



# Overview of Union Budget 2026-27

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Detailed analysis of Amendments in **Custom Tariff** including **Rate changes** and **Central Excise Proposals**

# MAJOR CUSTOMS TARIFF & RATE CHANGES

# Modification in BCD through Customs Tariff from 02.02.2026

## Modification in BCD WEF 02.02.2026

Sr. No.	HSN	Commodity	Rate of BCD	
			From	To
		<b>MSME Sector</b>		
1.	6601 91 00, 6601 99 00	Umbrellas (other than garden umbrellas)	20%	20% or Rs. 60 per piece, whichever is higher
2.	6603 20 00, 6603 90 10, 6603 90 90	Parts, trimmings and accessories of articles of heading 6601 to 6602	10%	10% or Rs. 25 per kg., whichever is higher

Decrease in BCD through Customs Tariff from  
01.04.2026



## Decrease in BCD WEF 01.04.2026

Sr. No.	HSN	Commodity	Rate of BCD	
			From	To
1.	9804	All dutiable goods, imported for personal use	20%	10%

Tariff Rate Changes from 01.05.2026 (Shift of BCD Rates from exemption notifications to the Customs Tariff Act to simplify the Customs Tariff Structure)



## Changes in Tariff Rates WEF 01.05.2026...

Sr. No.	HSN	Commodity	Rate of Duty	
			From	To
1.	0207 25 00, 0207 27 00	Meat and edible offal of turkeys, frozen	30%	5%
2.	0306 36 60	Artemia	5%	Nil
3.	0511 91 40	Artemia cysts	5%	Nil
4.	0802 11 00	Almonds, in shell	Rs.42 per kg	Rs.35 per kg
5.	0802 12 00	Almonds, shelled	Rs.120 per kg	Rs. 100 per kg
6.	0802 31 00	Walnuts, in shell	120%	100%



## ...Changes in Tariff Rates WEF 01.05.2026...

Sr. No.	HSN	Commodity	Rate of Duty	
			From	To
7.	1209 (other than those falling under sub headings 1209 91 and 1209 99)	Seeds, fruit and spores, of a kind used for sowing	30%	15%
8.	1505	Wool grease and fatty substances derived therefrom (including lanolin)	30%	15%
9.	2008 19 21, 2008 19 22, 2008 19 29, 2008 19 91	Makhana, other roasted nuts and seeds	150%	30%
10.	2008 19 92	Other nuts, otherwise prepared or preserved	150%	30%
11.	2309 90 31	Prawn and shrimps feed	15%	5%

## ...Changes in Tariff Rates WEF 01.05.2026...

Sr. No.	HSN	Commodity	Rate of Duty	
			From	To
12.	2504	Natural graphite	5%	2.5%
13.	2505	Natural sands of all kinds, whether or not coloured, other than metal bearing sands of chapter 26 of the Customs Tariff Act, 1975	5%	Nil
14.	2506	Quartz (other than natural sands); quartzite, whether or not roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape	5%	2.5%
15.	2530 90 91	Strontium sulphate (natural ore)	5%	Nil
16.	2701, 2702, 2703	Coal; briquettes, ovoids and similar solid fuels manufactured from coal; Lignite, whether or not agglomerated, excluding jet; Peat (including peat litter), whether or not agglomerated	5%	2.5%

## ...Changes in Tariff Rates WEF 01.05.2026...

Sr. No.	HSN	Commodity	Rate of Duty	
			From	To
17.	2709 00 10	Petroleum crude	5%	Re 1 per tonne
18.	2804 50 20	Tellurium	5%	Nil
19.	2804 61 00	Silicon, containing by weight not less than 99.99% of silicon	5%	Nil
20.	2804 69 00	Silicon, other	5%	Nil
21.	2804 90 00	Selenium	5%	Nil
22.	2805 30 00	Rare-earth metals, scandium and yttrium, whether or not intermixed or inter alloyed	5%	Nil
23.	2809 20 10	Phosphoric Acid	7.5%	5%
24.	2811 22 00	Silicon dioxide	7.5%	2.5%
25.	2816 40 00	Oxides, hydroxides and peroxides, of strontium or barium	7.5%	Nil
26.	2822 00 10	Cobalt oxides	7.5%	Nil

