	CENTRAL EXCISE ACT 1944
CENTRAL EXCISE ACT 1944	
BUDGET ANALYSIS 2016-17	

- i		Analysis
From the date of Ascent of President of India From the date of Ascent of President of India From duty of excise (a) unless otherwise provided, come into force on the date of its issue by the Central Government for publication in the Official Gazette; (b) also be published and offered for sale on the date of its issue by the Directorate of Publicity and Public Relations, Customs and Central Excise, New Delhi, under the Central Board of Excise and Customs constituted under the Central Boards of Revenue Act, 1963 (54 of 1963). (6) Notwithstanding anything contained in subsection (5), where a notification comes into force on a date later than the date of its issue, the same shall be published	issued under sub-section (1) or sub-section 2(A) shall, - (a) unless otherwise provided, come into force on the date of its issue by the Central Government for publication in the Official Gazette;	Now there is no requirement of publishing and offering for sale any notification issued, by the Directorate of Publicity and Public Relations of CBEC.

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			said Directorate of Publicity and Public Relations on a date on or before the date on which the said notification comes into force.		
11A	From the date of Ascent of President of India	Recovery of duties not levied or not paid or short-levied or short-paid or erroneously refunded	(1) Where any duty of excise has not been levied or paid or has been short-levied or short-paid or erroneously refunded, for any reason, other than the reason of fraud or collusion or any wilful misstatement or suppression of facts or contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty,-	(1) Where any duty of excise has not been levied or paid or has been short-levied or short-paid or erroneously refunded, for any reason, other than the reason of fraud or collusion or any wilful misstatement or suppression of facts or contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty,-	Period of limitation has been increased from one year to two years for issuing SCN & Demand Notices, in case not involving fraud, suppression of facts, willful mis-statement, etc However, period of limitation has not been extended in the matter of refund in Section 11B.
			(a) the Central Excise Officer shall, within one year from the relevant date, serve notice on the person chargeable with the duty which has not been so levied or paid or which has been so short-levied or short-paid or to whom the	(a) the Central Excise Officer shall, within Two years from the relevant date, serve notice on the person chargeable with the duty which has not been so levied or paid or which has been so short-	

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			refund has erroneously	levied or short-paid or to	
			been made, requiring him	whom the refund has	
			to show cause why he	erroneously been made,	
			should not pay the amount	requiring him to show	
			specified in the notice;	cause why he should not	
				pay the amount specified	
			(b) the person chargeable	in the notice;	
			with duty may, before		
			service of notice under	(b) the person chargeable	
			clause (a) , pay on the basis	with duty may, before	
			of,-	service of notice under	
				clause (a), pay on the	
			(i) his own ascertainment of	basis of,-	
			such duty; or		
				(i) his own ascertainment	
			(ii) duty ascertained by the	of such duty; or	
			Central Excise Officer, the		
			amount of duty along with	(ii) duty ascertained by	
			interest payable thereon	the Central Excise	
			under section 11AA.	Officer, the amount of	
				duty along with interest	
			(2) The person who has	payable thereon under	
			paid the duty under clause	section 11AA.	
			(b) of sub-section (1), shall		
			inform the Central Excise	(2) The person who has	
			Officer of such payment in	paid the duty under	
			writing, who, on receipt of	clause (b) of sub-section	
			such information, shall not	(1), shall inform the	
			serve any notice under	Central Excise Officer of	
			clause (a) of that sub-	such payment in writing,	
			section in respect of the	who, on receipt of such	
			duty so paid or any penalty	information, shall not	

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			leviable under	serve any notice under	
				clause (a) of that sub-	
			the provisions of this Act or	section in respect of the	
			the rules made thereunder.	duty so paid or any	
				penalty leviable under	
			(3) Where the Central		
			Excise Officer is of the	the provisions of this Act	
			opinion that the amount	or the rules made	
			paid under clause (b) of	thereunder.	
			sub-section (1) falls short of		
			the amount actually	(3) Where the Central	
			payable, then, he shall	Excise Officer is of the	
			proceed to issue the notice	opinion that the amount	
			as provided for in clause (a)	paid under clause (b) of	
			of that sub-section in	sub-section (1) falls short	
			respect of such amount	of the amount actually	
			which falls short of the	payable, then, he shall	
			amount actually payable in	proceed to issue the	
			the manner specified under	notice as provided for in	
			that sub-section and the	clause (a) of that sub-	
			period of one year shall be	section in respect of such	
			computed from the date of	amount which falls short	
			receipt of information	of the amount actually	
			under sub-section (2).	payable in the manner	
				specified under that sub-	
			(4) Where any duty of	section and the period of	
			excise has not been levied	Two years shall be	
			or paid or has been	computed from the date	
			shortlevied or short-paid or	of receipt of information	
			erroneously refunded, by	under sub-section (2).	
			the reason of-		
				(4) Where any duty of	

