



PRESS RELEASE ON THE 195TH REPORT OF DEPARTMENT RELATED PARLIAMENTARY STANDING COMMITTEE ON COMMERCE

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The Department Related Parliamentary Standing Committee on Commerce headed by Ms. Dola Sen, M.P., Rajya Sabha presented/laid the 195th Report on Demands for Grants (2026-27) of the Department of Commerce, Ministry of Commerce and Industry in both Houses of the Parliament on 18th March, 2026.

2. The Committee held detailed deliberations with the Secretary of the Department on 16th February, 2026. The Committee also invited the representatives of Confederation of Indian Industry (CII); PHD Chamber of Commerce and Industry (PHDCCI); Federation of Indian Chamber of Commerce and Industry (FICCI); and Associated Chambers of Commerce and Industry of India (ASSOCHAM) on 16th February, 2026, to seek their views on the subject. During the course of the evaluation, the Committee scrutinised the budget spent in previous years, the details of expenditure incurred and the allocation sought for the upcoming Financial Year. The Report further examined the adequacy of the budgetary allocations under the various heads and their effective and timely utilization by the Department. The Panel also discussed about the several global as well as the domestic factors that affects export performance of the country.

3. The Report provides a comprehensive analysis of the Department of Commerce's budgetary proposals for 2026-27, detailing the allocation of funds, their intended utilization, and past expenditure trends. It assesses the department's financial prudence and examines the implementation of various schemes and programs, evaluating whether the allocated resources are sufficient for their proper execution. Additionally, the report highlights financial aspects that require improvement. The Report encompasses various initiatives, schemes and programmes being implemented by the Government having significant bearing on the country's International Trade.

4. The Committee considered and adopted the draft Report in its meeting held on 17th March, 2026.

The entire Report is also available on [https://sansad.in/rs >Committees>DRPSC-RS>Commerce>Report](https://sansad.in/rs%20Committees%20DRPSC-RS%20Commerce%20Report)

RECOMMENDATIONS/OBSERVATIONS - AT A GLANCE

BUDGET PROPOSALS

1. The Committee is of the considered opinion that deficit in budgetary allocation under these vital heads would impede the efficient implementation of key programmes and schemes meant for internal trade and export promotion. The Committee emphasises the need for adequate allocation to ensure uninterrupted and effective execution of these programs. Further, the Committee recommends that the Department may take up the matter of additional funds at the stage of

Supplementary Grants to ensure its effective functioning and timely and smooth execution of the projects envisaged. The Department should also focus on expenditure in planned manner so as to substantiate claim for additional funds in RE stage. (Para 2.6)

2. The Committee recommends that the Department undertake an urgent review of the reasons for under-utilisation of allocated funds and institute expenditure monitoring framework with clear accountability and traceability mechanisms at the level of each scheme and head of expenditure. (Para 2.8)

TRADE PERFORMANCE IN THE FINANCIAL YEAR 2025-26

Trade Scenario

3. The Committee notes the widening trade deficit and the stagnation in merchandise exports during 2025–26, and recommends that the Department may undertake targeted and time-bound measures to enhance export competitiveness and provide focused support to high-potential sectors in order to correct the trade imbalance. Further, the Department undertake a strategic diversification of India's merchandise export basket with a clear shift towards high-value sectors and emphasise the need to revitalising labour-intensive industries through targeted policy support and effective utilization of existing schemes. The Committee further recommends strengthening of domestic manufacturing capabilities to reduce dependence on imports particularly in crude petroleum, gold and electronic components and also focus on capacity building measures and strengthening supply chain. Value addition initiative should be at priority to enhance competitiveness and improve overall trade balance with focus on real 'Make in India' and 'Aatmanirbhar Bharat'. (Para 3.11)

4. The Committee recommends that the Department undertake a comprehensive review of the factors contributing to contraction in exports of petroleum products and gems and jewellery exports and adopt a focussed approach to reverse the declining trend in both these sectors. For petroleum products, engagement with key importing markets through bilateral and regional trade frameworks and stabilisation of refinery-linked export incentives along with improve supply chain efficiencies is recommended for export stability. (Para 3.14)