## ...Changes in Tariff Rates WEF 01.05.2026...

Sr. No.	HSN	Commodity	Rate of Duty	
			From	To
27.	2822 00 20	Cobalt hydroxides	7.5%	Nil
28.	2822 00 30	Commercial cobalt oxides	7.5%	Nil
29.	2825 20 00	Lithium oxide and hydroxide	7.5%	Nil
30.	2825 30	Vanadium oxides and hydroxides	7.5%	Nil
31.	2825 60 10	Germanium oxides	7.5%	Nil
32.	2825 70	Molybdenum oxides and hydroxides	7.5%	Nil
33.	2825 80 00	Antimony Oxides	7.5%	Nil
34.	2825 90 20	Cadmium oxide	7.5%	Nil
35.	2827 35 00	Chlorides of Nickel	7.5%	Nil
36.	2827 39 30	Strontium chloride	7.5%	Nil
37.	2833 24 00	Sulphates of Nickel	7.5%	Nil

## ...Changes in Tariff Rates WEF 01.05.2026...


Sr. No.	HSN	Commodity	Rate of Duty	
			From	To
38.	2834 21 00	Nitrates of potassium	7.5%	Nil
39.	2836 91 00	Lithium carbonates	7.5%	Nil
40.	2836 92 00	Strontium carbonate	7.5%	Nil
41.	2910 20 00	Methyloxirane (propylene oxide)	5%	2.5%
42.	2918 15 30	Bismuth citrate	7.5%	Nil
43.	3102 30 00	Ammonium nitrate, whether or not in aqueous solution	10%	5%
44.	3801	Artificial Graphite; colloidal or semi-colloidal graphite; preparations based on graphite or other carbon in form of pastes, blocks, plates or other semimanufactures	7.5%	2.5%
45.	3808 93 30	Gibberellic acid	10%	5%
46.	3904	Polymers of vinyl chloride or of other halogenated olefins, in primary forms	10%	7.5%

## ...Changes in Tariff Rates WEF 01.05.2026...

Sr. No.	HSN	Commodity	Rate of Duty	
			From	To
47.	4906	Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals drawn by hand;hand-written texts; photographic reproductions on sensitised paper and carbon copies of the foregoing	10%	Nil
48.	5201 00 25	Other cotton of staple length exceeding 32.0 mm	5%	Nil
49.	7202 60 00	Ferro-nickel	2.5%	Nil
50.	7402 00 10	Blister copper	5%	Nil
51.	7802	Lead waste and scrap	5%	Nil
52.	7902	Zinc waste and scrap	5%	Nil
53.	8105 20 30	Cobalt powders	5%	Nil

## ...Changes in Tariff Rates WEF 01.05.2026

Sr. No.	HSN	Commodity	Rate of Duty	
			From	To
54.	8419 89 12, 8419 89 13, 8419 89 14, 8419 89 15, 8419 89 16, 8419 89 17, 8419 89 19	Gibberellic Reactors, columns or towers or chemical storage tanks	10%	7.5%

 **New Tariff lines:** Thirty-three items have been incorporated into the Customs Tariff through the creation of new tariff lines, which shall come into effect from 01.05.2026

# Changes in BCD through notifications effective from 02.02.2026



## Changes in BCD WEF 02.02.2026...

Sr. No.	HSN	Commodity	Old BCD Rate	New BCD Rate
1.	2612 20 00	Monazite [vide insertion of S. No. 84A in TABLE I of notification No. 45/2025-Customs dated 24.10.2025]	2.5%	Nil
2.	2841 90 00	Sodium antimonate for use in manufacture of solar glass [vide insertion of S. No. 110A in TABLE I of notification No. 45/2025-Customs dated 24.10.2025]	7.5%	Nil
3.	2815 20 00	Potassium hydroxide [vide omission of S.No. 21 in notification No. 36/2024-Customs dated 23.07.2024]	Nil	7.5%
4.	8401 30 00	All goods for generation of nuclear power [vide insertion of S.No. 227A in TABLE I of notification No. 45/2025-Customs dated 24.10.2025]	7.5%	Nil

