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Government of India
Ministry of Commerce & Industry
Department of Commerce
Udyog Bhawan, New Delhi

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Subject: Addition of provisions under the Handbook of Procedures for implementation of the Scheme for Rebate of State and Central Taxes and Levies, as notified by the Ministry of Textiles for issuance of scrip for RoSCTL under a MEIS type mechanism

In exercise of powers conferred under paragraph 1.03 of the Foreign Trade Policy (2015-2020), the Director General of Foreign Trade hereby adds the following paras in the Chapter 4 of the Handbook of Procedures, with immediate effect.

4.95 Procedure to apply for the Scheme for Rebate of State and Central Levies and Taxes (RoSCTL)

- a. The para 4.01 (c) of the FTP is about the RoSCTL. The Gazette Notification of the Ministry of Textiles no. 14/26/2016-IT (Vol II) dated 07.03.2019 outlines the provisions of the Scheme for Rebate of State and Central Taxes and Levies (RoSCTL) to support the Textile Sector (for garments and made-ups).
- b. The rates of Rebate under the scheme have been notified vide the Gazette Notification of the Ministry of Textiles No. 14/26/2016-IT(Vol – II) dated 08.03.2019. The rates of RoSCTL Scheme are notified as Schedules 1, 2, 3 and 4 of the notification. The Schedule 1 and 2 are the rates of State and Central taxes and levies respectively, for apparel and made-ups. Schedules 3 and 4 are the rates of State and Central taxes and levies respectively, applicable for apparel exports when the fabric (including interlining) only has been imported duty free under Special Advance Authorization Scheme.
- c. An application for claiming rebate under RoSCTL on exports, shall be filed online, using digital signature, on DGFT website at <http://dgft.gov.in> with RA concerned in ANF4 R. The relevant shipping bills shall be linked with the on-line application by the exporter/ applicant online. There would be no requirement of linking e BRCs for applying for RoSCTL. A maximum of 50 shipping bills would be allowed to be attached in one single application by the exporter in the online module.
- d. Facility of Split Scrips: Provisions of para 3.09 of the HBP shall apply mutatis mutandis.
- e. The Jurisdictional RA for application of the RoSCTL would be as per the para 3.06 (b) of the HBP. The applicants shall ensure that they are applying only to the concerned Jurisdictional RA, as per para 3.06 (b) of the Handbook of Procedures for getting the scrip and shall submit a declaration to that effect while applying for the scrip online. However, the limitation imposed in para 3.06 (a) regarding choosing a RA at the

beginning of financial year and maintaining the same RA for all applications in that Financial year shall not apply.

- f. Choice of Port of Registration for RoSCTL Scrips: While making an online application
- i. Shipments from EDI Ports and Non-EDI Ports cannot be clubbed in one application.
 - ii. The applicant can chose the Port of registration for EDI enabled ports from any one of the ports from where export is made.
 - iii. In case of exports through non-EDI port, the port of registration shall be the relevant non-EDI port of exports. Accordingly, separate application shall be filed for each non-EDI port
- g. The DGFT online system shall electronically process the online applications and scrip shall be issued based on a system based approval and check mechanism. After system based approval, scrips will be issued by RAs without cross verifying EDI Shipping Bill details. The Scrip would be delivered by hand or by post, based on the option selected by the applicant while applying online.
- h. Registration of Scrips: Port of Registration of Scrips issued under RoSCTL would be as follows:
1. Duty Credit Scrip (including splits) shall be issued with a single port of registration which shall be any one of the EDI ports from where export is made. In case of shipments from Non EDI ports, the Duty Credit Scrip (including splits) under RoSCTL shall be issued with a single port of registration which shall be the port of export.
 2. Duty credit scrip needs to be registered at the port mentioned on the scrip. This is to be done prior to allowing usage of duty credit. Once registered at EDI port, scrip can be automatically used at any EDI port for import and at any manual port under Telegraphic Release Advise (TRA) procedure.
 3. In case port of registration is a manual port, TRA shall be required for imports at any other port.
- i. Validity period and Revalidation: Duty Credit Scrip shall be valid for a period of 24 months from the date of issue and must be valid on the date on which actual debit of duty is made. Revalidation of Duty Credit Scrip shall not be permitted unless covered under paragraph 2.20(c) of HBP.
- j. Last date of filing of application for Duty Credit Scrips: The application will have to be filed within one year of the date of uploading of the shipping bills from ICEGATE to DGFT server. After this period, no application can be filed and the shipping bills would be time barred. There is no provision of late cut under RoSCTL. The Scheme is valid for exports made upto 31.03.2020 only.
- k. Processing of Non EDI Shipping bills at RA: In case of Non EDI shipping bills concerned RA shall verify the details entered by the exporter from the original shipping bills before grant of scrip.

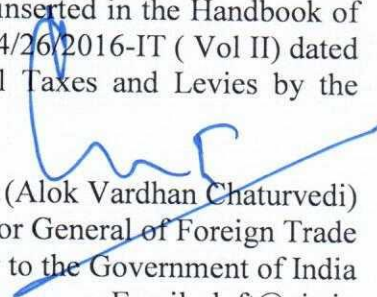


- l. A duplicate scrip may be issued under the RoSCTL, under the provisions of the para 2.24 of the Handbook of Procedures 2015-20.
- m. All exporters are eligible for making a claim under the RoSCTL, except the entities/IEC which are in the Denied Entity List of the DGFT

4.96 Recovery Mechanism

- a. The record of shipping bills and other documents related to export, is required to be maintained by the applicant for a period of 3 years from the date of issuance of scrip for post issue scrutiny and recovery purposes. Licensing Authority may call such documents in original at anytime within 3 years. In case the applicant fails to submit the original documents on demand by Licensing Authority, the applicant shall be liable to refund the rebate granted along with interest at the rate prescribed under Section 28AA of Customs Act 1962, from the date of issuance of scrip.
- b. Also, there can be instances, where based on the application of the exporter, amount more than the eligible amount has been issued under RoSCTL; in such cases, concerned RA will examine the relevant scrip's electronic records and in case, an excess claim/ excess disbursement is taken note of by the RA, the RA would request the firm to explain the discrepancy. In case an excess grant of rebate is established, the applicant shall refund the excess claim with interest as prescribed in paragraph 3.19 of FTP
- c. In case the applicant fails to refund the excess claim as stipulated above or does not respond to any communication by RA within 30 days of receipt of such communication, RA will initiate action as per FT(D&R) Act and Rules.
- d. The rebate allowed is subject to the receipt of sale proceeds within time allowed under the Foreign Exchange Management Act, 1999 failing which such rebate shall be deemed never to have been allowed. Action under the FT(D&R) Act may be taken by the Regional Authorities for repayment of erroneous or excess paid RoSCTL. Further, the exporter is required to return any over-payment of rebate issued through the scrips arising from miscalculation. Where there is repayment, recovery or return, interest shall also be paid by exporter at the rate of fifteen percent per annum calculated from the date of debit of the scrip till the date of repayment. In case the exporter returns the un-utilized scrips, no interest will be charged, however, penalty may be imposed under an Adjudication order on the grounds of mis-declaration or fraudulent practice.

Effect of this Public Notice: Suitable provisions has been inserted in the Handbook of Procedures, to implement the Ministry of Textiles Notification No. 14/26/2016-IT (Vol II) dated 07.03.2019 regarding the Scheme for Rebate of State and Central Taxes and Levies by the DGFT.


(Alok Vardhan Chaturvedi)
Director General of Foreign Trade
Ex-Officio Additional Secretary to the Government of India
Email: dgft@nic.in

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