

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
LOK SABHA**

**UNSTARRED QUESTION NO. 2805.
TO BE ANSWERED ON WEDNESDAY, THE 11TH MARCH, 2020.**

COMPULSORY LICENSING OF TOBACCO PRODUCTS

**2805. SHRI SANGAM LAL GUPTA:
SHRI RAMDAS C. TADAS:**

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

वाणिज्य एवं उद्योग मंत्री

- (a) whether post de-licensing in the year 1999, only five industries are covered under mandatory licensing and this includes production of cigars, Tobacco-laced cigarettes and alternatives of tobacco;
- (b) whether hundreds of small scale factories across the country are manufacturing cigarettes without having the compulsory licence and if so, details of the actions being taken by the Government in this regard;
- (c) whether most of such illegal manufacturers also evade tax payment as a result of which the Government is incurring a revenue loss of nearly Rs.13,000 crores every year; and
- (d) the details of efforts being made by the Government to check such illegal trade of cigarettes and tobacco products?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)

**THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

- (a) & (b):** With progressive delicensing of industries only four industries are now covered under mandatory licensing. Licensing for manufacturing of Cigars and Cigarettes of tobacco and manufactured tobacco substitutes (Cigars, cheroots, cigarillos, and cigarettes of tobacco or of tobacco substitutes) are granted under the IDR Act, 1951. Tobacco Board of India as per Section 11(A) of the Tobacco Board Act, 1976 grants registration to manufacturers of Cigarettes under the category of 'manufacturers of Virginia tobacco'. About 17,000 units are registered in this sector with Ministry of Micro, Small and Medium Enterprises also under their 2015 notified scheme of Udyog Aadhar Memorandum (UAM) in UAM portal with NIC Code 12.

- (c): As per the information received from Department of Revenue, the details of tax evaded by Cigarettes and Tobacco Manufacturers/Traders are as below:-

(Amount in Rs. Crore)

Year	No. of cases booked against manufacturers/ traders of cigarettes and tobacco	Quantum involved	Recovery	No. of SCN issued	No. of arrests made
2016-17	16	193.33	0.1	10	2
2017-18	6	165.00	1.64	3	0
2018-19	68	136.32	89.74	27	1
2019-20 (Upto Feb, 2020)	63	70.30	22.61	13	0
Total	153	564.95	114.09	53	3

- (d): Anti Evasion/Preventive checks are regularly carried out in these commodities resulting into booking of tax evasion cases.
