

F. No. CBIC-140605/17/2021-O/o Dir(Drawback)-CBEC

Government of India

Ministry of Finance, Department of Revenue

Central Board of Indirect Taxes & Customs

(Drawback Division)

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New Delhi, dated the 30<sup>th</sup> of September, 2021

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 Remission of Duties and Taxes on Exported Products (RoDTEP) w.e.f. 01.01.2021.**

Your attention is drawn to RoDTEP Scheme Notification No. 76/2021-Customs (N.T.) dated 23.09.2021 issued under section 51B of the Customs Act, prescribing the various conditions and restrictions subject to which duty credit shall issue, be used, transferred and the notification No. 75/2021-Customs (N.T.) dated 23.09.2021 issued under Section 51B read with section 157 of said Act regarding Regulations for use, transfer, maintenance etc. of Electronic Duty Credit Ledger.

2. The notification No. 76/2021-Customs (N.T.) has been issued as a consequence of Department of Commerce/DGFT notification no. 19/2015-2020 dated 17.08.2021 inserting "*Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP)*", administered by Department of Revenue, in the Foreign Trade Policy 2015-2020, and specifying scheme guidelines along with Appendix 4R containing the schedule of rates and further specifying that scheme would take effect for exports from 01.01.2021.
3. The scheme provides for remission amount in the form of transferable duty credit issued to a person and maintained in the electronic duty credit ledger in the customs automated system, in terms of section 51B of the Customs Act inserted vide Finance Act, 2020.
4. As the facility was operationalised by Systems Directorate from 01.01.2021 onwards itself for making claim of RoDTEP on shipping bill/bill of export filed, the eligibility for grant of RoDTEP, in respect of items covered under the scheme, will function on this basis. The Systems Directorate will commence this processing, including on the basis of risk evaluation. To the appropriate extent, the Board's Circular No. 15/2021-Cus dated 15.07.2021 regarding implementation of Risk Management System for processing of Duty Drawback claims shall also be relevant.
5. The RoDTEP scheme rebates the incidence of duties, taxes and levies at the Central/State/local levels on specified export goods, where such duty or tax or levy is not exempted, remitted or credited under any other scheme. The remission under RoDTEP is as a percentage of the Free on Board (FoB)



value of the eligible export product along with value caps for certain HS codes or is at specific value as detailed under Appendix 4R of the FTP.

6. For availing the scheme, an exporter is to also make a declaration on the electronic shipping bill undertaking that it would abide by the scheme provisions, not claim rebate/remission with respect to any duties/taxes/levies already exempted or for which remission is provided under other schemes and that it shall preserve documents for audit, etc.

7. Once the Systems Directorate commences processing of RoDTEP, a scroll will be generated in the customs automated system. The scroll will contain the details of shipping bill, amounts of duty credit allowed against the shipping bill etc. The exporter has the option of combining duty credits available in a scroll or a number of scrolls at the particular customs station of export and generate an e-scrip in the exporter's electronic ledger maintained in the customs automated system. An electronic ledger shall be created for every holder of IEC number who is either the exporter having made a claim of RoDTEP against export of goods or is a recipient of duty credit by way of transfer.

8. The exporter has the option to generate e-scrips within one year of generation of scroll. If this option is not availed by an exporter, the available duty credits in each scroll shall be combined Customs station-wise and sent by the Customs System to the electronic ledger of the said exporter as an e-scrip. An e-scrip shall be valid for a period of one year from the date of its generation in the ledger and any duty credit in the said e-scrip remaining unutilized at the end of this period shall lapse.

9. E-scrips shall be freely transferable. The period of validity of the e-scrip shall not change on account of transfer of the e-scrip. However, duty credit available in an e-scrip shall be transferred at a time for the entire amount available in the said e-scrip to another person and transfer of the duty credit in part shall not be permitted. Each e-scrip will carry a unique identification number and date of its creation. All transactions made in the ledger of an IEC through credit, debit or transfer of duty credit shall be visible to the said IEC holder and Customs. Once an e-scrip is generated in the ledger, it will be registered automatically with the Customs station of export.

10. E-scrips shall be used for payment of duties of customs specified in the First Schedule to the Customs Tariff Act, 1975 i.e. Basic Customs Duty only on imports made through customs automated system.

11. Duty credit allowed under RoDTEP scheme is subject to realization of sale proceeds within the period allowed by RBI. The detailed provisions are mentioned in condition at para 2(4), 2(6) and 2(7) of the notification No.76/2021-Customs (NT). The Regulations, read with said Notification, also provide for the situations and manner of suspensions or cancellation of duty credit or e-scrip, or recovery when duty credit allowed was in excess or where export proceeds are not realised. In this regard, the Commissioners are advised to organise and adopt processes effectively such that the actions taken remain commensurate to the requirements.

12. The details of the ineligible export categories or sectors are mentioned in Table 1 of the RoDTEP notification. It is requested to go through all the notifications for full details. These are available on [egazette.nic.in/CBIC](http://egazette.nic.in/CBIC) website.

