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Secretary General, AEPC

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Dear Members,

The scheme for Rebate of State and Central Taxes and Levies on Export of Apparel/Garments and Made-ups (RoSCTL) had been discontinued on 31st December 2020. A new scheme, RoDTEP scheme had been announced on 1st January 2021. However, given that the RoSCTL scheme had been hugely beneficial for the apparel industry, Chairman AEPC had requested for continuation of the RoSCTL scheme, with its existing rates, as applicable till December 2020, for the apparel sector. Chairman AEPC had made number of representations on this issue to the Central Govt and had number of personal meetings as well.

In response, the Government of India has issued a notification today (copy enclosed) for continuation of the RoSCTL scheme w.e.f. 1.1.2021 to 31.3.2024 to rebate all embedded State and Central taxes and Levies on Apparel / Garments (under 61 & 62) and Made ups (under Chapter 63) in exclusion of RoDTEP for these chapters with [the rates, as notified by Ministry of Textiles vide Notification No. 14/26/2016-IT \(Vol.II\) dated 8.3.2019.](#)

Salient features of this scheme are given below:-

1. The rebate under the scheme shall be **in the form of Duty Credit Scrips**. The scrip shall be issued electronically on a custom system. The Duty Credit Scrips shall be used for payment of basic custom duty on import of goods. These scrips shall be freely transferable.

2. **The RoSCTL scheme shall not be applicable to export of a commodity or product if such commodity or product is manufactured in a warehouse under Section 65 of the Customs Act, manufactured or exported in discharge of export obligations against an advance authorization or duty free import authorization, manufactured or exported by an export oriented unit or units situated in free trade zones or export processing zones or special economic zones.**

3. Exports made against Special Advance Authorization (SAA) will be eligible for RoSCTL as per the specified SAA rates.

4. An exporter **opting for this scheme shall make a claim for rebate on exports at item level, in accordance with the guidelines as may be issued by the Department of Revenue for operationalising the scheme of customs system.**

5. **Electronic duty credit ledger will be created by Custom Authority and the exporter may generate electronic duty credit scrip for value, lying in his/her ledger.**

6. The scheme shall be implemented by the Department of Revenue with end to end digitization for issuance of **transferable Duty Credit Scrip** which will be maintained in an electronic duty credit ledger in the customs system.

7. Duty Credit Scrip under RoSCTL Scheme shall be issued without insisting on realization of export proceeds. However, adequate safeguard mechanisms shall be put in place for effective monitoring of realization of export proceeds.

8. 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 to never been allowed.

For complete details of the scheme, [Click Here for the notification](#).

With warm regards,

Yours sincerely,

Dr. L.B.Singhal

Secretary General

AEPC