वर्ष 49 अंक 2
28 फरवरी 2019

मेवाड़ चेम्बर पत्रिका

(मेवाड़ चेम्बर ऑफ कामर्स एण्ड इण्डस्ट्री का मासिक पत्र)

उदयपुर, चित्तौड़गढ़, डूँगरपुर, बाँसवाड़ा, प्रतापगढ़
राजसमन्द एवं भीलवाड़ा का सम्भागीय चेम्बर

मेवाड़ चेम्बर ऑफ कामर्स एण्ड इण्डस्ट्री
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Co-ordination meeting with Bankers Club on 26.02.2019

दीप प्रज्जवलन के साथ बैठक का शुभारम्भ

बैठक में मंचासीन अतिथिगण

उपस्थित बैंकर्स एवं मेवाड चेम्बर के सदस्यगण

मुख्यवक्ता डॉ आर सी लोढा का स्वागत करते हुए
वरिष्ठ उपाध्यक्ष श्री जे के बागडोदिया

बैंकर्स क्लब के चेयरमेन श्री आर के सिंह का स्वागत
करते हुए संयुक्त सचिव श्री के के मोदी

बैंकर्स क्लब के चेयरमेन श्री आर के सिंह का
स्वागत करते हुए कोषाध्यक्ष श्री वी के मानसिंगका

कार्यशाला को सम्बोधित करते हुए
मानद महासचिव श्री आर के जैन

कार्यशाला को सम्बोधित करते हुए
अध्यक्ष श्री दिनेश नौलखा

कार्यशाला को सम्बोधित करते हुए
मुख्य वक्ता डॉ आर सी लोढा अध्यक्ष

कार्यशाला को सम्बोधित
करते हुए बैंकर्स क्लब के
अध्यक्ष श्री आर के सिंह

कार्यशाला को सम्बोधित
करते हुए बैंकर्स क्लब के
सचिव श्री एल एल गांधी

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Confederation of Indian Industry (CII)
National Institute for Entrepreneurship and Small Business Development (NIESBUD), New Delhi.
Confederation of All India Traders, New Delhi

AT THE STATE LEVEL

Rajasthan Chamber of Commerce & Industry, Jaipur.
The Employers Association of Rajasthan, Jaipur.
Rajasthan Textile Mills Association, Jaipur

REPRESENTATION IN NATIONAL & STATE LEVEL COMMITTEES

- All India Power loom Board, Ministry of Textile, Govt. of India, New Delhi
- National Coal Consumer Council, Coal India Ltd., Kolkata
- State Level Tax Advisory Committee, Govt. of Rajasthan, Jaipur
- State Level Industrial Advisory Committee, Govt. of Rajasthan, Jaipur
- Regional Advisory Committee, Central Excise, Jaipur
- Foreign Trade Advisory Committee, Public Grievance, Customs, Jaipur
- DRUCC/ZRUCC of North Western Railways

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नई उद्योग नीति के संबंध में जयपुर में बैठक

18 फरवरी 2019 को उद्योग विभाग राजस्थान सरकार की ओर से जयपुर में नई उद्योग नीति एवं टेक्सटाइल नीति बनाने के संबंध में औद्योगिक संगठनों से चर्चा हेतु एक बैठक आयोजित की गई। बैठक की अध्यक्षता राज्य के उद्योग आयुक्त डॉ के के पाठक ने की।

इस बैठक में मेवाड चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री की ओर से टेक्सटाइल उद्योग को थ्रस्ट सेक्टर मानकर विशेष टेक्सटाइल नीति बनाने के संबंध में अपना विस्तृत प्रतिवेदन दिया।

चेम्बर ने अपने प्रतिवेदन में बताया कि भीलवाडा में टेक्सटाइल उद्योग के उल्लेखनीय विकास के बावजूद भी राजस्थान टेक्सटाइल उद्योग में बहुत पिछडा हुआ है। पूरे देश में स्पिनिंग मिलों में लगे 5 करोड स्पिण्डल के मुकाबले राजस्थान में 20 लाख स्पिण्डल लगे है जो कि देश का 4 प्रतिशत ही है। इसी तरह पावरलूम क्षेत्र में देश में लगे 20 लाख पावरलूम के मुकाबले राजस्थान में कुल 22 हजार पावरलूम लगे है, जो कि 1 प्रतिशत के बराबर है। अतः राज्य की नई उद्योग नीति में टेक्सटाइल उद्योग को थ्रस्ट सेक्टर मानकर विशेष रियायतों की आवश्यकता है।

चेम्बर ने अपने प्रस्तुतिकरण में पूरे देश एवं अन्य राज्यों के आंकडे प्रस्तुत करते हुए टेक्सटाइल उद्योग के लिए विशेष पेकेज की मांग की। चेम्बर ने वर्तमान औद्योगिक नीति में जोधपुर, पाली, बालोतरा को विस्तार कर पूरे राज्य में कही भी स्थापित होने वाले पावरलूम उद्योग को यार्न पर जीएसटी में 50 प्रतिशत छूट, डेनिम उद्योग के विकास के लिए भूजल विभाग की एनओसी की अनिवार्यता समाप्त करने की मांग की। साथ ही 10 करोड तक के निवेश पर 6 प्रतिशत ब्याज अनुदान एवं 10 करोड से अधिक निवेश पर 7 प्रतिशत ब्याज अनुदान देने एवं वर्तमान में लागू रोजगार अनुदान को जारी रखने की मांग की।

महाराष्ट्र एवं गुजरात की टेक्सटाइल नीति के अनुरुप लघु एवं मध्यम टेक्सटाइल उद्योगों को बिजली दरों में 3 रु प्रति यूनिट, वृहत उद्योगों को 2रु प्रति यूनिट की छूट के साथ रात्रि में 10 से प्रातः 6 बजे तक टेक्सटाइल उद्योगों को 5 रु प्रति युनिट की फ्लेट दर पर विद्युत आपूर्ति की मांग की। टेक्सटाइल उद्योग में लगे केप्टिव पावर प्लान्ट एवं सोलर पावर प्लान्टों पर मार्च 2018 से पूर्व दी जा रही विद्युत कर से छूट को पुनः देने की भी मांग की।

माननीय उच्चतम न्यायालय ने दिल्ली एनसीआर क्षेत्र में प्रदूषण की गम्भीर स्थिति को देखते हुए एनसीआर क्षेत्र में पेटकॉक के उपयोग की पाबंदी लगाई थी, जिसे बाद में पूरे राजस्थान पर लागू कर दिया गया। दक्षिण राजस्थान में स्थापित टेक्सटाइल उद्योग दिल्ली से 250 किमी से अधिक दूरी पर है एवं यहां का धुंआ वहां नही पहुंचता, साथ ही सभी उद्योगों में इस धुंए में से सल्फर डाई ऑक्साइड को सौंखने के संयंत्र लगा रखे है। अतः राज्य सरकार को उच्चतम न्यायालय में प्रतिवेदन कर दक्षिण राजस्थान के टेक्सटाइल उद्योग को पेटकॉक उपयोग की छूट दिलवानी चाहिए।

इसके साथ चेम्बर ने जीएसटी संबंधी कई मुद्दे राज्य सरकार के स्तर से जीएसटी कॉन्सिल में रखकर उद्योगों को राहत दिलाने की भी मांग की।

चेम्बर की ओर से प्रस्तुत प्रतिवेदन :

A NOTE ON TEXTILE INDUSTRY IN RAJASTHAN & SUGGESTIONS FOR NEW INDUSTRIAL POLICY OF THE STATE

Introduction

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

The Indian textiles industry, currently estimated at around US$ 150 billion, is expected to reach US$ 250 billion by 2019. India's textiles industry contributed seven per cent of the industry output (in value terms) of India in 2017-18.It contributed two per cent to the GDP of India and employs more than 45 million people in 2017-18.The sector contributed 15 per cent to the export earnings of India in 2017-18.

India's overall textile exports during FY 2017-18 stood at US$ 39.2 billion.

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players.

High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

TEXTILE INDUSTRY IN RAJASTHAN

Textile Industry is the oldest industry of the Country and of Rajasthan also. Presently, it is the Back Bone of the State's Economy and is also the largest employer in organized and unorganized sector after agriculture. Rajasthan has developed as the major Textile State in the Country. It is the largest producer of polyester / viscose yarn, about 65% of the Country's production of P/V yarn. It has emerged as the largest producer P/V blended suiting in the Country, producing about 72% of total production. In the State, Bhilwara is the largest center of P/V suiting production in the World, producing about 100 crore meters of such fabrics per annum.

Pali, Balotara, Jasol, Jodhpur are the largest center of cotton fabrics dyeing in the Country. Prior to Independence, there were 10 textile mills functioning in Rajasthan. Presently there are 40 large sector textile mills in the State having about 20 lacs spindle installed capacity, producing about 6 lacs tones of yarn per annum valued at Rs 15,000 crore.

The State has about 25000 power looms out of which about 17000 looms in Bhilwara district are producing P/V and other blended Suitings. The production of blended Suitings is about 100 crore meters valued at Rs 15000 crore per annum.

In Rajasthan, Bhilwara and Banswara has emerged as the large center of Denim production, making Rajasthan as the second largest producer of denim in the Country.

In Bhilwara about 20 crore meters and in Banswara about 5 crore meters of Denim is produced per annum.

Rajasthan is far behind in technical textile and readymade garment sectors.

TEXTILE INDUSTRY IN BHILWARA

In Spinning, out of 40 mills in the State 20 mills in Bhilwara District.

- Total spindlage 10.15 lacs.
- Producing 2.80 lacs tone yarn, which is 44% of State's Yarn Production.
- Exporting 75% of State's Yarn Export.
- Out of 17,000 (approx.) looms working at Bhilwara 16000 looms are modern technology shuttle less loom.
- The rate of modernization of looms at Bhilwara is 95% as compared to the average of the Country 8%.
- 19 modern technology process houses with capacity 80 crore meters p.a.
- Total turnover of textile trade 25000 crore.
- Total Export of (Yarn & Fabrics) 4000 Crore.
- Direct employment in textile industry approx. 85000 people and indirect employment approx. 60000 people.

POTENTIALS FOR DEVELOPMENT OF TEXTILE INDUSTRY IN RAJASTHAN

After abolishment of Multi Fibre Agreement the textile industry took a quantum jump and almost doubled the size in spinning and weaving sector with proper policy support of the State Government. The Rajasthan Investment Promotion Scheme 2010 framed under the able leadership of Hon'ble Chief Minister Shri Ashok Gehlot proved to be a milestone for the development of industries in Rajasthan. The RIP 2010 was later amended as RIP 2014.

The spinning sector has a great potential to add about 10 lacs more spindles in next 5-6 years, provided proper policy support is given by the State Government, as under ATUFS of the Government of India no support is available for this sector. In weaving sector, particularly in production of Denim fabrics, we have a potential to grow to the size of 50 crore meters of fabrics production per annum. Bhilwara itself can easily double the production to 40 crore meters level from present 20 crore with proper policy support.

The provisions under RIP 2014 as under:

Power Loom sector:

Enterprises making a minimum investment of twenty five lacs rupees in the power loom sector and giving employment to minimum ten persons in an area specified by an order for this purpose by the Industries Department in the districts of Jodhpur, Pali and Barmer shall be granted the same benefits as provided to the textile sector. Such enterprise shall get 30% additional reimbursement of VAT on purchase of yarn for seven years in addition to the reimbursement of VAT under clause 9.11(e).

Textile sector:

Enterprises making a minimum investment of twenty five lacs rupees in the textile sector shall be granted the following benefits for the period as mentioned in clause 10.7 of the Scheme:

(a) 5% interest subsidy;
(b) additional 1% interest subsidy for enterprises making investment more than Rs25 crore;
(c) 7% interest subsidy for Technical Textile Sector;
(d) Capital Subsidy on zero liquid discharge based effluent treatment plant equivalent to 20% of amount paid to the suppliers for the plant excluding civil work, subject to a maximum of Rs1crore;
(e) 50% reimbursement of VAT on purchase of yarn, fibre, recycled fibre yarn, cotton and pet bottles for use in manufacture of goods within the State, for sale by him; and
(f) 50% exemption from payment of Entry Tax on capital goods, for setting up of plant for new unit or for expansion of existing enterprise or for revival of sick industrial enterprise, brought into the local areas before the date of commencement of commercial production/operation.

