

CENTRAL EXCISE ACT, 1944

BUDGET ANALYSIS 2025-26

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CENTRAL EXCISE ACT 1944:

Section	Amendment	Bizsol Analysis
<p>31 (New clause inserted)</p>	<p>31(i)(ea) “ Interim Board ” means the Interim Board for Settlement constituted under section 31A;</p> <p>31(ii)(fa) “pending application” means an application filed under section 32E before the 1st day of April, 2025 and fulfils the following conditions, namely:– (i) it has been allowed under sub-section (1) of section 32F; and (ii) no order under sub-section (5) of section 32F was issued on or before the 31st day of March, 2025 with respect to such application</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>
<p>31A Interim Board for Settlement. (New Section inserted)</p>	<p>31A. (1) The Central Government shall, by notification, constitute one or more Interim Boards for Settlement, as may be necessary, for the settlement of pending applications: Provided that on and from the date of the constitution of the Interim Board, every pending application shall be dealt by it from the stage at which such pending application stood immediately before its constitution.</p> <p>(2) Every Interim Board shall consist of three members, each being an officer of the rank of Chief Commissioner or above, as may be nominated by the Central Board of Indirect Taxes and Customs</p> <p>(3) If the Members of the Interim Board differ in opinion on any point, the point shall be decided according to the opinion of the majority.</p> <p>(4) The Interim Board shall be assisted by such</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>

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	Central Excise Officers, to be nominated by the Central Board of Indirect Taxes and Customs.	
32 Customs and Central Excise Settlement Commission (New Proviso inserted)	Provided that the Settlement Commission so constituted under this section shall cease to operate on or after the 1 st day of April, 2025	Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025. This is in line with the provisions incorporated in Income Tax Act in year 2020-2021
32A Jurisdiction and powers of Settlement Commission (New Proviso inserted)	Provided that the provisions of this section shall not apply on or after the 1 st day of April, 2025	Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025. This is in line with the provisions incorporated in Income Tax Act in year 2020-2021
32B Vice-Chairman to act as Chairman or to discharge his functions in certain circumstances (New Proviso inserted)	Provided that the provisions of this section shall not apply on or after the 1 st day of April, 2025	Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025. This is in line with the provisions incorporated in Income Tax Act in year 2020-2021

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Section	Amendment	Bizsol Analysis
<p>32C Power of Chairman to transfer cases from one Bench to another (New Proviso inserted)</p>	<p>Provided that the provisions of this section shall not apply on or after the 1st day of April, 2025</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>
<p>32D Decision to be by majority (New Proviso inserted)</p>	<p>Provided that the provisions of this section shall not apply on or after the 1st day of April, 2025</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>
<p>32E Application for settlement of cases (New Proviso inserted)</p>	<p>Provided that no application shall be made under this section on or after the 1st day of April, 2025</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>

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Section	Amendment	Bizsol Analysis
<p>32F Procedure on receipt of an application under section 32E (New subsection inserted)</p>	<p>(11) On and from the 1st day of April, 2025,-- (a) the provisions of sub-sections (2), (3), (4), (5), (5A), (6), (7), and (8) shall apply to pending applications with the modification that for the words “Settlement Commission”, wherever they occur, the words “Interim Board” shall be substituted; (b) in sub-section (3), for the words “seven days from the date of order” , the words “seven days from the date of receipt of the order” shall be substituted; (c) in sub-section (7), for the word “Bench” , the words “Interim Board” shall be substituted; (d) the provisions of sub-section (10) shall have effect as if for the words “ Settlement Commission, the words “Settlement Commission or Interim Board” had been substituted. (12) Notwithstanding anything contained in this section, the Interim Board may, within three months from the date of its constitution under section 31A, for the reasons to be recorded in writing, extend the time limit referred to in subsection (6), by such further period not exceeding twelve months from the date of such constitution.</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>
<p>32G Power of Settlement Commission to order provisional attachment to protect revenue (New subsection inserted)</p>	<p>(3) On and from the 1st day of April, 2025, the power of the Settlement Commission under this section shall be exercised by the Interim Board and the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>

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Section	Amendment	Bizsol Analysis
<p>32I Powers and procedure of Settlement Commission. (New subsection inserted)</p>	<p>(5) On and from the 1st day of April, 2025, the powers and functions of the Settlement Commission under this section shall be exercised or performed by the Interim Board and the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission.</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>
<p>32J Inspection, etc., of reports (New Proviso inserted)</p>	<p>Provided further that on and from the 1st day of April, 2025, the functions of the Settlement Commission under this section shall be performed by the Interim Board and the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>
<p>32K Power of Settlement Commission to grant immunity from prosecution and penalty (New subsection inserted)</p>	<p>(4) On and from the 1st day of April, 2025, the power of the Settlement Commission under this section shall be exercised by the Interim Board and the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission.</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>

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Section	Amendment	Bizsol Analysis
<p>32L Power of Settlement Commission to send a case back to the Central Excise Officer (New subsection inserted)</p>	<p>(4) On and from the 1st day of April, 2025, the power of the Settlement Commission under this section shall be exercised by the Interim Board and the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission.</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>
<p>32M Order of settlement to be conclusive (New Proviso inserted)</p>	<p>Provided that on and from the 1st day of April, 2025, the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>
<p>32-0 Bar on subsequent application for settlement in certain cases (New Proviso inserted)</p>	<p>Provided that on and from the 1st day of April, 2025, the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission.</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>

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Section	Amendment	Bizsol Analysis
32P Proceedings before Settlement Commission to be judicial proceedings (New Proviso inserted)	Provided that on and from the 1 st day of April, 2025, the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission.	Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025. This is in line with the provisions incorporated in Income Tax Act in year 2020-2021

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