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GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(Department of Revenue)

Notification No 3/2023-Compensation Cess (Rate)

New Delhi, the 26<sup>th</sup> July, 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 28<sup>th</sup> 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 28<sup>th</sup> June, 2017, namely:-

In the said notification,

I. in the Schedule, -

(i) against S. No. 1, for the entry in column (3), the entry “Pan Masala with declared retail sale price” shall be substituted;

(ii) after S. No. 1 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)
“1A.	2106 90 20	Pan Masala, other than goods covered under S. No. 1 above	60%”;

(iii) against S. No. 5, for the entry in column (3), after the words “brand name”, the words “with declared retail sale price” shall be inserted;

(iv) after S. No. 5 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)
“5A.	2401	Unmanufactured tobacco (without lime tube)– bearing a brand name, other than goods covered under S. No. 5 above	71%”;

(v) against S. No. 6, for the entry in column (3), after the words “brand name”, the words “with declared retail sale price” shall be inserted;

(vi) after S. No. 6 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)
“6A.	2401	Unmanufactured tobacco (with lime tube)– bearing a brand name, other than goods covered under S. No. 6 above	65%”;

(vii) against S. No. 7, for the entry in column (3), after the words “brand name”, the words “with declared retail sale price” shall be inserted;

(viii) after S. No. 7 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)
“7A.	2401 30 00	Tobacco refuse, bearing a brand name, other than goods covered under S. No. 7 above	61%”;

(ix) against S. No. 19, for the entry in column (3), after the words “brand name”, the words “with declared retail sale price” shall be inserted;

(x) after S. No. 19 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)
“19A.	2403 11 10	'Hookah' or 'gudaku' tobacco, bearing a brand name, other than goods covered under S. No. 19 above	72%”;

(xi) against S. No. 20, for the entry in column (3), after the words “brand name”, the words “with declared retail sale price” shall be inserted;

(xii) after S. No. 20 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)
“20A.	2403 11 10	Tobacco used for smoking 'hookah' or 'chilam' commonly known as 'hookah' tobacco or 'gudaku', not bearing a brand name, other than goods covered under S. No. 20 above	17%”;

(xiii) against S. No. 21, for the entry in column (3), after the words “brand name”, the words “with declared retail sale price” shall be inserted;

(xiv) after S. No. 21 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)
“21A.	2403 11 90	Other water pipe smoking tobacco, not bearing a brand name, other than goods covered under S. No. 21 above	11%”;

(xv) against S. No. 22, for the entry in column (3), the entry “Smoking mixtures for pipes and cigarettes, with declared retail sale price” shall be substituted;

(xvi) after S. No. 22 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)
“22A.	2403 19 10	Smoking mixtures for pipes and cigarettes, other than goods covered under S. No. 22 above	290%”;

(xvii) against S. No. 23, for the entry in column (3), after the words “brand name”, the words “with declared retail sale price” shall be inserted;

(xviii) after S. No. 23 and the entries relating thereto, the following S. No. and entries shall be inserted, namely:

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(1)	(2)	(3)	(4)
“23A.	2403 19 90	Other smoking tobacco bearing a brand name, other than goods covered under S. No. 23 above	49%”;

(xix) against S. No. 24, for the entry in column (3), after the words “brand name”, the words “with declared retail sale price” shall be inserted;

(xx) for S. No. 24A and the entries relating thereto, the following S. Nos. and entries shall be substituted, namely:

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(1)	(2)	(3)	(4)
"24A.	2403 19 90	Other smoking tobacco, not bearing a brand name, other than goods covered under S. No. 24 above	11%
24B.	2403 91 00	“Homogenised” or “reconstituted” tobacco, bearing a brand name with declared retail sale price	0.36R per unit
24C.	2403 91 00	“Homogenised” or “reconstituted” tobacco, bearing a brand name, other goods covered under S. No. 24 B above	72%”;

(xxi) against S. No. 26, for the entry in column (3), the entry “Chewing tobacco (without lime tube), with declared retail sale price” shall be substituted;

(xxii) after S. No. 26 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)
“26A.	2403 99 10	Chewing tobacco (without lime tube), other than goods covered under S. No. 26 above	160%”;

(xxiii) against S. No. 27, for the entry in column (3), the entry “Chewing tobacco (with lime tube), with declared retail sale price” shall be substituted;

(xxiv) after S. No. 27 and the entries relating thereto, the following S. No. and entries shall be inserted, namely:

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(1)	(2)	(3)	(4)
“27A.	2403 99 10	Chewing tobacco (with lime tube), other than goods covered under S. No. 27 above	142%”;

(xxv) against S. No. 28, for the entry in column (3), the entry “Filter khaini, with declared retail sale price” shall be substituted;

(xxvi) after S. No. 28 and the entries relating thereto, the following S. No. and entries shall be inserted, namely:

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(1)	(2)	(3)	(4)
"28A.	2403 99 10	Filter khaini, other than goods covered under S. No. 28 above	160%";

(xxvii) against S. No. 29, for the entry in column (3), the entry "Preparations containing chewing tobacco, with declared retail sale price" shall be substituted;

