

Commerce dept seeks 10% hike in Rodtep

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The commerce department has sought a 10 per cent increase in the allocation for the export-boosting Remission of Duties and Taxes on Export Products (Rodtep) scheme in the upcoming Interim Budget, people aware of the matter said.

For the current financial year, the finance ministry had allocated ₹15,069 crore towards the scheme. A 10 per cent jump

will make the allocation for the scheme ₹16,575.9 crore.

“We have sought a 10 per cent increase in the Rodtep allocation, in line with the expectation of export growth,” a senior government official told *Business Standard*.

A higher allocation during the current financial year will help exporters, especially when external demand from developed economies is tepid. This is at a time when global uncertainties, including the Red Sea

crisis, are set to weigh on outbound shipments from India.

The Rodtep scheme refunds the embedded non-creditable central, state and local levies paid on inputs to exporters.

These taxes were not being refunded but were incurred by the export entities in manufacture and distribution of

exported products.

The scheme is valid till June 30 at the same rates to the existing export items, and going ahead, it will be extended till the end of the next financial year, the official cited above said.

“An increase in Rodtep allocation will enable it to cover certain leftover products and entities

like advance authorisations holders and export-oriented units/ special economic zones (EOUs/SEZs), which are also bearing the incidence of unbated taxes and duties, including the embedded taxes. This increase may also be needed to factor export growth as well,” Ajay Sahai, director-general (D-G) and chief executive officer (CEO), Federation of Indian Export Organisations (FIEO) said. The scheme was notified on January 1, 2021, as it

replaced the controversial Merchandise Exports from India Scheme (MEIS). This came after a World Trade Organisation (WTO) ruling stated that it violated the provisions of the global trade body by giving export subsidies for a wide range of goods. Between January 1, 2021, and March 31, 2023, ₹27,018 crore was spent towards the scheme. During the current financial year, ₹15,069 crore has been allocated to support 10,610 product lines.

