

F.No. 609/25/2019-DBK/1022

भारत सरकार/ Government of India

वित्त मंत्रालय/ Ministry of Finance,

राजस्व विभाग / Department of Revenue,

केंद्रीय अप्रत्यक्ष कर एवं सीमा शुल्क बोर्ड / Central Board of Indirect Taxes & Customs,

प्रतिअदायगी प्रभाग /Drawback Division

4th Floor, Jeevan Deep Building,
Parliament Street, New Delhi-110001

Dated the 17th July, 2019

To

Shri. Sabysachi Ray

Executive Director,

AW-1010, 1st Floor, Tower A, Bharat Diamond Bourse, G-Block, Bandra-Kurla Complex,
Bandra (E), Mumbai-400051.

Sir,

Subject:- Duty Drawback issues pertaining to Special Economic Zone-reg.

The undersigned is directed to refer to your letter Ref No. GJEPC/MoC&I/SEZ/2019-20/00501 dated 09.07.2019 on the above subject matter, seeking clarification on the applicability of duty drawback scheme in the situation (i) when a SEZ unit procure duty paid precious metals from the DTA unit, manufacture and export finished precious metal jewellery and (ii) when SEZ unit procures precious metal jewellery from DTA units for export purpose.

2. In this regard, as per the Customs and Central Excise Duties Drawback Rules, 2017. "export", with its grammatical variations and cognate expressions, means taking out of India to a place outside India or taking out from a place in Domestic Tariff Area (DTA) to a special economic zone and includes loading of provisions or store or equipment for use on board a vessel or aircraft proceeding to a foreign port". Further, attention is invited to para 2 of Circular No 23/2003-Cus dated 01.04.2003 wherein it is clearly mentioned that supplies made to SEZ by the DTA units shall be treated as physical export and these shall be eligible for both All Industry Rates(AIRs) of Duty Drawback and Brand rate of duty drawback, as the case may be. Further as clarified by circular No. 43/2007-Cus dated 05.12.2007 and Circular No.24/2017-Customs dated 30.06.2017 drawback shall be disbursed to SEZ unit receiving supplies from DTA unit, SEZ unit or developer shall claim the same from the specified officer. In the case the SEZ unit or developer does not intend to claim entitlement of drawback, a disclaimer to this effect shall be given to the DTA supplier for claiming such benefit. In this situation drawback shall be processed and paid by the office of Principal Commissioner or Commissioner of Customs/ Customs preventive in whose jurisdiction the DTA unit falls. Thus supplies from DTA to SEZ units are treated as export and are eligible for duty drawback.


3. In respect of issue (i), as All Industry AIRs of duty drawback are not available on export of precious metals like Gold, Silver, etc., SEZ unit or DTA unit as the case may be, may apply for Brand rate of duty drawback under rule 6 of the Drawback Rules, 2017. In respect of issue (ii), SEZ unit or DTA unit as the case may be, may claim AIRs of duty drawback on gold/silver jewellery.

Yours faithfully,


(Shakti Singh)

OSD (Drawback)

Tel: 011 2336 2843


Issued
17/7/19