

Central Excise Tariff Act, 1985
(Act No. 5 of 1986)

Last Updated 6th February, 2020 [act3635]

[Dated 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. [***]

(3) It shall come into force on such [date] as the Central Government may, by notification in the Official Gazette, appoint.

2. Duties specified in [the First Schedule and the Second Schedule] to be levied. - The rates at which duties of excise shall be levied under the [Central Excise and Salt Act, 1944] (1 of 1944) are specified in [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 [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 [the First Schedule and the Second Schedule] to be made so as to substitute for the rate of duty specified in [the First Schedule and the Second Schedule] in respect of such goods, -

(a) in a case where the rate of duty as specified in [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.

(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) 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 [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.

(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 ⁻⁴ kg)
cm	Centimetre(s)
cm ³	Cubic centimetre(s)
dyne/Cm	Dyne per centimetre
g	Gram(s)
g/cm ³	Gram per cubic centimetre
gi F/S	Gram of fissile isotopes
g/m ²	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 ² /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 ²	Square metre(s)
m ³	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