## ...Changes in BCD WEF 02.02.2026

Sr. No.	HSN	Commodity	Old BCD Rate	New BCD Rate
5.	8401 40 00	Control and Protector Absorber Rods, and Burnable Absorber Rods, for generation of nuclear power [vide insertion of S.No. 227B in TABLE I of notification No. 45/2025-Customs dated 24.10.2025]	7.5%	Nil
6.	8501 10 20, 8504 31 00, 8516 80 00, 8516 90 00	Specified goods for use in the manufacture of Microwave Ovens falling under tariff item 8516 50 00 [vide insertion of S.No. 278A in TABLE I of notification No. 45/2025-Customs dated 24.10.2025]	As Applicable	Nil

# Technical changes in Social Welfare Surcharge (SWS)

# Social Welfare Surcharge (SWS) Exemption Changes - Comparison Table...

Sr. No.	HSN	Commodity	Old BCD Rate	New BCD Rate	Effective Date
1.	9503	Parts of electronic toys for manufacture of electronic toys	Subject to SWS	Exempted	02.02.2026
2.	9503	All goods under heading 9503 (electronic toys)	Partially subject to SWS	Exempted	02.02.2026
3.	9804	All dutiable goods imported for personal use	Exempted	Subject to SWS	01.04.2026

# ...Social Welfare Surcharge (SWS) Exemption Changes - Comparison Table...

Sr. No.	HSN	Commodity	Status	Effective Date	Remarks
1.	2504	Natural graphite	Remains exempted	01.05.2026	Moved from notification 36/2024 to 11/2018
2.	2506	Quartz and quartzite	Remains exempted	01.05.2026	Moved from notification 36/2024 to 11/2018
3.	2811 22 00	Silicon dioxide	Remains exempted	01.05.2026	Moved from notification 36/2024 to 11/2018
4.	3801	Artificial graphite	Remains exempted	01.05.2026	Moved from notification 36/2024 to 11/2018
5.	2106 90	Food preparations (excluding certain alcoholic preparations)	Remains exempted	01.05.2026	Entry reorganized between notifications

# ...Social Welfare Surcharge (SWS) Exemption Changes - Comparison Table

Sr. No.	HSN	Commodity	Status	Effective Date	Remarks
6.	2106 90 51	Compound alcoholic preparations	Remains exempted	01.05.2026	Moved to different section of notification 11/2018
7.	7112	Spent catalyst and ash containing precious metals	Remains exempted	01.04.2026	Description modified (reference update)

# Changes in Agricultural Infrastructure and Development Cess (AIDC) with effect from 02.02.2026

## Changes in AIDC WEF 02.02.2026

- ⌚ The rate of AIDC on new pneumatic aircraft tyres (CTH 4011 30 00) remains unchanged and continues to apply at 0.5% except where the goods attract NIL BCD under S. Nos. 155 and 156 of Notification No. 45/2025-Customs dated 24.10.2025
- ⌚ The amendment effective 02.02.2026 merely removes the reference to S. No. 157 of Notification No. 45/2025-Customs dated 24.10.2025 (since that entry has been omitted) and does not alter the effective duty structure



# AMENDMENT TO RULES UNDER CUSTOMS ACT, 1962

## Amendments to Baggage Rules & Deferred Payment Mechanism

- ⌚ The Baggage Rules, 2016 are being superseded by the Baggage Rules, 2026 to rationalize passenger-related provisions, clarify temporary import/export of personal goods, and restructure Transfer of Residence benefits based on duration of stay, effective midnight 02.02.2026
- ⌚ The Deferred Payment of Import Duty framework is being amended to introduce monthly duty payment (in place of the earlier 15-day cycle) and to create a new category of 'eligible importers' under the Deferred Payment of Import Duty Rules, 2016

# Other Notification changes with effect from 02.02.2026

## Other amendments in Customs Act...

- 🕒 **Clean Energy:** BCD exemption on capital goods for Lithium-Ion cell manufacturing has been extended to cover Battery Energy Storage Systems (BESS) under Notification No. 25/2002 dated 01.03.2002, effective from 02.02.2026
  
- 🕒 **Defense & Aviation:** Under Notification No. 45/2025, BCD exemption has been introduced for
  - Raw materials used in the manufacture of aircraft parts, engines and components for Maintenance Repairs Overhauling by Defence Public Sector Units, subject to Import of Goods at Concessional Rate of Duty or for Specified End Use Rules, 2022 (IGCRS Rules) and end-use certification, and
  - Components and parts, including engines, for manufacture of aircraft and parts thereof, subject to IGCRS Rules, 2022, with effect from 02.02.2026.

