

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2869
ANSWERED ON:14.03.2011
DTA TRADE WITH SEZS
Reddy Shri K. Jayasurya Prakash

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether no customs duty are levied on domestic tariff areas trade with SEZs; and
- (b) if so, the details thereof and the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

a) & b): As envisaged in the SEZ Act, 2005 and rules framed thereunder, supply from Domestic Tariff Area (DTA) to SEZ is treated as physical exports and is entitled for all export incentives including DEPB and Duty Drawback. Sales into Domestic Tariff Area by SEZ units attract all applicable duties.