THE HSNS CESS RULES, 2026

HEALTH SECURITY SE NATIONAL SECURITY CESS RULES, 2026 – E-BOOK

(as amended up to the Second Amendment Rules of 20.05.2026)

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ABOUT THIS E-BOOK

This e-book presents the **Health Security se National Security Cess Rules, 2026** – Notification No. 01/2026-HSNS Cess, G.S.R. 02(E), dated 01.01.2026 – as amended up to the Second Amendment Rules of 20.05.2026. The text of the Rules and the Forms is reproduced exactly as given in the source document; only the layout, headings, index and navigation links have been designed for easy reading.

11	35	9	7	22	2
CHAPTERS	RULES	FORMS	PROVISIONS WITH AMENDMENT NOTES	AMENDMENT FOOTNOTES	AMENDING RULES

How the pages are coloured

NAVY band Title pages of the Rules

ORANGE band Chapter heading / Form heading

CREAM band Chapter title / Form title

BLUE bar Rule heading (number and name of the rule)

GREY shading Text shown shaded grey in the Rules and Forms is text inserted or amended by the Amendment Rules – see the footnote

How to find the amendments

- Use the **Amended provisions – Quick Finder**: every rule and form that carries an amendment footnote is listed with a link and a ✎ count.
- In the INDEX, a red ✎ **n** after a rule or form shows that it has n amendment footnotes.
- The **Publisher's Note** lists the two Amendment Rules and a summary table of every change; the footnote on the page gives the notification, its date and the date it came into force.

Navigation tips

- Click any line in the INDEX to jump to that rule, chapter or form.
- Click the small ▲ beside a heading, or "▲ Go to INDEX" in the footer, to return to the INDEX at any time.
- In Word, press Ctrl+A then F9 to refresh the page numbers in the INDEX after any edit.

AMENDED PROVISIONS – QUICK FINDER

Rules and Forms that carry amendment footnotes. Click a name to go to it; the red ✎ figure is the number of amendment footnotes on that provision.

CHAPTER IV **PAYMENT OF CESS AND RETURNS**	**Rule 12** ✎1
CHAPTER V **CESS ABATEMENT AND COMPUTATION**	**Rule 16** ✎1
CHAPTER XI **MISCELLANEOUS**	**Rule 35** ✎4
FORMS **Annexed forms**	**FORM HSNS DEC-01** ✎8 **FORM HSNS CE-01** ✎6 **FORM HSNS RET-01** ✎1 **FORM HSNS APL 02** ✎1

Details of each change are given in the footnotes at the foot of the relevant page and in the summary table of the Publisher's Note.

THE HEALTH SECURITY SE NATIONAL SECURITY CESS RULES, 2026 ▲

MINISTRY OF FINANCE (Department of Revenue)

Notification No. 01/2026-HSNS Cess, G.S.R. 02(E), Dated 01.01.2026

(as amended up to the Second Amendment Rules of 20.05.2026)

PUBLISHER'S NOTE

This is an updated text of the Health Security se National Security Cess Rules, 2026, made under section 35 of the Health Security se National Security Cess Act, 2025 (35 of 2025) as amended by:

(a) the Health Security se National Security Cess (First Amendment) Rules, 2026 — Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30th January, 2026 (in force from 01.02.2026); and

(b) the Health Security se National Security Cess (Second Amendment) Rules, 2026 —Notification No. 03/2026-HSNS Cess, G.S.R. 381(E), dated 20th May, 2026 (w.e.f. 20.05.2026).

Summary of changes made by the Amendment Rules

Sl.	Provision	Change	Amending Rules
1	Rule 12(2)	Explanation (formula for maximum rated speed) inserted	First Amendment, r. 2(a)
2	Rule 16	Illustration 2 substituted	First Amendment, r. 2(b)
3	Rule 35	New rule "Utilisation of cess" inserted	First Amendment, r. 2(c)
4	Rule 35(3)	Sub-rule omitted	Second Amendment, r. 2(i)
5	Rule 35(5)	Words "Budget Division, Department of Economic Affairs in consultation with" omitted	Second Amendment, r. 2(ii)
6	Rule 35(6)	Words relating to Principal Chief Controller of Accounts, CBIC and C&AG substituted by "the Chief Controller of Accounts (Finance)"	Second Amendment, r. 2(iii)
7	FORM HSNS DEC-01, para 4, Tables A and B	Column headings (7) and (13): "tracks/track" to "cups/cup" "[9/8]" inserted	First Amendment, r. 2(d)(i)
8	FORM HSNS DEC-01, para 5	Heading and column headings (2), (4) and (10) amended "[7/6]" inserted	First Amendment, r. 2(d)(ii)

Sl.	Provision	Change	Amending Rules
9	FORM HSNS CE-01, para 2, Table	Column headings (6), (12) and (13) amended "[8/7]" and "[6 X 12] or [9 X 12]" inserted	First Amendment, r. 2(e)(i)
10	FORM HSNS CE-01, para 3, sub-para 2	Column references "10" and "8" changed to "13" and "11"	First Amendment, r. 2(e)(ii)
11	FORM HSNS CE-01, Instructions, serial 2	Instruction substituted	First Amendment, r. 2(e)(iii)
12	FORM HSNS RET-01, Instructions, serial 1	Example: "row No. 5" to "row No. 4"	First Amendment, r. 2(f)
13	FORM HSNS APL 02, heading	"section 61" to "section 30"	First Amendment, r. 2(g)

THE HEALTH SECURITY SE NATIONAL SECURITY CESS RULES, 2026 ▲

MINISTRY OF FINANCE (Department of Revenue)

NOTIFICATION

New Delhi, the 1st January, 2026

No. 01/2026-HSNS Cess

G.S.R. 02(E).—In exercise of the powers conferred by section 35 of the Health Security se National Security Cess Act, 2025 (35 of 2025), the Central Government hereby makes the following rules, namely:-

CHAPTER I ▲

PRELIMINARY

1. Short title and commencement. ▲

(1) These rules may be called the Health Security se National Security Cess Rules, 2026.

(2) They shall come into force on the 1st day of February, 2026.

2. Definitions. ▲

(1) In these rules, unless the context otherwise requires, -

(a) "**Act**" means the Health Security se National Security Cess Act, 2025 (35 of 2025);

(b) "Portal" means the portal accessible at cbic-gst.gov.in;

(c) "registered person" means a person who is registered under section 8 of the Act.

(2) The words and expressions used herein but not defined and defined in the Act shall have the meanings respectively assigned to them in the Act.

3. Appointment and jurisdiction of officers. ▲

(1) The Board may, by order, appoint such officer as it thinks fit to be a proper officer who shall be entrusted with such powers or assigned with such functions as may be specified thereunder.

(2) The Board may, by order, specify the jurisdiction of a Principal Chief Commissioner, Chief Commissioner, Principal Commissioner, Commissioner, or Commissioner (Appeals), or Commissioner (Audit) for the purposes of the Act and the rules made thereunder.

(3) A proper officer may exercise the powers and discharge the duties conferred or imposed under the Act or these rules on any other officer who is subordinate to him.

CHAPTER II ▲

REGISTRATION

4. Application for registration. ▲

(1) Every taxable person liable to be registered under section 8 of the Act shall apply for registration by submitting the FORM HSNS REG-01 on the Portal along with the documents specified in the said form:

Provided that where a taxable person owns, possesses, leases or controls machines installed in more than one factory, a separate application in FORM HSNS REG-01 shall be submitted for each such factory.

(2) Upon successful submission of the application under sub-rule (1), a temporary registration number shall be generated and communicated to enable the taxable person to discharge the liability of cess as required under section 10 of the Act, pending the grant of registration certificate under rule 5.

5. Approval of application and issue of registration certificate. ▲

(1) The proper officer shall examine the application and grant registration within seven working days from the date of submission of the application.

(2) Where the application is found to be deficient, the proper officer shall inform the applicant and provide him a reasonable opportunity of being heard, and after considering the representation, if any, furnished by the applicant, the proper officer shall, either grant the registration if satisfied or reject the application after recording reasons in writing.

(3) Where the proper officer fails to take any action within the period specified in sub-rule (1), the application shall be deemed to have been approved.

(4) Where the application for grant of registration has been approved, a certificate of registration in FORM HSNS REG-02 shall be made available to the applicant on the Portal.

(5) The registration certificate shall be effective from the date on which the person becomes liable to be registered under section 8 of the Act.