Pharmaceutical Exports

5. The Committee notes the sustained and consistent performance of the pharmaceutical sector which has emerged as one of India's most consistently performing export categories. It recommends that the Department continue to promote higher value-added exports within the sector, specifically biologicals, biosimilars, and complex generics, whilst reducing the structural dependence on imported Active Pharmaceutical Ingredients (APIs) through domestic manufacturing incentives and dedicated production-linked support which includes supply chain resilience planning, cluster-based manufacturing eco-system and domestic bulk drug parks. (Para 3.16)

Services Exports

6. The Committee appreciates the consistent double-digit growth in services exports noting that it reflect India's structural competitive advantage in IT-enabled services, software, and financial services. The Committee recommends that the Department, in close coordination with relevant line Ministries, adopt a comprehensive and a multi-pronged strategy to further expand and deepen the scale of services exports. Further, the Committee notes that AI's influence is growing in the services sector, particularly in IT and back-office work. Moreover, our country is facing challenge of huge growing population and unemployment. The Committee, therefore, recommends that the Department, in coordination with relevant Ministries, should focus on training and skilling workers

in the services sector to adapt to the changing technological environment to ensure that India's competitive advantage in services exports remains resilient and continues its growth contribution to the trade balance. (Para 3.16)

International Trade Settlement In Indian Rupees (INR)

7. The Committee notes that the steps taken by the Reserve Bank of India and the Directorate General of Foreign Trade to promote international trade settlement in Indian Rupees (INR). These include the introduction of Special Rupee Vostro Accounts (SRVAs), suitable provisions under the Foreign Trade Policy 2023, and amendments to the Foreign Exchange Management Regulations to enable cross-border transactions in INR and other foreign currencies. The Committee hopes that this arrangement will promote growth of global trade with emphasis on exports from India and to support the increasing interest of global trading community in INR. (Para 3.22)

8. In response for providing information regarding latest details of the number of Partner Countries that have operationalised the Rupee trade mechanism, total trade volume INR in the current Financial Year and the challenges, the Department has submitted that the information may kindly be sought from the Department of Financial Services and the Reserve Bank of India. The Committee is of the view that Department of Commerce being the nodal for International trade and Commerce, the Department should have all the data relating to Trade in Indian Rupee. Further, if any other Department / Ministries are involved, information may be obtained and furnished to the Committee. The Committee further recommends the creation of an inter-ministerial monitoring mechanism to ensure coordinated policy action and to address emerging bottlenecks in a timely manner. This will support the sustainable internationalisation of the Indian Rupee.

(Para 3.23)

9. The Committee notes that currently one US dollar is equivalent to ninety two rupee, which is severally impacting our trade and commerce in International market.

(Para 3.24)

FOREIGN TRADE POLICY (FTP)

10. The Committee notes that the Foreign Trade Policy 2023 constitutes a forward-looking framework and strategically responsive appropriately aligned with evolving global trade dynamics, including tariff escalations, supply chain realignment, and the rapid expansion of digital trade. However, the Committee recommends that the Foreign Trade Policy be reviewed and updated periodically to ensure that its schemes, incentive structures, and procedural provisions remain fully aligned with the shifting global trade environment. Emphasis should be placed on strengthening provision relating to electronic commerce, digital services, and green technology exports in order to enhance India's competitiveness in emerging sectors. The Committee further recommends that the Department undertake a comprehensive assessment of existing trade policies and procedures to ensure a level playing field for Indian exporters and importers, while addressing procedural bottlenecks and improving the ease of conducting international trade. (Para 4.3)

11. The Committee notes with concern that this tariff increase is likely to have a significant impact on finance, commerce, trade and industry, both in the domestic and export sectors. Further, the current exchange rate of one US dollar is more than ninety two rupees, which is also an additional pressure on trade & commerce at both national and international levels. The Committee, therefore, recommends that Indo-US Trade relations be reviewed and appropriate measures be undertaken accordingly. (Para 4.5)