POLICY SUPPORT REQUIRED FOR FURTHER DEVELOPMENT

The TUFS of Government of India was providing 5% interest subsidy on modernization or installation of shuttle less looms and in spinning, processing sectors. In case of technical textile, the support was 7%.

The TUFS amended from time to time and presently it is operative as ATUFS up to 31.03.2022. The ATUFS is not providing any support to spinning sector, while in Rajasthan, the spinning sector is at a very low level if compared on all India basis. Out of about 5 crore spindles capacity of the Country, the State has only about 20 lacs spindles i.e. only 4% and this sector also need proper support from the State Government for further development.

Similarly, out of about 20 lacs Powerloom in the Country, we have only about 22000 power looms working in the State i.e. 1% of the Country.

OUR SUGGESTIONS

Power Loom sector:

As per RIP 2014-Enterprises making a minimum investment of twenty five lakh rupees in the power loom sector and giving employment to minimum ten persons in an area specified by an order for this purpose by the Industries Department in the **districts of Jodhpur, Pali and Barmer** shall be granted the same benefits as provided to the textile sector. Such enterprise shall get 30% additional reimbursement of VAT on purchase of yarn for seven years in addition to the reimbursement of VAT under clause 9.11(e).

This benefit should be for the whole of the State and the benefit should be based on GST paid on yarn.

Denim Sector:

The major problem is Denim sector is the clearance from the Central Underground Water Board as these units require about 1 lac litre water per day. On the plea of Dark Zone, the board is not granting NOC for new units.

We suggest that the Denim units having requirement of about 1 lac litre per day should be exempted from obtaining NOC from the Central Underground Water Board. Else, the State Government should make a plan to provide water to such units from some surface water source. In Bhilwara it can be from Kankrolia Ghati water project, which is not being used presently after implementation of Chambal project.

Textile sector:

Enterprises making a minimum investment of twenty five lakh rupees in the textile sector shall be granted the following benefits:-

(a) 5% interest subsidy;
(b) Additional 1% interest subsidy for enterprises making investment more than Rs10 crore;
(c) Additional 2% interest subsidy for enterprises making investment more than Rs20 crore;
(d) 7% interest subsidy for Technical Textile Sector, Denim & Garment Sector.
(e) Capital Subsidy on zero liquid discharge based effluent treatment plant equivalent to 20% of amount paid to the suppliers for the plant excluding civil work, subject to a maximum of Rs1crore;
(f) 50% reimbursement of GST on purchase of yarn, fibre, recycled fibre yarn, cotton and pet bottles for use in manufacture of goods within the State.

Note: ***Previously the benefits under the textile package were linked with the TUFS subsidy sanctioned by the Ministry of Textile. Now as the ATUFS is almost non-operative, the state benefits should be sanctioned de-linked with TUFS and should be sanctioned at State / District Level itself.***

Support for establishing Textile Park

The Ministry of Textile has launched scheme for Textile Park which now operative up to 31.03.2020. Rajasthan has been sanctioned only four Textile Park out of which only two are operative. The State Government should develop a separate policy for Textile Park at State's level operative for next five periods. The Government should promote textile parks also with minimum 20 units.

- ❑ The textile park should be provided financial assistance @ 25% of capital expenditure for establishing common facilities, common infrastructure and additional infrastructure (except land cost), maximum up to Rs 25 crore.
- ❑ The developer of park will be eligible for reimbursement of 100% of stamp duty paid on purchase of land required for the new park.
- ❑ The individual enterprise which is set up in the Park will also be eligible for reimbursement of 100% stamp duty paid on the first purchase of plot / shed in the Textile Park.
- ❑ The Park should be provided financial assistance @ 25% of the cost of Hostel/ Dormitory Housing within the Park for a minimum of 100 workers.

Employment Subsidy

Employment Generation Subsidy up to 20% of GST deposited by the enterprise, for seven years for the eligible textile units.

POWER / ENERGY MATTERS

Power Tariff Subsidy

A) Weaving Activity: Power Tariff subsidy of Rs. 3 per billed unit (Kwh) having LT power connection and Rs. 2 per billed unit (Kwh) having HT power connection.

B) Other Textile Units: Rs. 2 per billed unit (kwh) to enterprise having either LT connection or HT connection.

C) To Withdraw Electricity Duty of 40 paisa per Unit on Captive Power Plants with capacity 5 to 50 MW for Textile Industry.

D) Surplus Energy in Rajasthan, request for special tariff for textile industry from 10 pm to 6 am period

Rajasthan Electricity Regulatory Committee, Jaipur in its order dated 28.5.18 has approved the surplus energy during FY 2018-19 in Rajasthan to the range of 12865 MU.

As the Industrial power tariff of HT consumers of Rajasthan is one of the highest in the country, a large number of industrial consumers are purchasing power from "Open Access System" where the rates are low as compared to rates of Vidhyut Nigam and due to this fact, the Rajasthan Vidhyut Utpadan Nigam is forced to sell electricity to other States on low rates which is causing loss to both state and to the industrial consumers, as they have to pay wheeling charges on Open Access Power purchases. Hence, the Government should promote the consumption of electricity generated in the State, within the State.

We therefore request that a special rate of Rs 5/- per unit be fixed for Textile Industry of Rajasthan in the tune of 10 PM to 6 AM to better utilize the excess power in this time zone available as electricity demand from domestic and agriculture sector is very low in this period. This will support the Textile Industry of Rajasthan, a largest employment provider, to survive and grow more.

The Maharashtra Govt has already announced a subsidy of Rs.2/- per unit to Textile Sector and Punjab State have announced Rs 5/- per unit tariff for five years for industries.

E) Purchase of Power from Open Access

(1) Additional Surcharge (w.e.f. 01.05.16) of Re 0.80 per unit imposed on all open access consumers of state :

Additional Surcharge of Rs 0.80 per unit imposed vide order dated 24th Aug 2016 passed by Rajasthan Electricity Regulatory Commission (RERC) on power consumed through interstate open access. This new levy has been made applicable w.e.f. 1st May 2016. **It has been made effective retrospectively.**

Secondly, this Additional Surcharge has been levied to compensate the State Discoms for stranding of power generation capacity contracted by them under long term Power Purchase Agreement (PPA) because of procurement of power by their consumers from sources other than local Discom under open access arrangement. Whereas this has been applied for all kind of transaction even on day ahead transactions.

New open access regulation 2016, will safe guard stranding of power hence this levy many be reviewed and removed.

We request for its review at your level so as to abolish this levy in view of new open access rules 2016.

(2) Levy of Cross Subsidy surcharge (CSS) Rs 1.63 per unit.

RERC vide its order dated. 01.12.16 has levied CSS @ Rs 1.63 per unit for 132 KV customers, Rs 1.39 per unit for consumers on 33 KV and Rs 0.63 per unit for consumer on 11 KV.

Relevant regulation prohibits such levy beyond 20% of energy charges, as such maximum levy could be Rs 1.46 per unit if at all it was unavoidable.

Use of Petcoke by Textile Industry

The Ministry of Environment, Forest & Climate Change, New Delhi had issued notification dated 19th Jan, 2018 vide G.S.R. 46(E), about consumption of the petcock as industrial fuel, by the cement industry in NCR states as fuel.

Steam, Oil and Power plays vital role in textile process and without steam it is not possible to produce fabric. All processing mills operate boilers for supplying steam for processing and for generating power as well as Reheating furnaces for indirect oil heating.

In Steam Boiler and reheating furnaces, Coal/Furnace Oil/Petcoke are used as main fuel. Our state (Rajasthan) does not produce any coal. Since Bihar, Madhya Bharat, etc. are far away from our State, the cost of coal is more than doubled in case of transportation. In present scenario, the available fuel such as Imported Coal, Petcock and Furnace Oil are meeting the above said demands. To stand in the competitive market, everybody tries to operate with low cost fuel on their Boilers and in reheating Furnaces.

Petroleum coke is an opportunity fuel due to its high carbon and energy content. It is an ideal fuel for Fluidized bed combustion technology type Boiler and in Fluidized bed combustion type boilers, it is easy to control the So emission on flue gas which is going outside from boiler through chimney.

We wish to submit that Industries using coal is badly impacted due to ban on use of Pet Coke in their Captive Power Plants, Boilers and Thermo packs etc and the ban on use of pet coke should be lifted on industries which are using the same for its captive power plants, boilers and Thermo packs due to following reasons –

1. All industries in Rajasthan are following the norms of pollution control board i.e. SO2 and NO2.
2. Lime is used along with pet coke hence sulphur issue does not arise.
3. Use of pet coke will allow the industry to reduce the cost of generation of power. As major textile producing states viz Gujrat, Maharashtra, M.P., Tamilnadu, Punjab etc are using petcoke whereas in Rajasthan we are at disadvantageous position due to high fuel cost due to ban on Pet Coke use.

Pet Coke was banned due to high pollution in the Delhi NCR Region. NCR region is having an aerial distance of 90 kms. Therefore the above notification should be implemented upto 90 kms aerial distance from Delhi NCR region.

But the notification came on state wise and not on aerial distance wise. So this resulted into a ban on Pet Coke in area which is even 400 kms away from Delhi, whereas area which is 250 kms away from Delhi, are not affected from the notification. The area in which Pet Coke is allowed to use, are having their power cost lower by Re 1/- per unit. So the units which is situated in Rajasthan at even more than 250 should be allowed to use Pet Coke in their CPPs, Boilers and Thermo pack.

बैंकर्स क्लब के साथ आपसी सम्पर्क बैठक

26 फरवरी 2019 को मेवाड चेम्बर भवन में बैंकर्स क्लब एवं मेवाड चेम्बर के सदस्यों की आपसी सम्पर्क बैठक का आयोजन किया गया। बैठक की अध्यक्षता चेम्बर के अध्यक्ष श्री दिनेश नौलखा ने की। कार्यक्रम के मुख्य अतिथि सेन्ट्रल बैंक ऑफ इण्डिया के पूर्व कार्यकारी निदेशक डॉ आर सी लोढा थे। बैंकर्स क्लब के अध्यक्ष राजेश कुमार सिंह विशिष्ठ अतिथि थे।

कार्यक्रम के प्रारम्भ में चेम्बर के वरिष्ठ उपाध्यक्ष श्री जे के बागडोदिया, कोषाध्यक्ष श्री वी के मानसिंगका, संयुक्त सचिव श्री के के मोदी ने डॉ आर सी लोढा एवं बैंकर्स क्लब के पदाधिकारियों का माल्यार्पण कर स्वागत किया। साथ ही बैंकर्स क्लब के नये सदस्य श्री राजेश खजुरिया सहायक महाप्रबंधक बैंक ऑफ बडौदा, श्री के एम समान्तरिया एजीएम ऑरियन्टल बैंक, श्री पी के पाण्डा सहायक महाप्रबंधक पंजाब नेशनल बैंक, श्रीमति वन्दना विजनानी प्रबंध निदेशक चित्तौड अरबन बैंक का माल्र्यापण कर स्वागत किया गया। कार्यक्रम का संचालन चेम्बर के मानद महासचिव आर के जैन एवं धन्यवाद ज्ञापन बैकर्स क्लब के सचिव एल एल गांधी ने किया।

मुख्य वक्ता के रुप में बोलते हुए डॉ आर सी लोढा ने कहाकि बैंक और उद्योग एक दूसरे के पूरक है और भीलवाडा में तो उद्योगों ने 5 या 10 प्रतिशत के अनुपात में उन्नति नही करके कई गुणा उन्नति की है, जिसमें उनके बैंकर का महत्वपूर्ण योगदान रहा है। अभी पूरे देश में एनपीए की चर्चा चल रही है, लेकिन किसी उद्योग श्रेणी में कुछ प्रतिशत उद्योग खराब होने पर पूरे उद्योग श्रेणी को खराब नही माना जा सकता है। भीलवाडा की यह खासियत है कि भीलवाडा में एनपीए राष्ट्रीय अनुपात से कम है। साथ ही भीलवाडा के उद्यमियों

की यह विशेषता है कि वे जानबूझ कर या विलफुल डिफाल्टर नही बनना चाहते है। उनकी भरपूर कोशिश अपने बैंक एकाउन्ट को सही श्रेणी में रखने की रहती है।