6. Cancellation of registration under sub-section (2) of section 8. ▲

(1) A registered person seeking cancellation of his registration under sub-section (2) of section 8 of the Act shall submit an application listing the grounds for seeking cancellation of registration to the proper officer.

(2) Where there are no dues pending from the registered person, the application for cancellation shall be approved by the proper officer within thirty days from the date of the receipt of the application under sub-rule (1) and the registered person shall be informed accordingly.

7. Cancellation of registration under sub-section (3) of section 8. ▲

The registration of a registered person may be cancelled by the proper officer in the circumstances specified in sub-section (3) of section 8, by passing an order specifying the circumstances therein, after giving him a reasonable opportunity of being heard.

8. Revocation of cancellation of registration. ▲

(1) A taxable person whose registration is cancelled under rule 7 may submit an application for revocation of cancellation within thirty days from the date of receipt of the cancellation order under rule 7.

(2) Where the proper officer is satisfied that sufficient grounds exist, he shall revoke the cancellation within thirty days of the receipt of such application and the applicant shall be informed accordingly.

(3) Where the proper officer is not satisfied with the application filed under sub-rule (1), he shall provide the applicant a reasonable opportunity of being heard, and after considering the representation, if any, furnished by the applicant, he shall either revoke the cancellation or reject the application and the applicant shall be informed accordingly.

CHAPTER III ▲

DECLARATION

9. Declaration to be filed by registered person. ▲

(1) Every registered person shall file a declaration as required under section 9 of the Act in FORM HSNS DEC-01 on the Portal within seven days of the grant of registration.

(2) In case of any change in the parameters relevant for the computation of cess, or in case of installation, addition or commencement of any machine or process, the registered person shall file a fresh declaration within fifteen days of such change.

10. Verification of declaration. ▲

(1) On receipt of the declaration filed under rule 9, the proper officer shall verify the declaration within ninety days, which may, inter alia, include the-

(a) physical inspection of the factory;

(b) verification of the technical specifications of the machine in FORM HSNS CE-01, including the maximum rated speed of the machine; and

(c) consultation with a third-party technical expert if deemed necessary.

11. Confirmation of declaration. ▲

(1) In case no discrepancy is found in the declaration filed under rule 9, the proper officer shall pass an order within a period of fifteen days from the date of verification under rule 10, confirming the declaration and determining the computation of the cess payable in accordance with sections 5 and 9 of the Act.

(2) Where the proper officer finds any discrepancy in the declaration furnished under rule 9 that affects the computation of cess payable by the registered person, he shall intimate such discrepancy to the registered person and shall pass an order confirming the computation of the cess payable under sections 5 and 9 of the Act within a period not later than thirty days from the date of verification under rule 10, after giving the registered person a reasonable opportunity of being heard.

(3) No fresh declaration shall be filed under sub-rule (2) of rule 9 until an order of confirmation has been passed by the proper officer under this rule.

(4) The registered person shall be liable to pay the cess so determined for the period subsequent to the passing of the order under sub-rule (2) and shall also be liable to pay the differential amount of cess, if any, along with interest, for the period commencing from—

(a) the date of installation of the machine or the start of the manual process unit, where the declaration is filed under sub-rule (1) of rule 9; or

(b) the date of change in any parameter relevant for the computation of cess, or the date of installation, addition, or commencement of any machine or process, as the case may be, where the declaration is filed under sub-rule (2) of rule 9, till the date of actual payment of such differential amount.

CHAPTER IV ▲

PAYMENT OF CESS AND RETURNS

12. Cess payable to be calculated. ▲

(1) The cess payable for a particular month shall be calculated as per the amount of cess per machine or manual process unit specified in Schedule II of the Act:

Provided that in the case of a newly registered person, the cess payable for the first month shall be calculated on a pro-rata basis, having regard to the total number of days in that month and the number of days commencing from the date of installation of the machine or the start of the manual process unit, as the case may be, and such cess shall be paid within five days of such installation or start.

(2) For the purpose of calculating the cess under sub-rule (1), the maximum rated speed of a machine shall be taken as the maximum speed achievable by the machine, as declared in FORM HSNS DEC-01 and as confirmed by the proper officer, irrespective of the actual operating speed at which that machine is used to manufacture or produce the specified goods of any weight.

[1][Explanation.- For the purposes of this rule, "maximum rated speed" of the machine shall be calculated using the following formula, namely:-

$$S = (R \div G) \times n$$

Where:

S = Maximum rated speed of the machine in terms of number of pouches or tins or containers per minute

R = Revolutions per minute (RPM) rating of the main disc rotary motor of the machine that fills the pouches or tins or containers

G = Overall gear ratio of the gear assembly between the main disc rotary motor and the rotating drum of the machine

n = Number of funnels in a horizontal machine or number of cups in a vertical machine.]

(3) Where a machine is used to manufacture or produce specified goods of different weights during a month, the cess payable for that machine for that month shall be calculated with reference to the maximum weight of pouch or tin or container manufactured or produced as specified in Schedule II of the Act.

(4) In case of addition or installation or removal or uninstallation of a machine in the factory during the month, for the purpose of calculating cess under sub-rule (1), the number of machines installed for the month shall be taken as the maximum number of machines installed on any day during the month.

13. Manner of payment. ▲

(1) The monthly cess payable under section 4 shall be paid by the registered person electronically in the FORM HSNS PMT-01, by the 7th day of the same month for which the liability is calculated:

Provided that where the amount of cess payable for the month increases as per sub-rule (2), (3) or (4) of rule 12, the differential amount of cess shall be paid within five days

[1] Explanation inserted in sub-rule (2) of rule 12 by rule 2(a) of the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026].

of the change in the maximum rated speed or weight of the specified goods or the addition or installation of the machine, as the case may be.

(2) If the registered person fails to pay the amount of cess by the due date or period specified in sub-rule (1), such person shall be liable to pay the outstanding amount along with interest at the rate specified under section 17 of the Act, for the period starting with the first day after the due date till the date of actual payment.

14. Filing of return. ▲

(1) Every registered person shall furnish a monthly return in FORM HSNS RET-01 on the Portal along with the documents specified in the said Form, on or before the 20th day of the succeeding month.

(2) A registered person who has filed a return under sub-rule (1) may rectify any incorrect particulars or omission furnished in the said return, before the end of the calendar month in which the original return is filed:

Provided that where such rectification results in a higher liability of cess than that declared in the original return, the registered person shall pay the differential amount of cess along with interest at the rate specified under section 17 of the Act, on or before the date of submission of such revised return.

(3) Where a registered person fails to furnish a return by the due date, the proper officer shall issue a notice requiring such person to furnish such return within fifteen days of the receipt of the said notice.

CHAPTER V ▲

CESS ABATEMENT AND COMPUTATION

15. Conditions for abatement. ▲

(1) The abatement under sub-section (7) of section 5 of the Act shall be available when the following conditions are satisfied, namely:-

(a) the registered person intimates the proper officer at least three working days before the non-operation of an installed machine or manual process unit for any

continuous period of fifteen days or more, requesting the sealing of the machine or closure of manual process unit, as the case may be;

(b) the packing machine or manual process unit is sealed by the proper officer within three working days from the date of receipt of intimation in such a manner that it cannot be operated;

(c) no manufacturing activity for the specified goods is undertaken on the said machine or by the manual process unit, as the case may be, during the period of sealing.

(2) Any registered person eligible for abatement under sub-rule (1), shall claim such abatement by submitting an application to the proper officer on or before the 20th day of the month succeeding the period for which the abatement is claimed.

(3) The proper officer shall, upon verification of the claim submitted under sub-rule (2), issue an order, within fifteen days of the submission of such application, allowing the abatement of the cess liability for each month covered by the period of non-operation of the machines or manual unit, which shall be adjusted against the cess liability payable for the month immediately following the month in which such order is issued:

Provided that no order rejecting the claim of abatement, either in whole or in part, shall be passed unless the registered person has been given a reasonable opportunity of being heard.

Explanation.- For the purposes of this rule, "installed machine" refers to an operational machine that has become non-operative during the period of abatement.

