

**LEVY AND COLLECTION OF COMPENSATION CESS –  
RATES OF CESS FOR SPECIFIED GOODS**

[Notification No. 1/2017 Compensation Cess \(Rate\), Dated 28th June, 2017](#) as amended [Corrigendum GSR 760\(E\), Dated 30-6-2017](#), [Notification Nos. 3/2017-Compensation Cess \(Rate\), Dated 18-7-2017](#), [5/2017-Compensation Cess \(Rate\), Dated 11-9-2017](#), [1/2018-Compensation Cess \(Rate\), Dated 25-1-2018](#), [2/2018-Compensation Cess \(Rate\), Dated 26-7-2018](#), [Corrigendum GSR 734\(E\), Dated 2-8-2018](#), [2/2019-Compensation Cess \(Rate\), Dated 30-9-2019](#), [01/2021-Compensation Cess \(Rate\), dated 30-09-2021](#) , [Notification No. 2/2021-Compensation Cess \(Rate\) dated 28th December, 2021](#) , [Notification No. 1/ 2023-Compensation Cess \(Rate\) dated 28th February, 2023](#) and [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#) - The Central Government, on the recommendations of the Council, hereby notifies the rate of cess as specified in column (4) of the Schedule appended to this notification, that shall be levied on the intra-State supplies or inter-State supplies of such goods, the description of which is specified in the corresponding entry in column (3) and falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Schedule.

**SCHEDULE**

S. No.	Chapter /Heading /Sub-heading/ Tariff item	Description of Goods	Rate of goods and services tax compensation cess
(1)	(2)	(3)	(4)
1.	2106 90 20	Pan-masala	<sup>1</sup> [0.32R per unit]
2.	2202 10 10	Aerated waters	12%
3.	2202 10 20	Lemonade	12%
4.	2202 10 90	Others	12%
<sup>2</sup> [4A]	2202 99 90	Caffeinated Beverages	12%]
<sup>3</sup> [4B.	2202	Carbonated Beverages of Fruit Drink or Carbonated Beverages with Fruit Juice.	12%]
5.	2401	Unmanufactured tobacco (without lime tube) - bearing a brand name	<sup>4</sup> [0.36R per unit]

6.	2401	Unmanufactured tobacco (with lime tube) - bearing a brand name	<sup>5</sup> [0.36R per unit]
7.	2401 30 00	Tobacco refuse, bearing a brand name	<sup>6</sup> [0.32R per unit]
8.	2402 10 10	Cigar and cheroots	21% or Rs. 4170 per thousand, whichever is higher
9.	2402 10 20	Cigarillos	21% or Rs. 4170 per thousand, whichever is higher
10.	2402 20 10	Cigarettes containing tobacco other than filter cigarettes, of length not exceeding 65 millimetres	<sup>7</sup> [5% + Rs. 2076 per thousand]
11.	2402 20 20	Cigarettes containing tobacco other than filter cigarettes, of length exceeding 65 millimetres but not exceeding 75 millimetres	<sup>7</sup> [5% + Rs. 3668 per thousand]
12.	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 65 millimetres	<sup>7</sup> [5% + Rs. 2076 per thousand]
13.	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 65 millimetres but not exceeding 70 millimetres	<sup>7</sup> [5% + Rs. 2747 per thousand]
14.	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 70 millimetres but not exceeding 75 millimetres	<sup>7</sup> [5% + Rs. 3668 per thousand]
15.	2402 20 90	Other cigarettes containing tobacco	<sup>7</sup> [36% + Rs. 4170 per thousand]

