November 7, 2026

CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS

Customs duty refunds and drawback in India: time limits and claims

A customs duty refund claim under section 27 of the Customs Act, 1962 must be filed within one year of paying the duty or interest, unless you paid it under protest. You must show you didn't pass the duty on. Unused re-exported goods get 98% of the import duty back if entered for export within two years (section 74).

A CUSTOMS DUTY refund is claimed under section 27 of the Customs Act, 1962, within one year of paying the duty or interest. The one-year limit doesn't apply to duty or interest paid under protest. You must show the duty wasn't passed on to anyone else. If you can't, the refund goes to the Consumer Welfare Fund, not to you.

KEY FACTS

LAW
Customs Act, 1962

TARIFF
Customs Tariff Act, 1975

VALUATION
Customs Valuation Rules, 2007

UPDATED
November 7, 2026



Customs duty refunds and drawback in India: time limits and claims

Central Board of Indirect Taxes and Customs · November 7, 2026

A customs duty refund claim under section 27 of the Customs Act, 1962 must be filed within one year of paying the duty or interest, unless you paid it under protest. You must show you didn't pass the duty on. Unused re-exported goods get 98% of the import duty back if entered for export within two years (section 74).

When can you claim a refund of customs duty?

A customs duty refund is claimed under section 27 of the Customs Act, 1962, within one year of paying the duty or interest. The one-year limit doesn't apply to duty or interest paid under protest. You must show the duty wasn't passed on to anyone else. If you can't, the refund goes to the Consumer Welfare Fund, not to you.

Section 27(1) sets the limit: a claim must come "before the expiry of one year, from the date of payment of such duty or interest". Its second proviso lifts the limit where the duty or interest "has been paid under protest" (section 27 of the Customs Act).

Refunds are one part of our guide to customs in India.

When does the one-year refund limit start?

The one-year limit for a customs refund normally runs from the date you paid the duty or interest, under section 27(1). Section 27(1B) moves the start in two cases. After a provisional assessment, the year runs from the date duty is adjusted on final assessment. After an appeal order, it runs from the date of the order.

When the refund year starts

Situation	The year runs from	Source
You paid the duty or interest	The date of payment	Section 27(1)
Duty was paid provisionally under section 18, then finally assessed	The date duty is adjusted after the final assessment, or the date of any re-assessment	Section 27(1B)(c)
Duty became refundable because of an appeal order	The date of the order	Section 27(1B)(b)

You revised the entry yourself under section 18A and it shows a refund	The date of payment	Section 27(1), Explanation 2
You paid the duty or interest under protest	No one-year limit applies	Section 27(1), second proviso

How disputes and appeals run is in customs show cause notices, penalties and appeals.

Can you get a refund by revising the entry yourself?

Section 18A of the Customs Act has let you revise a bill of entry yourself after clearance since November 1, 2025. You self-assess the duty again on the revised entry. If it shows you paid too much, the revised entry counts as a refund claim under section 27. If it shows too little, you pay the difference with interest.

Section 18A(3)(b) says the revised entry "shall be deemed to be a claim for refund under section 27" (section 18A). The one-year refund limit still runs from the date you paid the duty or interest (section 27(1), Explanation 2). You file it online at the port where the duty was paid, and keep the records for five years (Notification No. 70/2025-Customs (N.T.), regulations 3(a) and 6).

You can't revise once an audit, search, seizure or summons has started and been told to you. You also can't revise for a refund after the officer has re-assessed or provisionally assessed the duty (section 18A(5)). Provisional assessment and the rest of revision are in our guide to customs in India.

What is unjust enrichment in a customs refund?

Unjust enrichment is the reason a customs refund can be withheld from you. Section 27(1A) asks you to show that the duty you claim back "has not been passed on by him to any other person", such as your buyer. If the officer finds it was, section 27(2) credits the amount to the Consumer Welfare Fund instead.