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			(a) fraud; or	excise has not been	
				levied or paid or has	
			(b) collusion; or	been short levied or	
				short-paid or erroneously	
			(c) any wilful mis-	refunded, by the reason	
			statement; or	of-	
			(d) suppression of facts; or	(a) fraud; or	
			(e) contravention of any of	(b) collusion; or	
			the provisions of this Act or		
			of the rules made	(c) any wilful mis-	
			thereunder with intent to	statement; or	
			evade payment of duty,		
				(d) suppression of facts;	
			by any person chargeable	or	
			with the duty, the Central		
			Excise Officer shall, within	(e) contravention of any	
			five years from the relevant	of the provisions of this	
			date, serve notice on such	Act or of the rules made	
			person requiring him to	thereunder with intent to	
			show cause why he should	evade payment of duty,	
			not pay the amount		
			specified in the notice	by any person chargeable	
			along with interest payable	with the duty, the Central	
			thereon under section	Excise Officer shall,	
			11AA and a penalty	within five years from the	
			equivalent to the duty	relevant date, serve	
			specified in the notice.	notice on such person	
			(5) \A(b) = 1 = 1 = 1 = 1 = 1	requiring him to show	
			(5) Where, during the	cause why he should not	
			course of any audit,	pay the amount specified	

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			investigation or verification,	in the notice along with	
			it is found that any duty has	interest payable thereon	
			not been levied or paid or	under section 11AA and a	
			short-levied or short-paid	penalty equivalent to the	
			or erroneously refunded for	duty specified in the	
			the reason mentioned in	notice.	
			clause (a) or clause (b) or		
			clause (c) or clause (d) or	(5) Where, during the	
			clause (e) of sub-section (4)	course of any audit,	
			but the details relating to	investigation or	
			the transactions are	verification, it is found	
			available in the specified	that any duty has not	
			record, then in such cases,	been levied or paid or	
			the Central Excise Officer	short-levied or short-paid	
			shall within a period of five	or erroneously refunded	
			years from the relevant	for the reason mentioned	
			date, serve a notice on the	in clause (a) or clause (b)	
			person chargeable with the	or clause (c) or clause (d)	
			duty requiring him to show	or clause (e) of sub-	
			cause why he should not	section (4) but the details	
			pay the amount specified in	relating to the	
			the notice along with	transactions are available	
			interest under section 11AA	in the specified record,	
			and penalty equivalent to	then in such cases, the	
			fifty per cent of such duty.	Central Excise Officer	
				shall within a period of	
			(6) Any person chargeable	five years from the	
			with duty under sub-	relevant date, serve a	
			section (5), may, before	notice on the person	
			service of show cause	chargeable with the duty	
			notice on him, pay the duty	requiring him to show	
			in full or in part, as may be	cause why he should not	

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			accepted by him along with	pay the amount specified	
			the interest payable	in the notice along with	
			thereon under section	interest under section	
			11AA and penalty equal to	11AA and penalty	
			one per cent of such duty	equivalent to fifty per	
			per month to be calculated	cent of such duty.	
			from the month following		
			the month in which such	(6) Any person	
			duty was payable, but not	chargeable with duty	
			exceeding a maximum of	under sub-section (5),	
			twenty-five per cent of the	may, before service of	
			duty, and inform the	show cause notice on	
			Central Excise Officer of	him, pay the duty in full	
			such payment in writing.	or in part, as may be	
				accepted by him along	
			7) The Central Excise	with the interest payable	
			Officer, on receipt of	thereon under section	
			information under sub-	11AA and penalty equal	
			section (6) shall-	to one per cent of such	
				duty per month to be	
			(i) not serve any notice in	calculated from the	
			respect of the amount so	month following the	
			paid and all proceedings in	month in which such	
			respect of the said duty	duty was payable, but	
			shall be deemed to be	not exceeding a	
			concluded where it is found	maximum of twenty-five	
			by the Central Excise	per cent of the duty, and	
			Officer that the amount of	inform the Central Excise	
			duty, interest and penalty	Officer of such payment	
			as provided under sub-	in writing.	
			section (6) has been fully		
				7) The Central Excise	

