of the Ministry of Health & Family Welfare

The Ministry agrees that the Government needs to promote appropriate economically viable alternative means of livelihood for tobacco growers and workers. In this context the Committee on Subordinate Legislation 10th Lok Sabha (1995-1996) in its 22nd Report had recommend that growing alternative crops in place of tobacco is of great importance as increasing the production of tobacco and framing comprehensive tobacco control legislation cannot go together. The Ministry of Health & Family Welfare had, over a period of time, taken up these issues with the Ministries of Agriculture, Commerce, Labour & Employment etc. An Inter-Ministerial Committee of Secretaries has been constituted at the national level to review and develop a comprehensive policy on tobacco related issues. The Parliamentary Standing Committee on Science and Technology, Environment and Forests, Rajya Sabha in its 285th Report, on "Efforts of Tobacco Curing on Environment & Forest" presented in May, 2016, while making recommendation on the environmental impact of cultivation and curing of tobacco observed as follows:

"The Committee finds that financial benefits that accrue in various forms on account of tobacco are negligible compared to losses suffered in terms of deaths of people and the expenditure incurred by the government on treatment of tobacco related problems of people. Besides financial burden on the exchequer, its social cost/effect on society in terms of expenditure on treatment on tobacco related diseases and loss of lives, is enormous. The Committee therefore recommends, that the cultivation of tobacco needs to be discouraged by providing incentives for shifting to other crops and disincentivizing production of tobacco gradually but definitely. The Committee also recommends that to discourage tobacco consumption of tobacco in any form, effective awareness campaigns needs to be launched.

The Ministry has been informed that the Department of Agriculture & Cooperation, Ministry of Agriculture has extended Scheme of Crop Diversification Programme (CDP) under Rashtriya Krishi Vikas Yojana (RKVY) w.e.f 2015-16 for replacing tobacco farming and to encourage tobacco farmers to shift to alternate crops/cropping systems in 10 major tobacco growing states viz. Andhra Pradesh, Bihar, Gujarat, Karnataka, Maharashtra, Odisha, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal. The expenditure of tobacco diversification will be shared on 50:50 basis between Central and State Governments. To start with, an area diversion of 25,000 - 50,000 hectare per year from tobacco is being targeted in the country as a whole.

The Ministry has also been informed that the Tobacco Board, in its 141st Board meeting held on 19.3.2016, took a policy decision to reduce tobacco production in a gradual and consistent manner so that the interests of farmers are not impacted in short term while achieving a significant reduction in production in the long run. The Ministry of Health & Family Welfare will continue to engage with Ministries of Agriculture, Commerce, Labour & Employment so that schemes are continued/pursued/floated for providing economically sustainable alternatives to tobacco growers and workers, as well as a rehabilitation package

with technical assistance, market support, and subsidies for farmers who want to shift to other crops.

[Ministry of Health & Family Welfare (Tobacco Control Division)
OM No. P-16011/01/2015-PH-I] dated 14/10/2016

Reply of the Ministry of Agriculture, Cooperation & Farmers Welfare

The Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) has extended Crop Diversification Programme to tobacco growing states under Rashtriya Krishi Vikas Yojna (RKVY) to encourage tobacco growing farmers to shift to alternate crops/cropping system w.e.f 2015-16. An allocation of Rs. 25 crore as Central Share was approved to diversify tobacco in the States of Andhra Pradesh and West Bengal during 2015-16. Action Plan of Rs. 1653.015 lakh (Rs. 999.809 lakh as Central Share) for the State of Andhra Pradesh, Rs. 166.66 lakh (Rs. 100.00 lakh as Central Share) for the State of Telangana and Rs. 614.90 lakh (Rs. 368.94 lakh as Central Share) for the State of Karnataka was approved during 2015-16. DAC&FW is also supplementing the efforts of the States through implementation of Centrally Sponsored Schemes of Agriculture sector as a whole and particularly promotion of food, commercial and horticultural crops for various agro-climatic regions of the country. DAC&FW implements crop development programmes/schemes through the State Department of Agriculture / Horticulture. Under the schemes of DAC&FW all farmers including tobacco farmers are eligible for availing benefits on approved activities of respective schemes. The major crop production schemes being implemented on various crops such as rice, wheat, pulses, coarse cereals including maize, sugarcane, jute & cotton under National Food Security Mission (NFSM), oilseeds/oil palm under National Mission on Oil Seeds Oil Palm (NMOOP) and fruits & vegetables under Mission on Integrated Development Horticulture (MIDH). Rashtriya Krishi Vikas Yojna (RKVY) also provide opportunity to the States to strengthen and diversify agriculture and allied activities. The State Governments can utilize these schemes and their own resources in promoting alternative crops to replace tobacco crop. Besides, the Tobacco Board, Ministry of Commerce & Industries regulates the production and processing of Flue Cured Tobacco (FCV) tobacco as per the provisions of the Tobacco Board Act, 1975.

[Ministry of Agriculture & Farmers Welfare,
(Department of Agriculture, Cooperation & Farmers Welfare)
OM No. 1-3/2016-CU-II dated 13.4.2016]

Reply by Ministry of Commerce & Industry (Department of Commerce)

The Board in its 142nd meeting held on 17.8.2016 had resolved that there shall be a gradual phase out of tobacco cultivation as decided in the previous Board meeting and the reduction shall be gradual and uniform in both Andhra Pradesh and Karnataka without affecting the farmers' interests. Tobacco Board is not granting registration to new growers and not

issuing any licenses for construction of new barns creating additional curing infrastructure and not expanding FCV tobacco cultivation to new areas and thereby restricting horizontal expansion of tobacco. The Board is undertaking various production, regulation measures through personal contacts, group meetings in the villages, mass contact programmes, propaganda through electronic/news media, distribution of pamphlets, playing audio cassettes in the major tobacco growing villages to regulate production and to prevent excess/unauthorized production of FCV tobacco. Tobacco Board is working continuously in collaboration with the Central Tobacco Research Institute (CTRI) to provide economically sustainable alternatives to tobacco growing farmers who will be impacted by the reducing demand for tobacco besides educational and awareness programmes on cultivation of alternate crops to FCV tobacco. Besides, Tobacco Board has conducted growers' awareness meetings during 2016-17 for promoting cultivation of other economically viable alternative crops in place of FCV tobacco in collaboration with CTRI, Agricultural Department of AP. In addition, Tobacco Board had printed a booklet on crop management practices of different alternative crops viz., maize, oil palm, cotton, pigeon pea, chilli, paddy, sugarcane, mustard, chickpea, soyabean, castor, black gram and green gram and other crops to tobacco and distributed to all extension staff and growers for dissemination of knowledge on alternative crops.

The Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture had introduced a scheme to encourage tobacco farmers to shift to alternate crops/cropping systems in 10 major tobacco growing states viz., Andhra Pradesh, Bihar, Gujarat, Karnataka, Maharashtra, Odisha, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal in the country as a part of ongoing sub scheme of crop diversification programmes (CDP) under R.K.V.Y w.e.f. 2015-16 with sharing of expenditure on 50:50 basis between Central and State Governments. Tobacco Board is working in co-ordination with State Agricultural Department of Andhra Pradesh and Karnataka to implement the scheme of "Crop Diversification" for tobacco under Rashtriya Krishi Vikas Yojana (RKVY) and to shift the farmers to alternative crops in all FCV tobacco growing areas. In the state of Andhra Pradesh, the scheme of Crop Diversification Programme under RKVY for replacing tobacco farming with alternate crops/cropping system is being operated in West Godavari, Prakasam, Guntur and Nellore districts.

[Ministry of Commerce & Industry (Department of Commerce)
OM No. 1/11/2015-EP (Agri-III) dated 17.10.2016]

(Recommendation No. 7)

Need for National Tobacco Control Policy

After comprehensive examination of the subject and keeping into view the comments of various NGOs and the concerned Ministries / Departments of the Government of India, the

Committee find that there is a lack of coordination amongst various Governmental agencies in achieving the objectives of tobacco control in the country.

