

Modalities for reimbursement
of SGST Incentives in place of
VAT under various Incentive
scheme

Government of Gujarat
Industries & Mines Department,
Resolution No. INC-102018-522243-I
Sachivalya Gandhinagar.
Dated: 15/11/2018

Read:

1. Resolution No. MIS/102014/924881/I Dated 28/01/2015 (Labour Intensive Scheme)
2. Resolution No. INC/102015/645918/I Dated 25/07/2016 (Scheme for Incentives to Industries (General))
3. Resolution No. MIS/102014/924790/ I Dated. 06/01/2017 (Scheme for assistance for Plastic Industry (Revised))
4. Resolution No. ADP/102015/69673/ I Dated 19/12/2016 (Incentive Scheme for Aerospace and Defense Enterprises)
5. Resolution No. MIS/102014/924909/I Dated 27/01/2015 (Assistance for Start Ups / Innovation)

Preamble:-

The State Government has introduced various Incentive Schemes for the development of Industries as read at serial number 1 to 5 above. VAT/CST incentives are provided in the respective GRs. GST Act was introduced with effect from dt.01/07/2017. A committee under the Chairmanship of Principal Secretary (I & M) was constituted to recommend modalities to work out reimbursement of Net SGST incentives in place of reimbursement of VAT/CST incentives. The committee has submitted its report on modalities which has been accepted by the Government and decided to reimburse Net SGST.

Resolution :

After careful consideration Government is pleased to decide the reimbursement of Net SGST and modalities for incentives in the form of reimbursement of Net SGST in place of reimbursement of VAT/CST in respect of units covered under policy read at sr. no. 1 to 5 above, as mentioned below:

Definition:

Net SGST to be considered for Reimbursement means that the eligible unit will be eligible to get reimbursement of SGST amount paid through cash ledger against the output liability of SGST on sale of eligible products. The eligible unit shall first have to utilize all the eligible ITC available in its Credit Ledger maintained on the common portal as specified under sub-rule (1) of the rule 86 of the Gujarat Goods and Services Tax Rules, 2017 including eligible ITC of

IGST as provided under Section 49 of the GGST Act, 2017 as may be amended from time to time, before adjusting the SGST amount through Cash Ledger.

Conditions:

1. Separate registration by eligible unit under GST: Eligible unit shall have to obtain a separate registration under GST Act for manufacturing of eligible products only. The eligible unit shall not carry out any trading activity or provision of any services not relating to eligible products from its place of business. The eligible unit shall have to obtain a separate registration, if the unit carries out trading activity or provision of any services not relating to eligible products.
2. Incentives shall be allowed only for eligible goods manufactured in the eligible unit and not on the resale of goods.
3. If the eligible unit has shown its inter-State sales as intra-State sales through intermediary / marketing network / or any other middle man, either directly or indirectly controlled by it, in order to get higher incentives then the eligibility certificate of the eligible unit shall be liable to be cancelled with effect from the date of such contravention, and the eligible unit shall be liable to return forthwith the incentives availed together with interest at the rate of eighteen per cent per annum.
4. If the industrial undertaking availing incentive under the Scheme for Incentives to Industries under Resolution No.INC/102015/645918/I dated 25-7-2016 (as mentioned at serial no.2 above) or under the scheme for assistance for Plastic Industry (Revised) under Resolution No.MIS/102014/924790/I dated 06-01-2017 (as mentioned at serial no.3 above), is already manufacturing the same product in one or more existing industrial units in Gujarat owned by it or by its subsidiary, then the turnover of all such existing industrial units of the same product for five consecutive years commencing from the year in which the industrial undertaking avails incentive under this resolution shall not be lower than the average turnover of the same product in the immediately preceding three financial years from the year in which the industrial undertaking avails incentive under this resolution.
If the turnover in any of the five consecutive years, is lower than the average turnover of the immediately preceding three years from the year in which the industrial undertaking avails incentive under this resolution, then the net SGST incentive shall be reduced to the extent of net SGST applicable on the difference of average turnover of preceding three financial years and the actual turnover of the same product.
5. The Commissioner of State Taxes shall provide to the Industries Commissioner duly certified copies of returns as provided under section

39 of the Gujarat Goods and Services Tax Act, 2017, filed through the common portal by the eligible unit.

6. The eligible unit shall submit to Industries Commissioner the details of amount of reimbursement claimed in the prescribed proforma duly certified by a Chartered Accountant. The proforma shall include a declaration by the eligible unit stating that it has not shown its inter-state sales as intra-state sales through intermediary either directly or indirectly controlled by it in order to get higher incentives.
7. Reimbursement shall be made by the Industries Commissioner at such intervals as may be prescribed.
8. All other conditions as mentioned in earlier resolutions under the respective schemes shall be applicable mutatis mutandis.

This Resolution is applicable from the date 01/07/2017.

This issues with the concurrence of Finance Department vide note dated 05-09-2018 received on this department's file of even number.

By order and in the name of Governor of Gujarat,

B. S. Mehta
(B.S.Mehta)

Joint Secretary
Industries and Mines Department

Copy to :-

1. Secretary to Hon'ble Governor of Gujarat*
2. Chief Principal Secretary to Hon'ble Chief Minister*
3. Personal Secretary to Hon'ble Dy. Chief Minister
4. Personal Secretary to all Hon. Ministers
5. Deputy Secretary to chief secretary
6. Additional Chief Secretary, Finance Department, Sachivalaya, Gandhinagar.
7. Commissioner of Good and Services Tax, Ashram Road Ahmedabad.
8. All ACS/PS/ Secretaries
9. Industries Commissioner, Udhyog Bhavan, Gandhinagar.
10. Computer Cell
11. Select file.