16. Quantification of abatement amount. ▲

The amount of abatement for a month shall be calculated using the following formula:

$$A = (C \div N) \times D$$

Where:

A = Amount of Abatement claimed

C = Total Cess liability for the machine for the month

N = Total number of days in the month

D = Total number of continuous days the machine was inoperative in the month

Illustration 1: A registered person is engaged in the manufacture of specified goods using a high-speed pouch packing machine with a packing speed of 700 pouches of 2.5 grams per minute. The monthly cess liability for such a machine under Sl. No. 2 of Schedule II of the Act is ₹ 2,02,00,000. The machine remains inoperative and sealed from the 1st day of September to the 19th day of September (both days inclusive), and the machine is de-sealed on the 20th day of September. The application for claiming abatement may be filed by the registered person by 20th October (the month succeeding the month in which the machine was inoperative and sealed).

The amount of abatement of cess shall be calculated as follows: —

(i) Particulars of non-operation:

Total number of days in the month (September) (N): 30

Number of continuous days the machine was inoperative (D): 19

Amount of cess paid for the month for the machine (C): ₹ 2,02,00,000

(ii) Computation of Abatement Amount (A):

A = (2,02,00,000 ÷ 30) × 19 = ₹ 1,27,93,333

(iii) Adjustment: The amount of ₹ 1,27,93,333 shall be allowed as an abatement by the proper officer in the order issued in say, October. The same shall be adjusted against the cess liability for November by the registered person.

[2][Illustration 2: A registered person is engaged in the manufacture of specified goods using a high-speed pouch packing machine with a packing speed of 700 pouches of 2.5 grams per minute. The monthly cess liability for such a machine under Sl. No. 2 of Schedule II of the Act is ₹ 2,02,00,000. The machine is sealed on the 20th day of July and

2 Illustration 2 substituted by rule 2(b) of the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026]. The earlier Illustration 2 differed only in these figures: total period of continuous non-operation "21 days" (now 22 days); number of continuous days of non-operation in July (D) "11" (now 12); abatement amount for July (A1) "₹ 71,67,742" (now ₹ 78,19,355); and total abatement (A1+A2) "₹ 1,36,83,871" (now ₹ 1,43,35,484).

is desealed on the 11th day of August. The total period of continuous non-operation is 22 days (exceeding fifteen days). The application for claiming abatement may be filed by the registered person by 20th September (the month succeeding the month in which the machines were inoperative and sealed).

The amount of abatement of cess shall be calculated as follows: —

(i) Particulars of non-operation for July:

Total number of days in the month (July) (N): 31

Number of continuous days in the month the machine was inoperative (D): 12

Amount of cess paid for the month for the machine (C): ₹ 2,02,00,000

(ii) Computation of Abatement Amount for July (A1):

A1 = (2,02,00,000 ÷ 31) × 12 = ₹ 78,19,355

(iii) Particulars of non-operation for August:

Total number of days in the month (August) (N): 31

Number of continuous days in the month the machine was inoperative (D): 10

Amount of cess paid for the month for the machine (C): ₹ 2,02,00,000

(iv) Computation of Abatement Amount for August (A2):

A2 = (2,02,00,000 ÷ 31) × 10 = ₹ 65,16,129

(v) Adjustment: The amount of ₹ 1,43,35,484 (A1+A2) shall be allowed as an abatement by the proper officer in the order issued in say, October. The same shall be adjusted against the cess liability for November by the registered person.]

17. Desealing and resumption of operation. ▲

The registered person shall intimate the proper officer three working days before the date from which he intends to resume operation on the sealed machine or closed manual process unit, as the case may be, which shall then be desealed under the physical supervision of the proper officer.

CHAPTER VI

AUDIT

18. Audit.

(1) The period of audit to be conducted under sub-section (1) of section 12 of the Act shall be a financial year or part thereof or multiples thereof.

(2) Where it is decided to undertake the audit of a registered person, the proper officer shall inform such person by way of a notice not less than fifteen days prior to the conduct of the audit.

(3) The proper officer authorised to conduct audit of the records specified under sub-rule (1) of rule 19 and the books of account of the registered person shall, with the assistance of the team of officers and officials accompanying him, verify the documents on the basis of which the books of account are maintained and the returns and declarations furnished under the provisions of the Act and the rules made thereunder, and other relevant issues and record the observations in his audit notes.

(4) The proper officer may inform the registered person of the discrepancies noticed, if any, as observed in the audit and such person may file his reply and the proper officer shall finalise the findings of the audit after due consideration of the reply filed.

CHAPTER VII

ACCOUNTS AND RECORDS

19. Maintenance of records.

(1) Every registered person shall keep and maintain, in addition to the particulars mentioned in sub-section (2) of section 14, the following records and documents at the factory where the manufacture of specified goods is carried out, namely:-

(a) purchase invoices, bills of entry, or delivery challans in respect of all packing machines installed in the factory;

(b) lease agreements or rent deeds where machines are obtained on lease or hire;

(c) records of any modification, repair or alteration made to the machines that may impact their packing speed or capacity;

(d) electricity bills issued by the distribution company;

(e) record of receipts and consumption of principal raw materials and packing materials;

(f) record of the daily production, clearance and closing stock of specified goods;

(g) record of the generation and disposal of waste or scrap laminates;

(h) balance sheet and profit and loss account for each financial year; and

(i) bank statements reflecting payments for machine procurement.

(2) All the records and documents under sub-rule (1) shall be retained for a period of twenty-four months from the end of the financial year to which such records or documents pertain:

Provided that where an appeal, revision, or any other proceeding is pending before any Appellate Authority, Tribunal, or Court, the records of the subject matter of such proceeding shall be retained for a period of one year after the final disposal of such proceeding or for the period specified above, whichever is later.

CHAPTER VIII ▲

COMPOUNDING OF OFFENCES

20. Procedure for compounding of offences. ▲

(1) A registered person may, either before or after the institution of prosecution, make an application in accordance with section 23 of the Act to the proper officer for compounding of an offence.

(2) On receipt of the application, the proper officer shall call for a report from the concerned officer with reference to the particulars furnished in the application, or any other information, which may be considered relevant for the examination of such application.

(3) The proper officer, after taking into account the contents of the said application, may, by order, either allow the application and grant him immunity from prosecution or reject such application within ninety days from the receipt of the application:

Provided that the application shall not be rejected unless an opportunity has been given to the applicant to be heard and the grounds of such rejection are mentioned in the order.

(4) Where the application has been allowed under sub-rule (3), the proper officer shall pass an order, specifying the compounding amount which shall be determined as per the Tables below, namely:-

TABLE A

Sl. No.	Offence	Compounding amount if offence is punishable under clause (a) of sub-section (1) of section 19	Compounding amount if offence is punishable under clause (b) of sub-section (1) of section 19	Compounding amount if offence is punishable under clause (c) of sub-section (1) of section 19
(1)	(2)	(3)	(4)	(5)
1	Offence specified under section 18(1)(a) of the Act	Up to seventy-five per cent. of the amount of cess evaded or the amount of refund of cess wrongly taken, subject to minimum of fifty per cent. of such amount of cess evaded or the amount of abatement/refund of cess wrongly taken.	Up to sixty per cent. of the amount of cess evaded or the amount of refund of cess wrongly taken, subject to minimum of fifty per cent. of such amount of cess evaded or the amount of refund of cess wrongly taken.	fifty per cent. of the amount of cess evaded or the amount of refund of cess wrongly taken.
2	Offence specified under section 18(1)(b) of the Act			
3	Offence specified under section 18(1)(c) of the Act			
4	Offence specified under section 18(1)(d) of the Act			

TABLE B

Sl. No.	Offence	Compounding Amount
(1)	(2)	(3)

1	Offence specified under section 18(1)(f) of the Act	Ten Thousand Rupees or Fifty percent of the cess involved, whichever is higher
2	Offence specified under section 18(1)(i) of the Act	
3	Offence specified under section 18(2) of the Act	

(5) Where the offences committed by the person fall under more than one category specified in the Table under sub-rule (4), the compounding amount, in such a case, shall be the amount determined for the offence for which a higher compounding amount has been specified.

(6) The application shall not be allowed unless the cess, interest and penalty liable to be paid have been paid for the case for which the application has been made.

(7) The applicant shall, within a period of thirty days from the date of the receipt of the order under sub-rule (3) allowing the compounding of offences, pay the compounding amount as ordered by the proper officer and shall furnish the proof of such payment to him.

(8) In case the applicant fails to pay the compounding amount within the period specified in sub-rule (7), the order made under sub-rule (3) shall be vitiated and void.

