

GIB/TN/Kavi Cut/24.04.2020/AAR-370

Advance Ruling Category : Classification and Rate

State : Tamil Nadu

Order No.: GIB/TN/Kavi Cut/24.04.2020/AAR-370

Name of Entry :

M/S. Kavi Cut Tobacco

Date : 24-04-2020

Breif Issue :

Facts & Issue Of The Case :

The applicant Shri. Arumugam, (Prop: M/s. Kavi Cut Tobacco) No.2, RS No. 239 Abiramapuram, Thanjavur, 613007, are registered under GST Act with Registration No. 33AABPA9979P3Z2.

The applicant, seeking an advance ruling in respect of :

“Classification of the product intended for manufacture and applicable rate of Compensation Cess.”

The applicant has submitted the copy of application in Form GST ARA – 01 and also submitted copy of Challan evidencing payment of application fees of Rs.5,000/- each under sub-rule (1) of Rule 104 of **CGST rules 2017** and TNSGST Rules 2017.

Applicant has requested for an advance ruling as to whether their product intended to be manufactured and supplied by them is rightly classifiable under Chapter heading 24012090 (Unmanufactured tobacco partly or wholly stemmed or tripped “others”) attracting 28% GST and 71% Compensation Cess. Under the above circumstances, it is opined that the product of the applicant, which is intended to be manufactured is not to be classified under 24012090 but only under 24039910.

Decision of Advance Ruling Authority :

Decision :

1 The product intended to be manufactured by the applicant and supplied as ‘Chewing tobacco’ with the brand name ‘Kavi cut tobacco’ is classifiable under CTH 2403 9910-

Chewing Tobacco.

2 The rate of Compensation cess is provided vide Notification No. 01/2017-Compensation Cess (Rate) dated 28.06.2017 and SI No 26 provides the Compensation Cess Rate as 160% for the product 'chewing tobacco' which is supplied 'without lime tue'.

Thus, the applicable rate of Compensation Cess is provided under SI No 26 of the [Notification No 01/2017-Compensatton cess dated 28.06 2017](#) @ 160%