



Director General SEZEPC &lt;dg@sezepc.in&gt;

## Comparative analysis of tariff item wise drawback (duty foregone) rate vis-a-vis concessional duty in DoR notification 11\_2026 dated 31.3.2026

1 message

Director General SEZEPC &lt;dg@sezepc.in&gt;

19 April 2026 at 22:41

To: csoffice@nic.in, "Vimal ANAND JS(SEZ)" &lt;vimal.anand@nic.in&gt;, "Sh Ajay Bhadoo AS(SEZ)" &lt;astpd-doc@nic.in&gt;, "Sh Gaurav Pundir Dir(SEZ)" &lt;gaurav.pundir@gov.in&gt;

Cc: "Sh Prateek BAJPAI, US(SEZ)" &lt;prateekbajpai.moca@nic.in&gt;, ddg ddg &lt;ddg@epces.in&gt;

Dear Sir

Please refer to the D/o Revenue Notification No. 11/2026-Customs dated 31.3.2026 regarding SEZ to DTA supplies on concessional duty. (Copy attached)

2. The Export Promotion Council for EOUs and SEZs made a quick comparative analysis (copy attached) of the tariff item-wise concessional duty in the said notification and drawback rates as per DoR Notification No. 77/2023 (Customs (N.T.) dated 20.10.2023 (copy attached).

3. As per Rule 2 (a) of the Customs and Central Excise Duties Drawback Rules, 2017,

“drawback” in relation to any goods manufactured in India and exported, means the rebate of duty excluding integrated tax leviable under sub-section (7) and compensation cess leviable under sub-section (9) respectively of section 3 of the Customs Tariff Act, 1975 (51 of 1975) chargeable on any imported materials or excisable materials used in the manufacture of such goods;

(Copy of the Customs and Central Excise Duties Drawback Rules, 2017 attached)

4. Therefore, drawback rates are essentially the basic customs duty on any imported or excisable materials used in the manufacture of goods. Therefore, drawback rates can be considered duty foregone rates.

5. Ideally, the concessional duty on goods sold by SEZ units in the DTA should equal the drawback rates because the duty benefits availed by the SEZ unit should be returned to the Government as the goods have not been exported.

6. However, the comparative list shows that the concessional duty is significantly higher than the drawback rates.

7. It is understood that concessional duty has been calculated as duty foregone plus an equalisation duty (to ensure DTA units are not harmed because of so-called advantages of SEZ units). However, there does not appear to be any pattern in equalisation duty if we treat the difference between the concessional duty and the drawback rate as equalisation duty.

8. It is requested that the Revenue Department may be requested to reconsider the concessional duty for SEZ to DTA sale as notified in Notification No. 11/2026-Customs dated 31.3.2026 and only the drawback rate as notified by Department of Revenue may be charged on SEZ to DTA sales.

Regards

Alok Chaturvedi  
DG, EPCES

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#### 4 attachments



**Customs and Central Excise Duties Drawback Rules, 2017 csnt88-2017.pdf**

414K



**Notification NO 11\_2016 Cutoms dated 31.3.2026 SEZ to DTA on concessional duty.pdf**

461K



**Drawback rates Notification No. 772023-CUSTOMS (N.T.) 20.10.2023.pdf**

2963K



**Comparative Analysis of Drawback rates and Concessional Duty for SEZ to DTA as per Notification No 11\_2026 dated 31.3.2026.xlsx**

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