

# Scheme for Rebate of State Levies on Export of Made-ups 2016

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MINISTRY OF TEXTILES

NOTIFICATION

New Delhi,

**the 3rd January, 2017**

**F. No. 12015/47/2016-IT.**—In pursuance of the decision of the Government of India to initiate measures for reforms to boost employment generation in the employment intensive textile and apparel sector, scheme for remission of State Levies on garments had been notified. The government has now decided to extend the scheme to Made-ups. The Ministry of Textiles notifies the following scheme to provide for the remission of State Levies on export of Made-ups through the mechanism of rebate:

## 1. SHORT TITLE AND COMMENCEMENT

1.1. The scheme shall be called Scheme for Rebate of State Levies on Export of Made-ups 2016. (hereinafter referred to as the ROSL Scheme for Made-ups). The said Scheme will come into operation from a date to be notified and shall remain in operation for a period of three (3) years from that date.

## 2. OBJECTIVE.

2.1. In accordance with the recognised economic principle of zero rating of export products and in recognition of the fact that at present only Central Levies are rebated by way of the drawback scheme, it has been decided that the Central Government would provide for remission of State Levies in addition to the Duty Drawback Scheme, through the Scheme for Rebate of State Levies on Export of Made-ups on an average basis only. The scheme aims to boost India's exports of Made-ups thereby augmenting investment and creation of more employment in the Made-ups sector.

## 3. DEFINITIONS

3.1. Export with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India.

3.2. Shipping Bill or Bill of Export shall be the entry made before proper officer of Customs by an exporter of Made-ups.

3.3. Value in relation to exported Made-ups shall be the Free on Board (FOB) value.

3.4. Textile Made-ups shall mean goods falling under chapter 63 of the Schedule of All Industry Rates (AIR) of drawback excluding tariff items 6308, 6309, 6310 and goods in tariff items 9404 that are excluded from drawback tariff item 6304.

3.5. Rebate of State Levies shall be understood to comprise State VAT/CST on inputs including packaging, fuel, duty on electricity generation and duties and charges on purchase of grid power, as accumulated through the stages of production from yarn to finished Made-ups.

## 4. RATE OF REBATE

4.1 The rates (including applicable caps) of rebate of the State Levies on export of Made-ups manufactured in India shall be recommended by the Drawback Committee constituted by the Central government and notified by

the Ministry of Textiles.

4.2 The rate and rebate shall be applicable only to exporters who have constituted an Internal Complaints Committee (ICC) in pursuance of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, and if the exporter has not claimed or shall not claim credit/rebate/refund/reimbursement of these specific State Levies under any other mechanism.

4.3 The Government reserves the right to suitably adjust the rate and caps in the light of change in relevant underlying conditions.

## **5. CLAIM FOR REBATE**

5.1. The ROSL scheme is optional for the exporter. An exporter opting for this scheme shall make claim for rebate on drawback exports at item-level signifying both his subscription to and acceptance of the terms and conditions of the Scheme as well as exporter's declaration of compliance to Para 4.2 hereinabove. The method of exercising such claim-cum-declarations shall be publicised separately.

## **6. BUDGETARY PROVISION AND PAYMENT OF REBATE**

6.1 The rebate shall be disbursed from budgetary allocation of Ministry of Textiles using the Customs EDI System through which the exports are processed for Drawback routing list of payments with digital signature to e-PAO, CBEC for disbursement into the exporters' bank accounts. In case of manual shipments, list of payments would be routed to PAO, CBEC.

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6.2 The amount of rebate shall be calculated using the FOB value. The general rate of rebate with cap for a tariff item as shown in columns (4) & (5) of Schedule 3 which is being notified shall be applied for calculation when the item has claim for AIR Drawback or export under claim for brand rate drawback with claim for provisional Customs portion of AIR.

6.3 The processing of rebate claims shall be made after the goods are exported and in parallel with Duty Drawback albeit separately after drawback is processed.

6.4 Ministry of Textiles would obtain monthly list of rebate claims disbursed to cause appropriate checks for ensuring integrity of declarations made in terms of para 4.2 of the scheme

## **7. REPAYMENT BY CLAIMANT/ RECOVERY AND DISPUTE RESOLUTION**

7.1 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 on the same lines as Duty Drawback. Further, any other cause that also affects the Duty Drawback shall be deemed to have the similar effect on the rebate. In these cases, the officers of CBEC shall in any case be adopting the processes as applicable to Duty Drawback Scheme for repayment of erroneous or excess paid Duty Drawback and its recovery. The decisions with respect to Duty Drawback, including in cases of disputes, shall be deemed to apply mutatis mutandis to the rebate under this scheme and repayment or recovery made accordingly by the officer of CBEC. Further, the exporter shall return any over-payment of rebate arising from miscalculation. Where there is repayment, recovery or return, interest shall also be paid by exporter at the rate of fifteen per cent per annum calculated from the date of payment of rebate till the date of repayment, recovery or return.

7.2 When rebate is availed by wrong declaration of exporter regarding meeting the eligibility conditions in para 4.2 of this scheme, the action would be initiated and concluded in the individual case by the O/o Textile Commissioner under the Ministry of Textiles.

## **8. SAVING CLAUSE**

8.1 Upon cessation of the ROSL Scheme, the unpaid claims shall be settled in accordance with the provisions of the Scheme while the recovery and dispute resolution mechanisms shall continue to be in force.

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