12. The Committee also observes that internationally, the prices of crude oil and natural gas have declined over the past few years. However, the prices of petrol, diesel, and cooking gas have been increasing gradually in the country. The Committee is of the opinion that this situation is adversely affecting trade and commerce in both the domestic and export markets. Further, the recent tensions in the Middle-East have raised concerns regarding the availability of crude oil and natural gas, particularly LPG, which has become a pressing concern for the citizens of the country. The Committee, therefore, recommends taking necessary preventive measures to address these challenges. (Para 4.6)

Free Trade Agreements (FTAs)

13. The Committee notes significant acceleration in India's trade agreement architecture during 2025-26, with the conclusion of landmark agreements with the United Kingdom, New Zealand, and the European Union, and the entry into force of multiple other agreements. It observes that these agreements collectively open major new avenues for Indian exporters across goods and services. (Para 4.11)

14. The Committee recommends that the Department establish a dedicated post-implementation monitoring framework for each concluded agreement. This framework should provide for systematic tracking of export utilisation rates, assessment of sector-specific gains, and identification of any non-tariff barriers that may hinder the full realisation of negotiated market access. The Committee further recommends that proposed FTAs should be expeditiously concluded with the trading partners, in order to secure anticipated trade benefits at the earliest. It also emphasises that all FTA's should incorporate a structured and time bound provisions of review mechanism for ensuring mid-way course correction in the event of any emerging trade asymmetries. The Committee hopes that trade agreements with SACU will open the doors to a new emerging market and help in trade diversification. (Para 4.12)

15. In the context of ongoing FTA negotiations and bilateral trade dialogues, the Committee recommends that the Department continue to actively pursue enhanced market access improvements for Indian exports to major trading partners where substantial trade imbalances persist. (Para 4.14)

REMISSION OF DUTIES AND TAXES ON EXPORTED PRODUCTS (RoDTEP) SCHEME

16. The Committee acknowledges that the RoDTEP scrips perform an essential liquidity function for MSMEs, particularly in the context of elevated borrowing cost. The Committee therefore recommends that any future revision to RoDTEP rates be preceded by structured industry consultation with industry stakeholders and accompanied by closely defined minimum transition period, so that exporters are not compelled to absorb losses on orders already contracted at earlier rates. (Para 5.5)

17. The Committee is of the view that the Department should undertake a focused review of the declining FOB value of exports under the EPCG Scheme, which fell from Rs. 1,83,727 crore in 2023–24 to Rs. 1,43,540 crore in 2024–25, even as the number of authorisations and duty foregone amounts increased substantially. Further, the Committee recommends that the Department establish a structured monitoring mechanism linking Export Promotion of Capital Goods (EPCG) authorisations to verified export obligation discharge, and that sectors with persistent gaps between capital goods utilisation and export realisation be subject to closer scrutiny and targeted advisory support. (Para 5.7)

SPECIAL ECONOMIC ZONES (SEZs)

18. The Committee recommends that the Department proactively assess the evolving requirements of Special Economic Zones (SEZs) during 2026–27 and seek additional allocations at the Supplementary Grants stage as and when required. With the expanding scale of SEZ operations adequate and timely budgetary support is essential to ensure smooth functioning and sustained growth of these export-driven economic enclaves, which play a crucial role in boosting India's export competitiveness and attracting investment. The Committee further emphasises that all units operating within SEZs must adhere to the law of the land, ensuring full compliance with applicable labour laws and the constitutional safeguards guaranteed to workers. (Para 6.5)

19. The Committee notes the persistent regional disparity in the distribution and operationalisation of SEZs, with industrially advanced states continuing to dominate both in terms of the number of approvals and operational units. The Committee acknowledges that an inclusive approach to SEZ development is essential for achieving balanced regional industrial growth. (Para 6.9)

