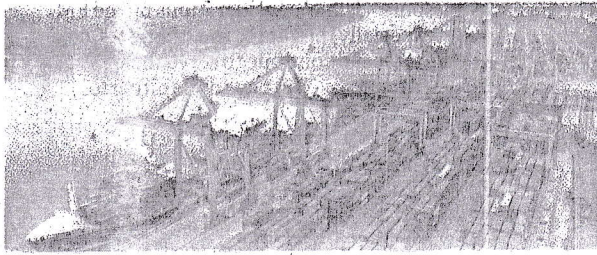


Govt may restore export support to SEZ units, MSMEs

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ON THE CARDS. Provision of ₹1,600-1,700 crore being considered to include SEZs and EOUs in the RoDTEP scheme till the end of the fiscal year

Ahead of Budget 2025, the government is considering extending key export schemes that have lapsed. The objective is to provide relief to exporters in the backdrop of volatile global demand.

The Remission of Duties and Taxes on Exported Products (RoDTEP) is likely to cover SEZ units and EOUs, which were excluded from January 1, and the interest equalisation scheme for accessing cheap export credit, sources said.

An additional provision of ₹1,600-1,700 crore is being considered to extend RoDTEP to SEZs and EOUs till the end of the fiscal year. The Commerce Department has also made a case for extending the interest equalisation scheme in a "slightly modified form" for four to five years, sources said.

"Last week, the PMO dis-

cussed a key grievance of SEZs and EOUs of having being cut off from the RoDTEP scheme from January 1, 2025, while the scheme continues for other exporters."

FIRST STEP

"Once that happens, further extensions can be considered in the next fiscal when more funds will be available," officials tracking the matter told *businessline*.

The RoDTEP scheme, announced in January 2021, re-funds embedded duties and taxes, such as VAT on fuel used in transportation,

mandi tax and duty on electricity used during manufacturing of the exported items. Units in SEZs and EOUs and advance authorisation holders were included in the scheme in March 2024 but were excluded from January 1 while other exporters are eligible till September 30, 2025, per a notification issued by the DGFT in September 2024.

In representations made to the Department of Expenditure and the Department of Commerce, the Export Promotion Council for EOUs and SEZs noted that

there was no justification for denying the benefits to one set of exporters (SEZ/EOU/AA holders) *vis-a-vis* other exporters in the domestic area (DTA). If there are budget constraints, product categories/sectors may be reduced rather than one small set of exporters being put to a disadvantage, it suggested.

SUPPORTING MSMEs

In the case of the interest equalisation scheme, which lapsed on December 31, 2024, the DGFT is trying to persuade the Finance Ministry to extend it to all initial beneficiaries but is ready to negotiate on limiting the beneficiaries to the MSME sector if funds are a constraint, the source said.

The interest equalisation scheme, under which beneficiaries are extended export credit by banks at a subsidised interest rate, was implemented in April 2015 and has been in place for five years. It covers non-MSME exporters of about 410 identified

products and all exporters from the MSME sector. The scheme was subsequently extended for limited periods; the last extension, only for MSME exporters, lapsed on December 31, 2024.

"The DGFT has made a case for extending the interest equalisation scheme for four-five years with the initial annual budget of ₹3,000 crore. Various formats have been proposed to choose the beneficiaries," the official said.

SAFETY NET

With goods exports still facing rough weather as geopolitical risks continue to affect global demand, existing schemes play an important role in ensuring competitiveness of Indian exporters, per the Commerce Department.

Exports of goods in April-December 2024 increased 1.6 per cent (year-on-year) to \$321.71 billion while exports in the last two months registered consecutive declines.