उन्होंने कहाकि वर्तमान वातावरण में उद्योग एवं बैंकिग के लिए कई सकारात्मक बाते हुई है। अभी हाल ही में जारी नॉन डिपोजिट ऑडिनेन्स से जो धन पहले बाजार में अनियमित रुप में चलता था वह अब अधिक से अधिक बैंकों में आएगा। साथ ही इस वर्ष के बजट में बैंक ब्याज पर टीडीएस की छुट 10 हजार से बढाकर 50 हजार की गई है, जिससे मध्यम श्रेणी के डिपोजिटरों को थोडी राहत मिलेगी। इससे बैंकों में तरलता आकर ओर अधिक ऋण देने की क्षमता होगी। उन्होंने बैंकों को अपने कार्य निष्पादन में 4–आर का फार्मुला भी सुझाया।

चेम्बर के अध्यक्ष श्री दिनेश नौलखा ने अपने स्वागत भाषण में भीलवाडा के टेक्सटाइल उद्योग की पीडा को जाहिर करते हुए कहाकि रिजर्व बैंक ने टेक्सटाइल उद्योग को लो ग्रेडिंग में डाल रखा है ओर हाल ही में ग्रेड ओर कम की है, जबकि भीलवाडा जैसे टेक्सटाइल सेन्टर पर एनपीए अनुपात बहुत कम है। लो ग्रेडिग से टेक्सटाइल उद्योग को अपने ऋण पर ब्याज भी अधिक देना पडता है।

इस विषय पर बोलते हुए बैंकर्स क्लब के अध्यक्ष एवं बैंक ऑफ बडौदा के डीजीएम श्री राजेश कुमार सिंह ने कहाकि यह प्रकरण बैंकिग उद्योग की ओर से क्रेडिट रेटिंग एजेन्सीयों के साथ उठाया गया है लेकिन मूल में समस्या यह है कि अधिकांश क्रेडिट रेटिंग एजेन्सीयां अर्न्तराष्ट्रीय स्तर की है ओर वे किसी भी उद्योग को अर्न्तराष्ट्रीय नजरिये से देखने से यह समस्या आ रही है क्योंकि बहुत से देशों में टेक्सटाइल उद्योग की हालत खराब है। भीलवाडा के बैंकर्स ने इस उद्‌देश्य से राष्ट्रीय एवं क्षेत्रीय स्तर पर कोई नया प्रयास करने के सुझाव दिये है।

उन्होंने कहाकि भारत में जीएसटी लागू होने से व्यवसाय में कई परिवर्तन आये है। इसके शुरुआती दौरान बैंकों ने उद्योग जगत को सकारात्मक सहयोग दिया एवं उद्योगों में वित्तीय तरलता के लिए जीएसटी की क्रेडिट के लिए भी लघु अवधि ऋण प्रदान किये गये। बैंकर्स इस बात से पूर्ण रुप से अवगत है कि अगर उद्योग तकलीफ में आयेगा तो उससे ज्यादा तकलीफ बैंको को होगी।

आपसी चर्चा के दौरान निर्यात में नकारात्मक सूची में डाले हुए देशों को निर्यात करने में आ रही समस्या, ईसीजीसी चार्जेज, लेटर ऑफ गारन्टी आदि कई विषयों पर चर्चा की गई।

मेवाड़ चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री, भीलवाडा
कार्यकारिणी समिति की बैठक दिनांक 11.02.2019

मेवाड़ चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री की कार्यकारिणी समिति की बैठक दिनांक 11.02.2019 को मेवाड़ चेम्बर भवन में सायं 4.00 बजे आयोजित की गई। बैठक की अध्यक्षता अध्यक्ष श्री दिनेश नौलखा ने की।

1 मानद महासचिव श्री आर के जैन ने बताया कि 30.11.2018 को आयोजित कार्यकारणी समिति की बैठक कार्यवाही विवरण चेम्बर पत्रिका के नवम्बर 2018 के अंक में प्रकाशित किया गया है। उपस्थित सदस्यों ने दिनांक 30.11.2018 की बैठक की कार्यवाही विवरण की पुष्टी की।

2 निम्न सदस्यों ने अनुपस्थिति चाही जो स्वीकृत की गई –

श्री जे के बागडोदिया	मंगलम यार्न एजेन्सीज
श्री आर पी दसौरा	हिन्दुस्तान जिंक लिमिटेड
श्री वी के मानसिंगका	
श्री जे सी लढ्ढा	सुदिवा स्पिनर्स प्रा लि
श्री एस पी नाथानी	नाथानी फार्म
श्री राजीव मुखिजा	नवलोक एक्जिबिटर्स प्रा लि
श्री सन्मति जैन	श्री गुड्स केरियर्स
श्री श्याम डाड	भीलवाडा ऑटोमोबाइल मशीनरी डीलर्स एसोसियेशन
श्री के सी प्रहलादका	भीलवाडा टेक्सटाइल एजेन्ट एसोसियेशन
श्री एस एल पोखरना	राजस्थान कॉमर्शियल कॉरपोरेशन
श्री एस के सुराणा	ब्लू केयर टेक्नोसोल्यूशन

3 मानद महासचिव श्री आर के जैन ने बताया कि PHP Poets IT Solutions Pvt. Ltd. द्वारा चेम्बर की वेबसाइट का अपडेशन चल रहा है, इसके तहत काफी कार्य किया जा चुका है। पदाधिकारी, मेनेजिंग कमेटी आदि के पिछले कई वर्षो के विवरण, इवेन्ट्स के

तहत दो वर्षो के विवरण, गेलेरी हेड में कार्यक्रम अनुसार फोटो एवं विवरण आदि अपलोड किये जा चुके है। आईटी प्रणाली में अपडेशन के तहत ऑलाइन मेम्बरशिप आवेदन, ऑनलाइन सर्टिफिकेट ऑफ ऑरिजन बनाने आदि के सिस्टम विकसित किये गये है। उन्होंने सभी सदस्यों से वेबसाइट में अपडेशन कार्यो का अवलोकन कर अपने सुझाव देने का आग्रह किया, ताकि वेबसाइट को ओर भी उन्नत किया जा सके।

4 नये सदस्यता प्रस्ताव –

मानद महासचिव श्री आर के जैन ने बताया कि निम्न नये सदस्यता प्रस्ताव प्राप्त हुए है, जो कि स्क्रिनिंग कमेटी से अनुमोदित किये गये है। इस पर विचार विमर्श के बाद निम्न सदस्यता प्रस्ताव सर्वसम्मति से स्वीकार किये गये :

एसोसियेट्स श्रेणी

	इकाई का नाम	प्रतिनिधि का नाम	कार्यक्षेत्र
1	सुविधि रेयान्स प्रा लिमिटेड	श्री राजेश कुमार जैन	टेक्सटाइल विविंग

श्री जैन ने बताया कि मेसर्स पोलिपिक थ्रेड्स प्रा लि की सदस्यता चालू रखवाने के लिए श्री सुरेश पोद्दार के द्वारा प्रयास किये गये लेकिन सदस्य की अनइच्छा को देखते हुए पूर्व में दिया हुआ त्यागपत्र स्वीकार किया जाए। उपस्थित सदस्यों ने अनुमोदन किया।

5 अन्य बिन्दु अध्यक्ष महोदय की अनुमति से–

पूर्वाध्यक्ष श्री वी के सोडानी ने कहाकि वर्तमान में बैंक ऋण नवीनीकरण, एलसी आदि कार्यो में भी काफी परेशानी आ रही है। अतः वरिष्ठ बैंकर्स के साथ एक मिटिंग का आयोजन किया जाना चाहिए। बैंकर्स क्लब के सचिव श्री एल एल गांधी से बातकर फरवरी माह में ही एक मिटिंग आयोजन करने का निश्चिय किया गया।

अन्त में बैठक सधन्यवाद समाप्त हुई।

(आर के जैन)
मानद महासचिव

कार्यकारणी समिति की दिनांक 11.02.2019 को उपस्थित सदस्यों की सूची निम्नानुसार है –

1	श्री दिनेश नौलखा	नितिन स्पिनर्स लिमिटेड
2	श्री आर के जैन	आर के जैन एण्ड एसोसियेट्स
3	श्री के के मोदी	मोडटेक्स टेक्सट्राइज्र्स प्रा लि
4	डॉ पी एम बेसवाल	रंजन सुटिंग प्रा लि
5	श्री वी के सोडानी	संगम इण्डिया लिमिटेड
6	श्री जी सी जैन	सम्यक सिन्थेटिक्स प्रा लि
7	श्री अतुल सोमाणी	ए के सोमाणी एण्ड एसोसियेट्स
8	श्री पी एस तलेसरा	तलेसरा इलेक्ट्रोनिक्स
9	श्री अतुल शर्मा	कलर साइजर्स प्रा लि

मर्चेन्ट एक्सपोर्टर को रीको क्षेत्र में आरक्षित दर पर भूमि आवंटन की मांग

मेवाड चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री की ओर से राज्य के माननीय उद्योगमंत्री एवं रीको के प्रबंध निदेशक को प्रतिवेदन भेजकर भीलवाडा में टेक्सटाइल क्षेत्र के मर्चेन्ट एक्सपोर्टर को भी रीको क्षेत्र में आरक्षित दर पर भूमि आवंटन की मांग की।

भीलवाडा राजस्थान का सबसे बडा टेक्सटाइल उत्पादन एवं निर्यात केन्द्र है। यहां से लगभग 4 हजार करोड के टेक्सटाइल उत्पाद प्रतिवर्ष निर्यात किये जाते है। भीलवाडा में कार्यरत विभिन्न औद्योगिक इकाईयों के अलावा कई मर्चेन्ट एक्सपोर्टर भी निर्यात में अपना महत्वपूर्ण योगदान कर रहे है। इस तरह के निर्यातक जोब पर फेब्रिक्स उत्पादन करवाकर अपने यहां उसकी ग्रेडिंग एवं निर्यात पेकिंग करते है। इनको इस कार्य के लिए बडे क्षेत्रफल के भूखण्ड एवं भवन की आवश्यकता होती है। अतः इस तरह के निर्यातकों को भी औद्योगिक इकाईयों के समान मानकर रीको क्षेत्र में आरक्षित दर पर भूखण्ड आंवटन किया जाना चाहिए।

इससे पूरे देश से ओर अधिक मर्चेन्ट एक्सपोर्टर आकर भीलवाडा में अपना कार्य प्रारम्भ करने लगेगे एवं भीलवाडा तथा राज्य से टेक्सटाइल निर्यात में बढोत्तरी होगी।

आरजिया स्थित औद्योगिक इकाईयों को विद्युत आपूर्ति में सुधार की मांग

मेवाड चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री की ओर से अजमेर विद्युत वितरण निगम के प्रबंध निदेशक एवं मुख्य अभियन्ता को प्रतिवेदन भेजकर भीलवाडा में आरजिया स्थित औद्योगिक इकाईयों को विद्युत आपूर्ति में सुधार की मांग की।

आरजिया रोड पर कई विविंग एवं अन्य औद्योगिक इकाईयां कार्यरत है। विविंग इकाईयों में अत्याधुनिक सल्जर एवं एयरजेट आदि लूम लगे है, जो कि इलेक्ट्रोनिकल संचालित होते है। पिछले जुलाई–अगस्त माह से इन इकाईयों को विद्युत आपूर्ति में बार–बार ट्रिपिंग की समस्याओं को सामना करना पड रहा है। दिन में 4 से 6 बार तक ट्रिपिंग हो जाती है एवं एक महिने में 50–60 बार तक ट्रिपिंग की समस्या होती है। इससे विविंग मशीनों के इलेक्ट्रोनिक कन्ट्रोल कार्ड एवं अन्य उपकरण खराब हो रहे है एवं साथ ही लूम पर बनने वाले कपडे की क्वालिटी भी इतनी प्रभावित होती है कि कपडा निर्यात नही किया जा सकता है।

चेम्बर ने पूर्व में जुलाई–अगस्त माह से यह समस्या कई बार भीलवाडा स्तर पर अधीक्षण अभियन्ता एवं मासिक बैठकों में भी उठाया, लेकिन आश्वासन के बावजूद भी अभी तक समस्या का निराकरण नही हुआ है। इकाईयों में रखे गये रजिस्टर के अनुसार जनवरी माह में 51 बार ट्रिपिंग हुई। अतः प्रबंध निदेशक एवं मुख्य अभियन्ता को प्रतिवेदन भेजकर समस्या के समाधान की मांग की।

