

F.No.605/04/2020-DBK (Vol.2)  
Government of India  
Ministry of Finance, Department of Revenue  
Central Board of Indirect Taxes & Customs  
Drawback Division

Dated 19<sup>th</sup> February, 2020

To

All Principal Chief Commissioners/Chief Commissioners  
of Customs/Customs (Preventive)/Customs & Central Tax and  
All Principal Directors General/Directors General  
under CBIC

Madam/Sir,

Subject: - Schemes for Rebate of State and Central Taxes and Levies (RoSCTL) and Additional Ad-hoc Incentive for export of garments and made-ups.

As you are aware, Government had notified the scheme for Rebate of State Levies (RoSL) to mitigate the incidence of State VAT and other State taxes on export of garments and made-ups (falling under Chapters 61, 62 and 63 of AIR schedule of duty drawback). In this regard, Board's Circulars No. 43/2016-Customs dated 31.08.2016 and No. 8/2017-Customs dated 20.03.2017 refer.

1.1 As certain State and Central levies remained unrebated in the export of garments and made-ups, Ministry of Textiles (MoT) vide notification No. 14/26/2016-IT (Vol.II) dated 07.03.2019 notified the scheme, namely, Rebate of State and Central Taxes and Levies (RoSCTL) to rebate the incidence of various State as well as Central taxes / levies suffered on export of garments and made-ups. MoT has also notified the rates of rebate under RoSCTL scheme vide notification No. 14/26/2016-IT (Vol.II) dated 08.03.2019. Following the discontinuation of RoSL scheme and introduction of the RoSCTL scheme w.e.f. 07.03.2019, the Board had issued Circular No. 10/2019-Customs dated 12.03.2019 for guidance of field formations and the trade. In continuation of MoT's aforesaid notification dated 07.03.2019, MoT's Notification No 14/26/2016-IT(Vol.II)(Part II) dated 02.05.2019 elaborated on the nature of rebate, mechanism of issue of scrips, over-claim/ claim based on mis-declaration and procedure for recovery under RoSCTL scheme.

1.2 Further, it is to inform that DGFT vide their Public Notice (PN) No. 58/2015-20 dated 29.01.2020 has withdrawn the benefit under Merchandise Exports from India Scheme (MEIS) for items falling under Chapters 61, 62 and 63 w.e.f. 07.03.2019, i.e. the date of introduction of RoSCTL scheme.

1.3 Further, upon withdrawal of MEIS benefit for garments and made-ups (falling under Chapters 61, 62 and 63), with a view to compensate exporters affected under the RoSCTL scheme when compared with the benefit under erstwhile RoSL + MEIS, Government vide MoT's notification no. 14/26/2016-IT/Vol. II dated 14.01.2020 has notified the scheme for Additional Ad-hoc Incentive of upto 1% of FoB value to be given to such exports of garments and made-ups.

1.4 Under their said PN dated 29.01.2020, DGFT has revised paragraphs 4.95 and 4.96 of Handbook of Procedures (HBP) to provide for procedure to apply for incentive, recovery mechanism etc. under RoSCTL and Additional Ad-hoc Incentive schemes.

1.5 Copies of the above-cited notifications of MoT are available on *egazette.nic.in*. DGFT's PNs are available on their website *dgft.gov.in*. These may be perused for further details of the respective schemes.

2. It may be noted that under the erstwhile RoSL scheme that was in operation till 06.03.2019, the rebate was provided in exporter's bank account based on budgetary allocation of MoT. However, under the RoSCTL and Additional Ad-hoc Incentive schemes, the rebate will be granted by DGFT in the form of electronic duty credit scrips similar to the scrips issued under MEIS. The benefit under the two schemes will be given in single electronic scrip to be utilised for payment of duties of Customs and Central Excise. The scrips issued under the schemes will be freely transferable. The procedure regarding use of electronic scrips was provided in Board's Circular No. 11/2019-Customs dated 09.04.2019. The benefit of RoSCTL scheme shall be available for export of garments and made-ups with Let Export Order (LEO) dates from 07.03.2019 to 31.03.2020, while for Additional Ad-hoc Incentive scheme, the benefit shall be available for exports with LEO dates from 07.03.2019 to 31.12.2019.

3. In pursuance of the above referred developments, it is informed that Government has notified the use of scrips for payment of specified duties of Customs under the RoSCTL and Additional Ad-hoc Incentive schemes vide Notification No. 13/2020 -Customs dated 14.02.2020. Similarly, Notification No. 1/2020 -Central Excise dated 14.02.2020 has been

issued which provides for use of scrips for payment of duties of Central Excise for clearance of goods specified in the Fourth Schedule to the Central Excise Act, 1944. These notifications may be seen for further details. Systems Directorate in CBIC will also issue a suitable advisory in the matter.

4. Suitable Public Notice and Standing Order should be issued for guidance of the trade and officers. Any difficulty faced should be immediately brought to the notice of the Board.

Yours faithfully,

(Atreyee Dev Roy)  
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