

CHAPTER 24

Tobacco and manufactured tobacco substitutes

NOTES

1. This Chapter does not cover medicinal cigarettes (Chapter 30).

2. In this Chapter, "brand name" means a brand name, whether registered or not, that is to say, a name or a mark, such as a symbol, monogram, label, signature or invented words or any writing which is used in relation to a product, for the purpose of indicating, or so as to indicate, a connection in the course of trade between the product and some person using such name or mark with or without any indication of the identity of that person.

3. In relation to products of heading 2401 or 2402 or 2403, labelling or relabelling of containers or repacking from bulk packs to retail packs or the adoption of any other treatment to render the product marketable to the consumer, shall amount to 'manufacture'.

4. In this Chapter, "Pan masala containing tobacco", commonly known as 'gutkha' or by any other name, included in tariff item 2403 99 90, means any preparation containing betel-nuts and tobacco and any one or more of the following ingredients, namely:-

- (i) lime; and
- (ii) *kattha* (catechu),

whether or not containing any other ingredients, such as cardamom, copra and menthol.

SUPPLEMENTARY NOTES

For the purposes of this Chapter:

(1) "tobacco" means any form of tobacco, whether cured or uncured and whether manufactured or not, and includes the leaf, stalks and stems of the tobacco plant, but does not include any part of a tobacco plant while still attached to the earth.

(2) "cut-tobacco" means the prepared or processed cut-to-size tobacco which is generally blended or moisturised to a desired extent for use in the manufacture of machine-rolled cigarettes.

(3) "smoking mixtures for pipes and cigarettes" of sub-heading 2403 10 does not cover "Gudaku".

Tariff Item	Description of goods	Unit	Rate of duty
(1)	(2)	(3)	(4)
2401	UNMANUFACTURED TOBACCO; TOBACCO REFUSE		
2401 10	- Tobacco, not stemmed or stripped :		
2401 10 10	--- Flue cured virginia tobacco	kg.	42%
2401 10 20	--- Sun cured country (natu) tobacco	kg.	42%
2401 10 30	--- Sun cured virginia tobacco	kg.	42%
2401 10 40	--- Burley tobacco	kg.	42%
2401 10 50	--- Tobacco for manufacture of biris, not stemmed	kg.	42%
2401 10 60	--- Tobacco for manufacture of	kg.	42%

2401 10 70	--- Tobacco for manufacture of cigar and cheroot	kg.	42%
2401 10 80	--- Tobacco for manufacture of hookah tobacco	kg.	42%
2401 10 90	--- Other	kg.	42%
2401 20	- <i>Tobacco, partly or wholly stemmed or stripped :</i>		
2401 20 10	--- Flue cured virginia tobacco	kg.	42%
2401 20 20	--- Sun cured country (natu) tobacco	kg.	42%
2401 20 30	--- Sun cured virginia tobacco	kg.	42%
2401 20 40	--- Burley tobacco	kg.	42%
2401 20 50	--- Tobacco for manufacture of biris	kg.	42%
2401 20 60	--- Tobacco for manufacture of chewing tobacco	kg.	42%
2401 20 70	--- Tobacco for manufacture of cigar and cheroot	kg.	42%
2401 20 80	--- Tobacco for manufacture of hookah tobacco	kg.	42%
2401 20 90	--- Other	kg.	42%
2401 30 00	- Tobacco refuse	kg.	42%
2402	CIGARS, CHERROOTS, CIGARILLOS AND CIGARETTES, OF TOBACCO OR OF TOBACCO SUBSTITUTES		
2402 10	- <i>Cigars, cheroots and cigarillos, containing tobacco :</i>		
2402 10 10	--- Cigar and cheroots	Tu	16%
2402 10 20	--- Cigarillos	Tu	16%
2402 20	- <i>Cigarettes, containing tobacco :</i>		
2402 20 10	--- Other than filter cigarettes, of length not exceeding 60 millimetres	Tu	Rs. 659 per thousand
2402 20 20	--- Other than filter cigarettes, of length exceeding 60 millimetres but not exceeding 70 millimetres	Tu	Rs. 1,068 per thousand
2402 20 30	--- Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) not exceeding 70 millimetres	Tu	Rs. 659 per thousand
2402 20 40	--- Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 70 millimetres but not exceeding 75 millimetres	Tu	Rs. 1,068 per thousand
2402 20 50	--- Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding chewing tobacco 75 millimetres but not exceeding 85 millimetres	Tu	Rs. 1,424 per thousand
2402 20 90	--- Other	Tu	Rs. 1,748 per thousand
2402 90	- <i>Other:</i>		
2402 90 10	--- Cigarettes of tobacco substitutes	Tu	Rs. 1,058 per thousand
2402 90 20	--- Cigarillos of tobacco substitutes	Tu	16%
2402 90 90	--- Other	Tu	16%
2403	OTHER MANUFACTURED TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES;		

