

CENTRAL EXCISE CHANGES

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1. NCCD Rate Changes - TOBACCO PRODUCTS

Notification No. 01/2026-CE dated 01.02.2026 & Finance Bill 2026 (Clause 142)

(National Calamity Contingent Duty - NCCD)

A.	Change in Tariff rate		NCCD Scheduled Rate		Effective Date
S. No.	Tariff item	Commodity	From	To	
1	2403 99 10	Chewing tobacco	25%	60%	01.05.2026
2	2403 99 30	Jarda scented tobacco	25%	60%	01.05.2026
3	2403 99 90	Other (including gutkha)	25%	60%	01.05.2026

Bizsol Comments:

While the Schedule rate is being increased from 25% to 60%, the **EFFECTIVE RATE WILL REMAIN AT 25%** through an exemption notification (Notification 01/2026-CE). This means there is **NO ACTUAL CHANGE** in the duty burden for tobacco products.

Effective Rate (After Exemption Notification):

Tariff Item	Commodity	Effective Rate From	Effective Rate To	Effective Date
All three items	All tobacco products	25%	25% (No Change)	01.05.2026

This is a technical amendment to revise the Schedule rate with simultaneous exemption notification to maintain the effective rate. No price impact expected.

2. CNG BLENDED WITH BIOGAS/CBG - New Concessional Entry

[Notification No. 02/2026-CE dated 01.02.2026]

(Amendment to Notification No. 11/2017-CE dated 30.06.2017)

S.No.	Tariff Item	Commodity	Rate From	Rate To	Effective Date
4	2711 21 00	CNG blended with Biogas or Compressed Biogas (CBG)	Not applicable earlier (NEW ENTRY)	14% on CNG component only	02.02.2026

Bizsol Comments:

- Excise duty of 14% applies ONLY on the CNG portion of the blend
- The value of Biogas or CBG contained in the blend is EXCLUDED from excise duty calculation
- GST already paid on the Biogas/CBG component is also excluded from the excise duty base
- This promotes green energy by providing excise benefit for biogas blending

3. UNBLENDED DIESEL - Deferment of Higher Excise Duty

[Notification No. 02/2026-CE dated 01.02.2026]

S.No.	Tariff Item	Commodity	Previous Implementation Date	Deferred Implementation Date	Effective Date
5	2710 19 44, 2710 19 49	Unblended Diesel (Additional duty of Rs. 2 per litre)	Implementation was scheduled for 01.04.2026	Now deferred till 31.03.2028	02.02.2026

Bizsol Comments: The additional excise duty of Rs. 2 per litre on unblended diesel (diesel not blended with biodiesel) has been deferred by 2 years till 31.03.2028. This provides relief to diesel users and time for biodiesel blending infrastructure.

4. RESCISSION OF NOTIFICATION 05/2023-CE dated 01.02.2023

[Notification No. 03/2026-CE dated 01.02.2026]

Notification No. 05/2023-CE dated 01.02.2023, which provided exemption from central excise duty on the GST amount paid on Biogas/CBG contained in blended CNG, has been RESCINDED with effect from 02.02.2026.

Bizsol Comments: The earlier notification 05/2023-CE only exempted the GST component paid on Biogas/CBG from excise calculation. The new notification 02/2026-CE dated 01.02.2026 now provides a more comprehensive benefit by exempting both the VALUE of Biogas/CBG AND the GST paid on it. Hence, the older limited notification has been withdrawn.

This is actually BENEFICIAL for CNG-Biogas/CBG blenders as the new notification provides wider exemption than the rescinded one.