20. The Committee recommends that the Department proactively identify the core sectoral strengths of all states, particularly those in the North-Eastern Region and other industrially underdeveloped areas, and develop a targeted policy frameworks to facilitate the establishment and operationalisation of SEZs in such regions. Further, the Department may undertake a comprehensive and systematic review of the 94 notified but non-operational SEZs to identify the specific administrative, regulatory, or infrastructure constraints hindering in their operationalisation, and ensure that these issues are addressed within defined time frame. (Para 6.10)

21. The Committee expresses concern over the decline in the number of functional Export Oriented Units (EOU) which have fallen from 1,530 in September 2024 to 1,327 in September 2025, reflecting a reduction of over 13 per cent within a year. The Committee recommends that the Department undertake a comprehensive and time bound review to address the factors contributing to this contraction. Further, to restore investor interest and remove entry barriers for new units, the Committee recommends the Department to consider the provision of plug-and-play infrastructure within SEZs. This may comprise pre-built industrial facilities, access to shared utilities, and strengthen logistics linkages to ports and highway networks. Such measures would reduce entry barrier, lower initial capital requirements and enhance the overall competitiveness of EOUs. (Para 6.12)

EXPORT PROMOTION MISSION (EPM)

22. The Committee recommends that prior to implementing year-on-year increase in budgetary allocation for Export Promotion Mission the Department may undertake a comprehensive review of implementation bottlenecks with emphasis on expediting approval process, streamline disbursement mechanisms, and reinforcing monitoring and oversight frameworks to ensure timely and efficient utilization of allocated funds. Outcome-based budgeting, quarterly expenditure benchmarks, and digital tracking of scheme-wise releases may be institutionalised to enhance accountability and efficiency. Further, the pending liabilities arising from earlier schemes such as the Interest Equalisation Scheme (IES) and the Market Access Initiative (MAI) should be accounted for separate from the current financial year's allocations. This will enable more accurate assessment of the performance and fund utilization of the ongoing schemes. (Para 7.6)

NATIONAL EXPORT INSURANCE ACCOUNT (NEIA)

23. The Committee notes with concern that no new project covers could be extended during FY 2024-25 under NEIA owing to the complete exhaustion of available corpus headroom. The Committee, therefore, recommends that the NEIA Trust be adequately capitalized prior to

undertaking new project commitments, rather than after the depletion of funds. The Committee further advises that any additional fund requirement be addressed at the Revised Estimates stage to prevent operational disruptions. (Para 8.7)

DIRECTORATE GENERAL OF FOREIGN TRADE (DGFT)

24. The Committee recommends that the Department should take sustained and targeted efforts to strengthen DGFT given its pivotal role in facilitation of trade, monitoring and achievement of trade targets and also recommends that an adequate budget allocation should be made to DGFT so that its core functions are not adversely affected. The Committee further recommends that the Department may also undertake periodic services of fund utilization and outcome indicators to ensure that allocation translate into measurable improvements in export performance service delivery. Therefore, any additional requirement of funds should be sought by the Department at RE stage. (Para 9.4)

TRADE INFRASTRUCTURE FOR EXPORT SCHEME (TIES)

25. The Committee notes with concern over the inadequacy of budgetary allocation for Trade Infrastructure for Export Scheme (TIES), which may constrain its effective implementation. The Scheme plays a vital role in supplementing efforts of the States to boost the development of export infrastructure in the country. Hence, incurring substantial public expenditure in priority area of export infrastructure would have a multiplier effect on the economy. The Committee, therefore, recommends that the allocation should be enhanced for the Scheme at RE stage to augment the spending in crucial infrastructure projects to improve the last mile connectivity to export.

