

Hyderabad: Smuggled foreign cigarettes flood city

They reach Hyderabad via Hong Kong, Dubai, Singapore and Kuala Lumpur by air and by sea to Gujarat and AP

Asif Yar Khan | Published: 18th Mar 2019



Hyderabad: Smuggled foreign cigarettes are back on the shelves of pan shops in the city prompting law enforcement agencies to step up the vigil. The Hyderabad Commissioner's Task Force recently caught two traders from Begum Bazaar for illegally trading in foreign cigarettes and seized 'Paris Cigarettes' smuggled into the city. Previous year, the Directorate of Revenue Intelligence (DRI) had seized huge consignments of the cigarettes illegally smuggled into the country.

This apart, Indonesian cigarette brands like 'Djarum Black' and 'Gudang Garam' are smuggled into the country by non-declaration and concealment. According to authorities, the usual route to smuggle cigarettes into the country is through air and sea. Through the sea route they reach Gujarat and Andhra Pradesh and by air, they reach Hyderabad via Hong Kong, Dubai, Singapore and Kuala Lumpur.

Traditionally, the markets of Osmangunj, Begum Bazaar and Monda Market have been the wholesale hubs of illegal foreign cigarettes. Several pan shops and small stalls in localities and crowded places do retail business in smuggled cigarettes.

To avoid large scale police crackdown, vendors keep only a few packets in the store and immediately replenish the stocks when the product is sold out. "After crackdown, we had stopped stocking such cigarettes but again they had surfaced in the market and are being sold," says a pan shop owner in Begum Bazaar.

"Main intention to smuggle cigarettes is to avoid paying GST and other taxes thereby avoiding government revenue. The tobacco content in such cigarettes is high which has an adverse effect on health," says P Radha Kishan Rao, DCP Task Force.

Smuggling of foreign cigarettes is a lucrative business and black marketers make a huge profit as they avoid customs duty. Such cigarette brands do not carry warnings or have any minimal cautionary messages, which are mandatory under the Cigarettes and Other Tobacco Products (Packaging and Labelling) Rules, 2006.

Apart from evasion of customs duty, smuggling of cigarettes poses a threat to the anti-tobacco initiative taken up by both the Centre and the State governments.

In April last, the Federation of All India Farmer Associations (FAIFA), an organisation of tobacco farmers, said that smuggled cigarettes do not use Indian tobacco. Because of this Indian farmers lost sales of 16 million kg per annum. Due to the smuggling, there was a drop in revenue in the last three years to the farmers.

“About 25 billion sticks of cigarettes are smuggled into the country, every year. This means farmers have lost demand for 16 million kg a year. This has resulted in drop in earnings of tobacco farmers which have shrunk cumulatively by more than Rs 3,650 crore in the last three years,” FAIFA general secretary Murali Babu had said.

Source: <https://telanganatoday.com/hyderabad-smuggled-foreign-cigarettes-flood-city>