(9) An immunity granted to a person under sub-rule (3) may, at any time, be withdrawn by the proper officer, if he is satisfied that such person had, in the course of the compounding proceedings, concealed any particulars or had given false evidence, and thereupon such person may be tried for the offence with respect to which immunity was granted or for any other offence that appears to have been committed by him in connection with the compounding proceedings and the provisions the Act shall apply as if no such immunity had been granted.

CHAPTER IX

SEIZURE OF GOODS

21. Bond and security for release of seized goods or machines.

(1) The goods or packing machines seized under section 24 of the Act may be released on a provisional basis upon execution of a bond for the value of such goods or

machines in FORM HSNS BND-01 and furnishing of a security in the form of a bank guarantee equivalent to the amount of applicable cess, interest, and penalty payable.

(2) In case the person to whom the specified goods or machines were released provisionally fails to produce the said goods or machines at the appointed date and place indicated by the proper officer, the security shall be encashed and adjusted against the cess, interest, penalty, and fine, if any, payable in respect of such goods or machines.

22. Procedure in respect of seized goods of perishable nature. ▲

(1) Where the specified goods or machines are seized under section 24, and if the registered person pays an amount equivalent to the market price of the specified goods or machines, or the amount of cess, interest and penalty that is or may become payable by the taxable person, whichever is lower, such goods or, as the case may be, machines shall be released forthwith, by an order, on proof of payment.

(2) Where the registered person fails to pay the amount referred to in sub-rule (1) in respect of the said goods or machines, the proper officer may dispose of such goods or machines and the amount realised thereby shall be adjusted against the cess, interest, penalty, or any other amount payable in respect of such goods or things.

CHAPTER X ▲

APPEALS AND REVISION

23. Manner of filing appeals to appellate authority. ▲

(1) An appeal to the appellate authority under sub-sections (1) and (2) of section 29 shall be filed in FORM HSNS APL-01 along with the relevant documents, including grounds of appeal and the decision or order appealed against.

(2) An acknowledgement indicating the appeal number shall be issued to the appellant immediately by the appellate authority or an officer authorised by him in this behalf and the date of issue of the acknowledgment shall be considered as the date of filing of the appeal:

Provided that where the self-certified copy of the decision or order is not submitted within a period of seven days from the date of filing of the appeal, the date of submission of such copy shall be considered as the date of filing of the appeal.

Explanation.- For the purposes of this rule, the appeal shall be treated as filed only when the acknowledgement, indicating the appeal number, is issued.

24. Appeal to appellate authority. ▲

(1) Any person aggrieved by any decision or order passed under the Act may appeal to the Commissioner (Appeals) within three months from the date on which the said decision or order is communicated to such person.

(2) An officer directed under sub-section (2) of section 29 of the Act to appeal against any decision or order passed under this Act may appeal to the Commissioner (Appeals) within six months from the date of communication of the said decision or order.

25. Notice to person and order of revisional authority in case of revision. ▲

(1) Where the revisional authority decides to pass an order in revision under section 28 of the Act which is likely to affect the person adversely, the revisional authority shall serve on him a notice and shall give him a reasonable opportunity of being heard.

(2) The revisional authority shall, along with its order under sub-section (1) of section 28, issue a summary of the order clearly indicating the final amount of demand confirmed.

26. Withdrawal of appeal. ▲

The appellant may, at any time before the issuance of the order under sub-section (2) of section 29 of the Act, in respect of any appeal filed, file an application for withdrawal of the said appeal:

Provided that where the acknowledgment has been issued, the withdrawal of the said appeal shall be subject to the approval of the appellate authority and such application for withdrawal of the appeal shall be decided by the appellate authority within seven days of filing of such application:

Provided further that any fresh appeal filed by the appellant pursuant to such withdrawal shall be filed within the period specified in sub-section (1) or sub-section (2) of section 29 of the Act, as the case may be.

27. Appeal to Appellate Tribunal. ▲

(1) An appeal to the Appellate Tribunal under sub-section (1) of section 30 of the Act shall be filed in FORM HSNS APL-02, along with the relevant documents, including a memorandum of cross-objections and the decision or order appealed against.

(2) An acknowledgement, indicating appeal number, shall be issued to the appellant immediately and the date of issue of the acknowledgement shall be considered as the date of filing of the appeal:

Provided that where the self-certified copy of the decision or order is not submitted within a period of seven days from the date of filing of the appeal, the date of submission of such copy shall be considered as the date of filing of the appeal.

Explanation. - For the purposes of this rule, the appeal shall be treated as filed only when the final acknowledgement, indicating the appeal number, is issued.

28. Production of additional evidence before appellate authority or Appellate Tribunal. ▲

(1) The appellant shall not be allowed to produce before the appellate authority or the Appellate Tribunal any evidence, whether oral or documentary, other than the evidence produced by him during the course of the proceedings before the adjudicating authority or, as the case may be, the appellate authority, except in the following circumstances, namely: -

(a) where the adjudicating authority or, as the case may be, the appellate authority has refused to admit evidence which ought to have been admitted; or

(b) where the appellant was prevented by sufficient cause from producing the evidence which he was called upon to produce by the adjudicating authority or, as the case may be, the appellate authority; or

(c) where the appellant was prevented by sufficient cause from producing before the adjudicating authority or, as the case may be, the appellate authority any evidence which is relevant to any ground of appeal; or

(d) where the adjudicating authority or, as the case may be, the Appellate Authority has made the order appealed against without giving sufficient opportunity to the appellant to adduce evidence relevant to any ground of appeal.

(2) No evidence shall be admitted under sub-rule (1) unless the appellate authority or the Appellate Tribunal records in writing the reasons for its admission.

(3) The appellate authority or the Appellate Tribunal shall not take any evidence produced under sub-rule (1) unless the adjudicating authority or an officer authorised in this behalf by the said authority has been allowed a reasonable opportunity-

(a) to examine the evidence or document or to cross-examine any witness produced by the appellant; or

(b) to produce any evidence or any witness in rebuttal of the evidence produced by the appellant under sub-rule (1).

(4) Nothing contained in this rule shall affect the power of the appellate authority or the Appellate Tribunal to direct the production of any document, or the examination of any witness, to enable it to dispose of the appeal.

29. Withdrawal of appeal filed before Appellate Tribunal. ▲

The appellant may, at any time before the issuance of the order under sub-section (2) of section 30 of the Act, in respect of any appeal filed, file an application for withdrawal of the said appeal:

Provided that where the acknowledgment has been issued, the withdrawal of the said appeal would be subject to the approval of the Appellate Tribunal and such application for withdrawal of the appeal shall be decided by the Appellate Tribunal within fifteen days of filing of such application:

Provided further that any fresh appeal filed by the appellant pursuant to such withdrawal shall be filed within the period specified in sub-section (1) of section 30 of the Act.

30. Authorised representative. ▲

For the purposes of clause (c) of sub-section (2) of section 31 of the Act, no person shall be eligible to appear as an authorised representative unless he—

(a) is a Chartered Accountant holding a valid certificate of practice; or

(b) is a Company Secretary holding a valid certificate of practice; or

(c) is a Cost Accountant holding a valid certificate of practice; or

(d) is a retired officer of the Central Government or any State Government or Union territory who, during his service under the Government, had worked in a post not below the rank of a Group-B Gazetted officer for a period of not less than two years:

Provided that such retired officer shall not be entitled to appear before any proceedings under this Act for a period of one year from the date of his superannuation or resignation.

31. Disqualification for misconduct of an authorised representative. ▲

Where an authorised representative is found, upon an enquiry into the matter, guilty of misconduct in connection with any proceedings under the Act, the Commissioner may, after providing him an opportunity of being heard, disqualify him from appearing as an authorised representative.

CHAPTER XI ▲

MISCELLANEOUS

32. Penalty for contravention. ▲

If it is found that the taxable person owns, operates or is in control of any machine or process for the purpose of manufacture or production of the specified goods without getting registered with the proper officer, then, the cess liability of such taxable person shall be determined on the basis of number of machines found available in the factory or presence of manual process unit, as the case may be, and unless evidence to the contrary is provided to the satisfaction of the proper officer, such machines or manual process unit shall be deemed to have been in operation, from 1st day of February, 2026, or the last two years whichever is later, for the purposes of rule 10 and dealt with accordingly.

33. Installation of Closed-Circuit Television system. ▲

(1) Every registered person engaged in the manufacture of the specified goods shall install a functional Closed-Circuit Television (CCTV) surveillance system covering all areas where the packing machines are installed or the manual process units are located within the factory.