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			paid;	Officer, on receipt of	
				information under sub-	
			(ii) proceed for recovery of	section (6) shall-	
			such amount if found to be		
			short-paid in the manner	(i) not serve any notice in	
			specified under sub-section	respect of the amount so	
			(1) and the period of one	paid and all proceedings	
			year shall be computed	in respect of the said	
			from the date of receipt of	duty shall be deemed to	
			such information.	be concluded where it is	
				found by the Central	
			(8) In computing the period	Excise Officer that the	
			of one year referred to in	amount of duty, interest	
			clause (a) of subsection (1)	and penalty as provided	
			or five years referred to in	under sub-section (6) has	
			sub-section (4) or sub-	been fully paid;	
			section (5), the period		
			during which there was any	(ii) proceed for recovery	
			stay by an order of the	of such amount if found	
			court or Tribunal in respect	to be short-paid in the	
			of payment of such duty	manner specified under	
			shall be excluded.	sub-section (1) and the	
				period of Two years shall	
			(9) Where any appellate	be computed from the	
			authority or Tribunal or	date of receipt of such	
			court concludes that the	information.	
			notice issued under sub-		
			section (4) is not	(8) In computing the	
			sustainable for the reason	period of Two years	
			that the charges of fraud or	referred to in clause (a)	
			collusion or any wilful mis-	of subsection (1) or five	
			statement or suppression	years referred to in sub-	

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			of facts or contravention of	section (4) or sub-section	
			any of the provisions of this	(5), the period during	
			Act or of the rules	which there was any stay	
				by an order of the court	
			made thereunder with	or Tribunal in respect of	
			intent to evade payment of	payment of such duty	
			duty has not been	shall be excluded.	
			established against the		
			person to whom the notice	(9) Where any appellate	
			was issued, the Central	authority or Tribunal or	
			Excise Officer shall	court concludes that the	
			determine the duty of	notice issued under sub-	
			excise payable by such	section (4) is not	
			person for the period of	sustainable for the	
			one year, deeming as if the	reason that the charges	
			notice were issued under	of fraud or collusion or	
			clause (a) of sub-section	any wilful mis-statement	
			(1).	or suppression of facts or	
				contravention of any of	
			(10) The Central Excise	the provisions of this Act	
			Officer shall, after allowing	or of the rules	
			the concerned person an		
			opportunity of being heard,	made thereunder with	
			and after considering the	intent to evade payment	
			representation, if any,	of duty has not been	
			made by such person,	established against the	
			determine the amount of	person to whom the	
			duty of excise due from	notice was issued, the	
			such person not being in	Central Excise Officer	
			excess of the amount	shall determine the duty	
			specified in the notice.	of excise payable by such	
				person for the period of	

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			(11) The Central Excise	two years, deeming as if	
			Officer shall determine the	the notice were issued	
			amount of duty of excise	under clause (a) of sub-	
			under sub-section (10)-	section (1).	
			(a) within six months from	(10) The Central Excise	
			the date of notice in	Officer shall, after	
			respect of cases falling	allowing the concerned	
			under subsection (1);	person an opportunity of	
				being heard, and after	
			(b) within one year from	considering the	
			the date of notice in	representation, if any,	
			respect of cases falling	made by such person,	
			under subsection (4) or	determine the amount of	
			sub-section (5).	duty of excise due from	
				such person not being in	
			(12) Where the appellate	excess of the amount	
			authority modifies the	specified in the notice.	
			amount of duty of excise		
			determined by the Central	(11) The Central Excise	
			Excise Officer under sub-	Officer shall determine	
			section (10), then the	the amount of duty of	
			amount of penalties and	excise under sub-section	
			interest under this section	(10)-	
			shall stand modified		
			accordingly, taking into	(a) within six months	
			account the amount of duty	from the date of notice in	
			of excise so modified.	respect of cases falling under subsection (1);	
			(13) Where the amount as		
			modified by the appellate	(b) within Two years from	
			authority is more than the	the date of notice in	