This is evident from the fact that whereas the Ministry of Labour and Employment have viewed that proposed amendment in the Cigarettes and other Tobacco Products Packaging and Labeling Rules is likely to have an adverse impact on the livelihood of crores of people engaged in tobacco trade and the issue needs thorough examination, the Ministry of Commerce have viewed that it may lead to increase in the illicit trade of cigarettes besides adversely affecting local growers and manufacturers of tobacco products and loss to the Government revenue. Similarly, the Ministry of Agriculture have pointed out that no single crop is as remunerative as tobacco and it is very difficult to persuade tobacco growers to switch over to alternate cash crops. In addition to this the Committee note that approximately 800 million kg of tobacco is annually produced in the country and out of this only 300 million kg i.e. 37% (cigarette tobacco) is under regulated sector by way of control by the Ministry of Commerce while the rest of production is totally unregulated. In view of this, the Committee find it intriguing as to how such huge production of unregulated tobacco can be regulated by way of Rules and Regulation framed under the COTPA, 2003 when the compliance and enforcement are extremely difficult.

Moreover, the Committee observe that whereas it is a standard practice to undertake a consultation process with various stakeholders before carrying out any important policy decision, but unfortunately the Ministry of Health and Family Welfare did not appear to have followed this practice while coming out with the amendment Rules of 2014. The Committee, therefore, feel that there is an urgent need for framing a "National Tobacco Control Policy" with well defined objectives and goals so that all the organs of the Government as well as other stakeholders function in tandem with each other for the purpose of synergizing their efforts in achieving the overall objectives sought to be achieved under the National Tobacco Control Programme coupled with the need to bring the entire tobacco production in the country under some kind of regulatory regime so that the objectives sought to be achieved under the National Tobacco Control Programme can be achieved in a meaningful manner. The Committee, therefore, strongly recommend that the National Tobacco Control Policy should be equitable, pragmatic and implementable and should be in line with Indian scenario taking into account the various factors like tobacco consumption pattern in the country, agricultural employment, export potential and revenue generation etc. instead of being modelled on the pattern of other countries where the economic significance of tobacco is of limited relevance.

Reply of the Ministry of Health & Family Welfare

An Inter-Ministerial Committee of Secretaries has been constituted at the National level to review and develop a comprehensive policy on tobacco and tobacco related issues and facilitates inter-ministerial coordination with respect to the issues on WHO-FCTC compliance, enforcement of the tobacco control legislations, tobacco production, trade, commerce, taxation,

product regulation, economically sustainable alternative to tobacco growers and workers etc. The amendment rules on pictorial health warnings on tobacco products were notified in October, 2014 under the powers given to the Central Government in Sections 7, 8, 9, 10 and 31 of the Cigarettes and other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 (COTPA). The parent Act, ie. COTPA was promulgated only after following the due process of pre-legislative and inter-ministerial consultations. It may be noted, that COTPA unlike some other Acts (Food Safety & Standards act, 2006 and the Drugs & Cosmetics Act, 1940) has no provisions for previous publication of Rules, to invite objections or comments and therefore there is no legal provision for a pre-legislative consultation for notification of rules under the Act. The amendment rules on pictorial health warnings on tobacco products have been enacted in furtherance of the statement of objectives as enshrined in the preamble to the parent Act, COTPA. COTPA considers it expedient to prohibit the consumption of cigarettes and other tobacco products which are injurious to health with a view to achieving improvement of public health in general as enjoined by Article 47 of the Constitution of India.

[Ministry of Health & Family Welfare (Tobacco Control Division)
OM No. P-16011/01/2015-PH-I] dated 14/10/2016

(Recommendation Sl. No. 8)

Working conditions of Beedi Workers

The Committee note that according to a Report of the National Commission for Enterprises in Unorganised Sector, the Beedi Workers are the most exploited among all rural labour, and women among them are most affected. They are paid much below the National Minimum Wage Norms and they are unable to meet even their basic needs. Since most of them work from their home, therefore, they are not covered under important Regulations in India like Beedi Workers Welfare Fund Act, 1976, Hazardous Industries, Under the Child Labour Act, 1986, Beedi and Cigar Workers (Condition of Employment) Act, 1966. In this regard, according to the Ministry of Labour and Employment, the workers engaged in Beedi Trade are paid wages by the Companies as per the rates fixed by the State Governments. Moreover, under the Beedi Workers Welfare Fund Act, 1976, the Beedi Workers and their dependants are provided health care facilities. The Committee, therefore, strongly recommend that till such time the alternate sources of livelihood and rehabilitation programmes are put into place in a gradual manner, the Government must ensure proper implementation of the welfare schemes under appropriate statutes for millions of such beedi workers and more particularly women and also address the concerns raised in the Report of the National Commission for Enterprises in Unorganised Sector.

Reply of the Ministry of Health & Family Welfare

The Ministry of Health & Family Welfare had raised its concerns with the COSL regarding the exploitation of Beedi workers by contractors etc., their poverty, lack of rest, endless work, child labour, susceptibility to diseases and problems due to exposure to tobacco. Therefore, the Ministry agrees with the recommendation of COSL.

**[Ministry of Health & Family Welfare (Tobacco Control Division)
OM No. P-16011/01/2015-PH-I] dated 14/10/2016**

(Recommendation Sl.No.10)

Need for generation of awareness

The Committee after an in-depth consideration of all the issues involved find that there has been a substantial increase in production of tobacco during the last two decades. In this backdrop, the Committee taking a realistic view feel that much is needed to be done for controlling the demand and supply of tobacco and tobacco products in the country. In the considered opinion of the Committee such initiatives may include, creating awareness amongst young children/school students on harmful effects of tobacco by including awareness programmes in the school curriculum by way of dedicated chapters. Also taking note of the fact that in spite of various studies on finding alternative cash crops for tobacco farmers, hardly any farmer has switched over from tobacco farming to other crops. The Committee, therefore, desire that the Government and in particular, the Ministry of Agriculture and Ministry of Commerce to take all necessary steps for convincing the farmers to switch over to alternative and equally profitable cropping systems, so as to reduce overall tobacco production in the country.

Reply of the Ministry of Health & Family Welfare

The Ministry agrees that awareness needs to be created amongst young children/school students on harmful effects of tobacco. In this context, it is felt that depiction of large pictorial health warnings on tobacco product packages is a very effective means to create awareness amongst the present consumers on harmful impact of tobacco use and motivating them to quit and also dissuade the prospective consumers from taking up the habit. Awareness generation is an important component of the National Tobacco Control Programme. The Ministry, apart from taking other steps in this direction, has also notified Rules making it mandatory to display audio-visual health spots/disclaimer/messages on the harmful effects of tobacco consumption in Films and Television Programmes depicting tobacco usage. This has helped generate a large chunk of free statutory airtime for displaying anti-tobacco health spots through films and television programmes. In addition to the National Tobacco Control Programme, various other national programmes such as National Programme for Control of

Cancer, Diabetes, Cardiovascular Disease and Stroke (NPCDCS), Rashtriya Bal Swasthya Karyakram (RBSK), Rashtriya Kishor Swasthya Karyakram (RKSK) also have one of the main objectives of generating awareness, inter-alia, on harmful effects of tobacco. The Ministry agrees that the Government and in particular, the Ministry of Agriculture and Ministry of Commerce should take all necessary steps for convincing the farmers to switch over to alternative and profitable cropping systems, so as to reduce overall tobacco production in the country.

[Ministry of Health & Family Welfare (Tobacco Control Division)
OM No. P-16011/01/2015-PH-I] dated 14/10/2016

Reply of the Ministry of Micro, Small and Medium Enterprises

In this context, this Ministry support the recommendation of the Committee for 50% pictorial warning on the label of tobacco products instead of proposed 85% both sides pictorial health warning in notification dated 15.10.2014 which will definitely be in the interest of the industry engaged in the sector. This will also save the livelihood of the lakhs of people engaged in the beedi and tobacco sectors. Further, though M/o MSME is not directly dealing with the beedi industry, relevant ministry may associate with M/o MSME for organizing awareness programme in all over the country to create awareness about the harmful effect of the tobacco products on human health, being having presence of MSME field offices throughout the country. During the awareness programme, ministry can also create awareness for availing the various schemes and programmes of the ministry related to Finance, Skill Development, Technology, Credit Guarantee support for availing collateral free loan under credit guarantee scheme of the ministry particularly those who wish to shift their activities from tobacco products to non tobacco products. The issue with the approval of the Competent Authority.