भीलवाडा रेलवे स्टेशन पर दूसरे प्रवेश द्वार का उद्घाटन

दिनांक 17 फरवरी 2019 को माननीय सांसद श्री सुभाषचंद बहेडिया, माननीय विधायक श्री विट्ठलशंकर अवस्थी ने भीलवाडा रेलवे स्टेशन के दूसरे द्वार का उद्घाटन व दूसरे फुटओवर ब्रिज के लिए शिलान्यास किया। सर्किट हाउस की ओर बनाए दूसरे द्वार के निर्माण पर 1.40 करोड़ की लागत आई है। इसमें 30 लाख रुपए सांसद निधि, 30 लाख विधायक निधि और 80 लाख रुपए रेलवे द्वारा उपलब्ध करवाए।

भीलवाड़ा उत्तर पश्चिम रेलवे का महत्वपूर्ण स्टेशन है जहां से रोज 10 हजार से अधिक यात्रियों का आवागमन होता है। यात्रियों की बढ़ती संख्या और स्टेशन के पश्चिमी हिस्से (पटरी पार) में रहने वाले लोगों को सुविधा देने के लिए मेवाड चेम्बर की ओर से पिछले 5 वर्षो से अधिक समय से विभिन्न रेलवे उपयोगकर्ता सलाहकार समितियों में एवं रेलवे अधिकारियों से द्वितीय प्रवेश द्वार की मांग की जा रही थी। इस दौरान जेडआरयूसीसी के सदस्य श्री वी के मानसिंगका भी उपस्थित थे। स्टेशन पर अभी एक ही फुटओवर ब्रिज है। दूसरे प्रवेश द्वार से अभी बने फुट ओवरब्रिज की दूरी ज्यादा है। इसलिए इस दरवाजे से यात्री सीधे ही पहले, दूसरे व अन्य प्लेटफार्म पर पहुंच सके इसके लिए एक और फुट ओवरब्रिज का शिलान्यास भी किया गया। गुड्स प्लेटफॉर्म की जगह नया हाई–लेवल प्लेटफार्म की कोटा स्टोन फ्लोरिंग 350 मीटर, यूटीएस/पीआरएस कॉम्प्लेक्स व काउंटर, बुकिंग ऑफिस, वेटिंग हॉल व दिव्यांग टॉयलेट, प्रवेश एवं निकास द्वार, सर्कुलेटिंग एरिया का विकास, वाटर कूलर, एटीवीएम मशीन, बैंच आदि का उद्घाटन किया गया।

REPRESENTATIONS

MCCI/IND/2018-2019/439 Dated : 06.02.2019

Shri Parsadi lal ji Meena
Hon'ble Minister for Industries
Government of Rajasthan
Jaipur

Sub : Problems related to Rajasthan Investment Promotion scheme (RIPS)

Respected Sir,

Mewar Chamber of Commerce & Industry is the Divisional Chamber of Southern Rajasthan representing the entire major industrial units of Bhilwara, Chittorgarh, Pratapgarh, Dungarpur, Banswara, Rajasmand & Udaipur. It has been functioning as representative body of the industries in the state, leading the cause of the textile industry and making constructive suggestions to the Central and State Government and other agencies in regards to formation of industrial Policy, Taxation Matter and other operational activities.

We wish to submit following points related to RIPS for your kind presual:-

1. ***Delay release/receipt of Interest/employment subsidy under RIP'S***

Our members have reported that the payment of Interest/Employment subsidy sanctioned under RIP'S is being delayed. In majority of cases, it is pending for last **three to five quarters.** The textile industry is already facing in financial crisis due to several reasons and delay in payment of Inteerst subsidy is adding to their problem. We request your honour to kindly look in to the matter and to direct the concerned authorities for immediate release of pending interest/employment subsidy under RIP's.

2. **Pending proposal for sanction of RIP's interest/employment subsidy**

   Our members have reported that their proposals for sanction of interest/employment subsidy under RIP's are pending for approval. We request your honour to kindly look in to the issue and to direct the concerned authorities for immediate sanction of such pending proposal.

3. **Capital subsidy on installation of Zero Liquid Discharge (ZLD) based ETP plant**

   All the textile processing units have install latest technology Effluent Treatment Plants with first, second & third stage R.O. and MEE plant. As per RIPS 2014, they are eligible for 20% capital subsidy on such plants. They units have applied to the Industries Department Rajasthan for the same.

   They Industries Department has asked the unit to provide certificate of installation from the RPCB. The units have applied to the RPCB for the same. The RPCB is issuing a consent letter mentioning the above plant & machinery. But, the Industries Department is not accepting the same.

   We request your goodself to kindly solve this issue between the Industries Department & RPCB so that the processing units may get the capital subsidy in time. We wish to submit that it is only in Bhilwara where the textile industy has set up such ETP plants with R.O. & MEE to achive Zero Liquid Discharge and the State Government should promote such important steps for environment protection.

4. **SGST benefits under RIPS**

The Industry Department has amended RIPS for grant of benefits on basis of SGST previously based on VAT. In this connection, we wish to bring one anomaly to your kind notice. The benefits under VAT regime were based on the basis of VAT paid by the beneficiary unit but they are now based on the net SGST paid by the unit (gross SGST collected minus input SGST paid).

Due to this reason, industries based in Rajasthan are now, procuring their inputs like Raw Material, Spare parts, packing material etc., from out of state, in spite of these locally available, so that their SGST liability in not reduced.

This has negatively affected the ancillary units which supply Raw Material, Spare parts, packing material etc. to the big industry. Though inputs like Raw Material, Spare parts, packing material etc. are available locally within radius of 10 to 50 kms people are buying inputs from out of state ranging from 250 to 1000 kms. This is leading to unnecessary movements of goods resulting in increase of consumption of fuel, increase in pollution also.

Hence, we humbly suggest that the RIPS benefits should be based on gross SGST collected by the beneficiary unit and not on the basis of net SGST paid. This will save the ancillary units already established and running in the State.

We are sure that your good office would consider our humble request sympathetically and will do the needful in the matter.

We look forward to your kind support and cooperation,

With Best Regards

(CS R.K.Jain)
Hon'y Secretary General

Copy to Commissioner Industries, Governemnt of Rajatshan, Jaipur and Commissioner of Commercial Taxes, Governemnt of Rajatshan,

100 दिवसीय कार्य योजना के तहत संभाग स्तरीय बैठक

राज्य सरकार की ओर से दिनांक 28 फरवरी 2019 को अजमेर में संभाग स्तरीय बैठक का आयोजन किया गया। बैठक में मेवाड चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री की ओर से प्रस्तावित नई उद्योग नीति के संबंध में सुझाव एवं रीको ग्रोथ सेन्टर के सदस्यों से प्राप्त समस्याओं को भी उठाया गया।

MCCI/GST/2018-2019/441 Dated : 08.02.2019

Dr. Preetam B Yashvant
The Commissioner of Commercial taxes
Government of Rajasthan
Jaipur

Respected Sir,

Mewar Chamber of Commerce & Industry is the Divisional Chamber of Southern Rajasthan representing the entire major industrial units of Bhilwara, Chittorgarh, Pratapgarh, Dungarpur, Banswara, Rajasmand & Udaipur. It has been functioning as representative body of the industries in the state, leading the cause of the textile industry and making constructive suggestions to the Central and State Government and other agencies in regards to formation of industrial Policy, Taxation Matter and other operational activities.

Our members informed us that GST Department have issued notices to provide the information relating to variances in issuances of e-way and Average Turnover in comparison to previous month. Further, the Department is also issuing notices for variances in ITC taken in 3-B as compared to available in GST-2A.

In this regard we would like to submit your honour that :-

1. Business is cycle and it is not necessary to maintain average Turnover and equal number of e-way for each month. Sir, there is no logical comparison of e-way bills in numbers and average turnover.
2. The all the data are available with the Department. They can check the Turnover and ITC claimed form their records or from the returns filed by the assessee.
3. The data/information mentioned the notices are also not correct.
4. The Department is asking to provide the records such as Ledger Account of Sales, Copy of GSTR-3B Return, Copies of E-way bills and Invoices, Copy of Electronic and Cash ledger. On the one side the Government is working on ease of doing the business and on the other side hard copies are being asked, while every information is on online portal.
4. The Department is also calling the information to provide the justification for taking the ITC if not matched or variances with GST-2A. ITC is taken on the basis of purchasing the goods or services. In such cases ITC Can be claimed on the basis of invoices available with trader. It is very difficult job for our members to prepare a comparison of ITC Taken on the basis of 3B and variances of ITC which is not showing in 2A.
5. In GST regime all the working is on line, then what is the need to provide the information on physically. The issuing authority is also not giving any reasonable time to provide the information. Please instruct the concerned Officers of the Department not to issue such type of unnecessary notices for such type of information.

We are sure that your good office would consider our humble request sympathetically and will do the needful in the matter. We look forward to your kind support and cooperation,

With Best Regards

(CS R.K.Jain)
Hon'y Secretary General

MCCI/IND/2018-2019/444 Dated : 09.02.2019

Shri Parsadi lal ji Meena,
Hon'ble Minister for Industries
Government of Rajasthan
Jaipur

Sub : Problems related to Rajasthan Investment Promotion scheme (RIPS) – Capital subsidy on ETP plant under Zero Liquid Discharge.

Respected Sir,

Mewar Chamber of Commerce & Industry is the Divisional Chamber of Southern Rajasthan representing the entire major industrial units of Bhilwara, Chittorgarh, Pratapgarh, Dungarpur, Banswara, Rajasmand & Udaipur. It has been functioning as representative body of the industries in the state, leading the cause of the textile industry and making constructive suggestions to the Central and State Government and other agencies in regards to formation of industrial Policy, Taxation Matter and other operational activities.

Bhilwara is the largest textile hub of the State, having 18 spinning mills, 19 textile process houses and more 450 weaving units. The Textile sector produces about 100 crore meters of fabrics p.a. The turnover of textile industry about Rs 20,000 crore p.a. textile export from Bhilwara is around Rs 3500 crore p.a. The industry employs about 1 lac people in the district.

All the 19 textile processing units have install latest technology five stage Effluent Treatment Plants with physic chemical, biological, tertiary treatment, first, second & third stage R.O. and Multi Effect Evaporator plant. On an avarge one unit has invested about Rs 3.5 crore in R.O.Plant and about Rs 1.25 crore in MEE plant.

As per RIPS 2014, they are eligible for 20% capital subsidy on such plants. They units have applied to the Industries Department Rajasthan for the same.

They Industries Department has asked the unit to provide certificate of installation from the RPCB. The units have applied to the RPCB for the same. The RPCB is issuing a consent letter mentioning the above plant & machinery. But, the Industries Department is not accepting the same.

We also wish to submit that the RPCB Bhilwara in letter No 2203-06 dated 21.01.2019 to the District Collector Bhilwara mentioned that the processing units have installed all these 5 stage ETP plant. (Copy of letter attached)

We request your goodself to kindly solve this issue between the Industries Department & RPCB so that the processing units may get the capital subsidy in time. We wish to submit that it is only in Bhilwara where the textile industy has set up such ETP plants with R.O. & MEE to achive Zero Liquid Discharge and the State Government should promote such important steps for environment protection.

We are sure that your good office would consider our humble request sympathetically and will do the needful in the matter.

We look forward to your kind support and cooperation,

With Best Regards

(CS R.K.Jain)
Hon'y Secretary General

Copy to Commissioner Industries, Governemnt of Rajatshan, Jaipur and Commissioner of Commercial Taxes, Governemnt of Rajatshan,

MCCI/IND/2018-2019/446 Dated : 11.02.2019

Shri Ashok ji Gehlot
Hon'ble Chief Minister
Government of Rajasthan
Jaipur

Sub: Issues/matters relating GST and other Central issues.

Respected Sir,

Mewar Chamber of Commerce & Industry is the Divisional Chamber of Southern Rajasthan representing the entire major industrial units of Bhilwara, Chittorgarh, Pratapgarh, Dungarpur, Banswara, Rajasmand & Udaipur. It has been functioning as representative body of the industries in the state, leading the cause of the textile industry and making constructive suggestions to the Central and State Government and other agencies in regards to formation of industrial Policy, Taxation Matter and other operational activities.

