



8th April 2021 / 3570

ગુજરાત વેપારી મહામંડળ

વલચલ થી કાર્યરત

To,

The Chairman,
State Level Approval Committee,
Gandhinagar

Natubhai Patel
President

Hemant N. Shah
Sr. Vice President

K. I. Patel
Vice President

Pathik S. Patwari
Hon. Secretary

V. P. Vaishnav
Hon. Secretary (R)

Sachin K. Patel
Hon. Treasurer

Subject: Suggestions for Textile Industries and problems faced in Gujarat Textile Policy

Dear Sir,

Warm Greetings from Gujarat Chamber of Commerce and Industries. At this juncture we want to thank Government of Gujarat for their great efforts in the time of COVID19 reaching out the industry and helping them with required support.

In this regard of Textile Policy, we hereby forward our suggestion and problems faced.

1. As per Gujarat Textile Policy 2012-2017 (Ext2018) Government declared VAT incentives. In the same policy Government has promised equal monetary benefits shall be restored even if the GST is implemented. Clause 5 of GTP 2012 clearly suggested the benefits.

Now due to some confusions Weaving and Processing Industries were denied this extension of benefits from 8 Years to 12 Years.

Now when VAT was abolished and GST was implemented, Department of Industries and Mines has issued Resolution NO. TEX-102012-65117-CH Dated 02/11/2019. To compensate the loss of VAT, due to implementation of GST and as the benefits was curtailed to half portion limited to State GST (SGST) and not CGST, Govt. increased the limit of 8 Years of VAT to 12 Years of GST with some conditions. Now in that resolution



Clause. 5 suggests that only those units will be eligible to take this benefit of extension whose SGST part is less than 50% from the VAT regime.

Our Request:

We request to increase the GST benefit from 8 Years to 12 Years for Weaving Industries and Processing Industries. As earlier in VAT regime Input VAT on Yarn was 5%, And Output Fabric was NIL, now in the GST rate of Input Yarn is 5% (2.5% SGT and 2.5% CGST) and Output GST on Fabric is 5% (2.5% SGST and 2.5% CGST) considering the Clause. 5 of Resolution NO. TEX-102012-65117-CH Dated 02/11/2019. Only Weavers are not eligible to get this benefit of extension of 12 years from 8 Years. This is unfair and we request to allow this extension of GST benefit till 12 Years to Weaving Industries and Processing Industries.

Ground:

All the recipient of Textiles policy has been given benefits only Weaving and Processing Sector has been left out.

5.5.2 If and at such time, VAT and /or CST are replaced by Goods and Services Tax or any other similar law for the levy of tax in the state of Gujarat, after the date of issue of this GR the interest of the unit would be adjusted in order to maintain the same economic benefits to the unit.

2. Interest Benefits are been given to all sectors and Textile Industries are also receiptant of that benefits. Now due to COVID-19, Reserve Bank of India has issued circulars to increase moratorium and allow the units not to pay instalment and interest for maximum period of 6 months. i.e. from March 2020 to August 2020. Now Banks has charged Interest and has differed the Instalment.

As a result of this RBI circular Enterprise is not able to inward the claim because as they might have not paid the interest or instalment or even both. Hence forth the Industry faces loss

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because Bank has charged the interest and collected also in many cases, only Instalment has differed.

Our Request:

Government shall allow the claim of Interest charged by Banks for the said period between March 2020 and August 2020 irrespective of the Interest or Instalment is paid or not. There are cases where some banks has allowed to repay interest and there are equal number of cases where Banks has disallowed to pay interest in spite of Enterprise has asked bank to collect the interest. Those banks have differed the entire amount of Interest with Instalment.

So, If Interest is charged and paid than Industries Commissioners Office can reimburse to the unit directly as per old system and if enterprise has not paid interest because of what so ever reason, then IC Office can directly deposit these Interest claims of the said period to concerned Banks Loan Account.

Ground:

COVID 19 has hit the textile sectors which is trying to come out of this situation. And as central Govt. and RBI has issued this circular State Govt shall allow this kind of claims.

3. State Government is issuing 90% of payment against declared 2.5% SGST Benefits. Out of this entire amount, 10% amount are kept pending because of GST assessment. As in GST regime Currently Annual return of GSTR - 9 which is document or statement that has to be filed once a year by a registered taxpayer containing the details of all supplies made and received under various tax heads during the year along with turnover and audit details for the same.

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Our Request:

We request to release 10% pending SGST amount hold of the concerned Unit, when Unit submits final Annual return GSTR-9 & GSTR-9C pertaining to Corresponding Quarters Claims inward for Particular Financial Year.

Ground:

GSTR 9C must be filed annually by taxpayers and it must be certified by a CA. It is basically a reconciliation statement between the annual returns filed in GSTR-9 and the taxpayer's audited annual financial statements.

Moreover, if turnover of the dealer exceeds Rs. 5Cr, the forms 9-C would be certified by the Chartered Accountant after thorough verification of account books. So once form GSTR 9 and GSTR 9-C is filed, it is tantamount to assessment Also, there are no provision for Rectification in any type of Returns after Filling Annual Return GSTR9 & GSTR9C.

Considering the above problems faced, we request you sir to do needful in the above stated matter.

With Warm Regards,

Natubhai Patel
President

Saurin Parikh
Chairman- Textile Taskforce

Copy to:

1. Shri M. K Das, IAS, Additional Chief Secretary, Industries & Mines dept.
2. Shri Pankaj Joshi, IAS, Additional Chief Secretary Finance department
3. Dr. Rahul Gupta, IAS, Industries Commissioner

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