

**Accounting Procedure for payment of customs duty through Scrips of RoDTEP/ROSCTL/ SEIS and other schemes**

**1. Background**

In accordance with the Gazette Notification No. 14/26/2016-IT(Vol-II), dated 7<sup>th</sup> March, 2019, the erstwhile "Rebate on State levies Scheme" (ROSL) to support Apparel and made-ups sectors was discontinued and replaced with a new Scheme called "Scheme for Rebate of State and Central Taxes and Levies" on Export of Garments and Made-ups (referred to as RoSCTL Scheme). The objective of the Scheme is to provide for rebate of State and Central Taxes and Levies in addition to the Duty Drawback Scheme on Export of Garments and Made-ups at notified rates and value caps.

Under the RoSCTL Scheme, the benefits are being given to the exporters by DGFT in the form of Merchandise Export from India (MEIS) type duty credit scrips. The validity of such scrips is 24 months from the date of issue. Such scrips can be utilized towards discharging the tax liability of the exporter viz. Custom Duty. The provision of issue of the rebate under the scrip-based system by the DGFT is for the exports made in the financial year 2019-20 onwards. The Authorization of budget for issue of scrips was done by Department of Revenue.

Subsequently, vide OM F. No. 1(5)-B(AC)/2019 dated 17<sup>th</sup> December, 2020, issued by the Department of Economic Affairs (Budget Division), it has been communicated that the RoSCTL (Remission of State and Central Taxes and Levies) Scheme shall be subsumed in RoDTEP Scheme (Remission of Duties and Taxes on Exported Products), with effect from 1<sup>st</sup> January, 2021, with an aim to extend the benefits of the Scheme to all export goods. The accounting entries along with the budgetary and accounting mechanism has been prescribed by the Department, based on which this Accounting Procedure has been drawn for operationalizing the RoDTEP Scheme.

**2. Procedure for Accounting of Issue and Utilization of Scrips towards Payment of Customs Duty.**

**The issue of scrips to exporters and its utilization has so far been treated only as revenue foregone. However, the Government has now decided that there should be a budgetary control over the issue and discharge of scrips towards payment of Customs Duty. Accordingly, the Budget Division has provided an accounting process (as detailed below) to be followed in the budgetary route of issue of scrips and its discharge through the Consolidated Fund of India and Public account.**

- i. A suitable budget provision will be made annually under the new Minor Heads below the Major Head "2037", indicating the maximum amount up to which the scrips will be issued. Addition or reduction to the budget allocated will be made as per requirement as done for all expenditures.
- ii. At the time of issue of scrips to the exporters, an amount equivalent to the scrips issued will be transferred from the new minor heads under '2037- Customs' to Public Account, under new minor heads below the Major Head "8012- Special Deposits and Accounts".

- iii. As and when scrips are utilized for payment of Custom Duty, the Public Account will get debited and an equal amount credited under the concerned Minor Head relating to the liability on account of customs duty discharged below the Major Head "0037- Customs".
- iv. While calculating the net proceeds assignable to States, the entire cost of collection along with the amount booked under "MH2037-Customs" towards issue of scrips will be deducted from total collection for arriving at the 'Net Proceeds' for the purpose of devolution of State's share from Central Taxes.
- v. The scrips issued under other schemes like MEIS (Merchandise exports from India Scheme), SEIS (Service Exports of India Scheme) will also follow the same process as describe above.

**3. Accounting entries under the Proposed Budgetary and Accounting Procedure for payment of Customs Duty through scrips under the RoDTEP/ROSCTL and other Scheme.**

**(i). At the time of issue of scrips to the exporters:**

<b>DEBIT</b>	<p>2037-Customs</p> <p>109- Remission of Duties and Taxes on Exported Products (RoDTEP)</p> <p>01- Issue of Scrips under Remission of Duties and Taxes on Export Products (RoDTEP) Scheme</p> <p>110- Rebate of State and Central Taxes and Levies (RoSCTL)</p> <p>01- Issue of Scrips under Rebate of State and Central Taxes and Levies(RoSCTL) Scheme</p> <p>111- Rebate underMerchandise Export from India Scheme (MEIS)</p> <p>01- Issue of Scrips under Merchandise Export from India Scheme (MEIS)</p> <p>112- Rebate under Service Exports from India Scheme (SEIS)</p> <p>01- Issue of Scrips under Service Exports from India Scheme (SEIS)</p> <p>113-Rebate/Incentive under Target Plus Scheme</p> <p>01- Issue of Scrips under Target Plus Scheme</p> <p>114- Rebate under Other Schemes</p> <p>01- Issue of Scrips under Rebate on State Levies Scheme (ROSL)</p> <p>02- Issue of Scrips under 2% Additional Ad hoc incentive for Mobile Phones</p> <p>03 Issue of Scrips under Focus Product Scheme and Market Linked Focus Product Scheme.</p> <p>04- Issue of Scrips under Focus Market Scheme</p> <p>05- Issue of Scrips under Vishesh Krishi and Gram Udyog Yojana</p> <p>06- Issue of Scrips under Status Holders Incentive Scheme (SHIS)</p> <p>07-Isue of Scrips under Annual Incremental Export Incentivization Scheme</p> <p>08 Issue of Scrips under litigation for Served from India Scheme (SFIS) at Supreme Court</p>
To	<p>8012- Special Deposits and Accounts</p> <p>130- <i>Remission of Duties and Taxes on Exported Products</i> (RoDTEP) Scrips Deposit</p> <p><b>01 - Scrips issued</b></p> <p>131- <i>Rebate on State and Central Taxes and Levies</i> (RoSCTL) Scrips Deposit</p>

