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SUMMARY OF FINDINGS

1. Industry Participation in Policy Development

There is no direct evidence that the Indian government formally collaborated with the tobacco industry (TI) in setting public health policy. However, the TI continues to influence policymaking indirectly through front groups and trade associations. The Tobacco Institute of India (TII), the Federation of All India Agriculturists (FAIA), and pro-vaping organizations such as the Association of Indian Vapers and the Centre for Public Policy Research have publicly opposed tax increases and promoted harm-reduction narratives, including e-cigarette legalization.

2. Industry CSR Activities

Tobacco companies have continued corporate social responsibility (CSR) contributions, including partnerships with state governments. Between 2023 and 2025, companies such as ITC, VST Industries, DS Group, and Ganesh Beedi Works collaborated with state agencies on environmental, health, and education projects. These included river rejuvenation, school programs, disaster relief, and rural development. Such engagements undermine Article 5.3 of the WHO FCTC, normalize CSR activities, and increase the TI's public presence.

3. Benefits to the Industry

Although no delays were granted in implementing tobacco control laws, the TI continues to benefit from tax stability and regulatory exemptions. No increase in tobacco taxes was announced in the past three Union Budgets, indirectly supporting industry growth. Beedis and small manufacturers remain exempt from certain cesses, and tobacco leaves attract only 5 percent GST. A minor increase in the National Calamity Contingent Duty (NCCD) in 2022 had minimal price impact. Additionally, the government relaxed restrictions on flue-cured Virginia tobacco leaf sales after lobbying from state officials, and duty-free import allowances remain unchanged.

4. Unnecessary Interaction

Unnecessary interactions between the government and the TI continue across multiple areas, undermining Article 5.3 of the WHO FCTC. High-level officials, including Union Ministers and Chief Ministers, have participated in events with companies such as Philip Morris International (PMI) and ITC Ltd., promoting industry narratives on reduced-risk products and fostering investment ties.

The government has also entered into partnerships and non-binding agreements with tobacco companies outside the scope of CSR or enforcement. ITC Ltd. maintains active Memoranda of Understanding with NITI Aayog and the Department for Promotion of Industry and Internal Trade (DPIIT), and collaborates with state governments on projects related to agriculture, education, and climate action.

5. Transparency

As a Party to the WHO FCTC, India has adopted policy measures to limit TI interaction. For example, in July 2020 the Ministry of Health and Family Welfare adopted a Code of Conduct to prevent industry interference and conflicts of interest among public officials and all departments under its jurisdiction. Despite this measure, there are no publicly available disclosures of industry interactions. In addition, there are no specific rules mandating the registration or disclosure of tobacco lobbyists or affiliated entities.

6. Conflict of Interest

India does not have policies prohibiting or requiring disclosure of political contributions from the TI to political parties or candidates. While the Ministry of Health and Family Welfare has a Code of Conduct restricting collaboration with the TI, there is no evidence of enforcement or public disclosure of interactions.

Several retired senior government officials, including former secretaries and ambassadors, hold board positions in major tobacco companies. Serving officials have also held directorships in tobacco firms. These links raise concerns about TI influence on public policy.

7. Preventive Measures

The Indian government has taken partial steps to implement preventive measures against TI interference. Since July 2020, the Ministry of Health and Family Welfare has adopted a Code of Conduct for officials, which includes guidelines for disclosing records of interactions with the TI and prohibits acceptance of gifts or payments from the TI. Enforcement and public transparency, however, remain limited.

Thirteen states, including Bihar, Karnataka, Kerala, and Maharashtra, have adopted policies aligned with Article 5.3 of the WHO FCTC that require disclosure of interactions and restrict collaboration. The Ministry of Corporate Affairs mandates financial disclosures from tobacco companies, but this does not extend to lobbying, political contributions, or other influence activities.

RECOMMENDATIONS

1. Restrict industry participation in policy development by rejecting proposals from tobacco-aligned industries, including pro-vaping entities and think tanks.
2. Place restrictions on CSR activities by amending the Cigarettes and Other Tobacco Products Act (COTPA) to ban CSR partnerships and prohibit TI collaborations with state governments.
3. Remove benefits to the TI by increasing GST on tobacco leaves from 5 percent to 28 percent and eliminating tax exemptions for beedi and other smokeless tobacco products and small manufacturers.
4. Address conflicts of interest by restricting retired government officials from joining tobacco boards and strictly prohibiting serving officials from holding directorships or key positions in tobacco companies.
5. Enhance transparency by strengthening disclosure requirements and requiring more officials to report industry interactions.