[Ministry of Micro, Small and Medium Enterprises
OM No. 10(1)/2015-Food dated 30.3.2016]

Reply of the Ministry of Labour and Employment

The Ministry of Labour & Employment was of the view that the proposed Amendment in the Cigarettes and other Tobacco Products Packaging and Labelling Rules is likely to have an adverse impact on the livelihood of the lakhs of people engaged in Beedi/tobacco trade and this issue needs thorough examination. This Ministry has been constantly getting representations from various beedi workers trade unions, Beedi Manufacturers Unions about the adverse consequences in the wake of the Cigarettes and other Tobacco Products (Packaging and Labelling) Amendment Rules, 2014. In this regard, the Hon'ble MOS (Independent Charge) Labour & Employment held a meeting of various stakeholders on 21.4.2016, in which representatives of Beedi workers, Beedi Manufacturers, Ministry of Health and Family Welfare, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry participated. In this meeting, the workers representatives and the Manufacturers representatives raised the

issue and difficulties faced by them in the wake of this Act. After the meeting the Hon'ble MOS (Independent Charge) Labour & Employment wrote to the Hon'ble Health Minister detailing the various difficulties faced by the Beedi Industry due to this Act. The Hon'ble MOS (Independent Charge) Labour & Employment requested the Hon'ble Minister for Health and Family Welfare to give due consideration to the issues raised by the Beedi Industry and to take an appropriate decision after making a holistic assessment of the October, 2014 Notification. The Ministry of Labour & Employment also requested the Ministry of Health & Family Welfare to consider bringing down the size of the pictorial warning to 50%. We have also taken up the matter of providing alternate skill development to these workers with the Ministry of Skill Development.

[Ministry of Labour and Employment
OM No. F.No.S-23025/05/2014-W-II(C) dated 29.12.2016]

Reply of the Department of Agriculture, Cooperation & Farmers Welfare

The Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) undertake awareness programme through the State Department of Agriculture/Horticulture to meet the objectives/strategies of the scheme. In order to encourage tobacco growing farmers to shift to alternate crops/cropping system, a component under Crop Diversification Programme, an ongoing sub-scheme of Rashtriya Krishi Vikas Yojna has been included. An allocation of Rs. 25.00 crore as a Central Share was approved to diversify tobacco in the State of Andhra Pradesh, Bihar, Gujarat, Karnataka, Maharashtra, Odisha, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal during 2015-16. Under the scheme, the implementing states have the flexibility to organize study tours/exposure visits and campaigns, highlighting harmful effects of tobacco and long term benefits of alternative crops for creating awareness and motivating the farmers. The DAC&FW has already written to the tobacco growing States to evolve strategies for reduction of area under all types of tobacco cultivation in the state and to explore feasibilities for promotion of alternative crops to tobacco growers. The State Government have also been advised to take steps to initiate sensitization and awareness programme for tobacco farmers as well as policymakers on health and environmental impacts of tobacco farming and long benefits of shifting to other crops. The State Agriculture Universities and Krishi Vigyan Kendras (KVKs) may also be involved. The Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture had introduced a scheme to encourage tobacco farmers to shift to alternate crops/cropping systems in 10 major tobacco growing states viz., Andhra Pradesh, Bihar, Gujarat, Karnataka, Maharashtra, Odisha, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal in the country as a part of ongoing sub scheme of crop diversification programmes (CDP) under R.K.V.Y w.e.f. 2015-16 with sharing of expenditure on 50:50 basis between Central and State Governments. Tobacco Board is working in co-ordination with State Agricultural Department of Andhra Pradesh and Karnataka to implement the scheme of "Crop Diversification" for tobacco under Rashtriya Krishi Vikas Yojana (RKVY) and to shift the farmers to alternative crops in all FCV tobacco growing areas. In the state of Andhra Pradesh, the scheme of Crop Diversification Programme under RKVY for replacing

tobacco farming with alternate crops/cropping system is being operated in West Godavari, Prakasam, Guntur and Nellore districts.

[Ministry of Agriculture & Farmers Welfare,
(Department of Agriculture, Cooperation & Farmers Welfare)
OM No. 1-3/2016-CU-II dated 13.4.2016]

Reply of the Ministry of Commerce & Industry (Department of Commerce)

Tobacco Board is working continuously in collaboration with the Central Tobacco Research Institute (CTRI) to provide economically sustainable alternatives to tobacco growing farmers who will be impacted by the reducing demand for tobacco besides educational and awareness programmes on cultivation of alternate crops to FCV tobacco. Besides, Tobacco Board had conducted growers' awareness meetings during 2016-17 for promoting cultivation of other economically viable alternative crops in place of FCV tobacco in collaboration with CTRI, Agricultural Department of AP. In additions, Tobacco Board had printed a booklet on crop management practices of different alternative crops viz., maize, oil palm, cotton, pigeon pea, chilli, paddy, sugarcane, mustard, chickpea, soyabean, castor, black gram and green gram and other crop to tobacco and distributed to all extension staff and growers for dissemination of knowledge on alternative crops.

[Ministry of Commerce (Department of Commerce),
OM No. 1/4/2016-EP(Agri-III) dated 17.10.2016]

CHAPTER – III

OBSERATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY

(Recommendation No. 1)

Impact on Beedi Industry

As per the picture emerged before them, the Committee note that the Beedi Industry is a unique feature of our country which is specific to India only. It is a kind of Small Scale Cottage Industry involving livelihood of millions of people directly or indirectly engaged in this trade. According to the submission made by the Secretary, Ministry of Labour and Employment, during deposition before the Committee, crores of people could be there who are engaged in this trade. Similarly, as per the Central Tobacco Research Institute (vision document 2050), Tobacco Cultivation, processing and manufacturing are a source of employment to about 3.6 crore people in the country. In addition, as per the Report "Beedi Smoking and Public Health (2008)" published by the Ministry of Health and Family Welfare, there are 44 lakhs beedi rollers in India.

Unlike packaging of other tobacco products, beedis are mainly packed manually in conical shape bundles. The entire manufacturing process of beedis involves plucking of tendu leaves from the forests by the tribal people, drying of tobacco in natural sun light, rolling and threading of beedis and manual packaging of beedis in conical shape bundles involving cutting and pasting of papers. Beedis are packed in bundles of 10 to 25 and length of beedis vary from 55 mm to 75mm. If 85% of area is earmarked for printing specified health warning, there is virtually no space left for printing brand logo, name and address of manufacturer, no. of beedis, customer care no. etc. as required under the Legal Metrology (Packaged Commodities) Rules, 2011. The Committee also heard the views of Indian Cancer Institute, Voluntary Health Organization, Advocacy Forum for Tobacco Control, Tobacco and NCD Control Programmes, All India Beedi Federation, Karnataka Growers Association, Pan shop owners Association, ITC, Tobacco Institute of India, Godfrey Philips, Smokeless Tobacco Federation (India), Tendu Leaf Pluckers Association. All of them during their deposition before the Committee strongly contended that beedi industry would not be able to survive if the amendment rules in their present shape are enforced upon them.

