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Central Excise Act, 1944

Section 3 - Duties Specified in the First Schedule and the Second Schedule to the Central Excise Tariff Act, 1985 to Be Levied

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(1) 1[There shall be levied and collected in such manner as may be prescribed,--

(a) 2[a duty of excise, to be called the Central Value Added Tax (CENVAT)] on all excisable goods 3[(excluding goods produced or manufactured in special economic zones)]4 which are produced or manufactured in India as, and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986);

(b) a special duty of excise, in addition to the duty of excise specified in clause (a) above, on excisable goods 3[(excluding goods produced or manufactured in special economic zones)]4 specified in the Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) which are produced or manufactured in India, as, and at the rates, set forth in the said Second Schedule :]

5[Provided that the duties of excise which shall be levied and collected on any 6[excisable goods which are produced or manufactured,--

18[***]

(ii) by a hundred per cent export-oriented undertaking and 9[brought to any other place in India],

shall be an amount equal to the aggregate of the duties of customs which would be leviable 10 [under the Customs Act, 1962 (52 of 1962) or any other law for the time being in force, on like goods produced or manufactured outside India if imported into India, and where the said duties of customs are chargeable by reference to their value; the value of such excisable goods shall, notwithstanding anything contained in any other provision of this Act, be determined in accordance with the provisions of the Customs Act, 1962 (52 of 1962) and the Customs Tariff Act, 1975 (51 of 1975).

11[Explanation 1:-- Where in respect of any such like goods, any duty of customs leviable for the time being in force is leviable at different rates, then, such duty shall, for the purposes of this proviso, be deemed to be leviable at the highest of those rates.]

12[Explanation 2 : In this proviso,--

19[***]

(ii) "hundred per cent export-oriented undertaking" means an undertaking which has been approved as a hundred per cent export-oriented undertaking by the Board appointed in this behalf by the Central Government in exercise of the powers conferred by section 14 of the Industries (Development and Regulation) Act, 1951 (65 of 1951) and the rules made under that Act;]]

20[(iii) "Special Economic Zone" has the meaning assigned to it in clause (za) of section 2 of the Special Economic Zones Act, 2005(28 of 2005).]

15[(1A) The provisions of sub-section (1) shall apply in respect of all excisable goods other than salts which are produced or manufactured in India by, or on behalf of, Government, as they apply in respect of goods which are not produced or manufactured by Government.]

(2) The Central Government may, by notification in the Official Gazette, fix, for the purpose of levying the said duties, tariff values of any articles enumerated, either specifically or under general headings, in 16[the First Schedule and the Second Schedule] to the Central Excise Tariff Act, 1985 (5 of 1986)] as chargeable with duty ad valorem and may alter any tariff values for the time being in force.

17[(3) Different tariff values may be fixed--

(a) for different classes or descriptions of the same excisable goods; or

(b) for excisable goods of the same class or description--

(i) produced or manufactured by different classes of producers or manufacturers; or

(ii) sold to different classes of buyers :

Provided that in fixing different tariff values in respect of excisable goods falling under sub-clause (i) or sub-clause (ii), regard shall be had to the sale prices charged by the different classes of producers or manufacturers or, as the case may be, the normal practice of the wholesale trade in such goods.]

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1. Substituted by Act 27 of 1999, section 121, for certain words (w.e.f. 11-5-1999).

2. Substituted by Act 10 of 2000, section 92, for "a duty of excise" (w.e.f. 12-5-2000).

3. Inserted by Act 20 of 2000, section 133.

4. This shall be effective from such date appointed by the Central Government by Notification in the Official Gazette.

5. Inserted by Act 14 of 1982, section 46 (w.e.f. 11-5-1982).

6. Substituted by Act 21 of 1984, section 45, for certain words (w.e.f. 11-5-1984).

7. Substituted by Act 14 of 2001, section 120, for "free trade zone" (w.e.f. 11-5-2001).

8. The words "or a special economic zone" shall stand omitted with effect form such date as may be appointed by the Central Government, vide Act 20 of 2002, section 133.

9. Substituted by Act 14 of 2001, section 120, for "allowed to be sold in India" (w.e.f. 11-5-2001).

10. Substituted by Act 10 of 2000, section 92, for "under section 12 of the Customs Act, (52 of 1962)" (w.r.e.f. 11-5-1982).

11. Substituted by Act 10 of 2000, section 92, for Explanation 1 (w.r.e.f. 11-5-1982).

12. Substituted by Act 21 of 1984, section 45, for Explanation 2 (w.e.f. 11-5-1984).

13. Substituted by Act 20 of 2002, section 133, for clause (i).

14. Inserted by Act 14 of 2001, section 120 (w.e.f. 11-5-2001).

15. Inserted by Act 45 of 1951, section 6 (w.e.f. 27-8-1951) and substituted by Act 30 of 1963, section 3 (w.e.f. 1-10-1963).

16. Substituted by Act 5 of 1986, section 4, for "the First Schedule" (w.e.f. 28-2-1986) and again substituted by Act 27 of 1999, section 119, for "the Schedule" (w.e.f. 11-5-1999).

17. Substituted by Act 25 of 1978, section 19, for sub-section (3) (w.e.f. 1-7-1978).

18. Omitted by the Finance Act, 2007. Prior to omission, it read as under:-

"(i) in a free trade zone 7[trade zone 8[or a special economic zone]] and brought to any other place in India; or"

19. Omitted by the Finance Act, 2007. Prior to omission, it read as under:-

"13(i) "free trade zone" means a zone which the Central Government may, by notification in the Official Gazette, specify in this behalf;"

20. Substituted by the Finance Act, 2007. Prior to substitution, it read as under:-

"14(iii) "special economic zone" means a zone which the Central Government may, by notification in the Official Gazette, specify in this behalf."

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