

Rodtep scheme may be extended beyond Sep 30

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The Ministry of Commerce and Industry is looking to extend its export-incentive scheme — the Remission of Duties and Taxes on Exported Products (Rodtep) — beyond its current expiration date of September 30.

Exporters have been appealing to the government to continue the scheme past that date, amid ongoing geopolitical uncertainties and the threat of reciprocal tariffs from the United States — which have been largely paused for 90 days starting April 9. “The scheme will be extended beyond September 30. Generally, an end date is put from the commerce ministry’s side to monitor that it doesn’t exceed the budget allocated by the finance ministry,” a senior government official told *Business Standard*.

The Rodtep scheme came into effect in 2021 and refunds the embedded, non-creditable central, state, and local levies

paid on inputs to exporters, in order to boost India’s exports. It is based on the principle that taxes should not be exported. The scheme ensures zero-rating of exports, which makes them competitive.

As much as ₹18,232 crore has been allocated towards the scheme for the current financial year, according to the Union Budget. The allocation was ₹16,000 crore during the previous financial year.

During 2024-25, merchandise exports remained flat at \$437.42 billion, compared to \$437.07 billion during the year-ago period. Exports in value terms contracted in six of the 12 months in FY25, due to the softening of global petroleum prices and rising economic uncertainty amid the restrictive trade practices adopted by the US starting in January.

For over a year, exporters have been urging the government to increase the Rodtep budget allocation and raise rates for all export items, to help them secure greater market access abroad.