(2) All recorded footage shall be preserved for a minimum period of twenty-four months from the date of recording.

(3) The registered person shall, on written requisition, furnish the recorded CCTV footage to the proper officer or any officer authorised by him, within forty-eight hours of the receipt of such requisition.

34. Removal of machines. ▲

(1) In case a registered person does not intend to further operate an installed machine, he shall intimate the same to the proper officer, at least three working days in advance from the date so intended, whereupon the same shall be uninstalled by the said proper officer, who shall supervise the removal of the machine from the factory:

Provided that in case it is not feasible to remove such a machine from the factory, it shall be sealed by the proper officer in such a manner that it cannot be operated.

[3] [35. Utilisation of cess. ▲

(1) The cess, including any interest or penalty, shall be credited to the Consolidated Fund of India and be utilised for the purpose as provided in section 7 of the Act after due appropriation authorised by the Parliament.

(2) The cess, credited to the Consolidated Fund of India under sub-rule (1), shall be transferred to a fund to be called the Health Security se National Security Cess Fund after obtaining appropriation from the Parliament.

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[3] Rule 35 inserted by rule 2(c) of the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026]. Sub-rules (3), (5) and (6) were subsequently amended by rule 2 of the Health Security se National Security Cess (Second Amendment) Rules, 2026 [Notification No. 03/2026-HSNS Cess, G.S.R. 381(E), dated 20.05.2026; in force from the date of publication in the Official Gazette], as indicated in the footnotes below.

(3) [Omitted.][4]

(4) The activities, schemes and programmes to be financed from the said Fund shall encompass those related to public health and national security of India.

(5) The identification of the activities, schemes and programmes and the inter-se allocations of the cess, including any interest or penalty, for the said designated purposes shall be decided by[5] [Department of Expenditure, Ministry of Finance].]

(6) The transfer of the amount to the said Fund, the debit of the Fund, and the maintenance of the ledger of the Fund shall be as per the accounting procedure formulated by the Office of [6][the Chief Controller of Accounts (Finance)].

(7) The accounts of the Fund maintained by the Central Government shall be subject to audit by the Comptroller and Auditor General of India.

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[F. No. S-25014/2/2025-DS(ST)-DOR(Pt.5)]

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4 Sub-rule (3) omitted by rule 2(i) of the Health Security se National Security Cess (Second Amendment) Rules, 2026 [Notification No. 03/2026-HSNS Cess, G.S.R. 381(E), dated 20.05.2026; in force from the date of publication in the Official Gazette]. Before omission, it read: "(3) The transfer of the cess to the said Fund shall be carried out quarterly, by the Department of Revenue, Ministry of Finance."

5 The words "Budget Division, Department of Economic Affairs in consultation with" omitted by rule 2(ii) of the Health Security se National Security Cess (Second Amendment) Rules, 2026 [Notification No. 03/2026-HSNS Cess, G.S.R. 381(E), dated 20.05.2026; in force from the date of publication in the Official Gazette]. Before omission, the sub-rule read "…shall be decided by the Budget Division, Department of Economic Affairs in consultation with Department of Expenditure, Ministry of Finance."

6 For the words "the Principal Chief Controller of Accounts, Central Board of Indirect Taxes and Customs, and as approved by the Comptroller and Accountant General of India", the words and brackets "the Chief Controller of Accounts (Finance)" substituted by rule 2(iii) of the Health Security se National Security Cess (Second Amendment) Rules, 2026 [Notification No. 03/2026-HSNS Cess, G.S.R. 381(E), dated 20.05.2026; in force from the date of publication in the Official Gazette]. Before substitution, the sub-rule read "…formulated by the Office of the Principal Chief Controller of Accounts, Central Board of Indirect Taxes and Customs, and as approved by the Comptroller and Accountant General of India."

FORM HSNS REG-01

[see rule 4(1)]

Application for Registration

Part - A (Preliminary details) as per Table below:

(PAN to be verified online and OTP before proceeding to Part-B)

Table I

Sl. No.	Description	Input
(1)	(2)	(3)
1.	Legal Name of the Business (As per PAN) *	
2.	Goods and Services Tax Identification Number (GSTIN) (if any) (Enter GSTIN of the place where machines are located at Principal Place of Business/ Additional Place of Business)	
3.	Central Excise Registration Number (if any)	
4.	Email Address*	
5.	Mobile Number*	

1, 4 & 5* - Mandatory Fields

Part - B (Business and process details) as per Table below:

1. BUSINESS DETAILS

Table

Sl. No.	Description	Input
(1)	(2)	(3)
1.	Trade Name (if any)	

2.	Constitution of Business (Select Appropriate)	Proprietorship Partnership Private Limited Company Public Limited Company LLP HUF Others
3.	Date of Commencement of Business	[DD/MM/YYYY]
4.	Date on which liability to register arises	[DD/MM/YYYY]

2. ADDRESS OF MANUFACTURING PREMISES (FACTORY) AS PER TABLE BELOW:

Table

Sl. No.	Description	Input
(1)	(2)	(3)
1.	Address Details: Building No./ Flat No. Name of Premises/Building Road/Street/Lane City/District State/Union Territory [Drop Down] PIN Code Boundaries of the premises to be Registered (North/South/East/West)	
2.	Jurisdiction (Commissionerate/Division/Range) [Drop Down]	
3.	Nature of Possession of Premises	Owned Leased Rented Consent Shared

3. CATEGORIZATION OF TAXABLE ACTIVITY AS PER TABLE BELOW:

Based on section 4 and Schedule II of the HSNS Cess Act, 2025

Table

Sl. No.	Description	Input
(1)	(2)	(3)
1.	Category of taxable person	Wholly or partly machine-based process (Table 1 of Schedule II of the Act) Wholly Manual Process (Table 2 of Schedule II of the Act)
2.	Nature of control over machines/process	Owner Lessee Operator/Controller Job Worker
3.	Description of specified goods (As per Schedule I)	Pan Masala (2106 90 20) Other Notified Goods

4. DETAILS OF PROMOTER/PARTNERS/DIRECTORS AS PER TABLE BELOW:

Table

Sl. No.	Description	Details
(1)	(2)	(3)
1.	Personal Details: Name of Person Designation (Proprietor/Partner/Director/Karta) Permanent Account Number (PAN) Residential Address Mobile Number & Email Photo Upload	

5. DETAILS OF AUTHORISED SIGNATORY AS PER TABLE BELOW:

Table

Sl. No.	Description	Details
(1)	(2)	(3)

1.	Personal Details: Name of Person Designation (Proprietor/Partner/Director/Karta) Permanent Account Number (PAN) Residential Address Mobile Number & Email Photo Upload	[Upload Button]

6. BANK ACCOUNT DETAILS AS PER TABLE BELOW:

Table

Sl. No.	Description	Input
(1)	**(2)**	**(3)**
1.	Bank Account: Account Number Type of account [Current/Savings/CC] IFSC code Bank name and Branch	[Number] [Text] [Text]

VERIFICATION

I _____ (Name of authorised signatory) hereby solemnly affirm and declare that the information given hereinabove is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom. I undertake to comply with the provisions of the Health Security se National Security Cess Act, 2025 and the rules made thereunder.

Place: _____

Date: _____

Designation: _____

List of Documents to be Uploaded (maximum 5 no. of documents each 2 mb (pdf/jpeg))

1. Proof of Constitution of business: (Partnership Deed, Certificate of Incorporation, etc.) (pdf)
2. Proof of address of premises: (Property Tax Receipt, Electricity Bill, Rent/Lease Agreement) (pdf)
3. Photo of Promoters/Partners/Directors (jpeg)
4. Proof of bank account: (Cancelled cheque or first page of passbook) (pdf)
5. Authorisation letter: For the authorised signatory (pdf)

FORM HSNS REG-02 ▲

[See rule 5(4)]

REGISTRATION CERTIFICATE

1. Registration Number: [ABCDE1234FHS001]

2. Legal Name: [Name of Sole Proprietor / Company / Partnership / HUF]

3. Trade Name, if any: [Trade Name]

4. Constitution of Business: [Proprietorship / Partnership / Pvt. Ltd / Public Ltd / LLP / HUF]

5. Address of Premise (Factory): [Full Address of the premises where machines/processes are located]

This is to certify that the person whose details are specified above has been registered under the provisions of the Health Security se National Security Cess Act, 2025, having acknowledged that they:

(i) Owns/possesses/operates/manages/controls the packing machines installed at the above premises; or

(ii) Undertake the manual process at the above premises;

by which the Specified Goods (as defined in Schedule I of the Act) are manufactured or produced.

