

**PART-1**  
**The Central Excise Tariff Act, 1985**  
**[ACT NO. 5 OF 1986]**

[19th January, 1986]

An Act to provide for tariff for Central Duties of Excise

BE it enacted by Parliament in the Thirty-sixth Year of the Republic of India as follows:-

**1. Short title, extent and commencement :-**

- (1) This Act may be called the Central Excise Tariff Act, 1985.
- (2) It extends to the whole of India.<sup>1</sup>
- (3) It shall come into force on such date<sup>2</sup> as the Central Government may, by notification in the Official Gazette, appoint.

**2. Duties specified in<sup>3</sup> [the First Schedule and the Second Schedule] to be levied.** - The rates at which duties of excise shall be levied under the<sup>4</sup> [Central Excise and Salt Act, 1944] (1 of 1944) are specified in<sup>3</sup> [the first Schedule and the Second Schedule].

**3. Emergency power of the Central Government to increase duty of excise.** (1) Where, in respect of any goods, the Central Government is satisfied that the duty leviable thereon under Section 3 of the<sup>5</sup>[Central Excise Act, 1944] (1 of 1944) should be increased and that circumstances exist which render it necessary to take immediate action, the Central Government may, by notification in the Official Gazette, direct an amendment of<sup>3</sup>[the First Schedule and the Second Schedule] to be made so as to substitute for the rate of duty specified in<sup>3</sup>[the First Schedule and the Second Schedule] in respect of such goods, -

- (a) in a case where the rate of duty as specified in<sup>3</sup>[the First Schedule and the Second Schedule] as in force immediately before the issue of such notification is nil, a rate of duty not exceeding fifty per cent ad valorem expressed in any form or method;
- (b) \*in any other case, a rate of duty as it thinks necessary.

Provided that the Central Government shall not issue any notification under this sub-section for substituting the rate of duty in respect of any goods as specified by an earlier notification issued under this sub-section by that Government before such earlier notification has been approved with or without modifications under sub-section (2).

Explanation: "Form or method", in relation to a rate of duty of excise means the basis, namely, valuation, weight, number, length, area, volume or other measure with reference to which the duty may be levied.

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1. The Act has been extended to the designated areas in the Continental Shelf and Exclusive Economic Zone of India vide Notification No. 166/87-C.E., dated 11-6-1987.  
2. The Act came into force on 28th February, 1986, vide Notification No.10/86-C.E., dated 5-2-1986.  
3. Substituted by s. 134 of the Finance Act, 1999 (27 of 1999).  
4. Central Excise and Salt Act, 1944 renamed by s.71 of the Finance (No.2) Act, 1996 (33 of 1996).  
5. Central Excise and Salt Act, 1944 renamed by s.71 of the Finance (No.2) Act, 1996 (33 of 1996).  
6. \*Amended by The Central Excise Tariff (Amendment) Ordinance, 2002.

(2) Every notification under sub-section (1) shall be laid before each House of Parliament, if it is sitting, as soon as may be after the issue of the notification, and if it is not sitting, within seven days of its re-assembly, and the Central Government shall seek the approval of Parliament to the notification by a resolution moved within a period of fifteen days beginning with the day on which the notification is so laid before the House of the People and if Parliament makes any modification in the notification or directs that the notification should cease to have effect, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be, but without prejudice to the validity of anything previously done thereunder.

(3) For the removal of doubts, it is hereby declared that any notification issued under sub-section (1), including any such notification approved or modified under sub-section (2), may be rescinded by the Central Government at any time by notification in the Official Gazette.

**4. Consequential amendments of, and construction of references to the First Schedule to Act 1 of 1944** — (1) <sup>1</sup>In the [Central Excise Act, 1944], -

- (a) for the words “First Schedule”, wherever they occur, the words and figures “Schedule to the Central Excise Tariff Act 1985” shall be substituted;
- (b) in section 2, for clause (f), the following clause shall be substituted, namely:-
  - (f) “manufacture” includes any process, -
    - (i) incidental or ancillary to the completion of a manufactured product;
    - (ii) which is specified in relation to any goods in the Section or Chapter Notes of the Schedule to the Central Excise Tariff Act, 1985 as amounting to manufacture,

and the word “manufacturer” shall be construed accordingly and shall include not only a person who employs hired labour in the production or manufacture of excisable goods, but also any person who engages in their production or manufacture on his own account;
- (c) the First Schedule shall be omitted.