We wish to submit following issues/matters to be raised with GST Council/Central Government-

1. **PAYMENT OF IGST UNDER EPCG SCHEME UNDER WHICH EXEMPTION SHOULD BE EXTENDED UP TO 31.03.2021**

In the pre-GST era, import of Capital Goods against EPCG Licence was allowed at zero percentage duty as no Custom Duty, Counter Vailing Duty (CVD) and Special Additional Duty (SAD) was payable. Under GST regime the IGST was made applicable on import of Capital Goods. **We would like to submit your honour that the Government of India has issued the Notification No. 66/2018 Cus-Tariff dt.26.09.2018 and extended the date for exemption from payment of IGST under EPCG Scheme from 30.09.2018 to 31.03.2019.**

Decision regarding Capital Goods should be based on Long Term Policy Framework and such short term relaxation vide notifications make it very difficult for Industries to plan Long Term Projects. Hence, we request that import of Capital Goods of textile Machinery on Zero Duty under EPCG Scheme should be made permanent to promote investment in capital goods or should be at least extended up to 31.03.2021. Hence, we request your good self to kindly raise this issue in the GST Council meeting so that power loom weavers can plan for import of capital goods, modern and latest loom etc.

2. TO REDUCE GST RATE ON MAN MADE FIBRE YARN FROM 12% TO 5%

Presently, the GST Rate on Synthetic Man Made Yarn is 12.00% under chapter heading No 5402 to 5406, 5509, 5510, 5511 etc. and GST Rate on all types of Fabric, it is 5.00%. The Government of India vide Notification 20/2018-Central Tax (Rate) dated 26.07.2018 amended the Notification No. 05/2017 Central Tax (Rate) dated 28.06.2017 and thereby allowed refund of Input Tax Credit due to Inverted Duty Rate Structure to textile fabrics. On the request of representation of entire textile industry, GST Council and the Government of India allowed the refund on account of inverted duty rate structure to textile fabrics w.e.f 01.08.2018. But the weaving units have not received refund so far. To end this problem, the GST on man made fibre yarn should be reduced to 5% from present level of 12%. There will be no loss of revenue to the Government as refund on account inverted duty structure is available on textile fabric.

The trade and industry will also be benefited on account of following:-

1. Revenue neutrality

   At present rate of GST on Synthetic Man Made Yarn is 12.00% and on Cotton Yarn is 5.00% and Rate of GST on all type of Fabrics is 5.00% and the Government is allowing the refund on account of inverted duty rate structure on textile Fabrics. There will be no negative impact on revenue of Government due to reduction of GST rate on Textile yarn. Hence, it will be better to reduce the rate of GST on textile yarn from 12 to 5%

2. Lesser blockage of Working Capital:-

   Due to reduction of GST rate on Man Made Yarn, the person dealing in textile will have to pay lesser tax at yarn stage and no need to file refund claim with the Department, hence there will be lesser blockage of fund to the extent of refund amount.

3. Reduction of work load on trade & department both

   Presently, all the person dealing in textile fabrics required to file monthly refund on account of inverted duty rate structure by online mode and also require lots of statement, papers and documents etc by offline mode also. It leads to unnecessary work load and requires professional services adding to their cost. On reduction of GST rate, there will be no need to file any refund claim with the Department and it will reduce work load both on trade and the department. It will also reduce the harassment and corruption. We request your honour to please raise the issue IN THE Meeting of Council of GST.

3. To clarify some ambiguity in Notification no. 20/2018-Central Tax (Rate) dated 26.07.2018 and circular no. 56/30/2018-GST dated 24.08.2018.

The Government has amended the Notification 05/2017 Central Tax (Rate) dated 28.06.2017 vide notification 20/2018-Central Tax (Rate) dated 26.07.2018, and by the supra mentioned notification allowed the textile industry to claim refund of the input tax credit accumulated on account of inverted duty structure. The trade and industry reversed the accumulated ITC in the GST-3B for the month of August, 2018 as required and clarified vide circular no. 56/30/2018-GST dated 24.08.2018.

We have received various complaints from our several textile traders/manufacturing members that while filing the refund claim of inverted duty structure/Export for the month of August, 2018 the system is not granting the refund as the system is calculating the refund on the basis of Net ITC for the month of August, 2018 i.e. the system is automatically taking Net ITC after reversal of accumulated ITC as per above mentioned Notification and circular from the ITC for the month of August, 2018. Due to this technical reason none of the person are unable to claim the refund of IDS and Export for the month of August, 2018.

At the time of filling refund application the maximum net ITC on which refund can be claimed is reduced by the amount of ITC lapsed during the period August, 2018. The ITC which is liable to be lapsed has to be reversed from the ITC accumulated till July, 2018 and not form the ITC of the August period, as it has been already categorically provided in the notification 20/2018 ibid, therefore kindly provide with a solution to this issue faced by the industry. The intention of the Government was to lapse the ITC accumulated and remaining unutilized on the goods sold till July,2018 and that has to be reversed from the ITC accumulated till July,2018 and not from the ITC availed during the period of August,2018. Therefore, suitable clarification is required in this regard. We request your honour to please raise the issue with GST Council and clarify the issue as soon as possible.

4. Problems of textile industry in regard to delay in payment of TUF'S capital / interest subsidy and UID numbers.

a. ***Delay release/receipt of Interest and Capital TUF Subsidy***

Many of our members have reported that the payment of capital/interest subsidy under TUF is being delayed. In some cases, it is pending for more than 2-4 years and in general the payment of interest subsidy is pending for last **four to five quarters.** The textile industry is already facing financial crisis due to several reasons and delay in payment of TUF subsidy is adding to their problem. We request your honour to kindly look in to the issue and to direct the concerned authorities for immediate release of pending subsidy.

b. Further, we have also received complaints from our members relating to not releasing of capital subsidy inspite of submission of JIT report, non generation of UID Number due to technical reason and not approval of condonation application for delay in submission of UID application.

The textile industry's growth has been supported by TUFS and now the growth is being hampered due to problems reported as above, which is resulting financial crisis. We request your honour to kindly look in to the matter and to please raise the issue with Central Government for immediate action in the matter.

We are sure that your good office would consider our humble request sympathetically and will do the needful in the matter.

We look forward to your kind support and cooperation,

With Best Regards

(CS R.K.Jain)
Hon'y Secretary General

MCCI/IND/2018-2019/445 Dated : 11.02.2019

Hon'ble Shri Ashok ji Gehlot
Hon'ble Chief Minister
Government of Rajasthan
Jaipur

Sub: Issues/matters relating industrial development.

Respected Sir,

Mewar Chamber of Commerce & Industry is the Divisional Chamber of Southern Rajasthan representing the entire major industrial units of Bhilwara, Chittorgarh, Pratapgarh, Dungarpur, Banswara, Rajasmand & Udaipur. It has been functioning as representative body of the industries in the state, leading the cause of the textile industry and making constructive suggestions to the Central and State Government and other agencies in regards to formation of industrial Policy, Taxation Matter and other operational activities.

We wish to submit following issues/matters for your kind perusal:-

1. To provide electricity on concessional rate basis to textile industry :-

In Rajasthan, the textile industry is the major growth driver and employment provider. Bhilwara, Banswara has emerged as the major textile hub in the State and the textile industry provides direct employment to more than 3.00 lacs persons. We wish to submit that major textile states like Maharastra, Gujrat, Tamilnadu, Punjab etc are attracting the textile entrepreneurs with many type of subsidy, rebate in electricity rate and with low tariff of electricity for textile industry.

- The Maharashtra Govt. has announced in recent Textile Policy 2018-23 Rs. 2 per unit subsidy to textile industry in Maharashtra State.
- Madhya Pradesh – A rebate of 10% in energy charges is applicable for incremental monthly consumption and a rebate of Rs. 2 per unit incremental units for reduction in captive consumption (Source Retail Supply Tariff order FY 17-18 MPERC)
- Telangana – Power tariff subsidy of Rs.2 per unit for new conventional and technical textile mills for 5 years announcement date 18.8.2017 GO MS No. 59.
- The Punjab State have announced Rs 5/- per unit tariff for five years for industries.
- The Gujarat Government has also announced recently subsidy of Rs.2.00/- Per Unit for Textile Industries.

From the above, it is indicated that the power tariff in Rajasthan is the highest in the country and in this competitive era, the

State Government should pay attention on this critical issue and should announce special power tariff for the textile industry.

2. To release the interest/employment subsidy under RIPS and other issues under RIP's

The payment of Interest/Employment subsidy sanctioned under RIP'S is being delayed. In majority of cases, it is pending for last **three to five quarters.** The textile industry is already facing in financial crisis due to several reasons and delay in payment of Interest subsidy is adding to their problem. We request your honour to kindly look in to the matter and to direct the concerned authorities for immediate release of pending interest/employment subsidy under RIP's. Further, some proposals for sanction of interest/employment subsidy under RIP's are pending for approval since long time. We request your honour to kindly look in to the issue and to direct the concerned authorities for immediate sanction of such pending proposal.

3. To provide required infrastructure for further Development of Industry

Bhilwara is the largest textile manufacturing centre in Rajasthan, having presence in spinning, weaving, processing sectors. In spinning sector, there are 18 spinning mills with more than about 10 lacs spindles producing more than 2.5 lacs ton p.a. of all types of yarn-cotton, P/V, P/C, P/VC and other blended yarn. In weaving sector, there are more 460 weaving units having latest technology shuttle less sulzer & airjet looms. The weaving sector produces about 100 crore meters of fabrics p.a. The processing sector is also highly developed, having 19 process houses with latest World class technology for processing of fabrics as per desired specifications.

We suggest as under:-

1 Freight Corridor-Mumbai Delhi Freight Corridor passes through Rajasthan and the nearest station on this freight corridor for Bhilwara is Kishangarh at about 130 kms distance. We suggest that Bhilwara should be connected to Kishangarh by a separate freight corridor line for faster movement of export goods and inward movement of imported goods.

2 Freight Terminal at Bhilwara-For movement of export containers Freight Terminal at Bhilwara was suggested. For this purpose the senior railway authorities, including the General Manager, NWR and General Managers of CONCOR & RIDCO visited Bhilwara during 2014-15 and CONCOR had given its consent to develop Freight Terminal at Bhilwara. For this purpose, 1.5 km x 150 mtrs land is required near railway track in the district, anywhere. Though, we took up this issue with the previous State Government very vigorously for required land allotment but in vain. We request your honour to take up imitative in this important matter for faster movement of export goods.

3 Readymade Garment Cluster- Bhilwara is lagging in readymade garment industry. In spite of local availability of raw material i.e. fabrics and yarn, the readymade garment industry has not developed much here. Due to availability of raw material, labour and conducive industrial environment, Bhilwara offers much opportunity for readymade garment industry. We request that the Government should take interest and necessary steps to establish and develop Ready Made Garment Cluster at Bhilwara. As the readymade industry is labour intensive, if such a cluster is developed at Bhilwara it will provide employment to thousands of people and especially to women

4. Request for waiver of e-way in case of intra state movement of all type of textile goods and articles and job work from whole of the state of Rajasthan

Government of Rajasthan has made it mandatory to issue E-Way bill for the movement of all types of goods **including job work of textiles and movement of goods for all commodity**, even in intra city/intra district and intra State w.e.f. 20.05.2018. On our request the Government of Rajasthan issued exemption Notification from issuance of e-way bills in case of movement of goods for job work within the area of 50 KM. The industries are facing many difficulties as the goods for job work move within the entire state. There is frequent movement of textile goods for job work and supply within the city and state i.e. Kishangarh, Pali, Balotara, Banswara, Dungerpur and other district of Rajasthan for weaving and processing of textile goods. The limit of 50 KM provided in exemption notification for movement of goods for job work will provide only small relaxation. Hence, on behalf of the industry, we **request for waiver of e-way in case of intra state movement of all type of textile goods and articles and job work from whole of the state of Rajasthan**

We are also attaching herewith detailed note of various issues mentioned in our representation for your kind perusal and needful action.

We are sure that your good office would consider our humble request sympathetically and will do the needful in the matter.

We look forward to your kind support and cooperation,

With Best Regards

(CS R.K.Jain)
Hon'y Secretary General

Annexure-A

POWER RELATED ISSUES

i. Electricity Duty on Captive Power Plants

After agriculture sector, Textile Industry provides highest employment unlike cement sector and others. To save this employment power cost has to be reasonable. Textile industry is having a thin margin where power cost is around 30% of total manufacturing cost.