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			amount determined under	respect of cases falling	
			sub-section (10) by the	under subsection (4) or	
			Central Excise Officer, the	sub-section (5).	
			time within which the		
			interest or penalty is	(12) Where the appellate	
			payable under this Act shall	authority modifies the	
			be counted from the date	amount of duty of excise	
			of the order of the	determined by the	
			appellate authority in	Central Excise Officer	
			respect of such increased	under sub-section (10),	
			amount.	then the amount of	
				penalties and interest	
			(14) Where an order	under this section shall	
			determining the duty of	stand modified	
			excise is passed by the	accordingly, taking into	
			Central Excise Officer under	account the amount of	
			this section, the person	duty of excise so	
			liable to pay the said duty	modified.	
			of excise shall pay the		
			amount so determined	(13) Where the amount	
			along with the interest due	as modified by the	
			on such amount whether or	appellate authority is	
			not the amount of interest	more than the amount	
			is specified separately.	determined under sub-	
				section (10) by the	
			<i>Explanation</i> For the	Central Excise Officer,	
			purposes of this section	the time within which the	
			and section 11AC,-	interest or penalty is	
				payable under this Act	
			(a) "refund" includes rebate	shall be counted from	
			of duty of excise on	the date of the order of	
			excisable goods exported	the appellate authority in	

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			out of India or on excisable	respect of such increased	
			materials used in the	amount.	
			manufacture of goods		
			which are exported out of	(14) Where an order	
			India;	determining the duty of	
				excise is passed by the	
			(b) "relevant date" means,-	Central Excise Officer	
				under this section, the	
			(i) in the case of excisable	person liable to pay the	
			goods on which duty of	said duty of excise shall	
			excise has not been levied	pay the amount so	
			or paid or has been short-	determined along with	
			levied or short-paid, and no	the interest due on such	
			periodical return as	amount whether or not	
			required by the provisions	the amount of interest is	
			of this Act has been filed,	specified separately.	
			the last date on which such		
			return is required to be	ExplanationFor the	
			filed under this Act and the	purposes of this section	
			rules made thereunder;	and section 11AC,-	
			(ii) in the case of excisable	(a) "refund" includes	
			goods on which duty of	rebate of duty of excise	
			excise has not been levied	on excisable goods	
			or paid or has been short-	exported out of India or	
			levied or short-paid and the	on excisable materials	
			return has been filed on	used in the manufacture	
			due date, the date on	of goods which are	
			which such return has been	exported out of India;	
			filed;		
				(b) "relevant date"	
			(iii) in any other case, the		

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			date on which duty of	means,-	
			excise is required to be paid		
			under this Act or the rules	(i) in the case of excisable	
			made thereunder;	goods on which duty of	
				excise has not been	
			(iv) in a case where duty of	levied or paid or has	
			excise is provisionally	been short-levied or	
			assessed under this Act or	short-paid, and no	
			the rules made thereunder,	periodical return as	
			the date of adjustment of	required by the	
			duty after the final	provisions of this Act has	
			assessment thereof;	been filed, the last date	
				on which such return is	
			(v) in the case of excisable	required to be filed	
			goods on which duty of	under this Act and the	
			excise has been	rules made thereunder;	
			erroneously refunded, the		
			date of such refund;	(ii) in the case of	
				excisable goods on which	
			(c) "specified records"	duty of excise has not	
			means records including	been levied or paid or	
			computerised records	has been short-levied or	
			maintained by the person	short-paid and the return	
			chargeable with the duty in	has been filed on due	
			accordance with any law	date, the date on which	
			for the time being in force.'.	such return has been	
				filed;	
				(iii) in any other case, the	
				date on which duty of	
				excise is required to be	
				paid under this Act or the	