(Para 10.6)

BUDGETARY PROPOSALS FOR APEDA, MPEDA AND PLANTATION BOARDS

APEDA

26. The Committee was informed that, in order to ensure end-to-end traceability and strengthen compliance with international standards, APEDA has developed web-based traceability systems such as GrapeNet (for grapes), Peanut.Net (for peanuts) and TraceNet (for organic products), integrating growers, processors, handlers, exporters and certification authorities on a single digital platform. Export of these products is undertaken only through online certification issued under notified regulations, thereby enabling traceability and identification of operators at every stage of the supply chain. The Committee was further informed that APEDA has been regularly organising training and capacity-building programmes on quality standards, certification requirements, food safety, aligned with the regulatory frameworks of importing countries, covering exporters, laboratories and State Government officials to enhance export preparedness and compliance. In view of the expanding scope of traceability systems and the increasing need for compliance with stringent international standards, the underfunding of APEDA risks constraining its core mandate of export promotion across critical agri-products. The Committee, therefore, recommends that adequate budgetary allocation be provided to APEDA to carry out its work of promoting agricultural exports. Further, the Committee also feels that the Department should promote sustainable agricultural practices by encouraging organic and natural farming, supported by adequate technical assistance for research, certification, farmer capacity-building, and improved market linkages. These initiatives would reduce the excessive use of chemical in fields, improve soil health, maintain ecological balance, and ensure the availability of safe and nutritious food. These measures would also enhance the global credibility, competitiveness, and acceptance of India's

agricultural exports. The Committee therefore, recommends that adequate budgetary allocation be provided to APEDA to carry out its work of promoting agricultural exports.

(Para 11.3)

MPEDA

27. The Committee notes with concern that under-allocation of funds has constrained MPEDA's capacity to undertake export promotion, market diversification, technology adoption, and compliance-support activities. India's marine product exports stood at approximately USD 7.45 billion in 2024-25 which is less than half of the national target of USD 14 billion by 2030. The Committee, therefore, recommends that allocation proposed for 2026-27 be reviewed upwards, in line with the ₹957 crore EFC proposal for the 16th Financial Cycle (2026-27 to 2030-31). The Committee also notes with concern that MPEDA returned unspent SC/ST funds of ₹7.50 crore, ₹6.20 crore, and ₹1.15 crore in 2022-23, 2023-24, and 2024-25 respectively, because suitable beneficiaries could not be identified in time. The Committee therefore recommends that MPEDA should resolve the issue of returning unspent SC/ST funds every year. MPEDA should prepare and maintain a pre-verified, state-wise database of eligible SC/ST beneficiaries at the beginning of each financial year, in coordination with State Fisheries Departments and District Administrations, so as to prevent recurring fund surrenders. Eligibility criteria and documentation requirements under SC/ST schemes should be simplified to remove procedural bottlenecks, and a quarterly utilisation monitoring mechanism should be put in place to ensure timely disbursement and full absorption of allocated funds.

(Para 11.9)

TEA BOARD

28. The Committee recommends that the allocation for the Tea Board should be enhanced at the RE stage to enable effective implementation of the approved activities under the schemes, and to promote Indian tea in international as well as domestic markets. Further, to utilize the budget allocation under the PMCSPI, the Committee recommends that the Department should make consultation with the stakeholders so that necessary steps are taken to implement the scheme and the scheme reach the beneficiaries. The Committee further opined that the initiatives may be taken by the Department to open Union Government run Tea estates. However, there should be implementation of law of the land and labour laws as per the Constitution.

(Para 11.12)

29. Further, the Committee observes that current Indo-Nepal Trade Agreement allows duty-free entry of Nepalese tea into India, whilst Indian tea exports to Nepal attract a 40 per cent duty, which places Indian tea growers at a significant competitive disadvantage. The Committee, therefore, recommends that there should be a level playing field for all Indian tea growers, and urges the Department to review the Indo-Nepal Trade Agreement with a view to ensuring reciprocal and fair trade terms. The Committee further recommends that strict measures be put in place to prevent any blending or mislabelling of Darjeeling GI-tagged teas to safeguard the global reputation of Indian teas and protect the long-term interests of Indian tea growers.