The burden sits with you, the claimant. Section 28D presumes you passed the full duty on to your buyer "unless the contrary is proved by him" (section 28D). Section 27(1A) asks you to file

documentary or other evidence with the claim, including the documents section 28C refers to (section 27).

Section 27(2) says the amount "shall be credited to the Fund" unless it falls within the cases its first proviso lists. The Fund is the Consumer Welfare Fund (section 2(21A)).

How do courier import refunds work?

Courier import refunds are filed by the authorized courier on the Express Cargo Clearance System (ECCS) portal and tracked there, under Circular No. 34/2026-Customs, dated July 30, 2026. The claim is still a section 27 refund, so the one-year limit and the test on passing the duty on apply as they do to any other.

The courier files the claim with supporting documents such as proof of duty payment, an unjust enrichment certificate and a no-objection certificate from the importer. The officer is to tell the courier of any deficiency within 10 days (Circular No. 34/2026-Customs, paragraphs 2 to 4).

Can you get duty back when you re-export imported goods?

Section 74 of the Customs Act, 1962 pays back 98% of the import duty as drawback when imported goods are re-exported. Customs must be able to identify them as the goods that were imported, and they must be entered for export within two years of paying the duty. Goods used in India get a rate the government notifies.

Section 74(1) says "ninety-eight per cent of such duty shall" be repaid, if the goods are entered for export "within two years from the date of payment of duty on the importation thereof" (section 74). For goods used after import, section 74(2) lets the government fix the rate by notification, looking at how long they were used and their loss in value.

Since July 4, 2026, customs sends one format of deficiency memo on a section 74 claim. If you don't meet what it asks within thirty days, the claim is treated as not filed (Circular No. 31/2026-Customs, paragraphs 2 and 3 and Annexure-I).

Duty-paid goods cleared from a Special Economic Zone (SEZ) unit into India and then re-exported count as imported goods, so section 74 drawback is allowed on them (Instruction No. 06/2026-Customs, April 27, 2026). Our insight explains it: duty-paid goods from SEZ units count as imports for drawback.

What if you paid the import duty with scrips?

Circular No. 30/2026-Customs, dated July 3, 2026, covers import duty paid with duty credit scrips. Any later drawback under section 74 or refund under section 27 on that duty is given back as a re-credit, not in cash. So the money returns the way it was paid, as scrip credit.

The rule is in Circular No. 30/2026-Customs, paragraphs 2 and 3.

How does drawback on export inputs work?

Drawback on export inputs pays back customs duty on imported materials used to make exported goods. Section 75 of the Customs Act, 1962 and the Customs and Central Excise Duties Drawback Rules, 2017 govern it. Since January 15, 2026, an electronic entry for exports by post under section 84 counts as the drawback claim, under Notification No. 03/2026-Customs (N.T.).

Section 75 lets the government allow drawback on goods of a class it notifies, under the rules. The rules already had a manual route for exports by post (rule 12). The 2026 change, Notification No. 03/2026-Customs (N.T.), adds rule 14(1A): the electronic entry is the claim, filed on the date it reaches Electronic Data Interchange after the officer permits clearance and loading.

Drawback rates change by notification. On October 15, 2026, for example, drawback on gold and silver jewelry exports was cut. New drawback notifications appear in our Customs tracker.

RoDTEP and RoSCTL are separate export schemes of the Directorate General of Foreign Trade (DGFT), not customs drawback. See our RoDTEP guide.

How IndusDesk helps with a customs duty refund

We check with your team whether an overpayment is better corrected by revising the entry under section 18A or by a refund claim under section 27. Then we prepare the refund or drawback case with you.

