

EXCISE

Note: (a) “Basic Excise Duty” means the excise duty set forth in the Fourth Schedule to the Central Excise Act, 1944.

(b) “NCCD” means National Calamity Contingent Duty levied under Finance Act, 2001, as a duty of excise on specified goods at rates specified in Seventh Schedule to Finance Act, 2001

(c) Clause Nos. in square brackets [] indicate the relevant clause of the Finance Bill, 2026.

(d) Amendments carried out through the Finance Bill, 2026 come into effect on 01.05.2026, unless otherwise specified.

I. AMENDMENT TO SEVENTH SCHEDULE TO THE FINANCE ACT, 2001

The Seventh Schedule to the Finance Act, 2001 is being amended to revise the NCCD Schedule rates on chewing tobacco (HS 2403 99 10), jarda scented tobacco (HS 2403 99 30) and other tobacco products including gutkha (HS 2403 99 90) w.e.f 01.05.2026, as detailed below. The effective rate will remain unchanged*. [Clause 142 read with Sixth Schedule of the Finance Bill, 2026]

Tariff item	Description	NCCD Rates	
		From	To
(1)	(2)	(3)	(4)
2403 99 10	Chewing tobacco	25%	60%
2403 99 30	Jarda scented tobacco	25%	60%
2403 99 90	Other	25%	60%

**The effective rate will be maintained at 25% vide notification.*

II. EXEMPTION FROM CENTRAL EXCISE DUTY ON VALUE OF BIOGAS/COMPRESSED BIOGAS (CBG) CONTAINED IN BLENDED COMPRESSED NATURAL GAS (CNG)

The value of Biogas/Compressed Biogas (CBG) and the appropriate Central Tax, State Tax, Union Territory Tax or Integrated Tax, as the case may be, paid on Biogas or CBG contained in blended CNG, is being excluded from the transaction value for the purpose of computation of central excise duty on such blended CNG. To this effect, notification No. 11/2017-Central Excise dated 30.06.2017 is being suitably amended vide notification No. 02/2026-Central Excise dated 01.02.2026. This change will come into effect from 02.02.2026. Notification No. 05/2023-Central Excise, dated 01.02.2023, vide which Central Excise duty was exempted only on the GST amount paid on biogas/CBG contained in such blended CNG is being rescinded with effect from

02.02.2026.

III. DEFERMENT OF DATE OF IMPLEMENTATION OF HIGHER EXCISE DUTY ON SALE OF UNBLENDED DIESEL

The implementation of levy of additional excise duty of Rs. 2 per litre on unblended diesel is being deferred till 31.03.2028, by amending notification No. 11/2017-Central Excise dated 30.06.2017 *vide* notification No. 02/2026-Central Excise dated 01.02.2026.