

'Increase in cess on cigarette to escalate its smuggling'

New Delhi: Imposition of additional duty on cigarette by the government would increase pressure on the industry and will encourage its smuggling into India by

- illegal trade operators, the Tobacco Institute of India (TII) said on Saturday. While presenting the Union Budget for 2020-21, FM Nirmala Sitharaman proposed to increase the National Calamity Contingency Duty on cigarettes, hookah, chewing tobacco, snuff and tobacco extracts and essence. "The increase in NCCD announced in the Budget and the resulting escalation in cigarette taxation leading to higher tax arbitrage will serve as a huge incentive to illegal cigarette trade operators, who target India as a preferred destination for smuggled cigarettes," TII said. PTI