



E-Serve No.: 155 of 2026 | Date: April 27, 2026

Sub: Drawback under Section 74 for Re-export of Goods Supplied from SEZ to DTA – Clarification

Dear Madam / Sir,

CBIC has issued Instruction No. 06/2026-Customs dated 27th April 2026 ([copy enclosed](#)) clarifying the admissibility of duty drawback under Section 74 of the Customs Act, 1962, in respect of re-export of goods supplied from Special Economic Zone (SEZ) units to the Domestic Tariff Area (DTA).

The issue was examined by the Board in light of Audit observations (Audit Report No. 33 of 2025), wherein it was noted that divergent practices were being followed by field formations. In certain cases, drawback claims were denied on the ground that supplies from SEZ to DTA were not being treated as “imports” for the purpose of Section 74.

In this regard, the Board has clarified the following:

-- As per Section 30 of the SEZ Act, 2005, removal of goods from SEZ into DTA attracts applicable customs duties including Anti-Dumping, Countervailing, and Safeguard Duties, as applicable, under the Customs Tariff Act 1975 and is treated akin to import into India.

-- Duty rate and valuation will be on the date of removal from SEZ, OR if that date is not known -- date of duty payment.

-- Definition of “import” reinforces that the Section 2(o) of SEZ Act defines import broadly SEZ is treated as a separate economic territory Movement of goods from SEZ to DTA can be construed as import in legal terms.

-- There is NO confusion or gap in law (no lacuna). The SEZ Act clearly establishes that goods coming from SEZ to DTA are to be treated like imports and charged to custom duty accordingly

-- Goods supplied from SEZ to DTA can be treated as “imported goods”, since SEZ is considered as foreign territory for customs purposes. Therefore, when such duty-paid goods are re-exported and are identifiable, they fulfil the conditions of Section 74, and drawback becomes admissible.

You may take a note of the above.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

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