The Committee note from the submission made before them that it is impossible to print the pictorial warnings on both the sides as the beedi packet has practically only a single round surface. Also, it is not possible to print the dates of manufacture on beedi packets as the same are packed manually involving many stages and because of this fact only, the Ministry of Legal Metrology have exempted the beedi industry from printing the date of manufacturing. Moreover, the views of the beedi industry were not sought by the Ministry of Health and Family Welfare while drafting the amendment rules. According to them, the implementation of such kind of amended rules would hammer a death knell for the entire beedi industry and millions of people involved in this trade would become jobless and this would lead to social unrest. The Committee note from the written reply of the Ministry of Labour which are the nodal Ministry for

administration of Beedi Workers Welfare Fund Act, 1976, that the matter regarding increase in size of the pictorial warning on Beedi and Cigarettes packets needs to be examined in depth taking into account the size of the beedi packet, as this will affect the livelihood of the large number of people involved in Beedi and tobacco products manufacturing. During evidence before the Committee on 7th August, 2015, the Secretary, Ministry of Labour and Employment candidly admitted that enforcement of 85% size of pictorial health warning on Beedi packets is impractical and is likely to affect the livelihood of millions of people involved in Beedi Trade. According to him, the decision taken in consultation with the Hon'ble Labour Minister was that the issue needs thorough examination and it would be better to take into consideration the size and shape of Beedi packet in deciding about the size of the Pictorial Health Warning instead of enforcing the same rule across all tobacco products. The Committee therefore, are of the considered opinion that it is of utmost importance that before enforcing the amended rules on the beedi industry, the Government must take into consideration the socio economic problems associated with Beedi Trade involving livelihood of millions of poor people of the country. The Committee strongly feel that the Government need to re-consider their decision to cover beedi industry under the amended rules and recommend that a practical approach in the matter may be adopted by increasing the size of warning up to 50 percent on one side of the beedi pack, chewing tobacco and other tobacco products namely Zarda, Khaini, Misri etc. which will be feasible to follow and which would also ensure that a large number of people in the trade will be saved from being rendered unemployed.

In this regard, the Committee also note that the Union Finance Minister in his Union Budget Speech 2016, has recognized a special status to beedi industry by exempting them from the proposed hike in the excise duty by 10-15% on other tobacco products.

Reply by the Ministry of Health & Family Welfare

- (i) The Committee on Subordinate Legislation, 10th Lok Sabha (1995-1996), in its 22nd Report, after taking views from various Ministries, research institutes, representatives of beedi and tobacco industry, had recommended that health warnings should have pictorial depiction/representation to reach illiterate smokers, should extend to all tobacco products are harmful and should be prominently displayed on both sides of all tobacco pack.
- (ii) The Cigarettes and other Tobacco products (Prohibition of Advertisement and Regulations of Trade and Commerce Production, Supply and Distribution) Act, 2003 (COTPA), is a beneficial legislation enacted by the Government of India in public interest. This intention of the legislature is reflected in the preamble to the said Act, the object and purpose of which is to discourage the use of tobacco, with emphasis on protection of children and young people from being addicted to the use of tobacco. The statement of objectives as enshrined in the preamble to COTPA also considers it expedient to prohibit the consumption of cigarettes and other tobacco products which are injurious to health with a view to achieving improvement of public health in general as enjoined by Article 47 of the Constitution of India.

(iii) COTPA discourages the use and consumption of all tobacco products, since use of tobacco products in any quantity is harmful and injurious to health. Therefore, it may not be desirable that the Rules enacted under powers conferred by Section 7(1), 8, 9(2), 10 and 31 of COTPA discriminate between tobacco products by specifying different parameters for display of health warnings.

(iv) The intent and purpose of the larger pictorial health warnings is to create awareness about the serious and adverse health consequences of tobacco usage especially among the youth, children, illiterate/semiliterate and the uninitiated, who are either the primary users of tobacco or who may be vulnerable due to consequences arising out of the use of tobacco products. The purpose is to empower the potential users and consumers of such products with information on adverse health consequences of such use, so that they are in a better position to make an informed choice.

(v) It was noted that that effect from 1st April, 2016 all tobacco products (including beedi) have successfully started printing 85% pictorial health warnings on two sides of packages, thereby establishing that it is practical to implement these warnings and print other statutory information/mandatory declarations as required under the Legal Metrology Act and Rules and Trademarks Act.

(vi) The requirement under the new Rule, that every package of tobacco products shall contain information on name of the product, name and address of the manufacturers or importer or packer, origin of the product (for import tobacco), quantity of the product and date of manufacture, was incorporated to comply with the statutory requirement under the Legal Metrology (Packaged Commodities) Rules, 2011 of the Legal Metrology Act, 2009. Therefore, the exemption to beedi industry under the Legal Metrology (Packaged Commodities) Rules, 2011, from printing the date of manufacture will be valid and applicable. The fact that from 1st April, 2016, the Beedi packs have started printing the new health warnings without mentioning the date of manufacture on the packs removes ambiguity if any on the issue.

(vii) The COSL Report, it appears, inadvertently misquotes the views of Indian Cancer Institute, Voluntary Health Organization, Advocacy Forum for Tobacco Control, Tobacco and NCD Control Programmes, that beedi industry would not be able to survive if the amendment rules in their present shape are enforced upon them. We find it difficult to agree with the conclusion that enforcement of the new rules on pictorial health warnings may render a large number of people in the trade unemployed. This apprehension does not appear to be correct since the new rules have not proposed any ban on sale of tobacco products, rather they have only proposed a measure of information/empowerment to the users so that they are able to make an informed choice when deciding to buy or use tobacco products. This is an objective of COTPA in public interest, with a view to achieving improvement of public health in general as enjoined by Article 47 of the Constitution, and has to be seen in that context.

(viii) The Ministry, therefore, finds it difficult to accept the COSL recommendation that the size of warnings be reduced up to 50 percent on one side of the packets of beedi, chewing tobacco and other tobacco products.

[Ministry of Health & Family Welfare (Tobacco Control Division)
OM No. P-16011/01/2015-PH-I] dated 14/10/2016

(Recommendation No. 2)

Impact of the Health Warning

The Committee note that the proposed amendment in the Cigarette and other Tobacco Products (Packaging and Labelling) Amendment Rules, 2014 envisages increase in the pictorial health warning from the existing 40% on one side of the principle display area of the packet of all tobacco products to 85% on both sides of the package, which effectively amount to an increase of more than 400%. It has also been represented before the Committee that the new warning have been notified without any consultation with the stakeholders of the tobacco industry. The Committee, therefore, carefully considered the views and suggestions of the representatives of the Government as well as Non-Governmental Organizations and Manufacturers on increase of pictorial warning on the cigarettes and other Tobacco Products. According to the Ministry of Labour and Employment, if the Government goes ahead with the implementation of 85% health warning, it would have adverse affect on the livelihood of millions of people who would be likely to be deprived of their vocation. The Ministry of Labour have, therefore, come to the conclusion that this issue requires detailed study. The Committee further note from the information furnished by the Department of Commerce that numerous studies including that of Global Consulting Firm, Deloitte's assessment of tobacco regulations in 27 countries have shown 'no impact' of large and cumbersome health warnings and as such, unintended consequences will be severe and irreversible. Moreover, besides causing significant rise in illicit tobacco products in the country, the proposed health warning would severely impact the domestic cigarette industry while a large portion of non- cigarette tobacco products coming from unregulated sectors would escape this regulation. Moreover, not only it will result in a revenue loss to the Government but would affect the livelihood of FCV tobacco farmers in the country also. The Secretary, Ministry of Commerce, during deposition before the Committee on 4 August, 2015 submitted that after introduction of pictorial Health Warnings on tobacco packages in 2008-09, the consumption of domestic tobacco has not witnessed any decline but as a matter of fact, the same has increased and this information is based on hard evidence. The Committee also note that leading tobacco companies of the world which together account for 90% of the world's tobacco production have not adopted the excessive, over sized health warnings by following a pragmatic tobacco control policy keeping in mind the livelihood of tobacco growers in their countries. As per the information received by the Committee from various stakeholders as well as their deposition, the Committee find that tobacco plays a very important role in the economy of the country supporting crores of livelihood and generating significant tax revenues and foreign exchange for the country. However, the proposed Graphic Health Warnings have the potential of severely affecting the

Indian farmers and Indian Companies with gains to the unscrupulous elements who manufacture and sell illicit tobacco products and those foreign countries from where these goods are smuggled into India. In the opinion of the Committee, our efforts should be for discouraging tobacco use and to find and promote alternatives for workers involved in beedi industry. The failure to do so would not only create social problems but will also act as an infringement on the right to livelihood of these workers. The Committee feel that the Government need to stress on education and awareness generation programmes that have proven to be more effective in controlling tobacco consumption and at the same time protect the livelihood of the millions of tobacco workers involved in it. The Committee are of considered view that in order to have a balanced approach, the warning on the cigarette packets should be 50% on both sides of the principal display area instead of 85% of the principal display area as it will be too harsh and as deliberated in the earlier Paras, will result in flooding of illicit cigarettes in the country.