16.	2402 90 10	Cigarettes of tobacco substitutes	Rs. 4006 per thousand
17.	2402 90 20	Cigarillos of tobacco substitutes	12.5% or Rs. 4,006 per thousand whichever is higher
18.	2402 90 90	Other	12.5% or Rs. 4,006 per thousand whichever is higher
19.	2403 11 10	'Hookah' or 'gudaku' tobacco bearing a brand name	<sup>8</sup> [0.36R per unit]
20.	2403 11 10	Tobacco used for smoking 'hookah' or 'chilam' commonly known as 'hookah' tobacco or 'gudaku' not bearing a brand name	<sup>9</sup> [0.12R per unit]
21.	2403 11 90	Other water pipe smoking tobacco not bearing a brand name.	<sup>10</sup> [0.08R per unit]
22.	2403 19 10	Smoking mixtures for pipes and cigarettes	<sup>11</sup> [0.69R per unit]
23.	2403 19 90	Other smoking tobacco bearing a brand name	<sup>12</sup> [0.28R per unit]
24.	2403 19 90	Other smoking tobacco not bearing a brand name	<sup>13</sup> [0.08R per unit]
<sup>14</sup> [24A.	2403 91 00	"Homogenised" or "reconstituted" tobacco, bearing a brand name	0.36R per unit]
25.	<sup>15</sup> [2404 11 00]	"Homogenised" or "reconstituted" tobacco, bearing a brand name	72%
26.	2403 99 10	Chewing tobacco (without lime tube)	<sup>16</sup> [0.56R per unit]
27.	2403 99 10	Chewing tobacco (with lime tube)	<sup>17</sup> [0.56R per unit]
28.	2403 99 10	Filter khaini	<sup>18</sup> [0.56R per unit]
29.	2403 99 20	Preparations containing chewing tobacco	<sup>19</sup> [0.36R per unit]
30.	2403 99 30	Jarda scented tobacco	<sup>20</sup> [0.56R per unit]
31.	2403 99 40	Snuff	<sup>21</sup> [0.36R per unit]

32.	2403 99 50	Preparations containing snuff	<sup>22</sup> [0.36R per unit]
33.	2403 99 60	Tobacco extracts and essence bearing a brand name	<sup>23</sup> [0.36R per unit]
34.	2403 99 60	Tobacco extracts and essence not bearing a brand name	<sup>24</sup> [0.36R per unit]
35.	2403 99 70	Cut tobacco	<sup>25</sup> [0.14R per unit]
36.	2403 99 90	Pan masala containing tobacco 'Gutkha'	<sup>26</sup> [0.61R per unit]
<sup>27</sup> [36A.	2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', bearing a brand name	0.43R per unit]
<sup>28</sup> [36B.	2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', not bearing a brand name	0.43R per unit]
37.	<sup>29</sup> [2404 11 00, 2404 19 00]	All goods, other than pan masala containing tobacco 'gutkha', bearing a brand name	96%
38.	<sup>30</sup> [2404 11 00, 2404 19 00]	All goods, other than pan masala containing tobacco 'gutkha', not bearing a brand name	89%
39.	2701	Coal; briquettes, ovoids and similar solid fuels manufactured from coal.	Rs. 400 per tonne
40.	2702	Lignite, whether or not agglomerated, excluding jet	Rs. 400 per tonne
41.	2703	Peat (including peat litter), whether or not agglomerated	Rs. 400 per tonne
<sup>31</sup> [41A.	27	<sup>32</sup> {Coal rejects supplied to a coal washery or by a coal washery, arising out of coal on which compensation cess has been paid and input tax credit thereof has not been availed by any person}	Nil]
42.	8702 10, <sup>33</sup> [8702 20, 8702 30, 8702 90]	<sup>34</sup> [ Motor vehicles for the transport of not more than 13 persons, including the driver, other than the vehicles of the description mentioned in S. Nos. 50 and 51]	15%
<sup>35</sup> [42A.	87	All old and used motor vehicles. Explanation: Nothing contained in this entry shall apply if the supplier of such goods has	Nil]

