



Current Affairs of the Day

States differ with Centre on fuel

A day after Union Finance Minister Nirmala Sitharaman ruled out any immediate cut in fuel taxes levied by the Centre, and said States should cut their own taxes on fuel to give relief to consumers, several State governments were not amused and termed it an insult when their finances were already weak.

Tax woes:

1. Ms Sitharaman had asserted that the States gained more than the Centre from higher oil prices because they charge ad valorem duties, while the Centre charged a fixed levy, which would be difficult to slash as it had to subsidise fuel price reductions undertaken by the United Progressive Alliance government in 2012-13.
2. The Union Finance Minister has made it amply clear that the Centre has no intention to reduce the fuel prices. The stand that the States have the option to reduce it is tantamount to insulting the States, which are already in a financially weak condition.
3. Arguing that petrol and diesel had become pricier because of the additional and special excise duties and cess imposed by the Narendra Modi government when global oil prices were declining opposition said.

Exporters to get duty relief as part of Jan. 1 RoDTEP scheme

1. The Centre notified the rates and norms for the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme, with Commerce Secretary B.V.R. Subrahmanyam asserting it would put 'direct cash in the pockets of exporters' soon.
2. The RoDTEP scheme had kicked in from January 1, replacing the earlier Merchandise and Services Export Incentive Schemes (MEIS and SEIS) that were in violation of WTO norms.
3. A budgetary allocation of ₹12,454 crores has been made for 2021-22 under the scheme which covers 8,555 tariff lines, accounting for about 75% of traded items and 65% of India's exports. To enable zero-rating of exports by ensuring



domestic taxes are not exported, all taxes, including those levied by States and even Gram Panchayats, will be refunded under the scheme.

4. The rebates under RoDTEP, which Director-General of Foreign Trade Amit Yadav said is WTO-compliant as per legal advice, ranging from 0.5% to 4.3% of the Free On Board value of outbound consignments. The lowest rate is offered on items like chocolates, toffees and sugar confectionery, while yarns and fibres have been granted the highest rate.
5. Steel, pharma and chemicals have not been included under the scheme because their exports have done well without incentives.
6. There are a couple of more schemes in the pipeline to help exporters, but RoDTEP, which is valid till March 31, 2024, will be our flagship scheme.
7. The top trade official also assured of a resolution of the pending dues under the MEIS and SEIS by the first week of September, through a 'staggered' mechanism.

Committee to study exploration of hydrocarbon projects reconstituted

1. The Tamil Nadu government has reconstituted the high-level expert committee on exploration and extraction of hydrocarbon projects and also revised the terms of reference so that the study can be taken up in areas other than the protected agricultural zone.
2. The government has named Sultan Ahmed Ismail, a part-time member of, State Development Policy Council, as chairman of the seven-member committee.
3. The terms of reference for the study on exploration and extraction of hydrocarbon projects in areas other than the Cauvery delta region will assess the impact of drilling technologies like hydrofracturing on groundwater and the environment.
4. The committee will assess the impact of chemicals on the quality of surface water, flowing water, groundwater, soil and fertility of the land, irrigation sources, cultivation of crops, air quality, seawater intrusion and flora and fauna.



5. It will also assess the quantity of groundwater required to be drawn out for carrying out exploration of coal bed methane, shale gas, petroleum and natural gas and whether such large-scale pumping of groundwater will lead to its depletion.

In addition to this, the committee will see if drilling will lead to any subsidence of land and de-stabilise the tectonic plates below the area of exploration. The impact of such projects on the livelihoods of the people and food security of the region will also be assessed.