Reply by Ministry of Health & Family Welfare

- (i) The Ministry had submitted to the COSL that at present there is no evidence to suggest that introduction of large warnings ever had any adverse effect on the livelihood of people.
- (ii) It is a matter of concern that besides being a major health risk, the use of tobacco and the associated mortality and morbidity are a significant economic burden on society. As per the findings of the study titled "Economic Burden of Tobacco Related Diseases in India" (2014) commissioned by Ministry of Health & Family Welfare the total economic costs attributable to tobacco use from all diseases in India in the year 2011 for persons aged 35-69 years amounted to Rs. 1,04,500 crores. This estimated cost was 1.16% of the GDP and was 12% more than the combined State and Central Government expenditures on health in 2011-12. Besides, there are other indirect costs, such as the psychological costs of premature death(s) incurred by family and friends, and the loss of enjoyment of life incurred by the user. Hence the total burden caused by tobacco products far outweighs any economic benefit from this manufacture and sale. Further, due to the addictive nature of tobacco products, any decline in the demand for tobacco will be slow and gradual, giving the worker/seller adequate time for transition from tobacco trade to other means of livelihood.
- (iii) It is noted that as per data from the directorate of Economic & Statistics (Reference reply dated 12.8.2015 of Ministry of Agriculture & Cooperation), the Area Production and Yield of Tobacco in the country during 2012-14 has increased. As per data from Food & Agriculture Organization (FAO), during the period from 1995 to 2010, the area harvested in India under tobacco crop increased by about 1.2 times. Further, the production of tobacco leaf in India increased from 5,66,000 metric tonnes in 1995 to 8,30,000 metric tonnes in 2013 (an increase of almost 47%). The COSL itself, after an indepth consideration of all the issues involved found that there has been a substantial increase in production of tobacco during the last two decades. In this background, the introduction of larger pictorial health warnings is net likely to have any

immediate impact on the livelihood of farmers and other stakeholders. Hence, it may not be appropriate to link introduction of larger pictorial health warnings to the livelihood of tobacco farmers and workers. These warnings are an important public health measure meant for educating and empowering the consumer about the adverse health consequences of tobacco use.

(iv) Tobacco products, whether licit or illicit, are a threat to public health. At present there is no independent evidence to suggest that increase in the size of pictorial warnings will boost illegal or illicit trade in cigarettes in the country. According to WHO, pictorial health warnings are quick and cheap to apply, and do not increase illicit trade, rather help government authorities identify counterfeit products. Larger pictorial health warnings make production and marketing of illicit trade products more difficult.

(v) The consumer of tobacco product has a right to know or be informed about the health risks associated with the product and the right to health which is a fundamental right guaranteed under Article 19 and 21 of the Constitution of India. Through these warnings the emphasis is largely on creating general awareness on the ill-effects of the tobacco productions especially among the vulnerable sections of the society such as the children, youth, non-users as well as the illiterate/low literate and to reduce the concomitant disease burden attributable to tobacco use.

In view of the above, this Ministry finds it difficult to agree to the recommendation that the size of pictorial warnings be reduced upto 50 percent on both sides for the Cigarette Pack.

[Ministry of Health & Family Welfare (Tobacco Control Division)
OM No. P-16011/01/2015-PH-I] dated 14/10/2016

(Recommendation No. 4)

Impact of Amended Rules on Illicit Cigarettes

The Committee note from the representation made to them by various stakeholders, that there has been a 31% rise in sale of illicit cigarettes in the Country after implementation of pictorial warnings in India in 2008. The Committee has been given to understand that currently 22 billion cigarettes sold in India are illicit which constitutes more than 21 % of legal cigarettes sales market in India, making it the 5th largest consumer of illicit cigarettes in the world and resulting in a revenue loss of more than Rs.9000 crore to the Government. The Committee also find that there has been a sudden spurt in the value of seized illicit cigarettes under Customs Act which increased from Rs.20.11 cr in 2013-14 to Rs.89.38 cr during 2014-15. Similarly, as per the seizure made under Central Excise Act, the value of seized cigarettes rose from Rs.0.8 cr in 2013-14 to Rs.4.69 cr during 2014-15. In this regard, though the Ministry of Health and Family Welfare have denied that stringent regulations are contributory in determining the level of illicit trade, the Ministry of Commerce have opined that excessive tobacco warnings may result in a significant rise in sales of illicit tobacco products in the

country. This is further corroborated by the comments of the Ministry of Finance (Central Board of Excise and Customs) wherein it has been stated that according to the intelligence inputs, seizures effected by the Department indicate that of late, smuggling of cigarettes through cargo, passenger baggage as well as courier modes have increased considerably. The Committee also feel that another factor which might have contributed in rise of illicit trade of cigarettes is the high and discriminatory central Excise duty as it is evident from the fact that whereas only 12.52 % of the total tobacco production in the country is being utilised for manufacturing cigarettes, the Central Excise duty from cigarettes as a proportion of overall duty on tobacco products constitutes about 87% of the total excise value for the year 2014-15. The Committee, therefore, wish to bring above facts and figures for consideration by the Government. In this regard, the Committee note that to prevent illicit cigarettes trade there are only two agencies at the Central Level i.e. Customs Department which can seize the illicit products at the border of the country and the Excise Department which ensures that when products leave the factory, it is in accordance with the rules. The other enforcement aspects lies with State Governments like State Police, Sales Tax Agencies etc. having the power to do search and seizures at various places. In this regard, as per the representatives of the Central Board of Excise and Customs's admission before the Committee during their deposition on 10 September, 2015, during 2014-15, there is a definite increase in the illicit tobacco trade. The other prominent facts are corruption, weak enforcement, lack of official legislation and sanctions, growth in illegal distribution networks etc.

In the opinion of the Committee, such unfettered growth of illicit cigarettes non-compliant with country's regulations will severely impact farmers income, the livelihood of millions employed in industry. The Committee feel that the Government can adopt effective policies to control smuggling of tobacco products incorporating prominently, tax stamps and warnings in local language on cigarette packs as well as aggressive enforcement and consistent application of tough penalties to deter smugglers. The Union Government should take stringent measures to restrict the illicit trade practices in India. At the same time, India must ratify and implement the provisions of WHO-FCTC Protocol on Prohibition of Illicit Trade in Tobacco Products to curb illicit tobacco trade products in India.

Reply by Ministry of Health & Family Welfare

The Ministry strongly disagrees with the opinion that excessive tobacco warnings may result in a significant rise in sales of illicit tobacco products in the country. Illicit trade in tobacco products is not so simplistic an event, to be explained only by the presence of large pictorial health warnings. The decision by a consumer to buy illicit tobacco products is mainly driven by their availability and price. The factors determining the level of illegal or illicit trade in a country include the ability of a government to enforce tax policy and collect duties, the ease and cost of smuggling, lack of official controls in free zones, the presence and level of development of organized crime and illegal distribution networks, the extent of industry participation, and the overall level of corruption. We feel that large health warnings may rather result in decreases in illicit trade, since the genuine packs with large warnings will be easily identifiable. Illegal trade

in tobacco products can be curbed by enforcing customs controls, strengthening tax administration/monitoring and use of anti counterfeiting and traceability technology. The Ministry supports the view, in this context, that India must ratify and implement the provisions of WHO-FCTC Protocol on Prohibition of Illicit Trade in Tobacco Products to curb illicit tobacco trade products in India. The Ministry agrees with the observation that the Central Excise duty from Cigarettes constitutes a majority of the total excise value on tobacco products. This, however, is due to the absence of a congruent and rational tax policy on tobacco products. We are of the view, therefore, that there should be a substantial increase in the excise duty on all tobacco products so as to meet the global standards of tobacco tax burden as recommended by all World Health Organization, and further, there is a need for Department of Revenue to develop and adopt a rational tax policy for all tobacco products, including adjustment of tobacco taxes (and retail prices) with consumer price index on an annual basis, so as to make the tobacco products less affordable over time.