At the time when the industry put up captive power plants, electricity duty was not there on captive consumption, cheaper fuels like PetCoke & linkage coal were available and uninterrupted power supply from grid was not available but now PetCoke is banned and linkage coal is no more available, so the fuel cost of CPP generation has been increased by Rs. 1.50/- per unit thereby adversely affecting the viability of the industry.

All CPPs installed by Textile units are below 50 MW, Fuel cost of which is already higher as compared to other sectors like cement where the capacities of power plants is higher than 50 MW, due to low heat rate coal consumption is lower by Rs. 1.5/- per unit. Due to higher capacity of Power Plants in Cement industry they have lower auxiliary consumption and overheads which leads to reduction in operating cost by Rs 0.30/- per unit (Statement attached)

Textile Industry of Rajasthan is having Captive Power Plant Capacity (Approx.) as under:-

Capacity	Utilization	Annual Generation Kwh	Annual Electricity Duty
143 MW	75%	9395 Lacs	3758 lacs

If the duty is not withdrawn then small CPPs will be forced to stop the plants which will lead to unemployment. Since the textile industry is leading employer, the Govt should encourage the industry to survive by withdrawing the levy of electricity duty.

In view of above you are requested to kindly withdraw the levy of electricity duty on captive generation plants for the Textile sector.

ii. Surplus Energy in Rajasthan- Special Tariff for Textile Industry

Rajasthan Electricity Regulatory Committee, Jaipur in its order dated 28.5.18 has approved the surplus energy during FY 2018-19 in Rajasthan to the range of 12865 MU.

As the Industrial power tariff of HT consumers of Rajasthan is one of the highest in the country, a large number of industrial consumers are purchasing power from "Open Access System" where the rates are low as compared to rates of Vidhyut Nigam and due to this fact, the Rajasthan Vidhyut Utpadan Nigam is forced to sell electricity to other States on low rates which is causing loss to both state and to the industrial consumers, as they have to pay wheeling charges on Open Access Power purchases. Hence, the Government should promote the consumption of electricity generated in the State, within the State.

We therefore request that a special rate of Rs 5/- per unit be fixed for Textile Industry of Rajasthan between 9.00 PM to 6.00 AM to better utilize the excess power in this time zone available as electricity demand from domestic and agriculture sector is very low in this period. This will support the Textile Industry of Rajasthan, a largest employment provider, to survive and grow more.

The Maharashtra Government has already announced a subsidy of Rs.2/- per unit to Textile Sector and Punjab State have announced Rs 5/- per unit tariff for five years for industries.

iii. Additional Surcharge and Cross Subsidy Surcharge on power through open access

At the national level or at the state level, the focus is on fast growth of infrastructure. Even within infrastructure, electricity holds the key position. Industry will flourish, with adequate electricity. Central Govt committing for 24by7 power availability, thinking for “One Nation , One grid, One Rate” policy makers expecting great reforms in power and energy sector through “UDAY YOJNA” in the country and state Govt is expected to continue encouraging captive power generation and power through open access. The trend of charges of Interstate open access has been as under :

Cost Impact of Power Purchase from IEX on 132 KV Rs/Unit

Particulars	Present (2016-till date)	2015-16	2014-15	2013-14
Cross Subsidy Surcharge	1.63	0.18	0.18	0.18
Additional Surcharges	0.80	0.00	0.00	0.00
Wheeling Charges	0.01	0.01	0.01	0.01

Particulars	Present (2016-till date)	2015-16	2014-15	2013-14
Water Cess Charges	0.10	0.10	0.10	0.10
Urban Cess Charges	0.15	0.15	0.15	0.15
Electricity Charges	0.40	0.40	0.40	0.40
STU Transmission Charges	0.33	0.31	0.28	0.26
CTU Transmission Charges	0.29	0.26	0.21	0.22
Scheduling etc.	0.03	0.03	0.03	0.03
Fees	0.01	0.01	0.01	0.01
Total	3.75	1.45	1.37	1.36
YOY increase	153.58%	5.84%	0.74%	

The wallop rise in charges to the tune of 154% is just intolerable for labour and power intensive manufacturing textile units in Rajasthan, so it does affect textile Industries in the state besides many expansion projects are at stand still situation.

It will be most relevant to mention here that, states like Jharkhand offering 50% concession of power rates for 7 years and 100% exemption on electricity duty for 7 years for any new investment in textile sector in the state. It's an eye opening step of Jharkhand Govt for other states.

Sir, you will agree that in the age of cut-throat competition, power cost plays major role. In present economic scenario inefficiencies do not have any space to be compensated.

Thus, combined additional burden of additional Surcharge and Cross Subsidy Surcharge have dealt a heavy blow on the Textile Industries and rendered them uncompetitive and it has become practically impossible for our members to purchase power from power Exchange/third party under Open Access.

The basic objective of open access is to bring in competition in power rates by utilizing idle or underutilized generation capacities across the country. It worked well, but New open access regulation 2016 is became a tool to discourage it and trying to bring-in monopolistic situation of DISCOM in power supply with many deficiencies like, failures to control T & D losses, electricity thefts, generation inefficiencies and many more. Authorities must have worked to improve efficiencies and encouraged open access regime. There might have been an opportunity of WIN-WIN environment.

During recent past, as mentioned in a table above, we wish to bring following facts to the notice of your good self:-

a) Additional Surcharge (w.e.f. 01.05.2016) : of Re 0.80 per unit imposed on Inter all open access consumers of state : We submit that :

   Additional Surcharge of Rs 0.80 per unit imposed vide order dated 24th Aug 2016 passed by Rajasthan Electricity Regulatory Commission (RERC) on power consumed through interstate open access. This new levy has been made applicable w.e.f. 1st May 2016. It has been made effective retrospectively.

   Secondly, this Additional Surcharge has been levied to compensate the State Discoms for stranding of power generation capacity contracted by them under long term Power Purchase Agreement (PPA) because of procurement of power by their consumers from sources other than local Discom under open access arrangement. Whereas this has been applied for all kind of transaction even on day ahead transactions.

   New open access regulation 2016, will safe guard stranding of power hence this levy many be reviewed and removed.

   We request for its review at your level so as to abolish this levy in view of new open access rules 2016.

b) Levy of Cross Subsidy surcharge (CSS) Rs 1.63 per unit.

   RERC vide its order dated. 01.12.2016 has levied CSS @ Rs 1.63 per unit for 132 KV customers, Rs 1.39 per unit for consumers on 33 KV and Rs 0.63 per unit for consumer on 11 KV. Relevant regulation prohibits such levy beyond 20% of energy charges, as such maximum levy could be Rs 1.46 per unit if at all it was unavoidable.

iv. Electricity Duty on Solar Power energy for captive use.

For promotion of solar power energy, the Government of Rajasthan has exempted Solar Power energy for captive use from electricity duty vide notification no. F.12(34)FD/Tax/2015-66 dated 15.12.2016. The above referred notification shall remain in force upto 31.03.2018 or till the date State Government amended the same time to time.

Ajmer Vidyut Vitran Nigam Limited, in follow up issued circular no.AVVNL/ACE (H.Q.)/XEN(C-II)/F. 2017-18/D.3801 dated 06.03.2018, exempting electricity duty up to 31.03.2018.

As the exemption date has not been extended as yet, the AVVNL has recently issued debit note from April to December to the industrial units having captive solar power plant.

We wish to add that in all states in the Country, solar energy is exempted from electricity duty for captive use. We therefore request you to kindly issue necessary notification for exemption of electricity duty for captive use w.e.f. 1st April 2018 for further three years period.

Annexure-B

Use of Petcoke by Textile Industry

The Ministry of Environment, Forest & Climate Change, New Delhi had issued notification dated 19th Jan, 2018 vide G.S.R. 46(E), about consumption of the petcock as industrial fuel, by the cement industry in NCR states as fuel. The Indian textile industry is one of the largest in the world with a massive raw material and textiles manufacturing base. Our economy is largely dependent on the textile manufacturing and trade in addition to other major industries. Textile export contributes about 27% of total exports. The textiles and clothing sector contributes about 14% to the industrial production and 4% to the gross domestic product of the country. The textile industry accounts for as large as 21% of the total employment generated in the economy. Around 35 million people are directly employed in the textile manufacturing activities. Indirect employment including the manpower engaged in agricultural based raw-material production like cotton and related trade and handling could be stated to be around another 60 million.

Steam, Oil and Power plays vital role in textile process and without steam it is not possible to produce fabric. All processing mills operate boilers for supplying steam for processing and for generating power as well as Reheating furnaces for indirect oil heating. Our state (Rajasthan) does not produce any coal. Since Bihar, Madhya Bharat, etc. are far away from our State, the cost of coal is more than doubled in case of transportation. In present scenario, the available fuel such as Imported Coal, Petcock and Furnace Oil are meeting the above said demands. To stand in the competitive market, everybody tries to operate with low cost fuel on their Boilers and in reheating Furnaces. Petroleum coke is an opportunity fuel due to its high carbon and energy content. It is an ideal fuel for Fluidized bed combustion technology type Boiler and in Fluidized bed combustion type boilers, it is easy to control the SO_2 emission on flue gas which is going outside from boiler through chimney. We wish to submit that Industries using coal is badly impacted due to ban on use of Pet Coke in their Captive Power Plants, Boilers and Thermopacks etc and the ban on use of pet coke should be lifted on industries which are using the same for its captive power plants, boilers and Thermopacks due to following reasons –

1. All industries in Rajasthan are following the norms of pollution control board i.e. SO2 and NO_2.
2. Lime is used along with pet coke hence sulphur issue does not arise.
3. Use of pet coke will allow the industry to reduce the cost of generation of power. As major textile producing states viz Gujrat, Maharashtra, Madhya Pradesh, Tamilnadu, Punjab etc are using petcoke whereas in Rajasthan we are at disadvantageous position due to high fuel cost due to ban on Pet Coke use.

Pet Coke was banned due to high pollution in the Delhi NCR Region. NCR region is having an aerial distance of 90 kms. Therefore the above notification should be implemented upto 90 kms aerial distance from Delhi NCR region. But the notification came on state wise and not on aerial distance wise. So this resulted into a ban on Pet Coke in area which is even 400 kms away from Delhi, whereas area which is 250 kms away from Delhi, are not affected from the notification. The area in which Pet Coke is allowed to use, are having their power cost lower by Re 1/- per unit. So the units which is situated in Rajasthan at even more than 250 kms from Delhi is having a disadvantageous position as compared to plants situated in Punjab, Uttrakhand, Himachal, Madhya Pradesh etc. These all states have good base of Textiles.

Textile Industry to be allowed to use Pet Coke in their CPPs, Boilers and Thermopack if they fall 250 or more kms away from Delhi. Such use of Pet Coke will not lead to pollution at Delhi NCR region.