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				rules made thereunder;	
				(iv) in a case where duty of excise is provisionally assessed under this Act or the rules made	
				thereunder, the date of	
				adjustment of duty after	
				the final assessment thereof;	
				(v) in the case of excisable goods on which	
				duty of excise has been	
				erroneously refunded,	
				the date of such refund;	
				(c) "specified records"	
				means records including	
				computerised records	
				maintained by the person	
				chargeable with the duty	
				in accordance with any law for the time being in	
				force.'	
37B	From the date of	Instructions to	The Central Board of Excise	The Central Board of	Section 37B is being amended so
	Ascent of	Central Excise	and Customs constituted	Excise and Customs	as to empower the Board for
	President of India	Officers	under the Central Boards of	constituted under the	implementation of any other
			Revenue Act, 1963 (54 of	Central Boards of	provision of the said Act in
			1963), may, if it considers it	Revenue Act, 1963 (54 of	addition to the power to issue
			necessary or expedient so	1963), may, if it considers	orders, instructions and
			to do for the purpose of	it necessary or expedient	directions

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			uniformity in the	so to do for the purpose	
			classification of excisable	of uniformity in the	Earlier clarifications issued u/s
			goods or with respect to	classification of excisable	37B was only applicable for
			levy of duties of excise on	goods or with respect to	goods and those are binding on
			such goods, issue such	levy of duties of excise on	Assessee as well as Department.
			orders, instructions and	such goods OR for the	Now, powers has been given to
			directions to the Central	implementation of any	the Central Excise Department
			Excise Officers as it may	other provisions of this	even to issue the clarifications
			deem fit, and such officers	Act, issue such orders,	u/s 37B for any provisions under
			and all other persons	instructions and	the Act.
			employed in the execution	directions to the Central	
			of this Act shall observe and	Excise Officers as it may	It means Department may issue
			follow such orders,	deem fit, and such	the circulars u/s 37B for each
			instructions and directions	officers and all other	provision under this Act and that
			of the said Board :	persons employed in the	will be binding on Department as
				execution of this Act shall	well as Assessee.
			Provided that no such	observe and follow such	
			orders, instructions or	orders, instructions and	This is absolutely wrong provision
			directions shall be issued-	directions of the said	and needs to be represented by
				Board :	Trade & Industries.
			a) so as to require any		
			Central Excise Officer to	Provided that no such	
			make a particular	orders, instructions or	
			assessment or to dispose of	directions shall be issued-	
			a particular case in a		
			particular manner; or	a) so as to require any	
				Central Excise Officer to	
			b) so as to interfere with	make a particular	
			the discretion of the	assessment or to dispose	
			Commissioner of Central	of a particular case in a	
			Excise (Appeals) in the	particular manner; or	
			exercise of his appellate		

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			functions.	b) so as to interfere with the discretion of the Commissioner of Central Excise (Appeals) in the exercise of his appellate functions.	
Third Schedule	1 st March 2016	Deemed Manufacturing	Schedule provides the process which is deemed to be manufactured in accordance with Sec 2(f)(iii).		
			Tariff No. 3401: Soaps in any form other than the following (i) soap, other than for	All Goods	It means, packing, repacking, labeling, relabeling etc for the purpose of retail sale of the following products also will amounts to manufacture:
			toilet use, whether or not containing medicament or disinfectant;		(i) soap, other than for toilet use, whether or not containing medicament or disinfectant;
			(ii) soap, in or in relation to the manufacture of which no process has been carried on with the aid of power or of steam; and		(ii) soap, in or in relation to the manufacture of which no process has been carried on with the aid of power or of steam; and
			(iii) laundry soaps produced by a factory owned by the		(iii) laundry soaps produced by a factory owned by the Khadi and Village Industries Commission or

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			Khadi and Village Industries Commission or any organisation approved by the said Commission for the		any organisation approved by the said Commission for the purpose of manufacture of such soaps
			purpose of manufacture of such soaps		sulphonated castor oil, fish oil or sperm oil (Tariff No. 3402)
			Tariff No. 3402: All goods other than sulphonated castor oil, fish oil or sperm oil	All Goods	All Goods falling under Chapter Heading 7607 related to Aluminum Foil
					Wrist wearable devices commonly known as Smart Watches falling under Chapter Heading 8517 62
					Parts, Components and Accessories and Assemblies falling under Chapter Heading 87 excluding vehicle falling under 8712, 8713, 8715, 8716
					Parts, Components and Accessories and Assemblies falling under Chapter Heading 84 excluding vehicle falling under 8426 4100, 8427, 8429, 8430 10