(2) Any reference to the expression “First Schedule to the <sup>2</sup>[Central Excise Act, 1944] (1 of 1944)” in any Central Act shall, on and after the commencement of this Act, be construed as a reference to the Schedule to this Act.

**5. Power of Central Government to amend First and Second Schedules.**

(1) Where the Central Government is satisfied that it is necessary so to do in the public interest, it may, by notification in the Official Gazette, amend the First Schedule and the Second Schedule:

Provided that such amendment shall not alter or affect in any manner the rates specified in the First Schedule and the Second Schedule in respect of goods at which duties of excise shall be leviable on the goods under the Central Excise Act, 1944.

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1. Central Excise and Salt Act, 1944 renamed by s.71 of the Finance (No.2) Act, 1996 (33 of 1996)

2. Inserted vide The Central Excise Tariff (Amendment) Act, 2004

(2) Every notification issued under sub-section (1) shall be laid, as soon as may be after it is issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the notification or both Houses agree that the notification should not be issued, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that notification.”.

## 2. General rules for the interpretation of this Schedule

Classification of goods in this Schedule shall be governed by the following principles:

1. The titles of Sections, Chapters and Sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions.

2. (a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this rule), presented unassembled or disassembled.

(b) Any reference in a heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles of rule 3.

3. When by application of rule 2(b) or for any other reason, goods are, *prima facie*, classifiable under two or more headings, classification shall be effected as follows:

(a) the heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods.

(b) mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to (a), shall be classified as if they consisted of the material or component which gives them their essential character, insofar as this criterion is applicable.

(c) when goods cannot be classified by reference to (a) or (b), they shall be classified under the heading which occurs last in numerical order among those which equally merit consideration.

4. Goods which cannot be classified in accordance with the above rules shall be classified under the heading appropriate to the goods to which they are most akin.

5. In addition to the foregoing provisions, the following rules shall apply in respect of the goods referred to therein:

(a) camera cases, musical instrument cases, gun cases, drawing instrument cases, necklace cases and similar containers, specially shaped or fitted to contain a specific article or set of articles, suitable for long-term use and presented with the articles for which they are intended, shall be classified with such articles when of a kind normally sold therewith. This rule does not, however, apply to containers which give the whole its essential character;

(b) subject to the provisions of (a) above, packing materials and packing containers presented with the goods therein shall be classified with the goods if they are of a kind normally used for packing such goods. However, this provision does not apply when such packing materials or packing containers are clearly suitable for repetitive use.

6. For legal purposes, the classification of goods in the sub-headings of a heading shall be determined according to the terms of those sub-headings and any related sub-heading Notes and, *mutatis mutandis*, to the above rules, on the understanding that only sub-headings at the same level are comparable. For the purposes of this rule the relative Section and Chapter Notes also apply, unless the context otherwise requires.

#### *General Explanatory Notes*

1. Where in column (2) of this Schedule, the description of an article or group of articles under a heading is preceded by “-”, the said article or group of articles shall be taken to be a sub-classification of the article or group of articles covered by the said heading. Where, however, the description of an article or group of articles is preceded by “--”, the said article or group of articles shall be taken to be a sub-classification of the immediately preceding description of the article or group of articles which has “-”. Where the description of an article or group of articles is preceded by “---” or “----”, the said article or group of articles shall be taken to be a sub-classification of the immediately preceding description of the article or group of articles which has “-” or “--”.

2. The abbreviation “%” in column (4) of this Schedule in relation to the rate of duty indicates that duty on the goods to which the entry relates shall be charged on the basis of the value of the goods fixed, defined or deemed to be, as the case may be, under or in sub-section (2) read with sub-section (3) of section 3 or section 4 or section 4A of the Central Excise Act, 1944, the duty being equal to such percentage of the value as is indicated in that column.