		availed input tax credit as defined in clause (63) of section 2 of the Central Goods and Services Tax Act, 2017, CENVAT credit as defined in CENVAT Credit Rules, 2004, or the input tax credit of Value Added Tax or any other taxes paid on such vehicles.	
<sup>36</sup> [42B.	87	Fuel Cell Motor Vehicles	Nil]
43.	<sup>37</sup> [8702 or 8703]	Motor vehicles cleared as ambulances duly fitted with all the fitments, furniture and accessories necessary for an ambulance from the factory manufacturing such motor vehicles	Nil
44.	8703 10 10, 8703 80	Electrically operated vehicles, including three wheeled electric motor vehicles.	Nil
45.	8703	Three wheeled vehicles	Nil
46.	8703	<sup>38</sup> [ Following motor vehicles of length not exceeding 4000 mm, namely:— (a) Petrol, Liquefied petroleum gases (LPG) or compressed natural gas (CNG) driven vehicles of engine capacity not exceeding 1200 cc; and (b) Diesel driven vehicles of engine capacity not exceeding 1500 cc for persons with orthopedic physical disability, subject to the condition that an officer not below the rank of Deputy Secretary to the Government of India in the Department of Heavy Industries certifies that the said goods shall be used by the persons with orthopedic physical disability in accordance with the guidelines issued by the said Department. ]	Nil
<sup>39</sup> [47.	8703 40, 8703 60	Following vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion:	

		(a) Motor vehicles cleared as ambulances duly fitted with all the fitments, furniture and accessories necessary for an ambulance from the factory manufacturing such motor vehicles	Nil
		(b) Three wheeled vehicles	Nil
		(c) Motor vehicles of engine capacity not exceeding 1200cc and of length not exceeding 4000 mm	Nil
		(d) Motor vehicles other than those mentioned at (a), (b) and (c) above. Explanation.—For the purposes of this entry, the specification of the motor vehicle shall be determined as per the Motor Vehicles Act, 1988 (59 of 1988) and the rules made thereunder.	15%
48.	8703 50, 8703 70	Following vehicles, with both compression-ignition internal combustion piston engine [diesel-or semi diesel] and electric motor as motors for propulsion:	
		(a) Motor vehicles cleared as ambulances duly fitted with all the fitments, furniture and accessories necessary for an ambulance from the factory manufacturing such motor vehicles	Nil
		(b) Three wheeled vehicles	Nil
		(c) Motor vehicles of engine capacity not exceeding 1500 cc and of length not exceeding 4000 mm	Nil
		(d) Motor vehicles other than those mentioned at (a), (b) and (c) above. Explanation.—For the purposes of this entry, the specification of the motor vehicle shall be	15%]

		determined as per the Motor Vehicles Act, 1988 (59 of 1988) and the rules made thereunder.	
49.	8703	Hydrogen vehicles based on fuel cell tech and of length not exceeding 4000 mm.  Explanation. —For the purposes of this entry, the specification of the motor vehicle shall be determined as per the Motor Vehicles Act, 1988 (59 of 1988) and the rules made thereunder.	Nil
50.	<sup>40</sup> [ 8702, 8703 21 or 8703 22 ]	Petrol, Liquefied Petroleum Gases (LPG) or compressed natural gas (CNG) driven motor vehicles of engine capacity not exceeding 1200cc and of length not exceeding 4000 mm.  Explanation.—For the purposes of this entry, the specification of the motor vehicle shall be determined as per the Motor Vehicles Act, 1988 (59 of 1988) and the rules made thereunder.	1%
51.	<sup>41</sup> [ 8702, 8703 31 ]	Diesel driven motor vehicles of engine capacity not exceeding 1500cc and of length not exceeding 4000 mm.  Explanation.—For the purposes of this entry, the specification of the motor vehicle shall be determined as per the Motor Vehicles Act, 1988 (59 of 1988) and the rules made thereunder	3%
<sup>42</sup> [52.	8703	Motor vehicles of engine capacity not exceeding 1500cc	17%
52A.	8703	Motor vehicles of engine capacity exceeding 1500cc other than motor vehicles specified against entry at S. No. 52B	20%

52B.	8703	Motor vehicles of engine capacity exceeding 1500cc, popularly known as Sports Utility Vehicles (SUVs) including utility vehicles.  Explanation.-For the purposes of this entry, SUV includes a motor vehicle of length exceeding 4000 mm and having ground clearance of 170 mm and above.	22%]
53.	8711	Motorcycles of engine capacity exceeding 350cc.	3%
54.	<sup>43</sup> [8802 or 8806]	Other aircraft (for example, helicopters, aeroplanes), for personal use.	3%
55.	8903	Yacht and other vessels for pleasure or sports.	3%
56.	Any Chapter	All goods other than those mentioned at S. Nos. 1 to 55 above.	Nil

**Explanation.—**

- (1) In this Schedule, "tariff item", "heading", "sub-heading" and "Chapter" shall mean respectively a tariff item, heading, sub-heading and Chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).
- (2) The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975, including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.
- (3) For the purposes of this notification, the phrase "brand name" means brand name or trade name, whether registered or not, that is to say, a name or a mark, such as symbol, monogram, label, signature or invented word or writing which is used in relation to such specified goods for the purpose of indicating, or so as to indicate a connection in the course of trade between such specified goods and some person using such name or mark with or without any indication of the identity of that person.