Tariff Item	Description of goods	Unit	Rate of duty
(1)	(2)	(3)	(4)
	“HOMOGENISED” OR “RECONSTITUTED” TOBACCO; TOBACCO EXTRACTS AND ESSENCES		
2403 10	- <i>Smoking tobacco, whether or not containing tobacco substitutes in any proportion :</i>		
2403 10 10	--- Hookah or gudaku tobacco	kg.	50%
2403 10 20	--- Smoking mixtures for pipes and cigarettes	kg.	300%
	--- <i>Biris:</i>		
2403 10 31	---- Other than paper rolled biris, manufactured without the aid of machine	Tu	Rs.12 per thousand
2403 10 39	---- Other	Tu	Rs.30 per thousand
2403 10 90	--- Other	kg.	34%
	- <i>Other :</i>		
2403 91 00	-- “Homogenised” or “reconstituted” tobacco	kg.	50%
2403 99	-- <i>Other :</i>		
2403 99 10	--- Chewing tobacco	kg.	50%
2403 99 20	--- Preparations containing chewing tobacco	kg.	50%
2403 99 30	--- Jarda scented tobacco	kg.	50%
2403 99 40	--- Snuff	kg.	50%
2403 99 50	--- Preparations containing snuff	kg.	50%
2403 99 60	--- Tobacco extracts and essence	kg.	50%
2403 99 70	--- Cut-tobacco	kg.	Rs.50 per kg.
2403 99 90	--- Other	kg.	50%

- For rates of special duty of excise and notification(s) giving effective rates of special duty of excise on specified goods of this Chapter - please see the second Schedule to this tariff.
- For rates of additional duties of excise under Additional Duties of Excise (Goods of Special Importance) Act, 1957 on specified goods of this Chapter - please see Appendix I.
- For rates of National Calamity Contingent duty on specified goods of this Chapter - please see Appendix III.
- For effective rates of Cess on the specified goods of this Chapter - please see Appendix IV.
- The specified goods falling under this Chapter are assessable to duty w.r.t. Maximum Retail Price. For percentage of abatement - please see Appendix V.
- For tariff values for pan masala in retail packages of this Chapter - please see Ch.21.

EXEMPTION NOTIFICATIONS FOR NCCD

Exemption to Specified goods of Chapter 21 and 24 from the whole of National Calamity Contingent duty.

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944) read with sub-section (3) of section 136 of the Finance Act, 2001 (14 of 2001) and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 5/2001-Central Excise, dated the 1st March, 2001, published in the Gazette of India, Extraordinary, vide number G.S.R. 130 (E) dated the 1st March, 2001, the Central Government, being satisfied that it is necessary in the public interest so to do, hereby **exempts excisable goods of the description specified in column (3) of the Table** below and falling under heading No. or sub-heading No. of the First Schedule to the Central Excise Tariff Act, 1985 (5 of

1986) specified in the corresponding entry in column (2) of the said Table from the **whole of the National Calamity Contingent duty** leviable thereon under sub-section (1) of section 136 of the said Finance Act :-

TABLE

S.No.	Heading No. or sub-heading No.	Description of goods
(1)	(2)	(3)
1.	Omitted	
2.	2403 10 31	Biris, other than paper rolled biris, manufactured without the aid of machines, by a manufacturer by whom or on whose behalf no biris are sold under a brand name (as defined in Note 1 of Chapter 24), in respect of the first clearances of such biris for home consumption by or on behalf of such manufacturer from one or more factories upto a quantity not exceeding 20 lakhs cleared on or after the 1st day of April in any financial year.
3.	2403 99	Chewing tobacco and preparations containing chewing tobacco, other than those bearing a brand name, which are exempt from the whole of duty of excise vide notification No.8/2002- Central Excise, dated the 1st March, 2002 [w.e.f. from the 1st day of April, 2003, for the figures, words and letters "8/2002-Central Excise, dated the 1 st March, 2002", the figures, words and letters "8/2003-Central Excise, dated the 1 st March, 2003," shall be substituted].
4.	2403 10 10	Tobacco used for smoking through "hookah" or "chilam", commonly known as "hookah" tobacco or "gudaku".

[Notifn. No. 26/01-CE., dt. 11.5.01 as amended by Notifn. Nos. 11/02, 24/02 and 16/03, 20/06, 28/06].

EXEMPTION NOTIFICATIONS FOR EXCISE & ADDITIONAL DUTY OF EXCISE

Exemption to specified goods manufactured in a factory and used within a factory of production in or in relation to the manufacture of final product.

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), read with sub-section (3) of section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957) (hereinafter referred to as the said Special Importance Act) and sub-section (3) of section 136 of the Finance Act, 2001 (14 of 2001) (hereinafter referred to as the said Finance Act) and in supersession of the notification of the Government of India in the erstwhile Ministry of Finance (Department of Revenue), No.121/94-Central Excise, dated the 11th August, 1994, the Central Government, being satisfied that it is necessary in the public interest so to do, **herby exempts all goods falling under tariff item 2106 90 20 and Chapter 24** of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) (hereinafter referred to as the said Tariff Act) manufactured in a factory and **used within the factory of production** in or in relation to the **manufacture of final products all goods falling under Chapter 24** of the first Schedule to the said Tariff Act, from the **whole of the duty of excise and additional duty of excise and national calamity contingent duty** leviable thereon, which is specified in the respective Schedule to the said Tariff Act and the said Special Importance Act and the said Finance Act:

Provided that nothing contained in this notification shall apply to inputs used in or in

relation to the manufacture of final products (other than those cleared either to a unit in a Free Trade Zone or to a 100% Export-Oriented undertaking or to a unit in an Electronic Hardware Technology Park or software Technology Parks), which are exempt from the whole of the duty of excise leviable thereon or are chargeable to 'Nil' rate of duty.

[Notifn.No. 52/02-CE., dt 17.10.02 as amended by Notifn. No.16/03 and 20/06]