

F.No.603/ 13 /2013-DBK
Government of India
Ministry of Finance, Department of Revenue
Central Board of Excise & Customs
Drawback Division

4th Floor, Jeevan Deep Building,
Sansad Marg, New Delhi
Dated: 27 May, 2014

To
Chief Commissioners of Customs/ Customs (Prev.)/ Central Excise & Customs (All)
Directors General of CBEC (All) / Chief Commissioner (A.R.)
Commissioners of Customs/ Central Excise & Customs (All)

Madam/ Sir,

Subject: Differences between duty credit scrips and goods permitted/not-permitted against them under respective FTP paragraphs/Customs Notification - regarding

Attention of field formations is drawn to the fact that diverse types of duty credit scrip are issued under relevant paragraphs of Foreign Trade Policy. These duty credit scrips have varying degrees of transferability/actual user conditions that, *inter alia*, determine which person may use the scrip and, at times, for what purpose. Further, in relation to goods, the respective reward schemes/scrips prescribe the specific nature of goods permitted to be imported against the particular duty credit scrip. There may also be specification in respective reward/ incentive scheme of certain types of goods in relation to which duty credit scrip may not at all be used, for example, the items listed in Appendix 37B of HBPv1, and the use of scrips for such items would not be correct. Such aspects are also incorporated as conditions in the implementing Customs or Central Excise notifications. Moreover, such restrictions on which person may use or in relation to which goods scrip may be used, being intrinsic to the respective reward/ incentive scheme, continue to operate even when duty credit scrip is to be allowed for use for discharging duty on already imported goods in cases of export obligation in default.

2. Board has come across a few instances of incorrect usage of duty credit scrips on above counts. Further, in one case the duty credit scrip issued under one scheme was detected to have been allowed registration (and use) as duty credit scrip of another scheme without the field formation noticing the mismatch between scrip/ scheme name and Customs notification number endorsed by the issuing Regional Authority of DGFT. It is also noted that the Board's Circular No.8/2009 dated 16.2.2009 had earlier, in a general context, highlighted to the field formations the issue of there being differences in the scrips and the goods permitted under respective policy paragraphs.

3. Board instructs that due care and diligence be exercised in the above matter by field formations.

Yours faithfully,

(G. S. Bains)
Technical Officer
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