**Customs Act, 1962**

**Section 75 - DRAWBACK ON IMPORTED MATERIALS USED IN THE MANUFACTURE OF GOODS WHICH ARE EXPORTED**

1) Where it appears to the Central Government that in respect of goods of any class or description 49[manufactured, processed or on which any operation has been carried out in India] 6[being goods which have been entered for export and in respect of which an order permitting the clearance and loading thereof for exportation has been made under section 5l by the proper officer], 48[or being goods entered for export by post under section 82 and in respect of which an order permitting clearance for exportation has been made by the proper officer] a drawback should be allowed of duties of customs chargeable under this Act on any imported materials of a class or description used in the 50[manufacture or processing of such goods or carrying out any operation on such goods], the Central Government may, by notification in the Official Gazette, direct that drawback shall be allowed in respect of such goods in accordance with, and subject to, the rules made under sub-section (2): 51[PROVIDED that no drawback shall be allowed under this sub-section in respect of any of the aforesaid goods which the Central Government may, by rules made under sub-section (2), specify, if the export value of such goods or class of goods is less than the value of imported materials used in the 50[manufacture or processing of such goods or carrying out any operation on such goods] or class of goods, or is not more than such percentage of the value of the imported materials used in the 50[manufacture or processing of such goods or carrying any operation on such goods] or class of goods as the Central Government may, by notification in the Official Gazette, specify in this behalf: PROVIDED FURTHER that where any drawback has been allowed on any goods under this sub-section and the sale proceeds in respect of such goods are not received by or on behalf of the exporter in India within the time allowed under the Foreign Exchange Regulation Act, 1973 (46 of 1973), such drawback shall be deemed never to have been allowed and the Central Government may, by rules made under sub-section (2), specify the procedure for the recovery or adjustment of the amount of such drawback]; 31[(1A) Where it appears to the Central Government that the quantity of a particular material imported into India is more than the total quantity of like material that has been used in the goods 49[manufactured, processed or on which any operation has been carried out in India] and exported outside India, then, the Central Government may, by notification in the Official Gazette, declare that so much of the material as is contained in the goods exported shall, for the purpose of sub-section (1), be deemed to be imported material.] (2) The Central Government may make rules for the purpose of carrying out the provisions of sub-section (1) and, in particular, such rules may provide,- 30[(a) for the payment of drawback equal to the amount of duty actually paid on the imported materials used in the manufacture or processing o the goods or carrying out any operation on the goods or as is specified in the rules as the average amount of duty paid on the materials of that class or description used in the manufacture or processing of export goods or carrying out any operation on export goods of that class or description either by manufacturers generally or by persons processing or carrying on any operation generally or by any particular manufacturer or particular person carrying on any process or other operation, and interest, if any, payable thereon ;] 51[(aa) for specifying the goods in respect of which no drawback shall be allowed; (ab) for specifying the procedure for recovery or adjustment of the amount of any drawback which had been allowed under sub-section (1) 30[or interest chargeable thereon];] (b) for the production of such certificates, documents and other evidence in support of each claim of drawback as may be necessary; (c) for requiring the 5[manufacturer or the person carrying out any process or other operation] to give access to every part of his manufactory to any officer of customs specially authorised in this behalf by the 23[Assistant Commissioner of Customs or Deputy Commissioner of Customs] to enable such authorised officer to inspect the processes of 5[manufacture, process or any other operation carried out] and to verify by actual check or otherwise the statements made in support of the claim for drawback. 30[(d) for the manner and the time within which the claim for payment drawback may be filed;] 9[(3) The power to make rules conferred by sub-section (2) include the power to give drawback with retrospective effect from a date not

earlier than the date of changes in the rates of duty on inputs used in the export goods.] 110[75A. Interest on Drawback (1) Where any drawback payable to a claimant under section 74 or section 75 is not paid within a 108[period of two months] from the date of filing a claim for payment of such drawback, there shall be paid to that claimant in addition to the amount of drawback, interest at the rate fixed under section 27A from the date after the expiry of the said 108[period of two months] till the date of payment of such drawback: PROVIDED that where any drawback, ordered to be paid under section 74 or section 75 in respect of a claim under any of the said sections filed before the date on which the Finance Bill, 1995 receives the assent of the President, is not refunded within three months from such date, there shall be paid to the applicant interest under this section from the date immediately after three months from such date, till the date of refund of such drawback. (2) Where any drawback has been paid to the claimant erroneously, the claimant shall, within a 108[period of two months] from the date of demand, pay in addition to the said amount of drawback, interest at the rate fixed under section 28AA from the date after the expiry of the said 108[period of two months] till the date of recovery of such drawback.]