(Para 11.13)

COFFEE BOARD

30. The Committee notes with appreciation that the Coffee Board has also obtained GI tags for 5 regional coffees and 2 process-specific specialty Monsoon Malabar coffees and recommends that adequate budgetary and policy support be provided to the Coffee Board to strengthen its promotional, quality upgradation, value-addition, certification, branding, and GI protection initiatives, so as to consolidate export gains, promote value addition, and enhance the competitiveness of Indian coffee in international markets. The Committee further recommends that the Coffee Board undertake a comprehensive assessment of the challenges faced by Indian coffee producers and exporters, such as procedural and regulatory constraints, in comparison with major coffee-exporting countries and based on this assessment, necessary measures should be taken to simplify export procedures, improve market access, and ensure a level playing field for Indian coffee producers and exporters in the global market. (Para 11.18)

RUBBER BOARD

31. The Committee considers the budgetary allocations made to Rubber Board in BE 2025-26 are broadly aligned with the proposals that have been sanctioned by Expenditure Finance Committee. Further, the Committee recommends that the allocated amount may be spent judiciously and the scheme reach the beneficiaries. (Para 11.21)

SPICES BOARD

32. The Committee notes that against the proposed outlay of ₹254.16 crore for BE 2026–27, the Spices Board has been allocated only ₹156.89 crore, which may constrain the effective implementation of its developmental and export promotion activities. The Committee, therefore, recommends that adequate and enhanced budgetary allocation be provided to the Spices Board. Simultaneously, efforts should be undertaken to maintain export standards of Indian spices and to prevent their rejection in International markets. (Para 11.24)

INDIAN INSTITUTE OF FOREIGN TRADE

33. The Committee recommends that an adequate allocation should be made to IIFT at RE 2026-27 to strengthen its role as a premier institution in foreign trade education, research, and policy. IIFT requires sustained and predictable funding to expand its academic programmes, strengthen policy-oriented research through its Centre for Research on International Trade (CRIT), and support its growing multi-campus presence across cities. (Para 12.3)

Indian Institute of Packaging

34. The Committee recommends that the Department accord highest priority to the expeditious completion of the World Class Packaging Laboratory (WCPL) at IIP Mumbai. The Department should convene an urgent meeting with CPWD to secure a firm implementation timeline and strict adherence to agreed milestone. In addition, a structured quarterly progress monitoring mechanism may be instituted to synchronise fund flow with construction progress, thereby ensuring timely deliveries of this crucial infrastructure project. (Para 13.4)

NORTH EASTERN AREAS

35. In this regard, the Department informed that NER Allocation for Plantation Boards has been reduced from a BE of Rs 446.42 Cr to a RE of Rs 102.96 Cr primarily on account of the reduction in allocation for the ‘Pradhan Mantri Cha Shramik Protsahan Yojana (PMCSKY)’. However, the

implementation is yet to be made. The Committee, therefore, recommends that the Department take immediate steps to remove any bottlenecks and ensure the timely and effective implementation of the Pradhan Mantri Cha Shramik Protsahan Yojana. (Para 14.5)

GEM PORTAL

36. The Committee notes that the Government e-Marketplace (GeM) has emerged as a major digital platform for public procurement, with a total procurement value of ₹11,45,865 crore during the last three financial years. The Committee also notes that the platform has facilitated the participation of a large number of enterprises and several initiatives have been undertaken to promote the participation of women-led enterprises through integration with the Udyam database. The Committee acknowledges these initiatives, however, it recommends “mandatory compliance of Labour Laws” in contract and bid documents. Further, in view of the expanding scale of procurement through the GeM portal, the Committee recommends that the Department may introduce appropriate deterrent provisions and monitoring mechanisms to ensure strict compliance with applicable labour and statutory regulations. The Committee further recommends that all tenders floated through the GeM portal should explicitly stipulate that the ultimate responsibility for ensuring compliance with the laws of the land rests with the principal employer. (Para 15.6)

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