

Govt invites feedback on RoDTEP rate cuts to support exporter's demands

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The Centre has reached out to exporters unhappy with the lowering of input duty refund rates under the popular Remission of Duties and Taxes on Exported Products (RoDTEP) scheme and has asked for requests for revision backed by precise data and supporting documentation, sources have said.

"The Finance Ministry and the Directorate General of Foreign Trade have asked exporters in sectors such as chemicals, plastics, textiles and engineering goods, that have been hit most by the recent revision in rates, to point out in their submissions if there are any anomalies in the rates and give supporting data. The submissions will be taken up by the RoDTEP committee after Diwali," a source tracking the matter told *businessline*.

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

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mandi tax and duty on electricity used during manufacturing of the exported items, that are not rebated under other schemes.

It replaced the WTO-incompatible MEIS scheme which was questioned by several countries, including the US, for lacking transparency.

SCHEME REVISION

Last month, the scheme was extended for exports from units in domestic tariff (area that does not fall in SEZs) by one year till September 2025. But the new rates for refund of taxes were in the lower range of 0.3-3.9 per cent compared to the 0.5-4.3 per cent earlier.

"We are of the view that if it is a zero rated scheme, it

should not be subjected to budget limitation. Since the scheme refunds duties and taxes, that means duty has already been paid by the exporter. Whatever has been paid should be remitted," a Delhi-based exporter said.

However, higher claims for rebates have to be backed by relevant data and documents, pointed out Ajay Sahai, Director General, FIEO.

"Exporters cannot ask for higher rates citing the adverse global climate. Demand has to be supported by hard data," Sahai said.

A number of export promotion councils have asked their members for inputs to build a strong case for higher rates of refund so that it could be put together and submitted to the government.

"The RoDTEP committee can take a look at the fresh data furnished by the industry to examine if there is a scope for revising the rates," the source said.

In FY23, the scheme supported \$450 billion worth of exports at the cost of ₹13,020 crore.