

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

Government of Gujarat
Industries & Mines Department
Resolution No. parach-102019-140168-I
Sachivalaya Gandhinagar.
Dated: 06-03-2019

Read: -

1. IMD Government Resolution No. INC- 102018-522243-I dated 15.11.2018

Preamble: -

The Government has issued Resolution No. INC-102018-522243-I dated 15.11.2018 (herein after referred to as "the said Resolution") to provide for modalities for reimbursement of SGST incentives in place of VAT under various incentive schemes.

The said Resolution provides for certain conditions for availing incentives in the form of net SGST reimbursement by an eligible unit. The condition at serial number (1) in the said Resolution *inter alia* provides that an eligible unit shall have to obtain a separate registration under GST for manufacturing of eligible products only.

The Government has received representations from various trade and industries associations to relax the impugned condition in cases of forward integration i.e. an eligible unit receiving inputs from its existing non-eligible units with same GSTIN.

Resolution:-

After careful consideration, the Government is pleased to relax the impugned condition at serial number (1) in the said Resolution, subject to the following conditions:



Conditions:

- (i) To qualify for a case of forward integration, an eligible unit shall utilize minimum 33.33 % of inputs received from its non-eligible units with same GSTIN out of total utilization of all inward supply of its inputs during the financial year.
- (ii) In case of breach of the condition mentioned at serial number (i), the relaxation granted shall cease forthwith and such eligible unit shall have to obtain separate registration as provided in condition (1) in the said Resolution.
- (iii) Separate books of accounts pertaining to eligible unit and non-eligible units including information related to utilization of inputs, input services and capital goods by eligible unit and non-eligible units shall be maintained.

(iv) Submission of statement:

- (a) The eligible unit shall furnish a statement in the format as may be prescribed by the Industries Commissioner.
- (b) For the purpose of claiming net SGST reimbursement, the statement shall provide details of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars as may be prescribed separately for eligible unit and non-eligible units which shall be reconciled with such details furnished in the returns filed under the Gujarat Goods and Services Act, 2017 (herein after referred to as "the Act").
- (c) The statement shall contain the details of the utilisation of input tax credit between eligible unit and non-eligible units as per provisions of the Act and rules made thereunder.

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- (d) The statement shall also contain the details of utilization of inputs by the eligible unit received from its non-eligible units with same GSTIN out of total utilization of all inward supply of its inputs.
- (e) In cases where usage of inputs, input services and capital goods pertaining to eligible unit are not identifiable, credit pertaining to such inputs, input services and capital goods shall be assigned on provisional basis, to eligible unit and non-eligible units in the proportion to turnover of outward supplies of respective units during the quarter. Final calculation with regard to distribution of credit of inputs, input services and capital goods between eligible unit and non-eligible units shall be made at the end of financial year in the proportion to turnover of outward supplies of respective units during the year.
- (f) The Statement furnished by the eligible unit shall be certified by an independent Chartered Accountant.
- (v) The reimbursement of net SGST shall be granted quarterly on provisional basis by the Industries Commissioner. The amount of net SGST reimbursement admissible for the year shall be computed at the end of the year. At the end of financial year, if it is found that the excess SGST reimbursement has been granted as against the total amount of SGST reimbursement actually admissible, such excess amount of SGST reimbursement shall be paid back to the Government immediately along with interest of eighteen per cent per annum from the date of such excess reimbursement.
- (vi) The amount of net SGST reimbursement in any case shall not exceed the amount of SGST paid in cash through adjustment of



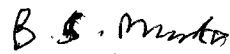
cash ledger as shown in the return furnished under the Act by such eligible unit.

- (vii) The Industries Commissioner may direct such eligible unit to get his records including books of account examined and audited by an independent Chartered Accountant as selected by the Industries Commissioner in order to verify the claim of net SGST reimbursement.
- (viii) Relaxation in condition for obtaining separate registration in cases of forward integration will be granted on case to case basis by the Industries and Mines Department.
- (ix) All other conditions as mentioned in the said Resolution shall be applicable mutatis mutandis.

This Resolution shall come into force from the date of issue of this Resolution.

This issues with the concurrence of Finance Department vide note dated 5.3.2019 received on this department's file of even number.

By order and in the name of Governor of Gujarat.


(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.