#### *Additional Notes*

In this Schedule,—

(1) (a) “heading”, in respect of goods, means a description in list of tariff provisions accompanied by a four-digit number and includes all sub-headings of tariff items the first four-digits of which correspond to that number;

(b) “sub-heading”, in respect of goods, means a description in the list of tariff provisions accompanied by a six-digit number and includes all tariff items the first six-digits of which correspond to that number;

(c) “tariff item” means a description of goods in the list of tariff provisions accompanying either eight-digit number and the rate of the duty of excise or eight-digit number with blank in the column of the rate of duty;

(2) the list of tariff provisions is divided into Sections, Chapters and Sub-Chapters;

(3) in column (3), the standard unit of quantity is specified for each tariff item to facilitate the collection, comparison and analysis of trade statistics.

*LIST OF ABBREVIATIONS USED*

Abbreviations	For
Amps	Ampere(s)
Bq/g	Beequeral per gram
cc	Cubic centimetre
cg	Centigram(s)
Ci/g	Curie per gram
c/k	Carats (1 metric carat = 2 x 10 <sup>-4</sup> kg)
cm	Centimetre(s)
cm <sup>3</sup>	Cubic centimetre(s)
dyne/Cm	Dyne per centimetre
g	Gram(s)
g/cm <sup>3</sup>	Gram per cubic centimetre
gi F/S	Gram of fissile isotopes
g/m <sup>2</sup>	Gram per square metre
g.v.w.	Gross vehicle weight
HP	Horse Power
K cal/Kg	Kilocalorie per Kilogram
kg.	Kilogram(s)
kPa	Kilo Pascal
kPa. m <sup>2</sup> /g	Kilo Pascal square metre per gram
kN/m	Kilo Newton/Metre
kVA	Kilovolt Ampere(s)
kvar	Kilovolt ampere reactive (s)
kW	Kilo Watt
l	Litre(s)
m	Metre(s)
m <sup>2</sup>	Square metre(s)

Abbreviations	For
m <sup>3</sup>	Cubic metre(s)
mm	Millimetre(s)
mn	Milli Newton
MPa	Milli pascal
mt	Metric tonne
MW	Mega Watt
N/m	Newton per metre
pa	Number of pairs
Rs.	Rupees
sq.	Square
SWG	Standard Wire Gauge
t	Tonne(s)
Tu	Thousand in number
u	Number
V	Volt(s)
Vol.	Volume
W	Watt
1000 kWh	1000 kilowatt hours

**Amendment of all Central Excise Notifications after introduction of 8 digit code:  
[Notifn. No.1/2005-CE., dt. 24.2.2005]**

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944) read with sub-section (3) of section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957) and sub-section (3) of section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following or further amendments in all the notifications of the Government of India in the Ministry of Finance (Department of Revenue) issued under any of the said sections and which are for the time being in force on the date of commencement of the Central Excise Tariff (Amendment) Act, 2004 (5 of 2005), namely:-

In each of the said notifications, for the references to the Chapter or heading No. or sub-heading No. of the First Schedule or the Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), as the case may be, relating to any goods or class of goods, wherever occurring in the said notification, the corresponding references of the Chapter, heading, sub-heading or tariff item of the First Schedule or the Second Schedule to the said Central Excise Tariff Act, as amended by the Central Excise Tariff (Amendment) Act, 2004 (5 of 2005) shall be substituted.

This notification shall come into force on the 28<sup>th</sup> day of February, 2005.

**Amendment to all Central Excise notifications issued under sub-section (1) of section 5A of Central Excise Act, 1944, read with Sec. 136 of the Finance Act, 2001 and Section 169 of Finance Act, 2003, after introduction of 8 digit code.**

**[Notification No. 2/2005-Central Excise, dt. 24.2.2005]**

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944) read with sub-section (3) of section 136 of the Finance Act, 2001 (14 of 2001) and section 169 of the Finance Act, 2003 (32 of 2003), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following or further amendments in all the notifications of the Government of India in the Ministry of Finance (Department of Revenue) issued under any of the said sections and which are for the time being in force on the date of commencement of the Central Excise Tariff (Amendment) Act, 2004 (5 of 2005), namely:-

In each of the said notifications, for the references to the Chapter or heading No. or sub-heading No. of the First Schedule or the Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), as the case may be, relating to any goods or class of goods, wherever occurring in the said notification, the corresponding references of the Chapter, heading, sub-heading or tariff item of the First Schedule or the Second Schedule to the said Central Excise Tariff Act, as amended by the Central Excise Tariff (Amendment) Act, 2004 (5 of 2005) shall be substituted.