<sup>44</sup>[(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).]

<sup>45</sup>[**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)]

**Notes**

1. Substituted w.e.f. 01.04.2023 against S. No. 1, for the entry in column (4) - “60%”, the entry “0.32R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
2. Inserted w.e.f.1-10-2019 vide [Notification No. 2/2019-Compensation Cess \(Rate\), dated 30-9-2019](#).
3. Inserted w.e.f. 1-10-2021 vide [Notification No. 1/2021-Compensation Cess \(Rate\), dated 30-9-2021](#).
4. Substituted w.e.f. 01.04.2023 against S. No. 5 – “71%” , for the entry in column (4), the entry “0.36R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
5. Substituted w.e.f. 01.04.2023 against S. No. 6, for the entry in column (4) – “65%”, the entry “0.36R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
6. Substituted w.e.f. 01.04.2023 against S. No. 7 – “61%”, for the entry in column (4), the entry “0.32R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
7. Substituted w.e.f.18-7-2017 vide [Notification No. 3/2017-Compensation Cess \(Rate\), dated 18-7-2017](#) as -
  - (i) against S. No. 10, for the entry in column (4) “5% + Rs.1591 per thousand”, the entry “5% + Rs. 2076 per thousand” substituted;
  - (ii) against S. No. 11, for the entry in column (4) “5% + Rs.2876 per thousand”, the entry “5%+ Rs. 3668 per thousand ” substituted;
  - (iii) against S. No. 12, for the entry in column (4) “5% + Rs.1591 per thousand”, the entry “5% + Rs. 2076 per thousand” substituted.
  - (iv) against S. No. 13, for the entry in column (4) “5% + Rs.2126 per thousand”, the entry “5% + Rs. 2747 per thousand” substituted;
  - (v) against S. No. 14, for the entry in column (4) “5% + Rs.2876 per thousand”, the entry “5% + Rs. 3668 per thousand” substituted;
  - (vi) against S. No. 15, for the entry in column (4) “5% + Rs.4170 per thousand”, the entry “36% + Rs. 4170 per thousand” substituted.
8. Substituted w.e.f. 01.04.2023 against S. No. 19, for the entry in column (4) – “72%”, the entry “0.36R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
9. Substituted w.e.f. 01.04.2023 against S. No. 20, for the entry in column (4) – “17%”, the entry “0.12R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
10. Substituted w.e.f. 01.04.2023 against S. No. 21, for the entry in column (4) – “11%”, the entry “0.08R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).