- 01 – Scrips issued**  
 132- *Merchandise Export from India Scheme* (MEIS) Scrips Deposit  
**01 – Scrips issued**  
 133- *Service Exports from India Scheme* (SEIS) Scrips Deposit  
**01 – Scrips issued**  
 134-Target Plus Scheme Scrips Deposit  
**01- Scrips issued**  
 135- Other Scrips Deposit  
 01-*Rebate on State Leives* (RoSL) Scrips Deposit  
**01 – Scrips issued**  
 02-2% Additional Ad hoc incentive for Mobile Phones Scrips Deposit  
**01 – Scrips issued**  
 03- Focus Product Scheme and Market Linked Focus Product Scheme Scrips Deposit.  
**01 – Scrips issued**  
 04- Focus Market Scheme Scrips Deposit  
**01 – Scrips issued**  
 05- Vishesh Krishi and Gram Udyog Yojana Scrips Deposit  
**01 – Scrips issued**  
 06- Status Holders Incentive Scheme (SHIS) Scrips Deposit  
**01 – Scrips issued**  
 07- Annual Incremental Export Incentivization Scheme Scrips Deposit  
**01-Scrips issued**  
 08- Litigation for *Served from India Scheme* (SFIS) at Supreme Court Scrips Deposit  
**01 – Scrips issued**

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**(ii). At the time of Utilization of scrips by exporters for payment of Custom Duty: -**

- DEBIT                    8012- Special Deposits and Accounts
- 130- *Remission of Duties and Taxes on Exported Products*(RoDTEP) Scrips Deposit  
**01 – Scrips issued**  
 131- *Rebate on State and Central Taxes and Levies*(RoSCTL)Scrips Deposit  
**01 – Scrips issued**  
 132- *Merchandise Export from India Scheme*(MEIS)Scrips Deposit  
**01 – Scrips issued**  
 133- *Service Exports from India Scheme*(SEIS)Scrips Deposit  
**01 – Scrips issued**  
 134-Target Plus Scheme Scrips Deposit  
**01 – Scrips issued**  
 135- Other Scrips Deposit  
 01 -*Rebate on State Leives*(RoSL) Scrips Deposit  
**01 – Scrips issued**  
 02- 2% Additional Ad hoc incentive for Mobile Phones Scrips Deposit  
**01 – Scrips issued**

- 03- Focus Product Scheme and Market Linked Focus Product Scheme Scrips Deposit.  
**01 – Scrips issued**
- 04- Focus Market Scheme Scrips Deposit  
**01 – Scrips issued**
- 05- Vishesh Krishi and Gram Udyog Yojana Scrips Deposit  
**01 – Scrips issued**
- 06- Status Holders Incentive Scheme (SHIS) Scrips Deposit  
**01 – Scrips issued**
- 07- Annual Incremental Export Incentivization Scheme Scrips Deposit  
**01 – Scrips issued**
- 08- Litigation for *Served from India Scheme* (SFIS) at Supreme Court Scrips Deposit  
**01 – Scrips issued**

To

**0037- Customs**  
**Concerned Minor Head relating to custom duty discharged through Scrips.**

**CREDIT**

**(iii). At the time of expiry of the validity of scrips**

The scrips issued are valid for a period of one/ two year(s) from the date of issue. On expiry of validity of unused scrip(s) **within the same year**, the corresponding balance lying in the public account shall be credited back to the original budgetary head under 'MH 2037 Customs' as under:

- (-) CREDIT** 8012- Special Deposits and Accounts  
130- Remission of Duties and Taxes on Exported Products (RoDTEP) Scrips Deposit  
01-Scrips issued
- 131- Rebate on State and Central Taxes and Levies (RoSCTL) Scrips Deposit  
01-Scrips issued
- 132- Merchandise Export from India Scheme (MEIS) Scrips Deposit  
01-Scrips issued
- 133- Service Exports from India Scheme (SEIS) Scrips Deposit  
01-Scrips issued
- 134- Target Plus Scheme Scrips Deposit  
01-Scrips issued
- 135- Other Scrips Deposit  
01 - Rebate on State Levies (RoSL) Scrips Deposit  
01-Scrips issued  
02- 2% Additional Ad hoc incentive for Mobile Phones Scrips Deposit  
01-Scrips issued  
03- Focus Product Scheme and Market Linked Focus Product Scheme Scrips Deposit.