



POWERLOOM DEVELOPMENT & EXPORT PROMOTION COUNCIL

(Set up by Ministry of Textiles, Govt. of India)

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पावरलूम विकास तथा निर्यात सम्वर्धन परिषद्

PDEXCIL MUM/ CHAIRMAN/51/ 2023-24/PART V/ 471

Date: 02.02.2024

The Union Cabinet chaired by Prime Minister Shri Narendra Modi approved the continuation of Scheme for Rebate of State and Central Taxes and Levies (RoSCTL) for export of Apparel/Garments and Made ups upto 31st March 2026. Previously approved by the Union Cabinet up to March 31, 2020, and subsequently extended until March 31, 2024, the latest extension until March 31, 2026 helps in enhancing export competitiveness of garments and made-ups sectors.

Mr. Vishwanath R. Agarwal, Chairman, PDEXCIL, welcomed this decision stating that the continuation of scheme for proposed duration of two (2) years will provide stable policy regime which is essential for long term trade planning, more so in the textiles sector where orders can be placed in advance for long term delivery.

He further stated that the continuation of RoSCTL will ensure predictability and stability in policy regime, help remove the burden of taxes and levies and provide level playing field on the principle that "goods are exported and not domestic taxes"

On behalf of the entire powerloom industry, I extend my sincere thanks to Prime Minister Narendra Modi Ji, Minister of Finance, Smt. Nirmala Sitaraman Ji, and Minister of Textiles, Shri Piyush Goyal Ji."

The objective of the scheme is to compensate for the State and Central Taxes and Levies in addition to the Duty Drawback Scheme on export of apparel/ garments and Made-ups by way of rebate. It is based on an internationally acceptable principle that taxes and duties should not be exported, to enable a level playing field in the international market for exports. Hence, not only indirect taxes on inputs are to be rebated or reimbursed but also other un-refunded State & Central taxes and levies are to be rebated.

It makes apparel/garments and Made ups products cost-competitive and adopt the principle of zero-rated export. The other textile products (excluding Chapter 61, 62 and 63) not covered under the RoSCTL, are eligible to avail the benefits under RoDTEP along with other products.

Rebate of State Taxes and Levies comprises VAT on fuel used in transportation, captive power, farm sector, mandi tax, duty of electricity, stamp duty on export documents, embedded SGST paid on inputs such as pesticides, fertilizers etc. used in production of raw cotton, purchases from unregistered dealers, coal used in production of electricity and inputs for transport sector. Rebate of Central Taxes and Levies comprises central excise duty on fuel used in transportation, embedded CGST paid on inputs such as pesticides, fertilizer etc. used in production of raw cotton, purchases from unregistered dealers, inputs for transport sector and embedded CGST and Compensation Cess on coal used in production of electricity.

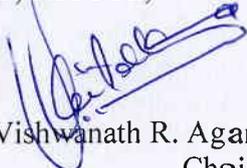
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RoSCTL has been an important policy measure and has helped in enhancing competitiveness of Indian exports of apparel and made ups which are value added and labour intensive segments of the Textile Value Chain. Continuation of Scheme for further duration of two (2) years will provide stable policy regime which is essential for long term trade planning, more so in the textiles sector where orders can be placed in advance for long term delivery.

We welcome the interim Union Budget and hoped that the demands of the textile industry relating to the raw material issues and few other industry demands will be considered in the full-fledged budget which will be presented in July this year. However, he expressed satisfaction about the overall increased allocation of around 27.60 per cent for the Ministry of Textiles for fiscal 2024-25. Higher allocation will provide sufficient funds to various schemes being operated by the ministry including PM MITRA, NITTM, A-TUFS, ISDS, RoTDEP, RoSCTL, etc.



(Vishwanath R. Agarwal)
Chairman