Annexure-C

Issues relating to interest/employment subsidy under RIPS and other issues under RIP's

a. To release interest/employment subsidy and sanction the pending proposal of RIP'S

Our members have reported that the payment of Interest/Employment subsidy sanctioned under RIP'S is being delayed. In majority of cases, it is pending for last **three to five quarters.** The textile industry is already facing in financial crisis due to several reasons and delay in payment of Interest subsidy is adding to their problem. We request your honour to kindly look in to the matter and to direct the concerned authorities for immediate release of pending interest/employment subsidy under RIP's. Further, in some case their proposals for sanction of interest/employment subsidy under RIP's are pending for approval since long time. We request your honour to kindly look in to the issue and to direct the concerned authorities for immediate sanction of such pending proposal.

b. Capital subsidy on installation of Zero Liquid Discharge (ZLD) based ETP plant

All the textile processing units have install latest technology Effluent Treatment Plants with first, second & third stage R.O. and MEE plant. As per RIPS 2014, they are eligible for 20% capital subsidy on such plants. They units have applied to the Industries Department Rajasthan for the same. They Industries Department have asked the unit to provide certificate of installation from the RPCB. The units have applied to the RPCB for the same. The RPCB is issuing a consent letter mentioning the above plant & machinery. But, the Industries Department is not accepting the same. We request your good self to kindly solve this issue between the Industries Department & RPCB so that the processing units may get the capital subsidy in time. We wish to submit that it is only in Bhilwara where the textile industry has set up such ETP plants with R.O. & MEE to achieve Zero Liquid Discharge and the State Government should promote such important steps for environment protection.

c. SGST benefits under RIPS

The Industry Department has amended RIPS for grant of benefits on basis of SGST previously based on VAT. In this connection, we wish to bring one anomaly to your kind notice. The benefits under VAT regime were based on the basis of VAT paid by the beneficiary unit but they are now based on the net SGST paid by the unit (gross SGST collected minus input SGST paid). Due to this reason, industries based in Rajasthan are now, procuring their inputs like Raw Material, Spare parts, packing material etc., from out of state, in spite of these locally available, so that their SGST liability in not reduced. This has negatively affected the ancillary units which supply Raw Material, Spare parts, packing material etc. to the big industry. Though inputs like Raw Material, Spare parts, packing material etc. are available locally within radius of 10 to 50 kms people are buying inputs from out of state ranging from 250 to 1000 kms. This is leading to unnecessary movements of goods resulting in increase of consumption of fuel, increase in pollution also. Hence, we humbly suggest that the RIPS benefits should be based on gross SGST collected by the beneficiary unit and not on the basis of net SGST paid. This will save the ancillary units already established and running in the State

Annexure-D

Infrastructure facilities for further Development of Industry:-

Bhilwara is the largest textile manufacturing centre in Rajasthan, having presence in spinning, weaving, processing sectors. In spinning sector, there are 18 spinning mills with more than about 10 lacs spindles producing more than 2.5 lacs ton p.a. of all types of yarn-cotton, P/V, P/C, P/VC and other blended yarn. In weaving sector, there are more 460 weaving units having latest technology shuttle less sulzer & airjet looms. The weaving sector produces about 85 crore meters of fabrics p.a., in varieties of range including cotton fabrics, denim, polyester/viscose, polyester/cotton etc. The processing sector is also highly developed, having 19 process houses with latest World class technology for processing of fabrics as per desired specifications. Also, the textile sector is largest employment provider in the State.

We suggest as under:-

1 Freight Corridor-Mumbai Delhi Freight Corridor passes through Rajasthan and the nearest station on this freight corridor for Bhilwara is Kishangarh at about 130 kms distance. We suggest that Bhilwara should be connected to Kishangarh by a separate freight corridor line for faster movement of export goods and inward movement of imported goods.

2 Freight Terminal at Bhilwara-For movement of export containers Freight Terminal at Bhilwara was suggested. For this purpose the senior railway authorities, including the General Manager, NWR and General Managers of CONCOR & RIDCO visited Bhilwara during 2014-15 and CONCOR had given its consent to develop Freight Terminal at Bhilwara. For this purpose, 1.5 km x 150 mtrs land is required near railway track in the district, anywhere. Though, we took up this issue with the previous State Government very vigorously for required land allotment but in vain. We request your honour to take up imitative in this important matter for faster movement of export goods.

3 Readymade Garment Cluster- Bhilwara is lagging in readymade garment industry. In spite of local availability of raw material i.e. fabrics and yarn, the readymade garment industry has not developed much here. We have about 10-12 small readymade garment manufacturing units spread over in the District. Due to availability of raw material, labour and conducive industrial environment, Bhilwara offers much opportunity for readymade garment industry. Hence, we request that the Government should take interest and necessary steps to establish and develop Ready Made Garment Cluster at Bhilwara. As the readymade industry is labour intensive, if such a cluster is developed at Bhilwara it will provide employment to thousands of people and especially to women.

Annexure-E

Request for waiver of e-way in case of intra state movement of all type of textile goods and articles and job work from whole of the state of Rajasthan

Government of Rajasthan has made it mandatory to issue E-Way bill for the movement of all types of goods **including job work of textiles and movement of goods for all commodity**, even in intra city/intra district and intra State w.e.f. 20.05.2018.

On our request the Government of Rajasthan issued exemption Notification from issuance of e-way bills in case of movement of goods for job work within the area of 50 KM. The industries are facing many difficulties as the goods for job work move within the entire state. There is frequent movement of textile goods for job work and supply within the city and state i.e. Kishangarh, Pali, Balotara, Banswara, Dungerpur and other district of Rajasthan for weaving and processing of textile goods. The limit of 50 KM provided in exemption notification for movement of goods for job work will provide only small relaxation. Hence, on behalf of the industry, we **request for waiver of e-way in case of intra state movement of all type of textile goods and articles and job work from whole of the state of Rajasthan**

In this connection, we would like submit your honour that the Government of **Gujarat** has issued the **Exemption Notification** No. GSL/GST/RULE-138(14)/B-12 dated 11.04.2018 **to exempt all the items for issuance of e-way** for movement of goods within the city and also **exempted all goods** (including textile fabrics) except 19 items **from issuance of E-way bill within the State of Gujarat**. Similarly, the Government of **Madhya Pradesh** has also issued the Notification No. FA3-08/2018/1/V(43) dated 24.04.2018 to exempt all the items from issuance of E-way bill for **intra district movements** and have also exempted all the items except 11 items in case of **intra state movement** for issuance of E-way bills including yarn and textile fabrics. Government of **Tamilnadu** has also issued Notification No. 09/2018 dated 31.05.2018 and exempted entire job work and services relating to yarn, fabrics and garments. Similarly, Government of Maharashtra has also issued Notification No. 15E/2018 dated 29.06.2018 to exempt Hank, Yarn and Garments from issuance of e-way bill **irrespective of their value** and also increased value of Rs. 1,00,000/- from Rs. 50,000/- within the area of 50 KM. Further, the Government of West Bengal has also issued Notification No. **Notification No. 13/2018-C.T./GST dated 06.06.2018** and Notification No. 14/2018 dated 12.07.2018 to exempt entire job work from issuance of E-way bill irrespective of their value. Further, the Government of Bihar has also a similar Notification on 19.04.2018. We are attaching herewith a summary chart showing that all the textile manufacturing states granted the much exemption in comparison of Rajasthan:-

STATE	BASIS OF EXEMPTION	VALUE
Gujrat	**Government of Gujarat has issued Exemption Notification** No.GSL/GST/RULE-138(14)/B-12 dated 11.04.2018 **to exempt all the items for issuance of e-way** for movement of goods within the city and also **exempted all goods** (including textile fabrics) except 19 items **from issuance of E-way bill within the State of Gujarat**.	Textile yarn is exempted from movement within the city and textile fabrics is exempted from movement of **whole state**
Madhya Pradesh	**Government of Madhya Pradesh has issued Exemption** Notification No. FA3-08/2018/1/V(43) dated 24.04.2018 **to exempt all the items** from issuance of E-way bill for **intra district movements** and have also exempted all the items except 11 items in case of **intra state movement** for issuance of E-way bills including yarn and textile fabrics	Textile yarn and fabrics exempted from movement of whole the state
Tamilnadu	Government of **Tamilnadu** has also issued Notification No. 09/2018 dated 31.05.2018 and exempted entire job work and services relating to yarn, fabrics and garments from whole of state	Exempted entire job work and services relating to yarn, fabrics and garments from whole of state.
Maharashtra	Government of Maharashtra has also issued Notification No. 15E/2018 dated 29.06.2018 to exempt Hank, Yarn and Garments from issuance of e-way bill **irrespective of their value** and also increased value of Rs. 1,00,000/- from Rs.50,000/- within the area of 50 KM	Hank, Yarn and Garments exempted from issuance of e-way bill from whole of the state and in case of other commodities increased value of Rs. 1,00,000/- from Rs.50,000/- within the area of 50 KM
West Bengal	Government of West Bengal has also issued Notification No. **Notification No. 13/2018-C.T./GST dated 06.06.2018** and Notification No. 14/2018 dated 12.07.2018 to exempt entire job work from issuance of E-way bill irrespective of their value.	Entire goods sent for job work exempted from issuance of E-way bill, within State
Bihar	The Government of Bihar has also a similar Notification on 19.04.2018.	The e-way bill in respect of movement of goods originating and terminating in the State of Bihar shall not be required to be generated up to value of Rs 2.00 lacs.

All the textile Manufacturing state like, Gujarat, Madhya Pradesh, Maharashtra, Tamilnadu, West Bengal have issued the exemption Notification for intra-state movement for entire job work of textile and textile products and also to exempt of intra state movement of yarn, fabrics and garments and other commodities. Rajasthan State being the pioneer state in manufacturing of textile fabrics and yarn should also exempt intra-state movement for entire job work of textile and textile products, yarn, fabric & garments and other commodities. We look forward for a kind consideration and favourable positive action in the matter for the relief of entire textile industry in the state. Trade and industry is trying to cope up with the various procedure laid down in the GST law and imposing complicated procedures at one instance would hamper the smooth functioning of the trade. We are sure that in view of the difficulties faced by the entire trade and industry as stated above and also keeping in view the objective of the government to provide maximum ease of doing business, the State Government of Rajasthan should also issue the similar Notification to exempt requirement of issuance of intra state E-way bill.

We request your honour to issue the required Notification to exempt from issuance of E-way bill **for intra state** movement of **all type of s**upply of yarn, fabric and articles of textiles and other goods and all other commodities and also for job work.

Annexure-F

ISSUES RELATED TO INSULATION BRICKS INDUSTRIES

Bhilwara District has about 37 insulation bricks manufacturing units, producing more than 5 crore units of bricks p.a. It is largest manufacturing cluster for insulation bricks in India. For further development of this industry, the key issues are as under:-

1 Water- Water is a raw material for insulation bricks industry. Most of the units draw water from underground sources by tube well. Now, as the Supreme Court/Central Pollution Control Board has made it mandatory to obtain permission to establish/operate tube well and the permission are not being granted, the industry is facing hardship for arrangement of water.

As submitted by Mewar Chamber earlier on various platforms, the above problem is based on old survey of underground water in Bhilwara District, which had put up most of the District in Dark Zone. Now, after supply of drinking water from Chambal in the District and normal rain falls during last many years, recycling of 90% water by textile processing industry, the scenario has changed. The dependability on underground water has decreased. Hence, for MSME industry, the use of tube well water up to a certain limit say 1-2 lacs litres per day should be allowed and CPCB should make necessary amendments.

2 Gas- Most of the units have oil fired furnaces, which is old technology also. Now as the gas pipe line has already been installed up to Bhilwara, the MSME units can be supplied gas from this pipeline (though it is not yet operational). The industry reluctant to use gas due to higher and fluctuating rates. The State Government should draw a plan to supply gas to such MSME units on subsidized rates.

ISSUES RELATED TO MINERAL INDUSTRIES

Bhilwara District has large mineral base. It is the largest producer of quartz, feldspar etc. There are more than 200 units engaged in grinding of these minerals, which is supplied to other states. Though recently, Government has put ban on export of quartz, feldspar un-grinded lumps, out of state, still the mining industry is exporting basic raw materials in lumps to other states which has forced the grinding units in Rajasthan (**Bhilwara, Beawar, Kishangarh, Ajmer areas)** to closure. The Government should put strict ban on export of raw material lumps without grinding.

ARTICLES

MANDATORY REPORTING OF OUTSTANDING LOAN/DEPOSITS TO ROC

Compiled by CS Kirti Agarwal

MCA on 22nd January, 2019 has published Companies (Acceptance of Deposits) Amendment Rules, 2019. They shall come into effect from 22nd January, 2019.

Rule 16	Explanation Rule 16	New Rule 16A(3)
Existing Provisions	**Every Year**	**One Time Return**
Every company to which **deposit rules apply** (means loan considered as deposit), shall on or before the **30th day of June,** of every year, file with the Registrar, a return in Form DPT-3 mentioning the details of deposit.	It is hereby clarified that Form DPT-3 shall be used for filing **return of deposit** or **particulars not considered as deposit** or **both** by every company other than Government Company	Every Company other than Government Company shall file a **onetime return** of **outstanding receipt of money** or **loan** by a company but no considered as deposits

First Amendment:

By Amendment Rule 2019: Explanation added in Rule 16 i.e. "It is hereby clarified that Form DPT-3 shall be used for filing return of deposit or particulars not considered as deposit or both by every company other than Government Company".

