April 27, 2026

CBIC

Duty-paid goods from SEZ units count as imports for drawback

CBIC Instruction No. 06/2026-Customs treats duty-paid goods cleared from an SEZ unit into the DTA and later re-exported as imported goods for Section 74 drawback.

THE DRAWBACK DIVISION of the Central Board of Indirect Taxes & Customs (CBIC), Department of Revenue, Ministry of Finance, issued Instruction No. 06/2026-Customs, dated April 27, 2026, under F. No. 609/27/2026-DBK/CBIC. Its subject is "Drawback for re-export of duty paid goods supplied by SEZ to DTA". It is addressed to all Principal Chief Commissioners and Chief Commissioners of Customs, Customs (Preventive) and Customs & Central Tax, all Principal Commissioners and Commissioners of Customs and Customs (Preventive), and all Principal Directors General and Directors General under CBIC. It is signed by Mahendra Singh Gurjer, OSD (Drawback Division).

KEY FACTS

AUTHORITY

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Instruction No. 06/2026-Customs (F. No. 609/27/2026-DBK/CBIC)



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The instruction draws attention to Audit Para 5.8 of the Audit Report 33 of 2025. The audit observed that divergent practices are being followed in processing duty drawback claims filed by Domestic Tariff Area (DTA) units under Section 74 of the Customs Act, 1962. It stated that some field formations have not treated clearance from a Special Economic Zone (SEZ) to the DTA as import, and have denied the disbursement of drawback under Section 74.

The Board examined the matter, and the instruction cites two provisions of the SEZ Act, 2005. Section 30 provides that removal of goods from an SEZ into the DTA attracts customs duties, including anti-dumping, countervailing and safeguard duties, as applicable under the Customs Tariff Act, 1975. The rate and tariff valuation are those in force on the date of removal from the SEZ, or on the date of payment of duty where the date of removal is not ascertainable. Section 2(o) defines import as bringing goods or receiving services in an SEZ, by a Unit or Developer, from a place outside India by land, sea or air or any other mode, whether physical or otherwise. It also covers receiving goods or services by a Unit or Developer from another Unit or Developer of the same SEZ or a different SEZ. On a comprehensive reading of the SEZ Act's provisions on DTA sale of goods cleared by an SEZ, the instruction finds that "there seems to be no lacuna".

Under Section 74 of the Customs Act, the instruction says, drawback is admissible on the re-export of duty-paid goods that are capable of being easily identified and were previously imported into India. It says "easily identified" implies that the goods can be readily recognized. "Import", as defined under the Act, means bringing goods into India from a place outside India. It states that, for the purposes of trade operations and duties, an SEZ is treated as foreign territory within India. So movement of goods from an SEZ into the DTA "may be construed as an import", and the conditions of Section 74 "appear to be satisfied". It then clarifies that goods cleared into the DTA from an SEZ unit on payment of applicable duties and re-exported thereafter are to be treated as imported goods for the purposes of disbursement of drawback under Section 74 of the Customs Act, 1962.

The instruction does not say whether the re-exporter must be the first buyer of the goods in the DTA. It sets no drawback rate and does not say how the identity of the goods is to be established. It does not say whether it applies to claims already decided or still pending. Its

clarification speaks only of goods cleared from an SEZ unit and does not mention goods cleared by an SEZ Developer. Any difficulties may be brought to the notice of the Board.

Issued by	Central Board of Indirect Taxes & Customs (CBIC), Drawback Division, Department of Revenue, Ministry of Finance
Document	Instruction No. 06/2026-Customs (F. No. 609/27/2026-DBK/CBIC)
Dated	April 27, 2026
Subject	"Drawback for re-export of duty paid goods supplied by SEZ to DTA"
Applies to	Drawback claims under Section 74 of the Customs Act, 1962 on goods cleared into the DTA from an SEZ unit on payment of applicable duties and re-exported thereafter
Takes effect	No date stated; the instruction is dated April 27, 2026
Clarification	Such goods are to be treated as imported goods for the purposes of disbursement of drawback under Section 74
Prompted by	Audit Para 5.8 of the Audit Report 33 of 2025: divergent practices in processing drawback claims filed by DTA units under Section 74; some field formations did not treat clearance from SEZ to DTA as import and denied drawback
Provisions cited	Sections 2(o) and 30 of the SEZ Act, 2005; Section 74 of the Customs Act, 1962; the Customs Tariff Act, 1975
Addressed to	Principal Chief Commissioners and Chief Commissioners of Customs, Customs (Preventive) and Customs & Central Tax; Principal Commissioners and Commissioners of Customs and Customs (Preventive); Principal Directors General and Directors General under CBIC
Signed by	Mahendra Singh Gurjer, OSD (Drawback Division)

The instruction (PDF, 197 KB)

Source: CBIC's own copy.

Checked against the official copy on October 28, 2026.

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