

F.No.605/04/2019-DBK (Vol.I)(Pt. I)
Government of India
Ministry of Finance, Department of Revenue
Central Board of Indirect Taxes & Customs
Drawback Division

Dated the 3rd November, 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: - Scheme for Rebate of State Levies (RoSL).

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, Ministry of Textiles (MoT)'s various notifications mentioned in Board's Circulars no. 43/2016-Customs dated 31.08.2016 and no. 8/2017-Customs dated 20.03.2017 may be seen.

2. The erstwhile RoSL scheme was in operation till 06.03.2019 and has been replaced by the Rebate of State and Central Taxes and Levies (RoSCTL) scheme. In this regard, Board's Circular no. 10/2019-Customs dated 12.03.2019 may be referred. RoSL rebate was earlier being released in exporter's bank account based on budgetary allocation of MoT. Subsequently, as per MoT's notification dated 07.03.2019 as amended vide notification dated 09.06.2020, for the pending claims of RoSL which could not be then released due to budget limitations, it has been decided that the remaining RoSL rebate is to be granted by DGFT in the form of electronic duty credit scrips. This will be on the lines of scrips issued under RoSCTL scheme. These scrips can be utilised for payment of duties of Customs and Central Excise. The scrips issued under the RoSL scheme will be freely transferable.

3. It is to inform that DGFT vide notification no. 37/2015-2020 dated 06.10.2020 has introduced para 4.01(d) in FTP 2015-2020 and vide Public Notice (P.N.) no. 25/2015-20 dated 13.10.2020 introduced paras 4.97 and 4.98 in the Handbook of Procedures (HBP) 2015-2020 to give effect to MoT's above cited notification dated 07.03.2019. 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.

4. It is also informed that Government has notified the use of scrips for payment of specified duties of Customs under the RoSL scheme vide notification no. 38/2020-Customs dated 21.10.2020. Similarly, notification no. 07/2020 – Central Excise dated 21.10.2020 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.

5. It is to further mention that the mechanism for recovery of excess payment of RoSL amount is prescribed vide MoT's notification dated 05.08.2020. It is also reflected in DGFT's above cited P.N. dated 13.10.2020. In terms of the above, the Regional Authority of DGFT would be responsible for any recovery that may be required to be made regarding benefits issued by DGFT through scrip mechanism under RoSL. In this context, attention is invited to Board's Circular dated 31.08.2016 wherein the recovery procedure under erstwhile RoSL scheme had been provided and where the Textile Commissioner in MoT was to undertake recovery of RoSL amounts. In distinction to above mechanism, for the pending claims for RoSL for which now scrips are to be issued by DGFT, all instances of misuse that may have a bearing on rebate given under RoSL, should be intimated to Shri Praveen Kumar, Dy. DGFT, Udyog Bhawan, Maulana Azad Road, New Delhi-11 (praveen.kumar82@nic.in) (Tel:011-23061562) who has been nominated by DGFT as the nodal authority to look into the matter.

6. 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)
OSD (Drawback)
Tel. 23341480