- 11 Substituted w.e.f. 01.04.2023 against S. No. 22, for the entry in column (4) – “290%”, the entry “0.69R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
- 12 Substituted w.e.f. 01.04.2023 against S. No. 23, for the entry in column (4) – “49%”, the entry “0.28R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
- 13 Substituted w.e.f. 01.04.2023 against S. No. 24, for the entry in column (4) – “11%”, the entry “0.08R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
- 14 Inserted w.e.f. 01.04.2023 vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
- 15 Substituted w.e.f. 01.04.2023 against S. No. 25, for the entry in column (2), the entry “2404 11 00” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
16. Substituted w.e.f. 01.04.2023 against S. No. 26, for the entry in column (4) – “160%”, the entry “0.56R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
- 17 Substituted w.e.f. 01.04.2023 against S. No. 27, for the entry in column (4) – “142%”, the entry “0.56R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
- 18 Substituted w.e.f. 01.04.2023 against S. No. 28, for the entry in column (4) – “160%”, the entry “0.56R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
- 19 Substituted w.e.f. 01.04.2023 against S. No. 29, for the entry in column (4) – “72%”, the entry “0.36R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
- 20 Substituted w.e.f. 01.04.2023 against S. No. 30, for the entry in column (4)- “ 160%”, the entry “0.56R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
- 21 Substituted w.e.f. 01.04.2023 against S. No. 31, for the entry in column (4) – “72%”, the entry “0.36R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
- 22 Substituted w.e.f. 01.04.2023 against S. No. 32, for the entry in column (4) – “72%”, the entry “0.36R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
- 23 Substituted w.e.f. 01.04.2023 against S. No. 33, for the entry in column (4)- “72%”, the entry “0.36R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
- 24 Substituted w.e.f. 01.04.2023 against S. No. 34, for the entry in column (4) – “65%”, the entry “0.36R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
- 25 Substituted w.e.f. 01.04.2023 against S. No. 35, for the entry in column (4) – “20%”, the entry “0.14R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
- 26 Substituted w.e.f. 01.04.2023 against S. No. 36, for the entry in column (4) – “204%”, the entry “0.61R per unit” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
- 27 Inserted w.e.f. 01.04.2023 vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
- 28 Inserted w.e.f. 01.04.2023 vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
29. Substituted w.e.f. 01.04.2023 against S. No. 37, for the entry in column (2), the entry “2404 11 00, 2404 19 00” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
30. Substituted w.e.f. 01.04.2023 against S. No. 38, for the entry in column (2), the entry “2404 11 00, 2404 19 00” vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
31. Inserted w.e.f.27-7-2018 vide [Notification No. 2/2018-Compensation Cess \(Rate\), Dated 26-7-2018](#).
32. Substituted w.e.f. 01.03.2023 for the entry read as “Coal rejects supplied by a coal washery, arising out of coal on which compensation cess has been paid [and] input tax credit thereof has not been availed by any person.” vide [Notification No. 1/ 2023-Compensation Cess \(Rate\) dated 28th February, 2023](#).
33. Inserted vide [Corrigendum GSR 760\(E\), dated 30-6-2017](#).

34. Substituted w.e.f.1-10-2019 for "Motor vehicles for the transport of [not more than 13] persons, including the driver" vide [Notification No. 2/2019-Compensation Cess \(Rate\), dated 30-9-2019](#). Earlier, the words "ten or more", were substituted vide [Corrigendum GSR 760\(E\), dated 30-6-2017](#).
35. Inserted w.e.f.25-1-2018 vide [Notification No. 1/2018-Compensation Cess \(Rate\), dated 25-1-2018](#).
36. Inserted w.e.f.27-7-2018 vide [Notification No. 2/2018-Compensation Cess \(Rate\), dated 26-7-2018](#).
37. Substituted w.e.f.25-1-2018 for "8703" vide [Notification No. 1/2018-Compensation Cess \(Rate\), dated 25-1-2018](#).
38. Substituted w.e.f.1-10-2019 vide [Notification No. 2/2019-Compensation Cess \(Rate\), dated 30-9-2019](#).Earlier, The entry in column (3) read as under :  
"Cars for physically handicapped persons, subject to the following conditions:  
(a) an officer not below the rank of Deputy Secretary to the Government of India in the Department of Heavy Industries certifies that the said goods are capable of being used by the physically handicapped persons; and  
(b) the buyer of the car gives an affidavit that he shall not dispose of the car for a period of five years after its purchase."
39. Substituted vide [Notification No. 5/2017-Compensation Cess \(Rate\), dated 11-9-2017](#).
40. Substituted w.e.f. 1-10-2019 for "8703 21 or 8703 22" vide [Notification No. 2/2019-Compensation Cess \(Rate\), dated 30-9-2019](#).
41. Substituted w.e.f. 1-10-2019 for "8703 31" vide [Notification No. 2/2019-Compensation Cess \(Rate\), dated 30-9-2019](#).
42. Sl. No. 52 substituted by Sl. Nos. 52, 52A and 52B vide [Notification No. 5/2017-Compensation Cess \(Rate\), dated 11-9-2017](#).
43. Substituted w.e.f. 01.01.2022 for the entry in column (2), "8802" vide [Notification No. 2/2021-Compensation Cess \(Rate\) dated 28th December, 2021](#).
44. Inserted w.e.f. 01.04.2023 vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).
45. Inserted w.e.f. 01.04.2023 vide [Notification No. No. 2/ 2023-Compensation Cess \(Rate\) dated 31st March, 2023](#).

