

Exporters seek tweaks in SEZ Act, Rodtep extension

SHREYA NANDI

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Just three days before the Union Budget, the industry has urged Finance Minister Nirmala Sitharaman to extend export-boosting scheme Remission of Duties and Taxes on Exported Products (RoDTEP) for Export-Oriented Units (EOUs) and Special Economic Zones (SEZs) till September 30, on a par with exports from the rest of the country. The Union Budget 2025-26 (FY26) will be presented on February 1.

In a letter to Sitharaman, the Export Promotion Council for EOUs and SEZs (EPCES) also talked about their long-pending demand for some changes in the SEZ law through the Finance Bill, in order to further the government's focus on the Atmanirbhar Bharat agenda by boosting manufacturing.

That apart, reforms in the SEZ law have been pending for almost three years now, since the announcement in the FY23 Union Budget to give these zones a makeover. This has also created a sense of "policy uncertainty" in the minds of current and future investors in SEZs, according to the

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- Export Promotion Council for EOUs and SEZs seeks changes in the SEZ Act that would allow supplies from SEZ to the rest of the country on a duty foregone basis
- Council urges to allow payment of supplies of services to domestic tariff areas in local currency
- Commerce department seeks additional allocation of ₹1,600-1,700 crore in the Rodtep scheme and extension till September

export promotion council.

SEZ Act amendment

In the letter, EPCES has sought changes in the SEZ Act to enable supplies from SEZs to the rest of the country on a duty foregone basis, instead of payment of full customs duties, in line with countries like China. "Companies should not be expected to set up two plants, one for exports and one for the domestic market, reducing economies of scale and export competitiveness. It is

already allowed in the MOOWR (manufacturing and other operations in warehouse) scheme and EOUs," the letter said.

The export promotion council also urged Sitharaman to allow payment for supplies of services to domestic tariff areas (DTA) in local currency. "It is allowed in goods. No justification for buying foreign currency for payments for services for SEZ to DTA transactions," it said.

Rodtep scheme extension

The Rodtep scheme for exports from SEZs, EOUs and advance authorisation (AA) holders expired on December 31 last year but was extended till January 29 amid requests from the industry and the commerce department.

The commerce department has also sought an additional allocation of around ₹1,600-1,700 crore, which will allow the government to drag the scheme till March 31. If there's an extension till September, there won't be a budget constraint since the Rodtep scheme has a system, which allows a 10 per cent increase in allocation.

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