

'Tax non-virginia tobacco to earn ₹40,000 crore revenue'

GUWAHATI: An NGO on Monday appealed to the Centre to regulate the smokeless tobacco sector and said imposing "suitable" tax on such products will fetch an additional revenue to the tune of Rs 40,000 crore annually.

The NGO Shram has already written to the Union Finance Minister Nirmala Sitharaman and Health Minister Harsh Vardhan on the issue urging to control the sector keeping in mind public health.

It requested both the Union ministers to "regulate the unorganised manufacturing, distribution and sale of smokeless and other non-virginia tobacco in India to curtail its widespread consumption, protecting the health of citizens and bring it under a taxation structure", Shram said in a statement.

The smokeless or non-vir-

ginia tobacco is used in the manufacture of chewing varieties of tobacco, hookah, gutkha, kiwam, gudaku, zarda, pan masala variants and bidis that are dangerous in the context of the COVID-19 pandemic as they need to be spat out after consumption, Shram said.

"The need of the hour lies in putting in place the government taking into account this crisis and introduce policies and laws to regulate and ensure legally taxed trading of smokeless tobacco and its products.

"Suitable taxation on non-virginia tobacco can bring in revenue to the government in the range of Rs 35,000 crore to Rs 40,000 crore approximately," said Dr Pranasmita Kalita of Shram, an NGO of doctors and professionals. The smokeless tobacco industry in India is majorly an unorganised sector

that sees producers, manufacturers and distributors taking advantage of it being outside the ambit of any regulatory or taxation structure, leading to exploitation of the labour, she added.

Shram said that according to a study published in BMC Medicine, India accounts for 70 per cent of deaths globally caused due to chewing of smokeless tobacco because of its wide availability and consumption mostly by the poorer section for the products' affordability.

"While India has an expansive set of rules and laws to restrict and regulate tobacco used in cigarettes and cigars at par with international norms, smokeless tobacco products and variants do not fall under this umbrella despite being 85 per cent of the tobacco grown in India across 15 states," it added.