This notification shall come into force on the 28<sup>th</sup> day of February, 2005.

**Amendment to all Central Excise notifications issued under sub-section (1) & (2) of Section 4A after introduction of 8 digit code :**

**[Notification No.5/2005-Central Excise (N.T.), dt. 24.2.2005]**

In exercise of the powers conferred by sub-section (1) and sub-section (2) of section 4A of the Central Excise Act, 1944 (1 of 1944), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following or further amendments in all the notifications of the Government of India in the Ministry of Finance (Department of Revenue) issued under the said section and which are for the time being in force on the date of commencement of the Central Excise Tariff (Amendment) Act, 2004 (5 of 2005), namely:-

In the said notifications, for the references to the Chapter or heading No. or sub-heading No. of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), relating to any goods or class of goods, wherever occurring in the said notification, the corresponding references of the Chapter, heading, sub-heading or tariff item of the First Schedule to the said Central Excise Tariff Act, as amended by the Central Excise Tariff (Amendment) Act, 2004 (5 of 2005) shall be substituted.

This notification shall come into force on the 28<sup>th</sup> day of February, 2005.

**3. ADDITIONAL DUTIES OF EXCISE (GOODS OF SPECIAL IMPORTANCE) ACT, 1957  
(58 OF 1957)**

24th December, 1957

*An Act to provide for the levy and collection of additional duties of excise on certain goods and for the distribution of a part of the net proceeds thereof among the States in pursuance of the principles of distribution formulated and the recommendations made by the Finance Commission in its second report dated the 18th December, 1950.*

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:

**1. Short title and extent.** — (1) This Act may be called the Additional Duties of Excise (Goods of Special Importance) Act, 1957.

(2) It extends to the whole of India.

**2. Definitions.** — In this Act, —

(a) “additional duties” means the duties of excise levied and collected under sub-section (1) of Section 3;

(b) “State” does not include a Union territory;

(c) Omitted.

**3. Levy and collection of Additional Duties.** — (1) There shall be levied and collected in respect of the goods described in column (3) of the First Schedule produced or manufactured in India and on all such goods lying in stock within the precincts of any factory, warehouse or other premises where the said goods were manufactured, stored or produced, or in any premises appurtenant thereto duties of excise at the rate or rates specified in column (4) of the said Schedule.

(2) The duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition to the duties of excise chargeable on such goods under the Central Excise Act, 1944 (1 of 1944), or any other law for the time being in force.

(3) The provisions of the Central Excise Act, 1944 (1 of 1944), and the rules made thereunder, including those relating to refunds, exemptions from duty, offences and penalties, shall, so far as may be, apply in relation to the levy and collection of the additional duties as they apply in relation to the levy and collection of the duties of excise on the goods specified in sub-section (1)

**4. Distribution of additional duties among States.** — During each financial year, there shall be paid out of the Consolidated Fund of India to the States in accordance with the provisions of the Second Schedule such sums, representing a part of the net proceeds of the additional duties levied and collected during that financial year, as are specified in that Schedule.

**5. Expenditure to be charged on the Consolidated Fund of India.** — Any expenditure under the provisions of this Act shall be expenditure charged on the Consolidated Fund of India.

**6. Powers to make rules.**—(1) The Central Government may, by notification in the Official Gazette, make rules providing for the time at which and the manner in which any payments under the provisions of this Act, are to be made, for the making of adjustments between one financial year and another and for any other incidental or ancillary matters.

(2) Every rule made under this section shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following



the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule, or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**7. Declaration of certain goods to be of special importance in inter-State trade or commerce.**

— Repealed by Act No. 31 of 1958, s.12 (w.e.f. 1.10.1958)

**4. ADDITIONAL DUTIES OF EXCISE (TEXTILES AND TEXTILE ARTICLES) ACT, 1978  
(40 OF 1978)**

6th December, 1978

An Act to provide for the levy and collection of additional duties of excise on certain textiles and textile articles.

BE it enacted by Parliament in the Twenty-ninth Year of the Republic of India as follows:—

**1. Short title and commencement.**—(1) This Act may be called the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978.

(2) It shall be deemed to have come into force on the 4th day of October, 1978.