## ...Other amendments in Customs Act...

- 🕒 **Nuclear & Healthcare (effective from 02.02.2026):** Notification No. 45/2025 dated 24.10.2025 has been expanded to extend customs duty exemptions in respect of the following:
  - Specified nuclear power projects, irrespective of capacity, with validity extended up to 30.09.2035, including contracts registered up to that date
  - Additional 17 new drugs/ medicines
  - Additional 7 rare diseases under National Policy for Rare Disease, 2021 on drugs, medicines and food for special medical purposes when imported for personal use
  
- 🕒 **Review of Customs Duty exemptions:** Pursuant to a comprehensive review of exemptions under Notification No. 45/2025-Customs dated 24.10.2025, certain conditional exemption / concessional duty entries have been extended up to 31.03.2028, while others have been allowed to lapse on 31.03.2026; additionally, some unconditional exemptions have been omitted with effect from 02.02.2026.

## ...Other amendments in Customs Act

### **Critical Minerals Rationalization:**

- Certain exemption entries of Notification No. 36/2024 dated 23.07.2024 have been shifted to the Customs Tariff with effect from 01.05.2026 and Certain redundant entries of Notification No. 36/2024 dated 23.07.2024 have been omitted with effect from 02.02.2026
- Certain exemption entries relating to specified critical minerals have been shifted to the rate notification

# AMENDMENTS IN CENTRAL EXCISE LAW

- ⌚ With effect from 01.05.2026, the Seventh Schedule to the Finance Act, 2001 is proposed to be amended to revise the statutory National Calamity Contingent Duty (NCCD) rates on the following tobacco products:

Tariff Item	Description	Existing NCCD	Revised NCCD
2403 99 10	Chewing tobacco	25%	60%
2403 99 30	Jarda scented tobacco	25%	60%
2403 99 90	Other tobacco products (including gutkha)	25%	60%

- ⌚ **Note:** The effective NCCD rate will continue at 25% through a corresponding notification



- ⌚ The value of Biogas/Compressed Biogas (CBG) in blended Compressed Natural Gas (CNG), along with the GST paid on it, will not be included for calculating Central Excise duty on blended CNG.
- ⌚ Notification No. 11/2017-Central Excise dated 30.06.2027 is amended accordingly w.e.f. 02.02.2026.
- ⌚ Notification No. 05/2023-Central Excise dated 01.02.2023, which earlier allowed exemption only for the GST portion on biogas/CBG, is being withdrawn from the same date.

## Postponement of Implementation of Higher Excise Duty on Sale of Unblended Diesel

- ⌚ The scheduled introduction of an additional excise duty of Rs. 2 per litre on unblended diesel, originally provided under Notification No. 11/2017-Central Excise dated 30.06.2027, has been deferred until 31.03.2028 by an amendment made through Notification No. 02/2026-Central Excise dated 01.02.2026

## Abbreviations...

<b>WEF</b>	With Effect From
<b>FY</b>	Financial Year
<b>FTP</b>	Foreign Trade Policy
<b>Govt.</b>	Government
<b>GST</b>	Goods and Service tax
<b>Sec.</b>	Section
<b>T/o</b>	Turnover
<b>TCS</b>	Tax collected at source
<b>SEZ</b>	Special economic zone
<b>CGST</b>	Central goods and service tax
<b>IGST</b>	Integrated goods and service tax
<b>FEMA</b>	Foreign Exchange Management Act

