



Verification Mechanism in RoDTEP Scheme

[Source: TH](#)

The government is setting up a system to verify that only taxes paid on materials used (input duties) are refunded under the [RoDTEP scheme](#).

- The **US and EU imposed anti-subsidy duties** on some Indian exports even though the **Remission of Duties and Taxes on Exported Products (RoDTEP)** scheme aims to reimburse input taxes.
- This happened because **Indian exporters couldn't demonstrate** the connection between the RoDTEP benefits received and the input taxes clearly during inspections by the US and EU.
- According to the government, the new verification process is through a **team consisting of officials** from the Department of Revenue and the [Directorate General of Foreign Trade](#).
- It will address this issue by **randomly checking manufacturers and ensuring proper documentation** to prove RoDTEP payments are legitimate tax refunds, not subsidies.
- In January 2021, India switched from the [Merchandise Export from India Scheme \(MEIS\)](#) to the RoDTEP scheme. This change came about because MEIS faced criticism from other [World Trade Organisation \(WTO\)](#) member countries.
 - They argued that MEIS didn't clearly show how the amount of money paid to exporters was connected to the taxes they paid on materials used in production.

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Extending Support

Refund of Duties and Taxes on Exported Products (RoDTEP) scheme implemented from Jan 1, 2021

Offers 0.3-4.3% incentive to 8,555 products in sectors such as marine, agri, and gems & jewellery

But excludes pharma, steel and chemicals

Commerce ministry will need additional ₹2,000 cr to expand coverage under scheme

Chemical sector eyes a remission rate of 2.3-2.9%

Pharma industry seeks 5-6%

It's a crucial move as India's Sent exports shrank 3.5% on weak global demand

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