**2. Omitted**

**3. Levy and collection of additional duties of excise on certain textiles and textile articles.** —

(1) When goods of the description mentioned in the Schedule chargeable with a duty of excise under the Central Excise Act, 1944 (1 of 1944), read with any notification for the time being in force issued by the Central Government in relation to the duty so chargeable (not being a notification providing for any exemption for giving credit with respect to, or reduction of duty of excise under the said Act on such goods equal to, any duty of excise under the said Act, or the additional duty under Section 3 of the Customs Tariff Act, 1975 (51 of 1975), already paid on the raw material used in the production or manufacture of such goods), are assessed to duty, there shall be levied and collected a duty of excise equal to fifteen per cent of the total amount so chargeable on such goods.

(2) The duties of excise referred to in sub-section (1) in respect of the goods specified in the Schedule shall be in addition to the duties of excise chargeable on such goods under the Central Excise Act, 1944 (1 of 1944), or any other law for the time being in force and shall be levied for the purpose of Union and the proceeds thereof shall not be distributed among the States.

(3) The provisions of the Central Excise Act, 1944 (1 of 1944), and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, so far as may be, apply in relation to the levy and collection of the duties of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules.

**4. Repeal and saving.** — (1) The Additional Duties of Excise (Textiles and Textile Articles) Ordinance, 1978 (4 of 1978), is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the Ordinance so repealed shall be deemed to have been done or taken under the corresponding provisions of this Act.

THE SCHEDULE  
(See Section 3)  
NOTES

1. In this Schedule “Chapter” and “heading” mean a Chapter or heading in the Schedule to the Central Excise Tariff Act, 1985.

2. The rules for the interpretation of the Schedule to the Central Excise Tariff Act, 1985, and the Section and Chapter Notes of the said Schedule shall apply for the purposes of classification of goods specified in this Schedule.

<b>Sl. No.</b>	<b>Description of goods</b>
<b>(1)</b>	<b>(2)</b>

- |     |  |
|-----|--|
| 1.  | Silk, that is to say, all goods falling within Chapter 50.   |
| 2.  | Wool, that is to say, all goods falling within Chapter 51 other than fabrics of heading Nos. 51.10, 51.11 and 51.12.   |
| 3.  | Cotton, that is to say, all goods falling within Chapter 52.   |
| 4.  | Man-made filaments, that is to say, all goods falling within Chapter 54.   |
| 5.  | Man-made staple fibres, that is to say, all goods falling within Chapter 55.   |
| 6.  | Terry towelling and similar woven terry fabrics, falling within heading No. 58.02.   |
| 7.  | Tulles and other net fabrics, not including woven, knitted or crocheted fabrics; lace in the piece, in strips or in motifs, other than fabrics of heading No. 60.02. |
| 8.  | Knitted or crocheted fabrics, that is to say, all goods falling within Chapter 60.   |
| 9.  | Metallised yarn, falling within heading No. 56.05.   |
| 10. | Embroidery in the piece, in strips or in motifs, falling within heading No. 58.05.   |

**5. PROVISIONAL COLLECTION OF TAXES ACT, 1931 (16 of 1931)**

28th September, 1931

An Act to amend the law providing for the immediate effect for a limited period of provisions in Bills relating to the imposition or increase of duties of customs or excise.

WHEREAS it is expedient to amend the law providing for the immediate effect for a limited period of provisions in Bills relating to the imposition or increase of duties of customs or excise, it is hereby enacted as follows:-