**LEVY AND COLLECTION OF COMPENSATION CESS – RATES OF CESS  
ON MOTOR VEHICLES PURCHASED BY LESSOR PRIOR TO 1-7-2017  
AND SUPPLIED ON LEASE BEFORE 1-7-2017**

Notification No. 7/2017-Compensation Cess (Rate), Dated 13-10-2017

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 notifies the rate of cess as specified in column 4 of the Table below, falling under the tariff item, sub-heading, heading or Chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), as the case may be, as specified in the corresponding entry in column (2), of the Table below, at the rate specified in corresponding entry in column (4) and subject to relevant conditions annexed to this notification, if any, specified in the corresponding entry in column (5) of the Table below:

**TABLE**

<b>Sl. No.</b>	<b>Tariff item, sub-heading, heading or Chapter</b>	<b>Description of Goods</b>	<b>Rate</b>	<b>Condition No.</b>
(1)	(2)	(3)	(4)	(5)
1.	8702, 8703	Motor Vehicles	65% of cess applicable otherwise on such goods under Notification No. 1/2017-Compensation Cess (Rate), dated 28th June, 2017 published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i), vide G.S.R. 720 (E), dated the 28th June, 2017.	1
2.	8702, 8703	Motor Vehicles	65% of cess applicable otherwise on such goods under Notification No. 1/2017-Compensation Cess (Rate), dated 28th June, 2017 published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i), vide G.S.R. 720 (E), dated the 28th June, 2017:	2

2. Provided that nothing contained in this notification shall apply on or after 1st July, 2020.

Explanation.—For the purposes of this notification,—

- (i) "Tariff item", "sub-heading", "heading" and "Chapter" shall mean respectively a tariff item, heading, sub-heading and Chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).
- (ii) The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975, including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

**ANNEXURE**

Condition No.	Condition
1	(i) The Motor Vehicles was purchased by the lesser prior to 1st July, 2017 and supplied on lease before 1st July, 2017
2	(i) The supplier of Motor Vehicle is a registered person. (ii) Such supplier had purchased the Motor Vehicle prior to 1st July, 2017 and has not availed input tax credit of Central Excise Duty, Value Added Tax or any other taxes paid on such vehicles.



**LEVY AND COLLECTION OF COMPENSATION CESS – NO REFUND OF UNUTILISED INPUT TAX CREDIT OF COMPENSATION CESS FOR INVERTED DUTY STRUCTURE FOR TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES**

Notification No. 3/2019-Compensation Cess (Rate), Dated 30-9-2019\*

In exercise of the powers conferred by clause (ii) of the proviso to sub-section (3) of section 54 of the Central Goods and Services Tax Act, 2017 (12 of 2017) read with sub-section (2) of Section 9 of the Goods and Services Tax (Compensation to States) Act, 2017, the Central Government, on the recommendations of the Council, hereby notifies the goods, the description of which is specified in column (3) of the Table below and falling under the tariff item, heading, sub-heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Table, in respect of which no refund of unutilised input tax credit of compensation cess shall be allowed, where the credit has accumulated on account of rate of compensation cess on inputs being higher than the rate of compensation cess on the output supplies of such goods (other than nil rated or fully exempt supplies).

**TABLE**

S. No.	Tariff item, heading, subheading or Chapter	Description of Goods
(1)	(2)	(3)
1.	24	Tobacco and manufactured tobacco substitutes

Explanation. -

- (1) In this Table, "tariff item", "sub-heading", "heading" and "Chapter" shall mean respectively a tariff item, sub-heading, heading or chapter, as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).
- (2) The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975, including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

**\* The notification shall be deemed to have, and always to have, for all purposes, come into force on and from the 1st day of July, 2017 vide clause 133 of the Finance Act 2020 (NO. 12 OF 2020).**

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