[Ministry of Health & Family Welfare (Tobacco Control Division)
OM No. P-16011/01/2015-PH-I]dated 14/10/2016

Reply by the Ministry of Finance (Department of Revenue)

The Central Board of Excise & Customs (CBEC) has not conducted any study as to whether excessive tobacco warnings results in a significant rise in sales of illicit tobacco products in the country. Because of its clandestine nature, the extent of smuggling is difficult to measure with any certainty. Hence, CBEC is not in a position to offer any comment on the same. However, CBEC is sensitive to the issue of illicit trade in tobacco and tobacco products in the country. The enforcement wings of CBEC have developed intelligence and detected cases of attempted smuggling/evasion of duty. Indian Customs, as one of the enforcement agencies of cross-border laws, has well-established import and export entry processes and undertakes risk based compliance and enforcement activity. This includes monitoring and screening goods and making interceptions and seizures. Customs department collaborates with other border control and enforcement agencies domestically as well as with other countries and shares information and intelligence on contraband goods. Further, the Directorate of Revenue Intelligence of CBEC has from time to time issued alert circulars and modus operandi circulars to Customs field formations in this regard in order to prevent smuggling of cigarettes and other tobacco products. Central Excise field formations are also alert and vigilant to ensure that there is no violation of the existing rules while clearance of the cigarette and related tobacco products from the manufacturing facilities.

Duties on Cigarettes - Certain commodities such as cigarettes attract excise duty at specific rates. The duties and cess applicable on cigarettes for the last three financial years is given in Annexure-A.

Duties on smokeless tobacco products - The rates of Basic Excise Duty, National Calamity Contingency Fund (NCCD) and Health Cess levied on smokeless tobacco products viz.

Guthka, Chewing Tobacco, Jarda scented tobacco and Filter Khaini for the last three years are in Annexure-B. Excise duty is levied on the basis of deemed capacity of production for the smokeless tobacco products such as guthka, unmanufactured tobacco, chewing tobacco, jarda scented tobacco and filter khaini which are paced in pouches with the aid of packing machine. The deemed capacity of production is arrived on the basis of the maximum speed at which the machine can operate [for different speed slabs]. A sample representation of duty payable per month per machine used for packing pouches of Retail Sale Price of Rs. 2 and Rs. 5 for Chewing tobacco, Guthka, Jarda Scented tobacco and Filter Khaini is mentioned in Annexure -C.

Trend of excise revenue- It may be seen that while excise duty has been increased on cigarettes in successive Budgets 2014 onwards, excise duty on smokeless tobacco products have also been increased in these Budgets, keeping in view the overarching goal to discourage consumption of these tobacco products. The trend of excise revenue from these commodities during the last three years is at Annexure-D. It may be seen that increases in excise duty have yielded increase in excise revenues across all tobacco products. Also, the contribution of cigarettes to excise revenue from tobacco products and pan masala has declined from 79.64% to 73.09%.

Need for comprehensive tax policy on tobacco products- In order to maintain the buoyancy in revenue, ideally such specific rates need to be indexed periodically, keeping in view, inter alia, the factor of inflation. Further, Ministry of Health & Family Welfare has on a number of occasions recommended that a comprehensive tax policy should be developed for all tobacco products so that they are taxed at similar rates and are linked to both inflation and changes in household income, so that any tax increase leads to an effective and real increase in the price of tobacco products, making them less affordable over time and thereby reducing their consumption and prevalence. National Multi-sectoral Action Plain (NMSAP) for Prevention and Control of Non-Communicable Diseases (NCDs) also recommends that progressive increase in taxes on all smoking and smokeless tobacco products should be ensured, with excise tax forming 70% or more of the retail price of all tobacco products.

CBEC is one of the departments in Central Government that is implementing the provision of the COTPA. Indian Customs and Central Excise is the lead agency handling import/manufacture of tobacco products and have a pan India presence. Cases booked by CBEC on tobacco and tobacco products show that illicit trade manifests itself in two ways. Illicit imports and illicit domestic production. Illicit imports include counterfeit and genuine products.

As border control agencies, field formations of CBEC keep constant vigil on the illicit import of tobacco products, including those in contravention of COTPA, through ports, airports, Land Customs Stations (LCS), Inland Container Terminals (ICDs), Foreign Post Office (FPOs) and Courier Terminals. Modus Operandi Circulars are also issued to sensitize field formations to detect smuggling and duty evasions cases in future.

Central Excise Range officers have been mandated to monitor the compliance requirement under COTPA like the pictorial warning, in the registered premises of the manufacturers. The role of Central Excise Officers ends at the gate of registered premises.

CBEC through Circulars and instructions has sensitized the officers of Central Excise and Customs, about the Cigarettes and other Tobacco Products (Packaging and Labelling) Rules, 2008 with regard to implementation of the provisions relating to tobacco products within their jurisdiction.

CBEC has a robust vigilance system in place including a Directorate at apex level to check corruption amongst the officers and staff of the department.

The Protocol to Eliminate Illicit Trade in Tobacco Products is an international treaty with the objective of eliminating all forms of illicit trade in tobacco products through a package of measures to be taken by countries acting in cooperation with each other. The Protocol has not entered into force as yet. The Protocol shall enter into force on the 90th day following deposit of the fortieth instrument of ratification/acceptance/approval/accession with the Depositary. As on 26th June 2016, 19 parties have approved/accepted/ratified the Protocol Annexure-E.

Part III of the Protocol is referred to as the 'heart of the protocol'. All those in the supply chain (e.g. tobacco growers, importers, manufacturers, wholesalers, retailers and distributors) would be responsible for securing the supply chain and it covers supply chain control measures such as licensing, due diligence, track and trace systems, record-keeping, security and preventive measures, sale by internet, telecommunication or any other evolving technology, free zones, and international transit, and duty-free sales.

All the provisions of the Protocol and not addressed through the current legal/procedural provisions available under the existing enactments in force in India. These enactments are not sufficient to meet the requirements of Part III of the Protocol generally and Article 8 (Track and Trace systems) specifically. Ministry of Health and Family Welfare is the nodal Ministry that is coordinating the action plan in respect of the ratification of the said protocol. As part of the ratification process, the Ministry of Health and Family Welfare will after consultation with various stakeholders and enforcement agencies, first incorporate various provisions of the Protocol in the principal tobacco control Act viz. COTPA. The nature of legislative proposals may include - introduction of new definitions, the manner of maintenance of record relating to production, clearance, storage, warehousing, and transportation in respect of tobacco and tobacco productions etc., either within the country or sourced through export/import, track/trace mechanism etc. Further, enabling provisions are also required to be made in COTPA in consistent with Customs Act, Central Excise Act, Foreign Trade (Development and Regulation) Act and various State VAT Acts etc. of the other enforcement border control agencies, An Inter-ministerial group (IMG) with representatives from Ministry of Health and Family Welfare, CBE and Department of Revenue is examining the provisions of the Protocol viz-a-viz the Cigarettes and other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and

Commerce, Production, Supply and Distribution) Act, 2003 (COTPA), the Customs Act, 1962, and Central Excise Act, 1944.

[Ministry of Finance (Department of Revenue)
CBEC ON No. 391/87/2015-Cus (AS) dated 21.7.2016]

(Recommendation No. 9)

Quality standards for Tobacco Products.

While not denying the harmful effects of Tobacco consumption, the Committee find that nearly 35% of the country's population is in the habit of consuming tobacco in one form or the other. In order to minimize the damage being caused on account of tobacco consumption by such a large population, the Committee feel that the Government should have prescribed the quality standards for various kind of tobacco products being manufactured in the country. In this regard, the Committee are at a loss to find that no quality standards in respect of tobacco have so far been framed or prescribed by the Ministry of Health and Family Welfare, Government of India. Moreover, no Government agency has been approved or accredited by the Ministry of Health and Family Welfare for testing quality of tobacco products being sold in the country. While strongly deprecating this irresponsible attitude of the Ministry in neglecting this important aspect, the Committee note that the Ministry are in the process of setting standards of tobacco testing and establishing Apex and Regional tobacco testing labs in the country to prevent fake and spurious tobacco products from entering the market under the 12th Five Year Plan under the national tobacco control programme.