6. Nature of Possession of Premises/Machines: [Owned / Leased / Rented / Shared / Consent]

7. Date of Issue of RC: DD/MM/YYYY

8. Date from which the liability of payment of cess starts: DD/MM/YYYY

9. Jurisdiction Details:

Commissionerate: [Code - Name]

Division: [Code - Name]

Range: [Code - Name]

Conditions:

1. This Registration Certificate is valid only for the premises and purposes specified in the application

2. The registration certificate is not transferable.

3. No corrections in the certificate will be valid unless the request for any correction/change is applied for and the same is acknowledged.

4. This certificate shall remain valid till the Registrant carries on the activity for which it has been issued or it is cancelled.

5. The grant of this certificate shall be without prejudice to the rights of any other person (s) over the registered premises or purpose to which such person may be lawfully entitled.

Note:

1. This is a system-generated copy of the Registration certificate. Hence, there is no need for the signature/ stamp of the officer on it.

2. The Registration is subject to post facto verification of the details by the proper officer.

FORM HSNS DEC-01 ▲

[See rule 9]

Declaration of machines installed or processes undertaken for the manufacture or production of the specified goods

1. Basic information as per Table below:

Table

1.	HSNS Registration No.	_____
2.	Legal Name	
3.	Trade Name, if any	
4.	Address of the Factory / Premises	
5.	GSTIN	
6.	Date of Filing	DD / MM / YYYY

2. Declaration type (Tick one)

[ ] Initial declaration (Section 9(1))

[ ] Change in declaration (Section 9(2) - Change in parameters)

[ ] New Installation / Addition / Commencement of operation of any machine or process (Section 9(3))

3. Details of specified goods manufactured as per Table below:

(Refer to Schedule I of the Act) (To be fetched from Master)

Table

Sl. No.	Chapter/ Heading/ Sub-heading/ Tariff item	Description of goods (e.g., Pan masala)	Brand Name(s)
1			
2			

4. Details of machines installed (For Machine-based processes) as per Table A or B below:

(Relevant for computation of cess under Table I of Schedule II of the Act)

Table A: Existing machines

The Table has seventeen columns, the headings of which, in the order of the columns, are as under:

(1) Sl. No.

(2) Make (if available)

(3) Model No. (if available)

(4) Name of manufacturer

(5) Machine No.

(6) Date of purchase

(7) No. of [7][cups] (only for vertical machines)

(8) Gear Box Ratio of the Machine

(9) Revolution Per Minute of main motor

(10) Number of Funnels (only for horizontal machines)

(11) Nature of Packing (e.g., Pouch, Tin, Container)

(12) Weight of packages that can be packed on the machine (in grams)

(13) Packing capacity of each [8][cup] or Funnel (No. of packages which can be packed for a particular weight of package in a minute [9/8])

(14) Total packing capacity of the machine for a specific weight of package to be packed in a minute (Maximum Rated Speed) [7X13] or [10 X 13]

(15) Electricity consumption capacity of the machine per hour (KWH)

(16) Registration No. of the machine (To be generated at the time of submission)

(17) Working status (Y/N)

(Rows are provided below the column headings for entry of the details of each machine.)

---

7 In FORM HSNS DEC-01, paragraph 4, Table A, in the column heading of column (7), for the word "tracks", the word "cups" substituted by rule 2(d)(i)(I) of the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026].

8 In FORM HSNS DEC-01, paragraph 4, Table A, in the column heading of column (13), for the word "track", the word "cup" substituted [rule 2(d)(i)(II)] and, after the word "minute", the expression "[9/8]" inserted [rule 2(d)(i)(III)] by the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026].

Table B: Newly Added Machines (If applicable)

The Table has seventeen columns, the headings of which, in the order of the columns, are as under:

(1) Sl. No.

(2) Make

(3) Model No.

(4) Name of manufacturer

(5) Machine No.

(6) Date of purchase

(7) No. of [9][cups](only for vertical machines)

(8) Gear Box Ratio of the Machine

(9) Revolution Per Minute of main motor

(10) Number of Funnels (only for horizontal machines)

(11) Nature of Packing (e.g., Pouch, Tin, Container)

(12) Weight of packages that can be packed on the machine (in grams)

(13) Packing capacity of each [10][cup] or Funnel (No. of packages which can be packed for a particular weight of package in a minute [9/8])

(14) Total packing capacity of the machine for a specific weight of package to be packed in a minute (Maximum Rated Speed) [7X13] or [10 X 13]

(15) Electricity consumption capacity of the machine per hour (KWH)

(16) Registration No. of the machine (To be generated at the time of submission)

(17) Working status (Y/N)

(Rows are provided below the column headings for entry of the details of each machine.)

---

9 In FORM HSNS DEC-01, paragraph 4, Table B, in the column heading of column (7), for the word "tracks", the word "cups" substituted by rule 2(d)(i)(I) of the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026].

10 In FORM HSNS DEC-01, paragraph 4, Table B, in the column heading of column (13), for the word "track", the word "cup" substituted [rule 2(d)(i)(II)] and, after the word "minute", the expression "[9/8]" inserted [rule 2(d)(i)(III)] by the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026].

5. Change in details [For declaration under section 9(2)] as per Table below:

(Enter the serial No. of the machine and the previously given details in [11][at serial number 4] will be auto-fetched. The details in the rows where parameters have been changed may be edited)

Table

The Table has fourteen columns, the headings of which, in the order of the columns, are as under:

(1) Sl. No.

(2) Registration No. of the machine (Generated in column 16 of [12][Table A or Table B] during submission)

(3) Location of installation

(4) No. of [13][cups] (only for vertical machines)

(5) Nature of Packing (e.g., Pouch, Tin, Container)

(6) Gear Box Ratio of the Machine

(7) Revolution Per Minute of main motor

(8) Number of Funnels (only for horizontal machines)

(9) Weight of packages which can be packed on the machine (in grams)

(10) Packing capacity of each [14][cup] or Funnel (No. of packages which can be packed for a particular weight of package in a minute [7/6])

(11) Total packing capacity of the machine for a specific weight of package to be packed in a minute (Maximum Rated Speed) [4X10] or [8X10]

(12) Electricity consumption capacity of the machine per hour (KWH)

---

11 In FORM HSNS DEC-01, in the heading of paragraph 5, for the word and figure "table 4", the words and figure "at serial number 4" substituted by rule 2(d)(ii)(I) of the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026]. The amendment substitutes only the words "table 4"; the preceding word "in" is as printed in the Gazette and has been retained.

12 In FORM HSNS DEC-01, paragraph 5, Table, in the column heading of column (2), for the words and figure "Table III or Table IV", the words and letter "Table A or Table B" substituted by rule 2(d)(ii)(II)(A) of the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026].

13 In FORM HSNS DEC-01, paragraph 5, Table, in the column heading of column (4), for the word "tracks", the word "cups" substituted by rule 2(d)(ii)(II)(B) of the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026].

14 In FORM HSNS DEC-01, paragraph 5, Table, in the column heading of column (10), for the word "track", the word "cup" substituted [rule 2(d)(ii)(II)(C)] and, after the word "minute", the expression "[7/6]" inserted [rule 2(d)(ii)(II)(D)] by the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026].

(13) Working status (Y/N)

(14) Date of change in any parameter listed.

6. Details of the intimation of the machines furnished to other departments as per Table below:

Table

Sl. No.	Date of intimation	Name of Govt. department / any other agency or organisation.	Details of declaration (Proof to be uploaded as pdf)
(1)	(2)	(3)	(4)

7. Disposal of packing machines (To be filed as an amendment), as per Table below:

Table

Sl. No.	Registration No. of the machine	Date of disposal	Reason of disposal
(1)	(2)	(3)	(4)

8. Details of manual processes (If applicable), as per Table below:

(Relevant for computation of Cess under Table 2 of Schedule II of the Act)

Note: This section applies only if specified goods are manufactured wholly by manual process without the aid of any machine as specified in section 5(5) of the Act.

