

OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE ::
THIRUCHIRAPALLI-1.

TRADE NOTICE : 16 / 2004

Dated: 16.2.2004

Sub: Admissibility of duty drawback to the supplies effected
by DTA Units to Special Economic Zones - Regarding.

Copy of Board's Circular No. 02 / 2004 - Customs dated: 8.1.2004
{F.No.602/2/2002-DBK} is communicated herewith.

The contents of the Trade Notice may be brought to the knowledge of
all constituent members of Trade Associations / Chamber of Commerce.

(Issued from file C.NO.IV/16/10/2003-C.Ex.Pol)

//ATTESTED//

Sd/xxx
(V. JAYARAMAN)
JOINT COMMISSIONER (Tech)

SUPERINTENDENT (T)

To
As per mailing list I, II, III /
All Sections in Hqrs., Trichy.

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| Copy of Board's Circular No. 02 / 2004 - Customs dated: 8.1.2004 |
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Sub: Admissibility of duty drawback to the supplies effected
by DTA Units to Special Economic Zones - Regarding.

Vide section 126 of the Finance Act,2002, Chapter XA was proposed to be inserted into the Customs Act, 1962. This chapter details the special provisions relating to Special Economic Zones. The proposed Section 76-A under Chapter XA of the Customs Act provides that the Central Government may by notification in the Official Gazette specify Special Economic Zones comprising delineated areas where any goods admitted shall be regarded, in so far as duties of Customs are concerned, as being outside the Customs Territory of India.

2. Section 76-I of the said Chapter XA provides that any goods admitted to Special Economic Zone from the Domestic Tariff Area (DTA), shall be eligible for drawback under Section 75, as if such goods are export goods. Accordingly, rule 2 (c) of the Customs and Central Excise Duties Drawback Rules, 1995, was amended on 3.3.2003 to treat supplies made to the SEZ by the DTA units as physical exports and making them eligible for duty drawback. Circular No.24/2003-Customs, dated 1.4.2003, was issued for providing detailed guidelines in this regard.

3. It has, however, come to fore that Chapter XA of the Customs Act was supposed to come into existence from a date to be notified. So far the said date has not been notified. Consequently, these proposed provisions remain ineffective for the time being. Accordingly, the amended provision of Duty Drawback Rules in this regard too cannot take effect till such time.

Hence, the instructions contained in Circular No.24/2003-Customs, dated 1.4.2003, concerning payment of duty drawback to the supplies from DTA Unit to the SEZ Unit, shall also become operative from the date when Chapter XA of the Customs Act, 1962 comes into effect.

S.S. Renjhen
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