(xxviii) after S. No. 29 and the entries relating thereto, the following S. No. and entries shall be inserted, namely:

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(1)	(2)	(3)	(4)
"29A.	2403 99 20	Preparations containing chewing tobacco, other than goods covered under S. No. 29 above	72%";

(xxix) against S. No. 30, for the entry in column (3), the entry "Jarda scented tobacco, with declared retail sale price" shall be substituted;

(xxx) after S. No. 30 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)
"30A.	2403 99 30	Jarda scented tobacco, other than goods covered under S. No. 30 above	160%";

(xxxi) against S. No. 31, for the entry in column (3), the entry "Snuff, with declared retail sale price" shall be substituted;

(xxxii) after S. No. 31 and the entries relating thereto, the following S. No. and entries shall be inserted, namely:

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(1)	(2)	(3)	(4)
"31A.	2403 99 40	Snuff, other than goods covered under S. No. 31 above	72%";

(xxxiii) against S. No. 32, for the entry in column (3), the entry "Preparations containing snuff, with declared retail sale price" shall be substituted;

(xxxiv) after S. No. 32 and the entries relating thereto, the following S. No. and entries shall be inserted, namely:

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(1)	(2)	(3)	(4)
"32A.	2403 99 50	Preparations containing snuff, other than goods covered under S. No. 32 above	72%";

(xxxv) against S. No. 33, for the entry in column (3), after the words “brand name”, the words “with declared retail sale price” shall be inserted;

(xxxvi) after S. No. 33 and the entries relating thereto, the following S. No. and entries shall be inserted, namely:

(1)	(2)	(3)	(4)
“33A.	2403 99 60	Tobacco extracts and essence, bearing a brand name, other than good covered under S. No. 33 above	72%”;

(xxxvii) against S. No. 34, for the entry in column (3), after the words “brand name”, the words “with declared retail sale price” shall be inserted;

(xxxviii) after S. No. 34 and the entries relating thereto, the following S. No. and entries shall be inserted, namely:

(1)	(2)	(3)	(4)
“34A.	2403 99 60	Tobacco extracts and essence, not bearing a brand name, other than goods covered under S. No. 34 above	65%”;

(xxxix) against S. No. 35, for the entry in column (3), the entry “Cut tobacco, with declared retail sale price” shall be substituted;

(xl) after S. No. 35 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)
“35A.	2403 99 70	Cut tobacco, other than goods covered under S. No. 35 above	20%”;

(xli) against S. No. 36, for the entry in column (3), the entry “Pan masala containing tobacco 'Gutkha', with declared retail sale price ” shall be substituted;

(xlii) for S. No. 36A and the entries relating thereto, the following S. No. and entries shall be substituted, namely:

(1)	(2)	(3)	(4)
"36A.	2403 99 90	Pan masala containing tobacco 'Gutkha', other than goods covered under S. No. 36 above	204%”;

(xliii) for S. No. 36B and the entries relating thereto, the following S. No. and entries shall be substituted, namely:

(1)	(2)	(3)	(4)
"36B.	2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', bearing a brand name, with declared retail sale price	0.43R per unit”;

(xliv) after S. No. 36B and the entries relating the, the following S. Nos. and entries shall be substituted, namely:

(1)	(2)	(3)	(4)
“36C.	2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', bearing a brand name, other than good covered under S. No. 36B above	96%
36D.	2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', not bearing a brand name, with declared retail sale price	0.43R per unit
36E.	2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', not bearing a brand name, other than goods covered under S. No. 36D above	89%”;

(xlv) against S. No. 52B, in column (3), for the entry, the entry “Motor vehicles known as Utility Vehicles, by whatever name called including Sports Utility Vehicles (SUV), Multi Utility Vehicles (MUV), Multi-purpose vehicles (MPV) or Cross-Over Utility Vehicles (XUV), with engine capacity exceeding 1500 cc ; Length exceeding 4000 mm and Ground Clearance of 170 mm and above.

*Explanation:* For the purpose of this entry, the Ground Clearance means ground clearance in unladen condition.” shall be substituted;

II. In the Explanation, after clause (4), following clause shall be inserted, namely: -

“(5) For the purposes of this notification, the words “declared retail sale price”, with respect to the goods specified in column (3) of the Schedule above, shall mean the retail sale price of such goods which are required to be declared in compliance with the provisions of the Legal Metrology Act, 2009 (1 of 2010) or the rules made thereunder or under any other law for the time being in force”;

2. This notification shall come into force on 27<sup>th</sup> July, 2023.

[F. No. 190354/133/2023-TRU]

(Nitish Karnatak)  
Under Secretary

Note: - The principal notification No.1/2017-Compensation Cess (Rate), dated the 28<sup>th</sup> 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 28<sup>th</sup> day of June, 2017, and was last amended *vide* notification No. 2/2023-Compensation Cess (Rate), dated the 31<sup>st</sup> March, 2023, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 253(E), dated the 31<sup>st</sup> March, 2023.