- 1. Short title.** — This Act may be called the Provisional Collection of Taxes Act, 1931.
- 2. Definition.** — In this Act, a “declared provision” means a provision in a Bill in respect of which a declaration has been made under section 3.
- 3. Power to make declarations under this Act.** — Where a Bill to be introduced in Parliament on behalf of Government provides for the imposition or increase of duty of customs or excise, the Central Government may cause to be inserted in the Bill a declaration that it is expedient in the public interest that any provision of the Bill relating to such imposition or increase shall have immediate effect under this Act.
- 4. Effect of declarations under this Act, and duration thereof.**— (1) A declared provision shall have the force of law immediately on the expiry of the day on which the Bill containing it is introduced.  
(2) A declared provision shall cease to have the force of law under the provisions of this Act -
  - (a) when it comes into operation as an enactment, with or without amendment, or
  - (b) when the Central Government, in pursuance of a motion passed by Parliament, directs, by notification in the Official Gazette, that it shall cease to have the force of law, or
  - (c) if it has not already ceased to have the force of law under clause (a) or clause (b), then on the expiry of seventy-fifth day after the day on which the Bill containing it was introduced.
- 5. Certain refunds to be made when declarations cease to have effect.** - (1) Where a declared provision comes into operation as an enactment in an amended form before the expiry of the seventy-fifth day after the day on which the Bill containing it was introduced, refunds shall be made of all duties collected which would not have been collected if the provision adopted in the enactment had been the declared provision: Provided that the rate at which refunds of any duty may be made under this sub-section shall not exceed the difference between the rate of such duty proposed in the declared provision and the rate of such duty in force when the Bill was introduced.  
(2) Where a declare provision ceases to have the force of law under clause (b) or clause (c) of sub-section (2) of section 4, refunds shall be made of all duties collected which would not have been collected if the declaration in respect of it had not been made.
- 6. Repeal.** — (Repealed by Act 1 of 1938, s. 2 and Sch).

## **6. PROVISIONS OF FINANCE (NO.2) ACT 2004 RELATING TO LEVY OF EDUCATION CESS ON EXCISABLE GOODS**

### **Section 91:**

(1) Without prejudice to the provisions of sub-section (11) of section 2, there shall be levied and collected, in accordance with the provisions of this Chapter as surcharge for purposes of the Union, a cess to be called the Education Cess, to fulfil the commitment of the Government to provide and finance universalised quality basic education.

(2) The Central Government may, after due appropriation made by Parliament by law in this behalf, utilise, such sums of the money of the Education Cess levied under sub-section (11) of section 2 and this Chapter for the purposes specified in sub-section (1), as if may consider necessary.

### **Section 92:**

The words and expressions used in this Chapter and defined in the Central Excise Act, 1944, the Customs Act, 1962 or Chapter V of the Finance Act, 1994, shall have the meanings respectively assigned to them in those Acts or Chapter, as the case may be.

### **Section 93:**

(1) The Education Cess levied under section 91, in the case of goods specified in the First Schedule to the Central Excise Tariff Act, 1985, being goods manufactured or produced, shall be a duty of excise (in this section referred to as the Education Cess on excisable goods), at the rate of two per cent, calculated on the aggregate of all duties of excise (including special duty of excise or any other duty of excise but excluding Education Cess on excisable goods) which are levied and collected by the Central Government in the Ministry of Finance (Department of Revenue), under the provisions of the Central Excise Act, 1944 or under any other law for the time being in force.

(2) The Education Cess on excisable goods shall be in addition to any other duties of excise chargeable on such goods, under the Central Excise Act, 1944 or any other law for the time being in force.

(3) The provisions of the Central Excise Act, 1944 and the rules made thereunder, including those relating to refunds and exemptions from duties and imposition of penalty shall, as far as may be, apply in relation to the levy and collection of the Education Cess on excisable goods as they apply in relation to the levy and collection of the duties of excise on such goods under the Central Excise Act, 1944 or the rules, as the case may be.

**Exempts all goods falling within the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) from the whole of the Education Cess leviable under sections 93 of the Finance Act.**

**Notifn. No. 14/2015-CE., dt. 01.3.2015.**

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), read with sections 91 and 93 of the Finance (No. 2) Act, 2004 (23 of 2004), the Central Government being satisfied that it is necessary in the public interest so to do, hereby exempts all goods falling within the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), from the whole of the Education Cess leviable thereon under section 93 of the said Finance Act.

**Exempts all goods falling within the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) from the whole of the Secondary and Higher Education Cess leviable under sections 138 of the Finance Act.**

**Notifn. No. 15/2015-CE., dt. 01.3.2015.**

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), read with sections 136 and 138 of the Finance Act, 2007 (22 of 2007), the Central Government being satisfied that it is necessary in the public interest so to do, hereby exempts all goods falling within the First Schedule to the Central Excise Tariff Act, 1985 ( 5 of 1986), from the whole of the Secondary and Higher Education Cess leviable thereon under section 138 of the said Finance Act.