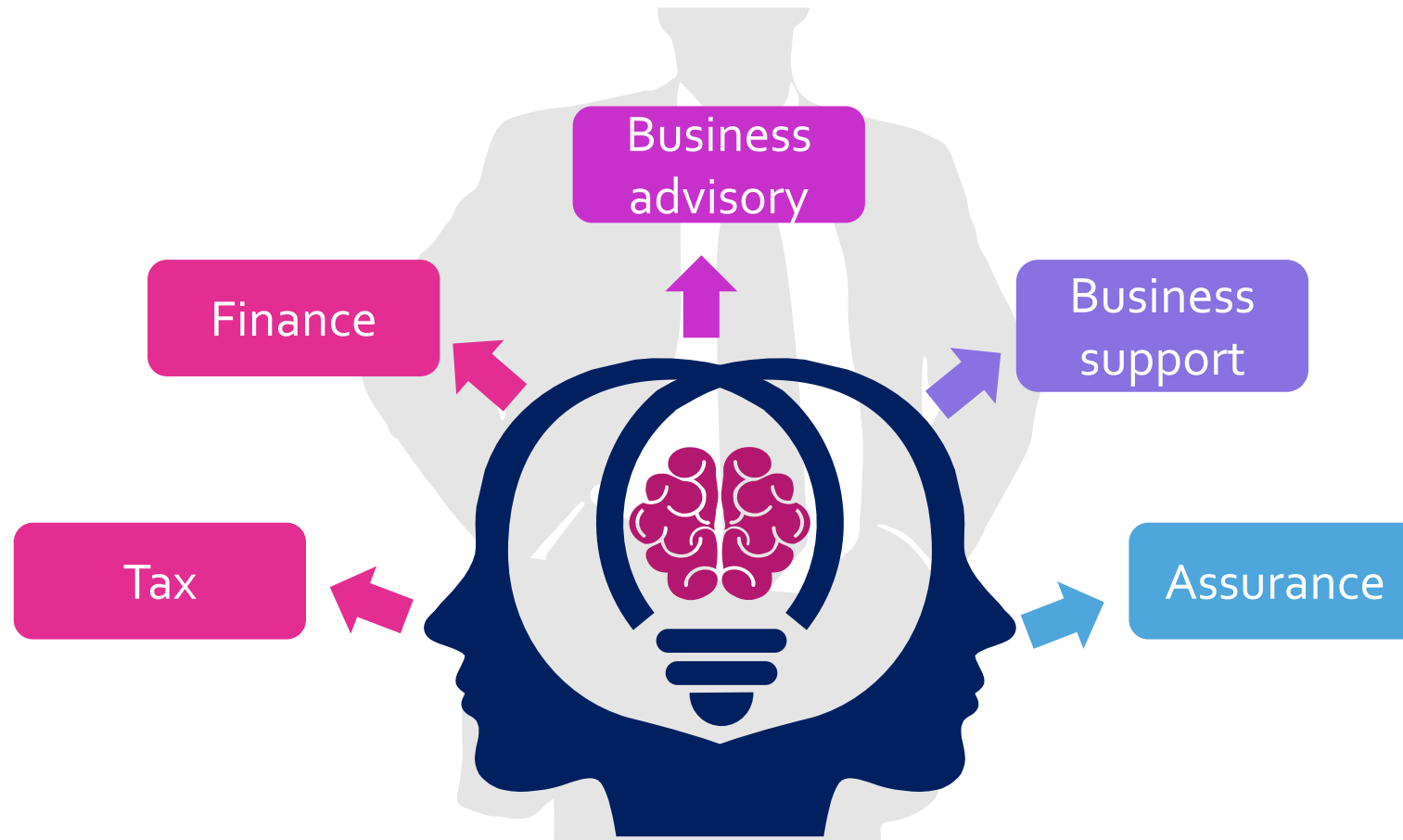
## ...Abbreviations...

