

## AEPC Circular No. - 123

### IMPORTANT

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Secretary General, AEPC

AEPC/HO/SG/R&PA/2022  
September 15, 2022

Dear Members,

**Sub: DoR issues Notification no. 76/2022-Customs (N.T.) dated 14.09.2022 carrying out amendments in the Principal Notification No 77/2021-Customs (N.T.) dated 24.09.2021 regarding removing certain provisions which were making transferee liable in case of non-realization of export proceeds.**

The Government of India's Rebate of State and Central Taxes and Levies (RoSCTL) Scheme has benefitted the Apparel and Made-up Sector. For ensuring continuity, Government had provided the benefit of the Scheme till March, 2024. In September 2021, DoR had issued Notification No. 77/2021 dated 24.09.2021 by which an additional condition was notified for the RoSCTL Scheme that allowed the Customs Authorities to recover from the subsequent buyers of the scrip (transferees) amounts due for the non-realization of the sales proceeds by the exporters to whom the scrip was originally issued. The Notification No. 77/2021 dated 24th September 2021 is enclosed as Annexure-1.

2. AEPC had organized a Pan India Webinar along-with Director General of Taxpayer Services (DGTS), Department of Revenue, Ministry of Finance; DG Systems, DoR; Drawback Cell, DoR on the subject of RoSCTL on 2<sup>nd</sup> November, 2021. During the webinar members suggested to remove the transferee clause mentioned in the notification.

3. AEPC had taken-up this issue repeatedly with the Ministry of Finance, Ministry of Textiles, Ministry of Commerce and Industry and Directorate General of Foreign Trade (DGFT). AEPC's Chairman had taken-up this matter repeatedly through personal meetings as well as through representations to Hon'ble Union Minister for Finance; Hon'ble Union Minister for Commerce & Industry and Textiles; Secretary, Expenditure; Secretary, Textiles; Secretary, Commerce; Chairman, CBIC; Member (Customs); DGFT; Trade Advisor (Ministry of Textiles) and other senior officers.

4. **I am happy to inform that the request of AEPC has been accepted and now DoR has issued Notification No. 76/2022-Customs dated 14<sup>th</sup> September 2022 carrying out various changes in the Notification where in the responsibility of transferee in case of non-realization of export proceeds has been removed.** The Notification No. 76/2022 dated 14<sup>th</sup> September 2022 is enclosed as Annexure-2.

5. A table indicating the current provisions mentioned in the Notification No. 77/2021 dated 24<sup>th</sup> September 2021 and the new changes in the Notification No. 76/2022 dated 14<sup>th</sup> September 2022, is given as follows:

S. No.	Notification No. 77/2021 dated 24 <sup>th</sup> September 2021	Changes made via Notification No. 76/2022-Customs (N.T.) dated 14 <sup>th</sup> September 2022
1	<p><b>Clause no 4, Sub-clause no (2)</b></p> <p><b>Recovery of amount of duty credit.-</b></p> <p>The duty credit amount that an exporter is so required to repay under sub-clause (1) shall be deemed never to have been allowed, and if the exporter fails to repay the said amount within a period of fifteen days along with interest so demanded, then the proper officer of Customs may, without prejudice to any action against the exporter, <u>proceed for recovery of the said duty credit amount from the transferee</u> in the manner as provided in section 142 of the said Act.</p>	<p><u>In clause 4, sub-clause (2) shall be omitted.</u></p>
2	<p><b>Clause No 5, sub-clause (5)</b></p> <p><b>Recovery of amount of duty credit where export proceeds are not realized</b></p> <p>The proper officer of Customs may, without prejudice to any action against the exporter, <u>proceed for recovery of said duty credit amount from the transferee</u> in the manner as provided in section 142 of the said Act.</p>	<p><u>In clause 5, sub-clause (5) shall be omitted.</u></p>
3	<p><b>Clause No 6, the words “or the transferee”</b></p> <p><u>During the pendency of any recovery</u>, as provided in clauses 4 and 5, <u>no further duty credit, on any subsequent exports, shall be allowed to such exporter till the time such recovery is made and</u></p>	<p><u>In clause 6, the words “or the transferee” shall be omitted.</u></p>

any unutilised duty credit with the exporter or the transferee shall be suspended pending such recovery.

6. For detailed

information, please go through the Principal Notification No 77/2021-Customs (N.T.) dated 24.09.2021 and Notification no. 76/2022-Customs (N.T.) dated 14.09.2022, which are enclosed for your reference and understanding.

7. This is for your information please.

With warm regards,

Yours sincerely,

**Dr. L.B. Singhal**  
**Secretary General-AEPC**