

PHONE (PABX): 0755-2551407
CONTROL ROOM: 0755-25577393
e-mail: tech.hqrs.bpl@gmail.com



FAX: 0755-2577680
PHONE: 0755-2557804
e-mail: tech.hqrs.bpl@gmail.com

कार्यालय आयुक्त केन्द्रीय उत्पाद शुल्क, सीमा शुल्क एवं सेवाकर, भोपाल
48, प्रशासनिक क्षेत्र, अरेरा हिल्स, होशंगाबाद रोड, भोपाल
**OFFICE OF THE COMMISSIONER OF CUSTOMS, CENTRAL EXCISE & SERVICE TAX,
48, ADMINISTRATIVE AREA, ARERA HILLS, HOSHANGABAD ROAD, BHOPAL**

F. No.IV(16)37/PN/Tech-Cus/BPL/13-14

date 12.02.2014

**PUBLIC NOTICE No. 01/2014/Customs
Dated 12.02.2014**

Subject – Exemption from Special Additional Duty of Customs (SAD) on goods cleared from the SEZ / FTWZ into the DTA - Clarification – reg.

The Importers, Exporters, Customs House Agents, Members of the Trade and Industry are hereby informed that varying practices are being followed by the field formations regarding exemption from SAD on goods cleared from SEZs / Free Trade Warehousing Zones (FTWZ) into the DTA under notification No.45/2005-Customs, dated 16.05.2005. The issue raised is whether the benefit of exemption from SAD under this notification would be available when a DTA unit imports goods and routes it through SEZ / FTWZ for self-consumption i.e. in the nature of stock transfer from SEZ / FTWZ.

2. The matter has been examined by the Ministry. Notification No. 45/2005-Customs, dated 16.05.2005 exempts from SAD goods cleared from SEZ / FTWZ and brought into DTA. The notification clearly states that the exemption shall not be available if such goods, when sold in DTA, are exempt from payment of sales tax / VAT. Prior to the issue of notification, it was brought to the notice of the Ministry that in some States sales tax is exempted in respect of DTA clearances by SEZ units. Further, in certain cases, such as stock transfer of goods from an SEZ unit to its unit in the DTA, no sales tax is levied. Hence, a condition was imposed that the exemption from SAD would be available only if such goods, when sold in the DTA, are not exempted from VAT/ sales tax. The intention was to avoid double taxation.
3. In the case of clearances which are in the nature of stock transfer from SEZ / FTWZ unit to the DTA unit for self-consumption i.e. otherwise than for sale as such, no sales tax / VAT is leviable on such a transaction. As no sales tax / VAT is leviable on the said transaction, SAD is payable.
4. In view of the above, it is clarified that the benefit of SAD exemption on goods cleared from the SEZ / FTWZ unit into DTA unit on stock transfer basis for self-consumption i.e.

otherwise than for sale as such, is not available under notification No.45/2005-Customs, dated 16.05.2005. In such cases, SAD would be leviable.

5. All Associations, Chamber of Commerce and Members of Regional Advisory Committee CCO Bhopal of Bhopal Commissionerate jurisdiction are requested to bring the contents of this Public Notice to the knowledge of their constituents and others concerned immediately.


(Dr. D.K. Verma)
COMMISSIONER

12/2/2019

Authority:-
Circular No. 44/2013-Customs dtd. 30.12.2013 of
Central Board of Excise and Customs.