



10th August, 2020

To,
Dr. Rahul Gupta, IAS
Industries Commissioner,
Industries Commissionerate
Block No. 1, Udyog Bhavan,
Sector-11,
Gandhinagar

Sub: Request for relaxation in terms and conditions of "Scheme for Incentive to Industries (General) 2016-2021" due to COVID 19

Respected Sir,

Greetings from Gujarat Chamber of Commerce and Industry (GCCI).

As you are aware, Gujarat Chamber of Commerce and Industry (GCCI), founded in 1949 is the apex body for promotion of trade, commerce, industry and overall economic development in the State of Gujarat and for the Nation. GCCI works to create and sustain an environment conducive to the growth of industry and trade in Gujarat, partnering both of them through advisory processes.

With more than 4000 direct members which include over 200 Trade and Industry Associations and leading Chambers of Commerce of the State and more than 2,00,000 indirect members across Gujarat, GCCI represents all cross sections of trade and industry ranging from large corporates to SMEs.

It is to bring to your kind notice that we have received a representation from our members regarding the "Scheme for incentive to Industries (General) 2016-2021." As a part of Government's developmental policies "Scheme for Incentive to Industries (General) 2016-2021" was introduced by the State Government. The object of this scheme is attract investments to the state in the manufacturing sector with a view to create more employment opportunities for balanced regional growth and inclusive development of the state. Tax incentives were offered in the Scheme to industries making eligible investments during the operative period of the scheme. The benefit of incentives is available to the eligible

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President

Natubhai Patel
Sr. Vice President

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Vice President

Sanjeev Chhajer
Secretary

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Secretary (R)

Pathik S. Patwari
Treasurer

units within the stipulated time as referred into the respective Government Resolution providing for incentives.

As you are kindly aware due to COVID-19, economic activities across the Nation have been adversely impacted with massive dislocation in global production, supply chains and trade. To mitigate this adverse situation, they are seeking relaxation in some of the conditions stipulated under the above referred incentive scheme, which would provide relief to struggling industrial sector of the State.

1. Extension of the Incentive Period (Ref: Condition 8.1)

At present, Industrial Undertakings can claim incentives in terms of SGST reimbursement for 10 years starting from the date of commercial production. Due to COVID-19, there has been massive reduction in overall production and it may take considerable time to restore at normalcy.

In view of the above an extension of the incentive period should be given for additional 3 years.

2. Waiver of Turnover Protection Condition for 2019-20 and 2020-21

Condition (4) in the Government Resolution dtd. 15-11-2018 provides for certain restrictions on the industrial units already manufacturing same product in its existing non-incentive units. The condition provides that such existing non-incentive unit shall maintain average turnover of same products in preceding three years for next five years. In event of non-maintenance of such average turnover, the condition provides for reduction of incentives relating to net SGST .

It is a fact that overall product prices have fallen drastically during 2019-20 triggering an overall market meltdown. This has resulted in low price regime across all products including prices of eligible products.

Because of the above, Industries in Gujarat could not fulfil Turnover protection condition in year 2019-20. Also the impact of COVID-19 may continue in the year 2020-21..

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Therefore Waiver of Turnover Protection Condition for 2019-20 and 2020-21 may please be declared.

Industrial Sectors of Gujarat provide large-scale employment, upstream and downstream Industrialization and revenue generation for the State & National Exchequer. Therefore, Industrial revival is a must for Economic revival and is the need of the hour.

Sir, we look forward for your kind intervention in this matter.

With warm regards,

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President

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Copy To:

1. Shri Vijaybhai Rupani, Hon'ble Chief Minister, Govt. of Gujarat
2. Shri Nitinbhai Patel, Hon'ble Dy. Chief Minister, Govt. of Gujarat
3. Shri Anil Mukim, IAS, Chief Secretary, Govt. of Gujarat
4. Shri M.K. Das, IAS, Principal Secretary, Industries & Mines Dept., Govt. of Gujarat