Reply by Ministry of Health & Family Welfare

It may be noted that tobacco products are harmful in any quantity and quality. The available medical evidence suggests that there is no safe level for tobacco and nicotine. As such, it may not be appropriate to prescribe quality standards for various kind of tobacco products being manufactured in the country, also since prescribing quality standards for tobacco products may mislead the consumer into believing that it is safer, thus overlooking its harmful impact. The Food Safety and Standards Act, 2006 has been enacted by the Government to lay down standards for food. Clause 2.3.4 of the Food Safety and Standards (Prohibition and Restrictions on Sales) Regulation, 2011, expressly prohibits the use of tobacco and nicotine in all food products and reads as: "Product not to contain any substance which may be injurious to health: Tobacco and nicotine shall not be used as ingredients in any food products". The Ministry is in process of establishing tobacco testing laboratories which are intended to provide correct scientific information on the contents, emissions and constituents of tobacco products.

[Ministry of Health & Family Welfare (Tobacco Control Division)]

OM. No [P. 16011 / 01 / 2015 - PH] dated
14.10.2016

CHAPTER – IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

(Recommendation No. 11)

Authentic Study on harmful effects of Tobacco

The Committee note from the deposition of various experts and NGOs before the Committee that tobacco and more particularly, Beedi and Cigarette smoking is responsible for majority of cancer cases in the country. The Committee noted from the submission of the Ministry of Health and Family Welfare that extensive research has been carried out which conclusively prove that tobacco causes cancer and kills more than 98100 Indians every year. The Committee find it also pertinent to take note of Hon'ble Supreme Court observations in this regard in a hearing held on 8 March, 2016 as reported in Media. The Committee are of the considered view that there needs to be an authentic study from a holistic perspective taking all aspects of the matter into consideration.

Reply of the Ministry of Health & Family Welfare

The order dated 8th March, 2016 of the Hon'ble Supreme Court referred to in the COSL Report, relates to the writ petition No. 134/2016, filed for implementation of plain packaging of tobacco products in India. Plain tobacco packaging, also known as generic standardized or homogeneous packaging, refers to packaging that requires the removal of all branding (colour, imagery, corporate logo and trademarks). It permits manufacturers to print only the brand name in a mandated size, font and place on the pack, in addition to the health warnings and other legally mandated information such as toxic constituents and tax-paid stamps, and is a step beyond in regulations on packaging of tobacco products. The Hon'ble Supreme Court vide order dated 8.3.2016 had admitted the petition and issued Rule.

It may be noted that there is already ample scientific evidence on the harmful effects of tobacco. Some of the important studies conducted by or compiled in consultation with the Ministry of Health & Family Welfare include:

- (i) Tobacco Control in India Report, 2004.
- (ii) Bidi Smoking and Public Health, 2008
- (iii) NIHFWS Report on Evidence assessment: Harmful effects of consumption of guthka, tobacco, pan masala and similar articles manufactured in India, 2011.
- (iv) Economic Burden of Tobacco related diseases in India, Ministry of Health and Family Welfare, 2014.

[Ministry of Health & Family Welfare (Tobacco Control Division)

OM No. P-16011/01/2015-PH-I] dated 14/10/2016

CHAPTER - V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE
GOVERNMENT ARE STILL AWAITED

-----NIL-----

New Delhi;
2 August, 2018
11 Shravana, 1940 (*Saka*)

DILIPKUMAR MANSUKHLAL GANDHI
Chairperson,
Committee on Subordinate Legislation

Duties and cess applicable on cigarettes

CIGARETTES (Budget 2014-15)

TARIFF HEAD	DESCRIPTION (length in mm)	BED Rate/RS. Per 1000 Sticks	NCCD Rate/RS. Per 1000 Sticks	Health Cess Rate/RS. Per 1000 Sticks	Total/ RS. Per 1000 Sticks
24022010	NON FILTER<65	990	90	70	1150
24022020	NON FILTER 65-70	1995	145	110	2250
24022030	Filter <65	990	90	70	1150
24022040	FILTER 65-70	1490	90	70	1650
24022050	FILTER 70-75	1995	145	110	2250
24022090	OTHERS	2875	235	180	3290

CIGARETTES (Budget 2015-16)

TARIFF HEAD	DESCRIPTION (length in mm)	BED Rate/RS. Per 1000 Sticks	NCCD Rate/RS. Per 1000 Sticks	Health Cess Rate/RS. Per 1000 Sticks	Total/ RS. Per 1000 Sticks
24022010	NON FILTER<65	1280	90	70	1440
24022020	NON FILTER 65-70	2335	145	110	2590
24022030	Filter <65	1280	90	70	1440
24022040	FILTER 65-70	1740	90	70	1900
24022050	FILTER 70-75	2335	145	110	2590
24022090	OTHERS	3375	235	180	3790

CIGARETTES (Budget 2016-17)

TARIFF HEAD	DESCRIPTION (length in mm)	BED Rate/RS. Per 1000 Sticks	NCCD Rate/RS. Per 1000 Sticks	Health Cess Rate/RS. Per 1000 Sticks	Total/ RS. Per 1000 Sticks
24022010	NON FILTER<65	1280	90	215	1585
24022020	NON FILTER 65-70	2335	145	370	2850
24022030	Filter <65	1280	90	215	1585
24022040	FILTER 65-70	1740	90	260	2090

24022050	FILTER 70-75	2335	145	370	2850
24022090	OTHERS	3375	235	560	4170

BED : Basic excise duty

NCCD : National Calamity Contingent Duty

Annexure 'B'

(See Recommendation No. 4 of the Report)

DUTY RATES APPLICABLE ON OTHER TOBACCO PRODUCTS (2014 15)

Product	Basic duty	Excise	NCCD	Health Cess
Chewing tobacco/ FilterKhaini	70%		10%	6%
Pan Masala containing tobacco Guthka	70%		10%	6%
Jarda Scented tobacco	70%		10%	6%

DUTY RATES APPLICABLE ON OTHER TOBACCO PRODUCTS (2015 16)

Product	Basic duty	Excise	NCCD	Health Cess
Chewing tobacco/ Filter Khaini	70%		10%	6%
Pan Masala containing tobacco Guthka	70%		10%	6%
Jarda Scented tobacco	70%		10%	6%

DUTY RATES APPLICABLE ON OTHER TOBACCO PRODUCTS (2016 17)

Product	Basic duty	Excise	NCCD	Health Cess
Chewing tobacco/ Filter Khaini	81%		10%	6%
Pan Masala containing tobacco Guthka	81%		10%	6%
Jarda Scented tobacco	81%		10%	6%

BED : Basic excise duty

NCCD : National Calamity Contingent Duty

Annexure 'C'
(See Recommendation No. 4 of the Report)

AMOUNT PAYABLE UNDER COMPOUNDED LEVY SCHEME (2014 15)

Retail sale price (per pouch)	Rate of duty per packing machine per month (Rs. In Lakh)			
	Chewing Tobacco (other than filter khaini)		Filter khaini	Pan Masala containing tobacco Gutkha
	Without lime tube/lime pouches	With lime tube/lime pouches		
Exceeding Rs. 2.00 but not exceeding Rs. 3.00	37.98	35.87	26.19	69.61
Exceeding Rs. 5.00 but not exceeding Rs. 6.00	70.90	66.68	44.90	134.82

AMOUNT PAYABLE UNDER COMPOUNDED LEVY SCHEME (2015-16)

Retail sale price (per pouch)	Rate of duty per packing machine per month (RS. in lakh)				
	Chewing tobacco (other than filter khaini)				Filter khaini)
	Upto 300 pouches per minute		301 pouches per minute and above		Any speed
	Without lime tube/lime pouches	With lime tube/lime pouches	Without lime tube/lime pouches	With lime tube/lime pouches	
Exceeding Re. 2.00 but not exceeding Rs. 3.00	65.20	61.58	104.32	98.53	44.46
Exceeding Re. 5.00 but not exceeding Rs. 6.00	121.71	114.47	194.74	183.14	76.24

Retail sale price (per pouch)	Rate of duty per packing machine per month (Rs. in lakh)		
	Pan masala containing tobacco Gutkha		
	Up to 300 pouches per minute	301 to 750 pouches per minute	751 pouches per minute and above
From Rs. 2.01 to Rs. 3.00	84.12	137.65	305.88
From Rs. 5.01 to Rs. 6.00	162.92	266.60	592.45