<b>GOI</b>	Government of India
<b>AIDC</b>	Agriculture Infrastructure and Development Cess
<b>FA</b>	Finance Act, 1994
<b>Not.</b>	Notification
<b>TRU</b>	Tax Research Unit
<b>WEF</b>	With Effect From
<b>BCD</b>	Basic Customs Duty
<b>CBIC</b>	Central Board of Indirect Taxes and Customs
<b>BOE</b>	Bill of entry
<b>CVD</b>	Countervailing Duty
<b>ADD</b>	Anti-dumping duty
<b>EOU</b>	Export Oriented Unit

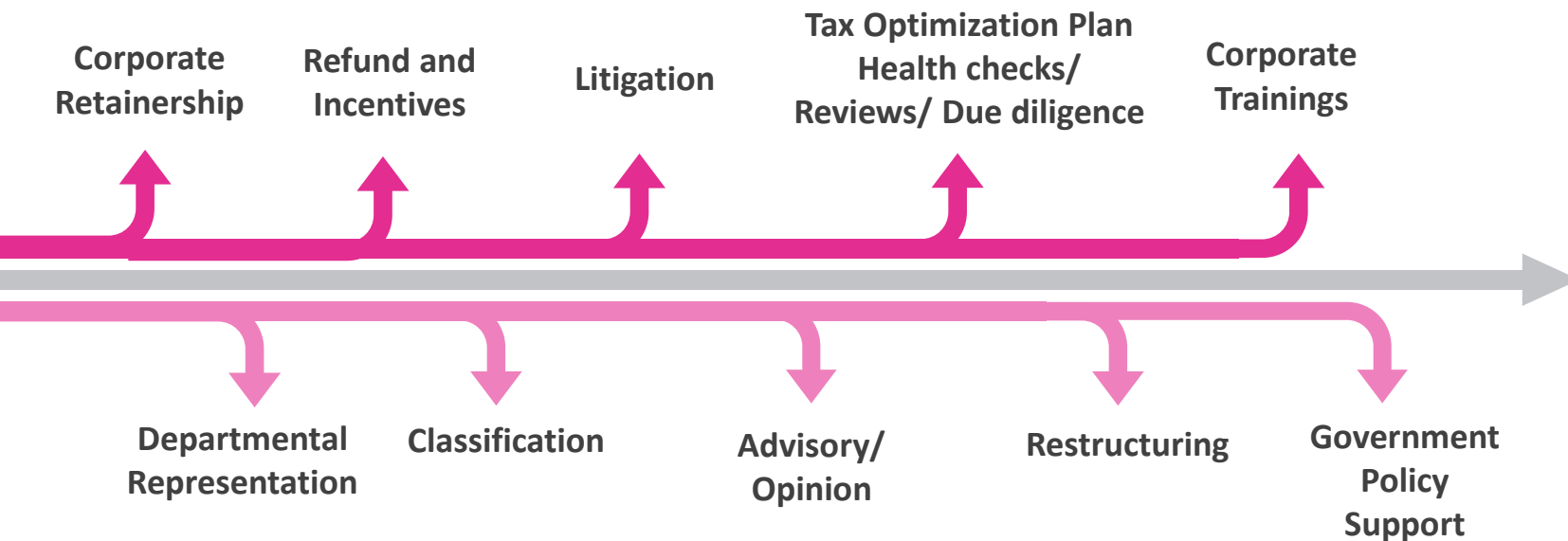
## ...Abbreviations

<b>CG</b>	Central Government
<b>DTA</b>	Domestic Tariff Area
<b>SWS</b>	Social Welfare Surcharge
<b>CTH</b>	Custom Tariff Heading
<b>Cr.</b>	Rupees in Crores
<b>ITC</b>	Input Tax Credit
<b>SB</b>	Shipping Bill
<b>U/s</b>	Under Section
<b>Customs Act</b>	Customs Act, 1962

## What do we do?...



## ... What do we do?



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## Reach Us

### West Region

6<sup>th</sup> Level,  
Kaledonia -A,  
Sahar Road,  
Andheri East,  
Mumbai - 400 069

### North Region

A-36, First Floor,  
Ring Road,  
Adjacent to Raja  
Garden Flyover,  
Rajouri Garden,  
New Delhi - 110 027

### East Region

406A - 406B,  
4<sup>th</sup> Floor,  
Todi Chamber,  
2, Lal Bazar Street,  
Kolkata - 700 001

### South Region

64, Thirumalai  
Pillai Road, T.  
Nagar, Chennai –  
600 017



[www.gscintime.com](http://www.gscintime.com)

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+91 22 4612 5600



[info@gscintime.com](mailto:info@gscintime.com)