

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA

STARRED QUESTION NO. *451

TO BE ANSWERED ON MONDAY, APRIL 3, 2023/CHAITRA 13, 1945 (SAKA)

REVISION IN COMPENSATION CESS ON CHEWING TOBACCO

***451. SHRI RAMDAS C. TADAS:**

Will the Minister of **Finance** be pleased to state:

- (a) whether the Government proposes to revise the compensation cess on chewing tobacco including pan masala and other tobacco products;
- (b) if so, the details thereof;
- (c) whether the Government has constituted a panel in this regard; and
- (d) if so, the details and the composition thereof?

ANSWER

**MINISTER OF FINANCE
SHRIMATI NIRMALA SITHARAMAN**

(a) to (d): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO. *451 RAISED BY SHRI RAMDAS C. TADAS FOR 03rd APRIL, 2023, ON REVISION IN COMPENSATION CESS ON CHEWING TOBACCO:

(a): GST rates and Compensation Cess rates are prescribed on the recommendation of the GST Council, which is a constitutional body comprising of representatives of States/UTs and Centre. On the basis of the recommendation of the GST Council in its 49th Meeting held on 18th February, 2023, the rate of Compensation Cess levied on specified commodities like pan masala, gutkha, chewing tobacco, etc. have been revised.

(b): Details are placed in the Annexure.

(c) and (d): The GST Council, in its 42nd Meeting, held in October 2020, decided to constitute a Group of Ministers (GoM) to discuss and analyze the issues pertaining to the Capacity based taxation on Pan Masala, Reverse Charge Mechanism in mentha oil, special composition scheme on brick kilns, etc. Accordingly, a Group of Ministers (GoM) on Capacity-based Taxation and Special Composition Scheme in Certain Sectors in GST had been constituted on 24.05.2021, with Shri Niranjana Pujari, Hon'ble Minister for Finance, Odisha, as the Convener of the GoM, and Ministers from Delhi, Haryana, Kerala, Madhya Pradesh, Uttar Pradesh and Uttarakhand as members. The said GoM submitted its Final Report to the GST Council in its 49th Meeting held on the 18th February, 2023, based on which the revision in above-said rates have been carried out.

Annexure

Heading / Subheading / Tariff item	Description of Goods	Specific rate for Compensation Cess* (per unit)
2106 90 20	Pan Masala	0.32R
2401	Unmanufactured tobacco (without lime tube) – bearing a brand name	0.36R
2401	Unmanufactured tobacco (with lime tube) – bearing a brand name	0.36R
2401 30 00	Tobacco refuse, bearing a brand name	0.32R
2403 11 10	Hookah or gudaku tobacco bearing a brand name	0.36R
2403 11 10	Tobacco used for smoking 'hookah' or 'chilam' commonly known as 'hookah' tobacco or 'gudaku', not bearing a brand name	0.12R
2403 11 90	Other water pipe smoking tobacco, not bearing a brand name	0.08R
2403 19 10	Smoking mixtures for pipes and cigarettes	0.69R
2403 19 90	Other smoking tobacco bearing a brand name	0.28R
2403 19 90	Other smoking tobacco not bearing a brand name	0.08R
2403 91 00	“Homogenised” or “reconstituted” tobacco, bearing a brand name	0.36R
2403 99 10	Chewing tobacco (without lime tube)	0.56R
2403 99 10	Chewing tobacco (with lime tube)	0.56R
2403 99 10	Filter khaini	0.56R
2403 99 20	Preparations containing chewing tobacco	0.36R
2403 99 30	Jarda scented tobacco	0.56R
2403 99 40	Snuff	0.36R
2403 99 50	Preparations containing snuff	0.36R
2403 99 60	Tobacco extracts and essence, bearing a brand name	0.36R
2403 99 60	Tobacco extracts and essence, not bearing a brand name	0.36R
2403 99 70	Cut tobacco	0.14R
2403 99 90	Pan masala containing tobacco ‘Gutkha’	0.61R
2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', bearing a brand name	0.43R
2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', not bearing a brand name	0.43R

* R means retail sale price