AMOUNT PAYABLE UNDER COMPOUNDED LEVY SCHEME (2016-17)

Retail sale price (per pouch)	Rate of duty per packing machine per month (Rupees in lakh)						
	Chewing Tobacco (other than Filter Khaini)						Filter Khaini
	Upto 300 pouches per minute		301 to 450 pouches per minute		451 pouches per minute and above		Any speed
	Without lime tube / lime pouches	With lime tube/lime pouches	Without lime tube/lime pouches	With lime tube/lime pouches	Without lime tube/lime pouches	With lime tube/lime pouches	
Exceeding Re. 2.00 but not exceeding Rs. 3.00	82.37	77.79	117.67	111.13	250.04	236.15	50.15
Exceeding Re. 5.00 but not exceeding Rs. 6.00	153.75	144.60	219.64	206.57	466.74	438.96	85.99

Retail sale price (per pouch)	Rate of duty per packing machine per month (Rs. in lakh)		
	Pan masala containing tobacco Gutkha		
	Up to 300 pouches per minute	301 to 750 pouches per minute	751 pouches per minute and above
From Rs. 2.01 to Rs. 3.00	94.88	155.25	345.01
From Rs. 5.01 to Rs. 6.00	183.76	300.70	668.23

Trend of Excise revenue

Item	Central Excise Revenue (Rs. in crore)		
	2013-14	2014-15	2015-16
Cigarettes	15157	16676	17854
Chewing Tobacco	1057	1215	1801
Biris	472	472	708
Gutkha	824	869	1100
Pan Masala	1523	1787	2963
TOTAL of tobacco products and pan masala	19033	21019	24426
Percentage contribution of cigarettes to total	79.64	79.33	73.09

Annexure 'E'
(See Recommendation No. 4 of the Report)

List of Countries approved/accepted/ ratified FCTC Protocol on Prohibition of Illicit Trade on Tobacco Products

Participant	Signature	Approval/ Acceptance Accession/Ratification
Austria	9 Jan 2014	28 Oct 2014
Belgium	17 May 2013	
Benin	24 Sep 2013	
Botswana	1 Oct 2013	
Burkina Faso	8 Mar 2013	30 Mar 2016
China	10 Jan 2013	
Colombia	21 Feb 2013	
Congo		14 May 2015
Costa Rica	21 Mar 2013	
Côte d'Ivoire	24 Sep 2013	25 May 2016
Cyprus	23 Oct 2013	
Democratic Republic of the Congo	9 Dec 2013	
Denmark	7 Jan 2014	
Ecuador	25 Sep 2013	15 Oct 2015
European Union	20 Dec 2013	24 Jun 2016
Fiji	11 Jul 2013	
Finland	25 Sep 2013	
France	10 Jan 2013	30 Nov 2015
Gabon	10 Jan 2013	1 Oct 2014
Germany	1 Oct 2013	
Ghana	24 Sep 2013	
Greece	9 Jul 2013	
Guinea-Bissau	24 Sep 2013	
Iran (Islamic Republic of)	7 Jan 2014	
Iraq		2 Dec 2015
Ireland	20 Dec 2013	
Israel	23 Dec 2013	
Kenya	29 May 2013	
Kuwait	11 Nov 2013	
Latvia		4 Feb 2016
Libya	10 Jan 2013	
Lithuania	6 Sep 2013	
Madagascar	25 Sep 2013	
Mali	8 Jan 2014	17 Jun 2016
Mongolia	1 Nov 2013	8 Oct 2014
Montenegro	1 Jul 2013	
Myanmar	10 Jan 2013	
Netherlands	6 Jan 2014	
Nicaragua	10 Jan 2013	20 Dec 2013
Norway	16 Oct 2013	
Panama	10 Jan 2013	
Portugal	8 Jan 2014	22 Jul 2015
Qatar	18 Jun 2013	
Republic of Korea	10 Jan 2013	
Saudi Arabia		9 Oct 2015
Slovenia	6 Jan 2014	
South Africa	10 Jan 2013	
Spain		23 Dec 2014
Sri Lanka		8 Feb 2016
Sudan	30 Sep 2013	
Sweden	6 Jan 2014	

Syrian Arab Republic	10 Jan 2013	
The former Yugoslav Republic of Macedonia	8 Jan 2014	
Togo	9 Jan 2014	
Tunisia	11 Jan 2013	
Turkey	10 Jan 2013	
Turkmenistan		30 Mar 2015
United Kingdom of Great Britain and Northern Ireland	17 Dec 2013	
United Republic of Tanzania	24 Sep 2013	
Uruguay	10 Jan 2013	24 Sep 2014
Yemen	7 Jan 2014	

APPENDIX I
(Vide para 3 of the Introduction)

**MINUTES OF THE NINETEENTH SITTING OF THE COMMITTEE ON SUBORDINATE
LEGISLATION (2017-2018)**

The Nineteenth sitting of the Committee (2017-18) was held on Thursday, the 02nd August, 2018 from 1500 hours to 1600 hours in Room No. 148, Third Floor, Parliament House, New Delhi.

PRESENT

Shri Dilipkumar Mansukhlal Gandhi Chairperson

MEMBERS

2. Shri Birendra Kumar Choudhary
3. Shri Shyama Charan Gupta
4. Shri Jhina Hikaka
5. Shri Janardan Mishra
6. Shri Prem Das Rai
7. Shri Chandul Lal Sahu
8. Shri Alok Sanjar
9. Adv. Narendra Keshav Sawaikar
10. Shri Ram Kumar Sharma
11. Shri Nandi Yellaiah

SECRETARIAT

- | | |
|-------------------------|------------------------|
| 1. Smt Sudesh Luthra | - Additional Secretary |
| 2. Shri Ajay Kumar Garg | - Director |
| 3. Shri Nabin Kumar Jha | - Additional Director |
| 4. Smt Jagriti Tewatia | - Deputy Secretary |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. The Committee then considered the following draft Reports:-

- (i) Draft Thirty-first Report on the Rules/regulations governing the functioning of Delhi Police.
- (ii) Draft Thirty-second Report on the Action taken by the Government on the observations/recommendations contained in the 26th Report of the Committee (16th Lok Sabha) regarding Rules/Regulations framed under AIIMS Act, 1956.
- (iii) Draft Thirty-third Report on the Action taken by the Government on the observations/recommendations contained in the 24th Report of the Committee (16th Lok Sabha) regarding National Highway Fee (Determination of Rates and Collection) 2nd Amendment Rules, 2014.
- (iv) Draft Thirty-fourth Action Taken Report on the observations/ recommendations contained in the 11th Report of the Committee (16th Lok Sabha) on Cigarettes and other Tobacco Products (Packaging and Labelling) Amendment Rules, 2014.
- (v) Draft Thirty-fifth Action Taken Report on the recommendations/ observations contained in 5th Report (16th Lok Sabha) of the Committee.
- (vi) Draft Thirty-sixth Action Taken Report on the recommendations/ observations contained in 9th Report (16th Lok Sabha) of the Committee.

3. After deliberations, the Committee adopted the same with slight modifications in the draft 34th Report on Cigarettes and other Tobacco Products (Packaging and Labelling) Amendment Rules, 2014. The Committee also authorized the Chairperson to present the same to the House.

The Committee then adjourned.

APPENDIX II

(Vide Para 4 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE THIRTY-FOURTH REPORT OF THE COMMITTEE ON SUBORDINATE LEGISLATION (SIXTEENTH LOK SABHA)

I	Total number of recommendations:	11
II	Recommendations that have been accepted by the Government [<i>vide</i> recommendations at SI Nos. 3,5,6,7,8 and 10]	
	Percentage of total:	55%
III	Recommendations which the Committee do not desire to pursue in view of Government's replies at SI Nos. 1,2,4,9 and 11	
	Percentage of total:	35%
IV	Recommendations in respect of which replies of the Government have not been accepted by the Committee at SI Nos. 11]	
	Percentage of total:	10%
V	Recommendations in respect of which final replies of the Government are still awaited at SI Nos. Nil	
	Percentage of total:	0%

