

# India

Overall score:

69

**I. Industry participation in policy development:** The government does not accept or endorse any policies or legislation drafted by or in collaboration with the tobacco industry. The government does not invite the tobacco industry to sit in the government interagency group that sets public health policies.

Tobacco industry front groups and its representatives had appealed to the Ministry of Finance to obliterate the proposed 5% general service tax (GST) tax on bidi and raw tobacco leaves and exempt these from any form of taxation. In June 2017, this issue was discussed during the 15th GST Council meeting of national and state representatives, where it was suggested that the council should reconsider the implications of imposing taxation on previously unlevied tobacco products, such as bidi wraps (*tendu leaves*) and tobacco leaves. Despite tobacco industry's lobbying, the government imposed 28% GST on all tobacco products in India.

The Department of Industrial Policy and Promotion in the Ministry of Commerce and Industry provided an opportunity for the tobacco industry to give its views on complete ban on foreign investment in tobacco sector, however no decision has been taken on this by the government. indicating this was in accordance with the foreign direct investment in the tobacco sector.

An autonomous body working directly under the Ministry of Health & Family Welfare collaborated with the ITC Private Limited for a variety of projects. As an apex national regulatory authority, the role of such an autonomous body is critical in strengthening India's responses to various health policies, particularly related to non-communicable diseases, a national priority.

The tobacco industry has not been included in the government delegations to the sessions of the WHO FCTC COP or any of its related meetings.

**II. Tobacco industry-related CSR activities:** The Company's (Amendment) Act 2017 mandates companies to spend 2% of their profits in the last three years on CSR activities. Consequently, some of

the tobacco companies use this law as a basis to build public-private partnerships as part of CSR activities. A CSR programme launched by ITC to spread awareness about waste segregation in school children was supported by the Ministry of Urban Development and Greater Hyderabad Municipal Corporation.

PMI has equipped Primary Health Centers and contributed to infrastructural improvements in health centers (Anganwadis) and primary schools besides setting up health camps and after-school programmes for children.

**III. Benefits given to the tobacco industry:** A tax exemption has been offered to manufacturers having a turnover less than Rs. 4 million annually. Additionally, a tax exemption is also available for small registered manufacturing companies with less than 20 workers. These exemptions cover a considerable proportion of bidi produced in India, without the manufacturers paying any tax.

International travellers are allowed to bring 100 cigarettes, 50 cigars, or no more than 125 grams of smoking tobacco into India.

**IV. Unnecessary interaction with the tobacco industry:** There has been several instances of senior officials attending tobacco industry functions and hence seen to endorsing them. An award event in 2017 and 2018, organised by the Tobacco Institute of India, was attended by a state Agriculture Minister, members of parliament, members of the Legislative Assembly and the Indian Tobacco Board. The Minister awarded 17 "best tobacco farmers" from three states in India. During the awards function, the Minister encouraged the farmers to submit their representation to the Ministers of State and Central Government on the tobacco-related issues, such as the illegal sale of tobacco products and decreasing price and taxes on cigarettes.

Federation of Indian Chambers of Commerce and Industry conducted research and activities to address issues regarding illicit trade and tobacco smuggling in India. A study entitled "Illicit Markets a Threat to our National Interests" conducted by an

industry body has exaggerated issues regarding illicit trade in India. The industry body even formed the Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE) to counter the illicit trade problem. CASCADE is currently headed by the senior vice president of corporate affairs of ITC and work collaboratively with the government to fight against the menace of illicit trade in India.

In March 2018, Mysuru City Corporation, a state municipal corporation, signed a memorandum of understanding with ITC to undertake dry waste management in Karnataka for three years.

**V. Procedure for transparency measures:** The government of India does not have rules for the disclosure or registration of tobacco industry entities, individuals and lobbyists acting on their behalf. The government does not publicly disclose its meetings and interactions with the tobacco industry. The Registrar of Companies requires Indian enterprises in industrial and service sectors to register with the state registrars and thus, regulate registration of all the companies in India. However, despite this law the bidi industry goes largely unregistered.

**VI. Avoiding conflicts of interest:** The ex-chairman of ITC served as a Director on Central Board of the Reserve Bank of India and as a Member of the National Foundation for Corporate Governance. According to ITC's company profile most of the Board of Directors were linked or currently associated with several departments, ministries and governing bodies of the government of India.

**VII. Preventive measures:** India currently does not have any national regulations for the implementation of Article 5.3. However, eleven state governments have made rapid strides in issuing Article 5.3 notifications at state-level. Seven of these states have provisions on procedures for transparency and to limit interactions with the tobacco industry.

There is no specific requirement for the tobacco industry to periodically submit information on its business to the government of India.

There is no defined program or training at the national level for Article 5.3. However, there have been training workshops on tobacco control which included a session on Article 5.3, conducted by the National Tobacco Control Programme for various stakeholders, including health professionals, district officials, enforcement officers and civil society organizations. The government has no specific policy to disallow the acceptance of contributions/ gifts from the tobacco industry in accordance with the Article 5.3.

## Recommendations

1. Tobacco industry-related CSR activities must be banned.
2. There must be a registry to provide a record of representatives of the tobacco industry.
3. The government must expedite the adoption of a national code of conduct for all government officials in dealing with the tobacco industry. This code should set out procedure for transparency of any interactions that are deemed strictly necessary. The government must develop a more sustained plan to create awareness and compliance with Article 5.3 for the whole government.
4. The tobacco industry must be required to provide information about the business including production, manufacturer, revenue, marketing expenditure, lobbying, philanthropy and political contributions.