13. A copy of this Circular is being endorsed to D.G. Systems for necessary actions, including provision of appropriate enablements/functionalities.

14. Suitable Public Notice publicising the scheme for guidance of exporters & trade and Standing Order for officers should be issued for smooth implementation. Any difficulty faced be brought to notice of the Board.

Yours faithfully,

(Nidhish Singhal)  
STO (Drawback)

Copy for information and necessary actions to:

Principal Director General,  
Directorate General of Systems and Data Management,  
Indirect Taxes & Customs  
4th & 5th Floor, Hotel Samrat,  
Chanakyapuri, New Delhi – 110 021

**[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II,  
SECTION 3, SUB-SECTION (i)]  
GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(DEPARTMENT OF REVENUE)**

Notification No. 76/2021-Customs (N.T.)

New Delhi, the 23<sup>rd</sup> September, 2021

G.S.R. .... (E).- In exercise of the powers conferred by sub-section (1) of section 51B of the Customs Act, 1962 (52 of 1962) (hereinafter referred to as “the said Act”), the Central Government, hereby notifies the manner to issue duty credit for goods exported under the Scheme for Remission of Duties and Taxes on Exported Products (hereinafter referred to as the “Scheme”), subject to such conditions and restrictions as specified herein, in accordance with paragraph 4.01(e) of the Foreign Trade Policy (hereinafter referred to as “FTP”).

2. Such duty credit shall be subject to the following conditions, namely:-

(1) that the duty credit is issued -

(a) in lieu of remission of any duty or tax or levy, chargeable on any material used in the manufacture or processing of goods or for carrying out any operation on such goods in India that are exported, where such duty or tax or levy is not exempted, remitted or credited under any other Scheme;

(b) against export of goods notified in Appendix 4R (hereinafter referred to as the “Appendix”) of the FTP, at the respective rate and cap notified under the said Appendix:

Provided that the value of the said goods for calculation of duty credit to be allowed under the Scheme shall be the declared export FOB value of the said goods or up to 1.5 times the market price of the said goods, whichever is less;

(c) against claim of duty credit under the Scheme made by an exporter by providing the appropriate declaration at the item level in the shipping bill or bill of export in the customs automated system;

(d) against the shipping bill or bill of export, presented under section 50 of the said Act on or after the 1<sup>st</sup> day of January, 2021, and where the order permitting clearance and loading of goods for exportation under section 51 of the said Act has been made;

(e) after the claim is allowed by Customs upon necessary checks, including on the basis of risk evaluation through appropriate selection criteria, and after filing of export manifest or export report;

(f) in accordance with any rules or regulations issued in relation to duty credit, e-scrip or electronic duty credit ledger;

(2) that such duty credit shall be used for payment of the duty of customs leviable under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) on goods when imported into India;

(3) that the export categories or sectors listed in Table-1 annexed hereto shall not be eligible for duty credit under the Scheme;

(4) that the duty credit allowed under the Scheme against export of goods notified in the Appendix shall be subject to realization of sale proceeds in respect of such goods in India within the period allowed under the Foreign Exchange Management Act, 1999 (42 of 1999); failing which such duty credit shall be deemed to be ineligible;

(5) that the imports and exports are undertaken through the seaports, airports or through the inland container depots or through the land customs stations which allow the bill of entry and shipping bill or bill of export to be presented and processed electronically on the customs automated system;

(6) that the exporter has realised the sale proceeds against export of goods made earlier by the said exporter where the period allowed for realization, including any extension of the said period by the Reserve Bank of India, has expired:

Provided that duty credit shall be issued by Customs in excess of the ineligible amount of duty credit pertaining to the unrealised portion of sale proceeds against export of goods made earlier:

Provided further that if the Principal Commissioner of Customs or Commissioner of Customs has reason to believe, on the basis of risk evaluation or on the basis of enquiry, that the claim of duty credit made by an exporter on export goods may not be bona fide, he may direct, for reasons to be recorded in writing, to allow duty credit after realisation of sale proceeds of such exports;

(7) that duty credit under the Scheme for exports made to Nepal, Bhutan and Myanmar shall be allowed only upon realization of sale proceeds against irrevocable letters of credit in freely convertible currency established by importers in Nepal, Bhutan and Myanmar in favour of Indian exporters for the value of such goods.

**3. Cancellation of duty credit.** - (1) Where a person contravenes any of the provisions of the Act or any other law for the time being in force or the rules or regulations made thereunder in relation to exports to which the duty credit relates, or in relation to the e-scrip, the Principal Commissioner of Customs or Commissioner of Customs having jurisdiction over the customs station of registration of the e-scrip may, after enquiry, pass an order to cancel the said duty credit or e-scrip.

(2) Where the e-scrip is so cancelled, the duty credit amount in the said e-scrip shall be deemed never to have been allowed and the proper officer of Customs shall proceed to recover the duty credit amount used in such e-scrip or transferred from such e-scrip.

(3) The proper officer of Customs may, without prejudice to any other action that may be taken under this Act or any other law for the time being in force, suspend the operation of the said e-scrip or the electronic duty credit ledger of such exporter or any duty credit transferred from such e-scrip, during pendency of the enquiry under sub-clause (1).

