

Rebate of State and Central Levies and Taxes (RoSCTL) Scheme

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About Rebate of State and Central Levies and Taxes (RoSCTL) Scheme

- It aims to reimburse all embedded State and Central taxes/levies for exports of manufactured goods and garments.
- The RoSCTL scheme was notified by the Ministry of Textiles in 2019. However, the scheme shall be implemented by the Department of Revenue, Ministry of Finance.
- This scheme has been introduced as a replacement for the previous Rebate of State Levies (RoSL) Scheme, which provided only rebates of state taxes.
- RoSCTL intends to compensate the State and Central Taxes and Levies in addition to the Duty Drawback Scheme on the export of apparel/ garments and made-ups manufactured in India by way of a rebate.
- Importer-Exporter Codes (IECs) are necessary in order to apply for the RoSCTL programme.

- The rebate under the RoSCTL Scheme shall be given to the exporter in the form of duty credit scrips, which will be maintained in the electronic duty credit ledger. The scrips shall be issued electronically on the Customs automated system.
- The duty credit scrips shall be used for payment of customs duties leviable under the First Schedule to the Customs Tariff Act, 1975. It cannot be utilized towards the payment of any other taxes, like IGST, Compensation Cess etc., upon the import of goods.
- The duty credit available in an e-scrip shall be transferred at a time for the entire amount in the said e-scrip to another person, and the transfer of the duty credit in part shall not be permitted.
- The value of the goods for calculation of duty credit to be allowed under the Scheme shall be the declared export Free on Board (FOB) value of the said goods or up to 1.5 times the market price of the said goods, whichever is less.
- All exporters of garments/Apparels and made-ups manufactured in India are eligible to take benefit under this scheme except entities/ IECs under the Denied Entity List of the Directorate General of Foreign Trade (DGFT).

What is Free on Board (FOB) value?

- Free on Board also called Freight on Board, is a term used to indicate who is liable for goods damaged or destroyed during shipping.
 - FOB origin means the buyer is at risk and takes ownership of goods once the seller ships the product.
 - FOB destination means the seller retains the risk of loss until the goods reach the buyer.
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Q1) What is the Directorate General of Foreign Trade (DGFT)?

The Directorate General of Foreign Trade (DGFT) organisation is an attached office of the Ministry of Commerce and Industry and is headed by the Director General of Foreign Trade. It has been essentially involved in the regulation and promotion of foreign trade through regulation. It is responsible for formulating and implementing the Foreign Trade Policy with the main objective of promoting India's exports. The DGFT also issues scrips/authorization to exporters and monitors their corresponding obligations through a network of 24 regional offices.

Source: [After RoDTEP, govt likely to extend export-boosting textile scheme](#)

Source: <https://vajiramandravi.com/current-affairs/rosctl/>

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