Table

Sl. No.	Description of Process	Location / Section within Factory	Nature of Packing (e.g., Pouch, Tin, Container)	Weight of Specified Goods Packed (in Grams)	Average Daily Production Capacity (Units)	Date of Commencement of Process
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1						
2						

9. Documents uploaded (Maximum 5 documents, 2mb each (pdf))

1. [ ] Technical specification sheet of machines (Manufacturer's manual)

2. [ ] Certificate from Chartered Engineer (certifying speed and capacity of the machines)

3. [ ] Layout plan of the factory indicating machine locations

4. [ ] Other Department Intimation Declaration

5. [ ] Others: _____

10. Verification

I, _____ (Name of Authorised Signatory), son/daughter of _____, hereby solemnly affirm and declare that the information given hereinabove is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom. I understand that any false declaration is liable for penal action under Chapter VI of the Health Security se National Security Cess Act, 2025.

Place: _____

Date: _____

Name: _____

Designation: _____

FORM HSNS CE-01 ▲

[See rule 10]

Certificate of Chartered Engineer

1. Details of the taxable person as per Table below:

Table

1.	HSNS Registration No.	_____
2.	Legal Name	_____
3.	Trade Name	_____
4.	Address of Factory	_____

2. Details of machines examined, as per Table below:

(To be filled by the Chartered Engineer after physical verification of the machines installed at the factory premises)

Table

The Table has fifteen columns, the headings of which, in the order of the columns, are as under:

(1) Sl. No.

(2) Make/Model

(3) Name of Manufacturer

(4) Machine No. (Serial No.)

(5) Machine Reg. No. (If already assigned by System)

(6) No. of [15][cups]

(7) Gear Box Ratio of the Machine

(8) Revolution Per Minute of main motor

(9) Number of Funnels

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15 In FORM HSNS CE-01, paragraph 2, Table, in the column heading of column (6), for the word "Tracks", the word "cups" substituted by rule 2(e)(i)(I) of the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026].

(10) Nature of Packing (Pouch/ Tin/ etc.)

(11) Weight of Package (in Grams)

(12) Packing Capacity of EACH [16][cup or funnel] (Packages per minute [8/7])

(13) Total Packing Capacity of the Machine (Maximum Rated Speed) (Packages per minute [6 X 12] or [9 X 12][17])

(14) Electricity Consumption Capacity (KWH)

(15) Remarks

(Rows are provided below the column headings for entry of the details of each machine.)

3. Certification

I hereby certify that:

1. I have personally examined the ____ (number) machines listed in the table above at the factory premises of the _____ on _____ (Date of Inspection).

2. The details furnished in the table above, specifically the maximum rated speed [(Column [18]13)] and weight of package [(Column [19]11), are true and correct to the best of my knowledge and belief based on the technical specifications and physical verification of the machines.

3. I have verified that the machines are capable of the production speeds declared herein.

4. Nothing has been concealed or misrepresented regarding the capacity of the machines which would impact the liability of cess under the Health Security se National Security Cess Act, 2025.

Date: _____

Place: _____

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16 In FORM HSNS CE-01, paragraph 2, Table, in the column heading of column (12), for the word "Track", the words "cup or funnel" substituted [rule 2(e)(i)(II)] and, after the word "minute", the expression "[8/7]" inserted [rule 2(e)(i)(III)] by the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026].

17 In FORM HSNS CE-01, paragraph 2, Table, in the heading of column 13, after the word "minute", the expression "[6 X 12] or [9 X 12]" inserted by rule 2(e)(i)(IV) of the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026].

18 In FORM HSNS CE-01, paragraph 3, sub-paragraph 2, for the word and figures "Column 10", the word and figures "Column 13" substituted by rule 2(e)(ii)(I) of the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026].

19 In FORM HSNS CE-01, paragraph 3, sub-paragraph 2, for the word and figure "Column 8" [printed as "Column (8)"], the word and figures "Column 11" substituted by rule 2(e)(ii)(II) of the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026].

(Signature of Chartered Engineer)

Name: _____

Membership / Registration No.: _____

Address: _____

Mobile No.: _____

Email ID: _____

Instructions for the Chartered Engineer:

1. Column 10 (Nature of packing): Specify clearly if the machine packs in pouches, tins or containers, as the definition of "Weight" in Section 2(s) of the Act applies to these specific containers.

[20][2. Column 13 (Total packing capacity): This is the maximum rated speed. It should be calculated as: (Packing Capacity of each cup or funnel) × (Number of cups or funnels). This figure determines the Cess slab in Schedule II of the Act.]

3. Modifications: If a machine has been modified to alter its speed or capacity, the certificate must reflect the current actual maximum capacity, not just the manufacturer's original specification.

[20] In FORM HSNS CE-01, the Instructions for the Chartered Engineer for serial number 2 substituted by rule 2(e)(iii) of the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026]. Before substitution, it read: "2. Column 13 (Total packing capacity): This is the maximum rated speed. It should be calculated as: (Capacity per track) × (Number of tracks). This figure determines the Cess slab in Schedule II of the Act."

FORM HSNS PMT-01 ▲

[see rule 13(1)]

DRAFT CHALLAN FORMAT

1. Taxpayer details as per Table below

Table

Registration Number		e-mail address	
Mobile No.		Taxpayer Name	
Address			

2. Challan identification as per Table below:

Table

CTIN			
CTIN date		CTIN expiry date	

3. Jurisdiction details as per Table below:

Table

Commissionerate	
Commissionerate code	
Division	
Division Code	
Range	
Range Code	

4. Duty payment details as per Table below:

Table

Duty Heads	Accounting Code	Accounting Code Type	Amount
HSNS CESS			

INTEREST			
PENALTY			
Total Amount			[Auto Calc]

Total challan amount (in words): _____

Note: Separate Fields for Interest & Penalty to be included.

FORM HSNS RET-01 ▲

[See rule 14(1)]

Monthly return for payment of Health Security se National Security Cess

1. Basic information as per Table below:

Table

Sl. No.	HSNS Registration No.	Particulars
(1)	(2)	(3)
1.	Legal Name	
2.	Trade Name	
3.	GSTIN	
4.	Return Period	Month: _____ Year: _____
5.	Date of Filing	

2. Details of cess payable for the month (Machine-based) as per the Table below:

(Relevant for computation of cess under section 5(2) read with Table I of Schedule II of the Act)

Note: The cess is calculated based on the maximum rated speed and weight of the specified goods (e.g., Pan Masala) as declared in Form HSNSDEC-I.

Table

Sl. No.	Machine Registration No. [A dropdown box containing the registered No. of machines will be shown in the rows]	Machine Status: Working Status for the Month (Yes/No)	Machine Status: Date of Sealing [DD/MM/YYYY]	Machine Status: Date of Desealing [DD/MM/YYYY]	Applicable Monthly Cess Rate (As per Schedule II) (Rs.)	Total Cess Payable (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)

...						
Total						(A)

3. Details of cess payable for the month (Wholly manual process) as per Table below:

(Relevant for computation of cess under section 5(4) read with Table 2 of Schedule II of the Act)

Table

Whether the manual process is undertaken Yes/No	Applicable monthly cess payable (Fixed)
(1)	(2)
Total	(B)

4A. Details of abatement claimed as per order issued in previous month (Machine-based) as per the Table below:

Table

Sl. No.	Machine Registration No. (System Generated) [A dropdown box containing the registered No. of machines will be shown in the rows]	Details of Abatement Order Issued in the previous month (Order No. and Date)	Amount ordered to be abated by the proper officer under rule 15(3)
(1)	(2)	(3)	(4)
1			
2			
...			
Total			(C1)

4B. Details of abatement (Manual process) as per Table below:

Table

Details of Abatement Order Issued in the previous month (Order No. and Date)	Amount ordered to be abated by the proper officer under rule 15(3)
(1)	(2)
	(C2)

5. Summary of liability and payment as per Table below:

Table

Sl. No.	Description	Amount (Rs.)
(1)	(2)	(3)
1.	Total cess payable on machines (A)	
2.	Total cess payable on manual process (B)	
3.	Less: Net abatement claimed (C=C1+C2)	
4.	Net cess payable (D=A+B-C)	
5.	Interest for delayed payment (if applicable as per section 17 of the Act) (E)	
6.	Penalty (if applicable) (F)	
7.	Total Amount payable (G=D+E+F)	

6. Cess payment details as per Table below:

Table

Sl. No.	Challan No. (CIN)	Date of Payment	Bank Name	Amount (Rs.)
(1)	(2)	(3)	(4)	(5)
1				
2				

7. Verification

I, _____ (Name of Authorized Signatory), son/daughter of _____, hereby solemnly affirm and declare that the information given hereinabove is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom. I understand that the Cess has been self-assessed as per the capacity determined under section 5 of the Act.