**4. Recovery of amount of duty credit.** - (1) Where an amount of duty credit has, for any reason, been allowed in excess of what the exporter is entitled to, the exporter shall repay the amount so allowed in excess, himself or on demand by the proper officer, along with interest, at the rate as fixed under section 28AA for the purposes of that section, on that portion of duty credit allowed in excess, which has been used or transferred, and where the exporter fails to repay the amount along with interest, as applicable, it shall be recovered in the manner provided in section 142 of the said Act.

(2) 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, proceed for recovery of the said duty credit amount from the transferee in the manner as provided in section 142 of the said Act.

**5. Recovery of amount of duty credit where export proceeds are not realised.** - (1) Where an amount of duty credit has been allowed to an exporter but the sale proceeds in respect of such export goods have not been realized by the exporter in India within the period allowed under the Foreign Exchange Management Act, 1999 (42 of 1999), the exporter shall, himself or on demand by the proper officer, repay the amount of duty credit, along with interest, at the rate as fixed under section 28AA of the said act for the purposes of that section, within fifteen days of expiry of the said period.

(2) In case any extension of the said period for realisation of sale proceeds has been given by the Reserve Bank of India and the exporter produces evidence of such extension to the proper officer, and

if the said sale proceeds are not realised in such extended period, the exporter shall repay the said amount of duty credit along with the said interest, within fifteen days of expiry of the said period.

(3) If a part of the sale proceeds has been realized, the amount of duty credit to be recovered shall be the amount equal to that portion of the amount of duty credit allowed which bears the same proportion as the portion of the sale proceeds not realized bears to the total amount of sale proceeds.

(4) Where the exporter fails to repay the duty credit amount within the said period of fifteen days, the said duty credit shall be deemed never to have been allowed and it shall be recovered, along with the said interest, in the manner as provided in section 142 of the said Act.

(5) The proper officer of Customs may, without prejudice to any action against the exporter, proceed for recovery of said duty credit amount from the transferee in the manner as provided in section 142 of the said Act.

6. During the pendency of any recovery, as provided in clauses 4 and 5, no further duty credit, on any subsequent exports, shall be allowed to such exporter till the time such recovery is made and any unutilised duty credit with the exporter or the transferee shall be suspended pending such recovery.

**Explanation** – For the purposes of this notification -

(a) “Claim” means a claim of duty credit under the Scheme made by an exporter in the shipping bill or bill of export by providing the appropriate declaration at the item level in the said shipping bill or bill of export in the customs automated system;

(b) “Duty credit” means the amount of credit of duty allowed by Customs against a claim under the Scheme;

(c) “Electronic duty credit ledger” means the ledger in the customs automated system relating to a person who is the recipient of duty credit or to person to whom the duty credit is transferred;

(d) “E-scrip” means the scrip, created in the ledger for duty credit, as mentioned in Explanation 1 of section 28AAA of the said Act;

(e) “Export manifest” or “export report” means the reference to the terms used in Section 41 of the said Act;

(f) “Foreign Trade Policy” means the Foreign Trade Policy published by the Government of India in the Ministry of Commerce and Industry and as amended from time to time;

(g) “Proper officer” means Deputy Commissioner or Assistant Commissioner of Customs.

**TABLE-1**

Sl. No.	Export categories or sectors ineligible for duty credit
(1)	(2)
1.	Goods which are restricted or prohibited for export under Schedule-2 of Export Policy in ITC-HS
2.	Export of imported goods covered under paragraph 2.46 of Foreign Trade Policy
3.	Exports through trans-shipment, meaning thereby exports that are originating in third country but trans-shipped through India
4.	Goods subject to minimum export price or export duty

5.	Deemed exports under Foreign Trade Policy
6.	Goods manufactured or exported by any of the units situated in Special Economic Zone/ Free Trade Warehousing Zone/Electronic Hardware Technology park/Bio-Technology park/ Export Processing Zone
7.	Goods manufactured or exported by a unit licensed as hundred per cent Export Oriented Unit
8.	Goods exported under Advance Authorisation or Duty Free Import Authorisation issued under the relevant Foreign Trade Policy
9.	Goods manufactured and supplied by units in Domestic Tariff Area to units in Special Economic Zone/Free Trade Warehousing Zone
10.	Goods manufactured in Special Economic Zone/Free Trade Warehousing Zone / Export Oriented Unit / Electronic Hardware Technology Park /Bio-Technology Park/ Export Processing Zone and exported through DTA unit
11.	Goods manufactured partly or wholly in a warehouse under section 65 of the Customs Act, 1962 (52 of 1962)
12.	Goods availing the benefit of the notification No. 32/1997-Customs, dated the 1 <sup>st</sup> April, 1997
13.	Goods for which claim of duty credit is not filed in a shipping bill or bill of export in the customs automated system
14.	Goods that have been taken into use after manufacture.

[F. No. CBIC-140605/12/2021-O/o Dir(Drawback)- CBEC]

(Gopal Krishna Jha)  
Director