

# RoDTEP scheme extended to chemicals, pharma, iron & steel

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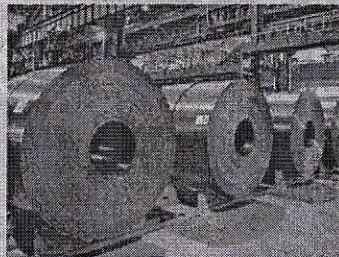
The Centre has decided to expand the scope of the popular export promotion scheme, Remission of Duties and Taxes on Exported Products (RoDTEP), to include the chemicals, pharmaceuticals and iron & steel sectors, according to a government notification.

The three sectors were initially left out when the RoDTEP scheme was implemented from January 1, 2021, but the industry had been insisting on their inclusion arguing that remission of input duties on exports would make them more competitive.

"The expanded list of items will be applicable for exports made from December 15, 2022...In the present times, when exports are facing headwinds on account of signs of recession in some of the developed markets and supply chain disruptions on account of Russia-Ukraine conflict, extension of RoDTEP to uncovered sectors like chemicals, pharmaceuticals & articles of iron & steel is likely to enhance the export competitiveness of these sectors," per a statement issued by the Commerce & Industry Ministry on Wednesday.

However, the notification issued by the government on the expansion of RoDTEP specifies that the decision will be applicable till September 30, 2023.

Whether the decision gets extended beyond September 30, 2023, may depend on the funds made available for the



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scheme by the Finance Ministry. Sources had earlier indicated to *businessline* that while the Finance Ministry and the Commerce & Industry Ministry were both in agreement that the RoDTEP scheme should be extended to the three new sectors, funding was a constraint.

The RoDTEP scheme refunds exporters the embedded duties/taxes that are not rebated under other schemes. These include VAT on fuel used in transportation, mandi tax, duty and electricity used during manufacturing.

## EXPANDED LIST

The expanded list of eligible export items under Appendix 4R will increase from current 8,731 export items to 10,342 export items, the release added.

RoDTEP is based on the globally accepted principle that taxes and duties should not be exported, and taxes and levies borne on the exported products should be either exempted or remitted to exporters. The rebate is issued as a transferable electronic scrip by the Central Board of Indirect Taxes & Customs in an end-to-end IT environment.