

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(Department of Revenue)

Notification No. 2/ 2023-Compensation Cess (Rate)

New Delhi, the 31st March, 2023

G.S.R..... (E). - In exercise of the powers conferred by sub-section (2) of section 8 of the Goods and Services Tax (Compensation to States) Act, 2017 (15 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 1/2017-Compensation Cess (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 720(E), dated the 28th June, 2017, namely:-

In the said notification,

I. in the Schedule, -

- (i) against S. No. 1, for the entry in column (4), the entry “0.32R per unit” shall be substituted;
- (ii) against S. No. 5, for the entry in column (4), the entry “0.36R per unit” shall be substituted;
- (iii) against S. No. 6, for the entry in column (4), the entry “0.36R per unit” shall be substituted;
- (iv) against S. No. 7, for the entry in column (4), the entry “0.32R per unit” shall be substituted;
- (v) against S. No. 19, for the entry in column (4), the entry “0.36R per unit” shall be substituted;
- (vi) against S. No. 20, for the entry in column (4), the entry “0.12R per unit” shall be substituted;
- (vii) against S. No. 21, for the entry in column (4), the entry “0.08R per unit” shall be substituted;
- (viii) against S. No. 22, for the entry in column (4), the entry “0.69R per unit” shall be substituted;
- (ix) against S. No. 23, for the entry in column (4), the entry “0.28R per unit” shall be substituted;
- (x) against S. No. 24, for the entry in column (4), the entry “0.08R per unit” shall be substituted;
- (xi) after S. No. 24 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)
“24A.	2403 91 00	“Homogenised” or “reconstituted” tobacco, bearing a brand name	0.36R per unit”;

- (xii) against S. No. 25, for the entry in column (2), the entry “2404 11 00” shall be substituted;
- (xiii) against S. No. 26, for the entry in column (4), the entry “0.56R per unit” shall be substituted;
- (xiv) against S. No. 27, for the entry in column (4), the entry “0.56R per unit” shall be substituted;
- (xv) against S. No. 28, for the entry in column (4), the entry “0.56R per unit” shall be substituted;
- (xvi) against S. No. 29, for the entry in column (4), the entry “0.36R per unit” shall be substituted;

- (xvii) against S. No. 30, for the entry in column (4), the entry “0.56R per unit” shall be substituted;
- (xviii) against S. No. 31, for the entry in column (4), the entry “0.36R per unit” shall be substituted;
- (xix) against S. No. 32, for the entry in column (4), the entry “0.36R per unit” shall be substituted;
- (xx) against S. No. 33, for the entry in column (4), the entry “0.36R per unit” shall be substituted;
- (xxi) against S. No. 34, for the entry in column (4), the entry “0.36R per unit” shall be substituted;
- (xxii) against S. No. 35, for the entry in column (4), the entry “0.14R per unit” shall be substituted;
- (xxiii) against S. No. 36, for the entry in column (4), the entry “0.61R per unit” shall be substituted;
- (xxiv) after S. No. 36 and the entries relating thereto, the following S. Nos. and entries shall be inserted, namely:

(1)	(2)	(3)	(4)
“36A.	2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', bearing a brand name	0.43R per unit
36B.	2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', not bearing a brand name	0.43R per unit”;

(xxv) against S. No. 37, for the entry in column (2), the entry “2404 11 00, 2404 19 00” shall be substituted;

(xxvi) against S. No. 38, for the entry in column (2), the entry “2404 11 00, 2404 19 00” shall be substituted;

II. In the Explanation, after clause (3), following clause shall be inserted, namely: -

“(4) For the purposes of this notification, “R” appearing in column (4) means "retail sale price" as provided in the Schedule to the Goods and Services Tax (Compensation to States) Act, 2017 (15 of 2017)”;

III. After the Explanation, and before the Paragraph 2, the following shall be inserted, namely: -

“Illustration: Calculation of goods and services tax compensation cess on Pan Masala (S. No. 1 in the Schedule above):

Rate of goods and services tax compensation cess = 0.32R per unit;

If retail sale price of unit (pouch) of Pan Masala = Rs. 10;

goods and services tax compensation cess leviable = 0.32R = 0.32*10 = Rs. 3.2 per unit (pouch)”.

2. This notification shall come into force on the 1st day of April, 2023.

[F. No. 190354/85/2021-TRU]

(Vikram Vijay Wanere)
Under Secretary, Government of India

Note: - The principal notification No.1/2017-Compensation Cess (Rate), dated the 28th day of June, 2017, was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 720(E), dated the 28th day of June, 2017, and was last amended *vide* notification No. 1/2023-Compensation Cess (Rate), dated the 28th February, 2023, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 153(E), dated the 28th February, 2023.