Regulatory & trade advisory →

Talk to our desk about a customs refund or drawback Message us on WhatsApp

Latest notices and insights

- Courier import refund claims move onto the ECCS portal (Notice, July 30, 2026)
- CBIC prescribes one Deficiency Memo format for drawback claims under Section 74 (Notice, July 4, 2026)
- Drawback and refund on duty paid with scrips are re-credited, not paid in cash (Notice, July 3, 2026)
- Drawback allowed on re-export of duty-paid goods cleared from an SEZ to the DTA (Notice, April 27, 2026)
- Duty-paid goods from SEZ units count as imports for drawback (Insight, April 27, 2026)

Frequently asked questions

Is there a time limit for a customs refund of duty paid under protest?

No. The second proviso to section 27(1) of the Customs Act says the one-year limit doesn't apply where the duty or interest was paid under protest.

Do the 1995 Drawback Rules still apply?

Not to drawback on inputs used in exports. That drawback is paid under section 75 and the Customs and Central Excise Duties Drawback Rules, 2017. Rule 20(1) of those rules says the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 "shall cease to operate" from October 1, 2017, when the 2017 Rules began (rule 1(3)).

Can re-exported goods get drawback after two years?

Only if the Board extends the period. Section 74(1)(b) asks for the goods to be entered for export within two years of paying the import duty, and its proviso lets the Board extend that in a particular case, on sufficient cause being shown.

Sources

- Customs Act, 1962, section 27: claim for refund of duty, sub-sections (1) with Explanation 2, (1A), (1B) and (2) (CBIC's consolidated text, read November 7, 2026)
- Customs Act, 1962, section 28D: presumption that incidence of duty has been passed on to the buyer (CBIC's consolidated text, read November 7, 2026)
- Customs Act, 1962, section 2(21A): "Fund" means the Consumer Welfare Fund (CBIC's consolidated text, read November 7, 2026)
- Customs Act, 1962, section 18A: voluntary revision of entry, post clearance, sub-sections (1) to (5) (CBIC's consolidated text, read November 7, 2026)
- Notification No. 70/2025-Customs (N.T.), October 30, 2025: Customs (Voluntary Revision of Entries Post Clearance) Regulations, 2025, in force November 1, 2025, regulations 1(2), 3(a)

and 6

- Circular No. 34/2026-Customs, July 30, 2026: refund claims for courier imports on ECCS, paragraphs 2 to 4 (PDF, 847 KB)
- Customs Act, 1962, section 74: drawback on re-export of duty-paid goods, sub-sections (1) with its proviso and (2) (CBIC's consolidated text, read November 7, 2026)
- Circular No. 31/2026-Customs, July 4, 2026: deficiency memo for drawback claims under section 74, paragraphs 2 and 3 (PDF, 664 KB)
- Instruction No. 06/2026-Customs, April 27, 2026: drawback on re-export of duty-paid goods supplied by an SEZ to the DTA, paragraphs 3 and 4 (PDF, 197 KB)
- Circular No. 30/2026-Customs, July 3, 2026: drawback or refund where duty was paid with scrips, paragraphs 2 and 3 (PDF, 206 KB)
- Customs Act, 1962, section 75: drawback on imported materials used in export goods, sub-section (1) (CBIC's consolidated text, read November 7, 2026)
- Notification No. 03/2026-Customs (N.T.), January 15, 2026: Customs and Central Excise Duties Drawback (Amendment) Rules, 2026, paragraphs 1 and 2, including the new rule 14(1A) (PDF, 3.9 MB)
- Customs and Central Excise Duties Drawback Rules, 2017, rule 1: short title and commencement, sub-rule (3) (CBIC's consolidated text, read November 7, 2026)
- Customs and Central Excise Duties Drawback Rules, 2017, rule 20: repeal and saving, sub-rule (1) (CBIC's consolidated text, read November 7, 2026)
- Customs and Central Excise Duties Drawback Rules, 2017, rule 12: drawback on goods exported by post (CBIC's consolidated text, read November 7, 2026)

IndusDesk

hello@indusdesk.com · +91 11 4141 3939

9th Floor, Hemkunt House, Rajendra Place, New Delhi, Delhi 110008, India

Read online: indusdesk.com/customs/refunds-and-drawback/