Place: _____

Date: _____

Name: _____

Designation: _____

Instructions for filling FORM HSNS RET-I:

1. Return Period (Table in Sl. No. 1): The monthly return is to be filed by the 20th of the following month. Example: If you are filing the return for the month of October 2026, you must submit the same by 20th November and mention 'October 2026' for the 'Return Period' in row No. [21][4] of the Table in Sl. No. 1.

2. Machine Details (Table in Sl. No. 2): The details in the Table should be for the return period.

- Machine Registration No: Select the unique Machine ID generated in Form HSNSDEC-I (Declaration Form).
- Applicable Rate: Refer to Schedule II of the Act. Determine the applicable tax slab based on the machine's Maximum Rated Speed and the Weight of the pouch/tin/container.
- Date of Sealing/Desealing: Enter specific dates only if the machine was sealed or de-sealed by the proper officer during the return period.

3. Abatement Claim (Table in Sl. No. 4A & 4B): Use this section to report abatement amounts that are being adjusted in the return period. Example: If you are filing the return for the month of October 2026, you will mention the details of the abatement order received in September. The period of abatement shall be as specified in the abatement order which may be July/August.

4. The abated amount should be adjusted/subtracted from the amount of cess payable for the return period. The same shall be specified in the table in Sl. No. 5 (row No. 3). Example: If you are filing the return for the month of October 2026, you will mention the details of the abatement order received in September. The period of abatement shall be as specified in the abatement order which may be July/August. The

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21 In FORM HSNS RET-01, in the instructions for filing, in serial number 1, in the example, for the figure "5", the figure "4" substituted by rule 2(f) of the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026].

amount ordered to be abated should be adjusted/subtracted from the total cess payable for the return period (i.e., October, 2026) to obtain the net amount of cess payable for the return period (i.e., October, 2026).

5. Payment Details (Table in Sl. No. 6): Enter the details of the specific Challan(s) used to discharge the Cess liability for the return period. If you are filing the return for the month of October 2026, the payment made by 7th October should be specified.

FORM HSNS BND-01 ▲

[See rule 21(1)]

BOND FOR RELEASE OF SEIZED GOODS OR PACKING MACHINES

I/We.....of..... .....hereinafter called "obligor(s)" am/are held and firmly bound to the President of India (hereinafter called "the President") in the sum of.....rupees to be paid to the President for which payment will be made. I/We jointly and severally bind myself/ourselves and my/our heirs/executors/administrators/legal representatives/successors and assigns by these presents; dated this.....day of.....

WHEREAS in accordance with the provisions of sub-section (8) of section 24 of the Health Security se National Security Cess Act, 2025, the specified goods / packing machines have been seized vide order number.....dated.....having value .....rupees involving an amount of cess of .....rupees.

On my/our request, the specified goods / packing machines have been permitted to be released provisionally by the proper officer on execution of the bond of value .....rupees and a security of .....rupees against which cash/bank guarantee has been furnished in favour of the President; and

WHEREAS I/We undertake to produce the said specified goods / packing machines released provisionally to me/us as and when required by the Proper Officer duly authorized under the Act.

And if all cess, interest, penalty, fine and other lawful charges demanded by the proper officer are duly paid within ten days of the date of demand thereof being made in writing by the said proper officer, this obligation shall be void.

OTHERWISE and on breach or failure in the performance of any part of this condition, the same shall be in full force:

AND the President shall, at his option, be competent to make good all the losses and damages from the amount of the security deposit or by endorsing his rights under the above-written bond or both;

IN THE WITNESS THEREOF these presents have been signed on the day hereinbefore written by the obligor(s).

Signature(s) of obligor(s).

Date: .....

Place: .....

Witnesses:

(1) Name and Address:

.....

Signature: .....

(2) Name and Address:

.....

Signature: .....

Accepted by me this.....day of ..... (month)..... .....(year) .....(designation of officer) for and on behalf of the President of India.

(Signature of the Proper Officer)

Form HSNS APL 01 ▲

(see rule 23)

Form of appeal to the appellate authority under section 29 of the Act

1. No. ……of……20…..

2. Name and address of the appellant.

3. Designation and address of the officer passing the decision or order appealed against and the date of the decision or order.

4. Date of communication of the decision or order appealed against to the appellant.

5. Address to which notices may be sent to the appellant.

6. (i) Description and classification of specified goods

(ii) Period of dispute

(iii) Amount of cess, if any, demanded for the period mentioned in item (ii)

(iv) Amount of abatement/refund if any claimed for the period mentioned in item (i)

(v) Amount of fine imposed.

(vi) Amount of penalty imposed

(vii) Market value of seized goods.

7. Whether cess or penalty or both is deposited; if not whether any application for dispensing with such deposit has been made. (A copy of the challan under which the deposit is made shall be furnished).

8. Whether the appellant wishes to be heard in person?

9. Reliefs claimed in appeal.

10. Statement of facts…….

11. Grounds of appeal……

Signature of the Authorise Representative, if any / Signature of the applicant

Verification

I…….the appellant, ……do hereby declare that what is stated above is true to the best of my information and belief.

Verified today, the ……day of…….

Place…….

Date……

Signature of the Authorised Representative, if any / Signature of the applicant.

Note.-

(1) The grounds of appeal and the form of verification shall be signed by the appellant in accordance with the provisions of rule 23.

(2) The form of appeal including the statement of facts and the grounds of appeal shall be accompanied by a copy of the decision or order appealed against.

Form HSNS APL 02 ▲

[See rule 27]

Form of appeal to Appellate Tribunal under section [22][30] of the Act

IN THE CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL

APPEAL No…… of ……20…

……Appellant

Vs

……..……Respondent

1. (i) Registration No. ……..

(ii) Jurisdictional Range/ Division / Commissionerate / Zone

(iii) E-mail Address

(iv) Phone No.

2. The designation and address of the authority passing the order appealed against.

3. Number and date of the order appealed against. Dated

4. Date of communication of a copy of the order appealed against.

5. State or Union territory and the Commissionerate in which the order or decision of assessment, penalty, fine was made.

6. If the order appealed against relates to more than one Commissionerate, mention the names of all the Commissionerates, so far as it relates to the appellant.

7. Designation and address of the adjudicating authority in case where the order appealed against is an order of the Commissioner (Appeals).

8. Address to which notices may be sent to the appellant

9. Address to which notices may be sent to the respondent.

10. Whether the decision or order appealed against involves any question having a relation to computation of cess.

11. Description and classification of goods

12. Period of dispute.

13. (i) Amount of cess, if any, demanded for the period of dispute .

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22 In FORM HSNS APL 02, in the heading, for the word and figures "section 61", the word and figures "section 30" substituted by rule 2(g) of the Health Security se National Security Cess (First Amendment) Rules, 2026 [Notification No. 02/2026-HSNS Cess, G.S.R. 78(E), dated 30.01.2026; in force from 01.02.2026].

(ii) Amount of interest involved up to the date of the order appealed against.

(iii) Amount of refund, if any, rejected or disallowed for the period of dispute

(iv) Amount of fine imposed.

(v) Amount of penalty imposed.

(vi) Market value of seized goods.

14. (i) Amount of cess or fine or penalty or interest deposited. If so, inform the amount deposited under each head in the box below. (A copy of the challan under which the deposit is made shall be uploaded)

Cess	Fine	Penalty	Interest

(ii) If not, whether any application for dispensing with such deposit has been made

15. If the appeal is against an Order-in-Appeal of Commissioner (Appeals), the number of Orders-in-Original covered by the said Order-in-Appeal.

16. Whether the respondent has also filed appeal against the order against which this appeal is made?

17. If answer to serial number 16 above is 'yes', upload the details of the appeal.

18. Whether the appellant wishes to be heard in person?

19. Reliefs claimed in appeal.

20. Statement of facts

21. Grounds of appeal

Signature of the Authorised Representative, if any / Signature of the applicant.

Verification

I, …… the appellant, do hereby declare that what is stated above is true to the best of my information and belief.

Verified today, the …….. day of ……. 20……

Signature of the Authorised Representative, if any / Signature of the applicant.

Notes.-

(1) The grounds of appeal and the form of verification shall be signed by the appellant in accordance with rule 27.

(2) The appeal including the statement of facts and the grounds of appeal shall be filed in accompanied by a certified copy of the order appealed against.

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