

CBIC NOTIFIES MAJOR GST CHANGES FOR PAN MASALA AND TOBACCO PRODUCTS; EFFECTIVE FEBRUARY 1, 2026

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The CBIC has notified new GST rules making retail sale price the basis for tax calculation on pan masala, tobacco and similar products, effective from February 1, 2026. GST Valuation Rules Revised for Pan Masala, and Similar Products



The Central Board of Indirect Taxes and Customs (CBIC) under the Ministry of Finance (Department of Revenue) has recently issued two key GST official notifications (No. 19/2025 – Central Tax and No. 20/2025 – Central Tax), both dated December 31, 2025.

These notifications mainly affect pan masala, tobacco, cigarettes, similar products, etc., and both are scheduled to take effect from **February 01, 2026**

As per the Notification No. 19/2025 – Central Tax, the Government of India, in pursuance of its powers granted under subsection (5) of section 15 of the Central Goods and Services Tax Act, 2017 (12 of 2017), has introduced a few amendments in an earlier notification of the Ministry of Finance (Department of Revenue), No. 49/2023-Central Tax, dated September 29, 2023, to change how the value of certain goods will be determined for GST purposes.

The Government has notified that GST on goods like pan masala, unmanufactured tobacco (other than tobacco leaves), cigarettes, other manufactured tobacco products, products meant for inhalation without combustion, etc., will now be calculated based on the retail sale price (RSP) printed on the package. This change applies only to goods where the retail sale price is declared on the package.

As per the Notification No. 20/2025 – Central Tax, the Government of India, in use of its powers granted under section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), has introduced some amendments in the Central Goods and Services Tax Rules, 2017. The following are some changes made in said rule:

The changed rule will now be called the Central Goods and Services Tax (Fifth Amendment) Rules, 2025. The amendment rules are scheduled to take effect on February 01, 2026. Refer to the official notifications for complete information.

<https://studycafe.in/cbic-notifies-major-gst-changes-for-pan-masala-and-tobacco-products-effective-february-1-2026-404796.html>