I. Which Companies are covered in rule 16 explanation:-

All the Companies required filing DPT-3 after publication of these rules

- Small,
- Non Small,
- Private,
- Public,
- OPC etc

II. Which Companies are exempted in rule 16 explanation:-

Following Companies are exempted to file e-form DPT-3:

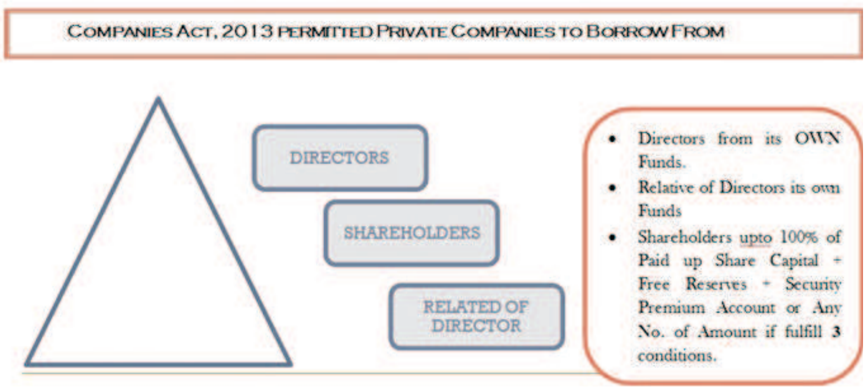
- Banking Companies
- Non Banking Financial Companies
- Housing Finance Company
- Government Company

III. What is meaning of "Deposit or Particulars Not Considered as Deposit" as mentioned in explanation.

DEPOSIT: Whatever includes in definition of Deposit as per Companies Act and rules eg.

- Acceptance of loan from public,
- Acceptance of loan from shareholders by Public Limited Company.
- Acceptance of Loan from Body Corporate etc

PARTICULAR NOT- CONSIDERED AS DEPOSIT:
Private Limited Companies



Whatever loan exempted under deposit rules and sections 73 shall be considered as particular of non-considered as deposit. Eg

- Loan from Director is exempted Deposit. However will be covered under this head.
- Loan from Bank, Financial Institutions Etc.
- Loan from Company not considered as deposit. However covered under above head etc.

IV. After publication of these rules i.e. 22nd January, 2019. When the first time requirement of filing of DPT-3 shall be trigger for Companies.

Every Company has to file DPT-3 every year after end of financial year before 30thJune mentioning details as on 31st March, 2019.

Particular of Transaction	Whether DPT-3 Filed or Not
Secured / Unsecured Loan Received (Bank, Other Entity)	YES
External Commercial Borrowing Received by Company	YES
Loan Received from Holding / Subsidiary/ Associate Company	YES
LoanReceived from any other Company as (Inter Corporate Deposit)	YES

Second Amendment:

By Amendment Rule, 2019: Rule 16A(3): Every Company other than Government Company shall file a onetime return of outstanding receipt of money or loan by a company but no considered as deposits, in term of clause (c) of sub-rule 1 of rule 2 from the 01st April, 2014 to the date of publication of this notification in the official Gazette (i.e. 22nd January, 2019) in e-form DPT-3 within 90 days from the date of publication.”.

Note:

- ❑ One Time Form: For purpose of Rule 16A, DPT-3 shall be filed onetime only.
- ❑ Period of Filing: Within 90 days of publication of Rules i.e. 22nd April, 2019 (22nd January, 2019 + 90 days)

V Which information are required to file according to Rule 16A in e-form DPT- 3:-

As per New Rule 16A, Every Company has to file e-form DPT-3 with ROC containing following Information:

- ❑ Every Outstanding Loan (Not Considered as Deposit) in Company as on 22nd January, 2019.
- ❑ Every outstanding receipt of money in Company as on 22nd January, 2019.

Any loan received which falls under definition of deposit not required to mention while filing e-form DPT-3 under Rule 16A.

VI. What is due date for filing of e-form DPT-3 in Rule 16A:-

Due date of Filing of e-form DPT-3 in rule 16A is 22nd April, 2019. Because form required to file within 90 days of publication of these rules.

VII. Outstanding Loan and outstanding receipt of money which period required to be report under this rule.

Outstanding receipt of Money and Loan from 1st April, 2014 to 22nd January, 2019.

QUICK BITES :

IX. If a company not having any outstanding loan or outstanding receipt of money as on 22.01.2019 (i.e. date of publication of rules). Whether company need to file e-form DPT-3.

As per rule 16A DPT-3 Every Company other than Government Company shall file a onetime return of outstanding receipt of money or loan by a company but not considered as deposits.

Therefore, one can opine that in the above mentioned situation there is no need to file e-form DPT-3.

X. If some outstanding receipt of money or loan had become due before 1 April, 2014, still continuing and outstanding in record of Company. Whether such outstanding loan or receipt required to report in DPT-3.

As per rule 16A DPT-3 required to file for each and every loan received by Company outstanding as on date of publication of these rules (22.01.2019).

Therefore, one can opine that such outstanding loan is required to report to ROC in e-form DPT-3

XI. If Company received loan after 01st April, 2014 but such loan is not outstanding as on 22.01.2019 (date of rules). Whether company need to report such loan in DPT-3.

As per language of Rule 16A, company has to report outstanding Loan and outstanding receipt of money to Roc in DPT-3. If Company has already paid Loan and such loan is not outstanding in record of Company. There is no need to inform such loan to ROC.

If company doesn't accept loan or doesn't having any outstanding Loan. Whether need to file DPT-3, If there is no outstanding Loan or company doesn't accept any loan there is no need to file e-form DPT-3 with ROC.

DPT-3 MANDATORY INFORMATION: FAQS

Mandatory Filing of Details of Loan with ROC in brief with some important FAQ's in relation to DPT-3 with reference to Companies (Acceptance of Deposits) Amendment Rules, 2019 notified by MCA on 22.01.2019.

By Companies (Acceptance of Deposits) Amendment Rules, 2019 : Every Company other than Government Company shall file a onetime return of outstanding receipt of money or loan by a company but not considered as deposits, in term of clause (c) of sub-rule 1 of rule 2 from the 01st April, 2014 to the date of publication of this notification in the official Gazette (i.e. 22nd January, 2019) in e-form DPT-3 within 90 days from the date of publication.”.

1. Whether every company needs to file e-form DPT-3 as per rule 16A.

All the Companies (Whether, Small, Non Small, Private, Public, OPC, etc.) required to file DPT-3 after publication of these rules.

2. What is due date for filing of e-form DPT-3 in Rule 16A?
Due date of Filing of e-form DPT-3 in rule 16A is 22nd April, 2019. Because form required to file within 90 days of publication of these rules. (22nd January, 2019 + 90 days)
3. Whether DPT-3 required filing for Secured or Unsecured Loan or Both?
Yes, DPT-3 required for filing for both secured and unsecured Loan.
4. Whether DPT-3 required for ECB received by Company?
As per rule 16A DPT-3 required to file for each and every loan received by Company. Therefore, one can opine that if Company has received ECB in such case Company have to mandatorily file e-form DPT-3.
5. Outstanding Loan and outstanding receipt of money in relation to which period required to be report under this rule.
Outstanding receipt of Money and Loan from 1st April, 2014 to 22nd January, 2019 (i.e. date of publication of notice) is required to report in e-form DPT-3..
6. If Company received loan from Holding Company or Subsidiary Company or Associate Company. Whether company need to file DPT-3.
As per rule 16A DPT-3 required to file for each and every loan received by Company. Therefore, Company required to file e-form DPT-3 even for loan received from H,S and Associate.
7. If a company not having any outstanding loan or outstanding receipt of money as on 22.01.2019 (i.e. date of publication of rules). Whether company need to file e-form DPT-3.
As per rule 16A DPT-3 Every Company other than Government Company shall file a onetime return of outstanding receipt of money or loan by a company but not considered as deposits.
Therefore, one can opine that in the above mentioned situation there is no need to file e-form DPT-3.
8. If some outstanding receipt of money or loan had become due before 01st April, 2014, still continuing and outstanding in record of Company. Whether such outstanding loan or receipt required to report in DPT-3.
As per rule 16A DPT-3 required to file for each and every loan received by Company outstanding as on date of publication of these rules (22.01.2019).
Therefore, one can opine that such outstanding loan is required to report to ROC in e-form DPT-3.
9. If Company received loan after 01st April, 2014 but such loan is not outstanding as on 22.01.2019 (date of rules). Whether company need to report such loan in DPT-3.
As per language of Rule 16A, company has to report outstanding Loan and outstanding receipt of money to Roc in DPT-3. If Company has already paid Loan and such loan is not outstanding in record of Company. There is no need to inform such loan to ROC.
10. If company doesn't accept loan or doesn't having any outstanding Loan. Whether need to file DPT-3,
If there is no outstanding Loan or company doesn't accept any loan there is no need to file e-form DPT-3 with ROC.

MANDATORY REPORTING OF SPECIFIED COMPANIES- MSME-1

Compiled by CS Chitra Naraniwal

1 MCA on 22nd January, 2019 has published "Specified Companies (Furnishing of information about payment to Micro and Small enterprise Suppliers) Order, 2019. They shall come into effect from 22nd January, 2019.

EXTRACT OF ACT:

2. Every specified company shall file in MSME Form I details of all outstanding dues to Micro or small enterprises suppliers existing on the date of notification of this order within 30 days from the date of publication of this notification.

3. Every specified company shall file a return as per MSME Form I annexed to this Order, half Year as per details given below

S. No.	Period	Due Date
1.	Period April to September	31st October
2.	Period October to March	30th April

Amendment:

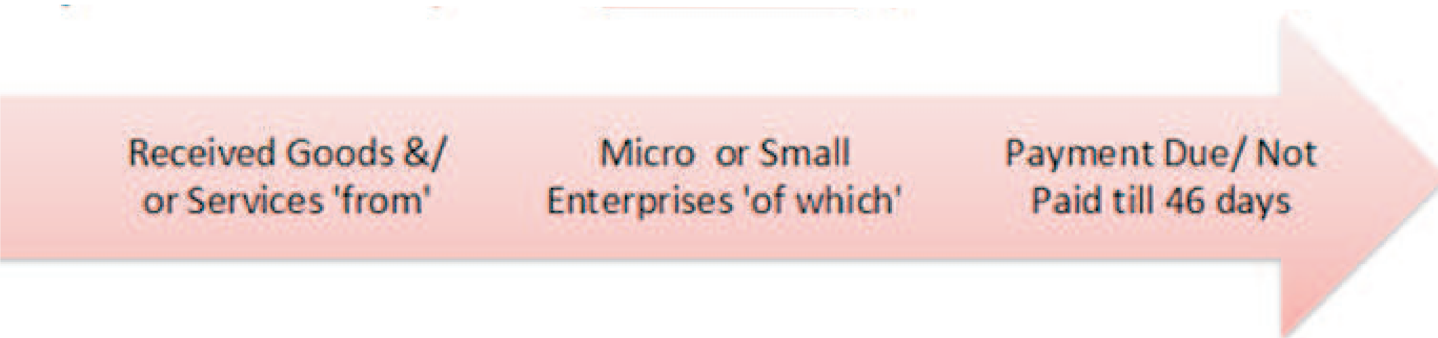
I. Which Companies falls under MSME

The limit for investment in plant and machinery / equipment for manufacturing / service enterprises, as notified, vide S.O. 1642(E) dtd.29-09-2006 are as under

Manufacturing Sector	
Enterprises	**Investment in plant & machinery**
Micro Enterprises	Does not exceed Rs. 25,00,000/- (Twenty Five Lakh)
Small Enterprises	More than **Twenty Five Lakh** (25,00,000) rupees but does not exceed **Five Crore Rupees** (50,000,000)
Medium Enterprises	More than **Five Crore** (50,000,000) rupees but does not exceed **Ten Crore** (100,000,000) rupees
Service Sector	
Enterprises	**Investment in equipments**
Micro Enterprises	Does not exceed **Ten Lakh** rupees (Rs. 1,000,000):
Small Enterprises	More than **Ten Lakh** rupees(Rs. 1,000,000) but does not exceed **Two Crore** (20,000,000) rupees
Medium Enterprises	More than **Two Crore** (20,000,000) rupees but does not exceed **five core rupees** (50,000,000)

II. Which are Specified Companies:-

Every Company "PUBLIC OR PRIVATE" if falls in below mentioned condition:



Micro and small Includes:

Proprietorship, Hindu Undivided Family,
Association of Persons, Co-Operative Society,
Partnership Firm, Company or
Undertaking

III. Which form Specified Company required to file with ROC:-

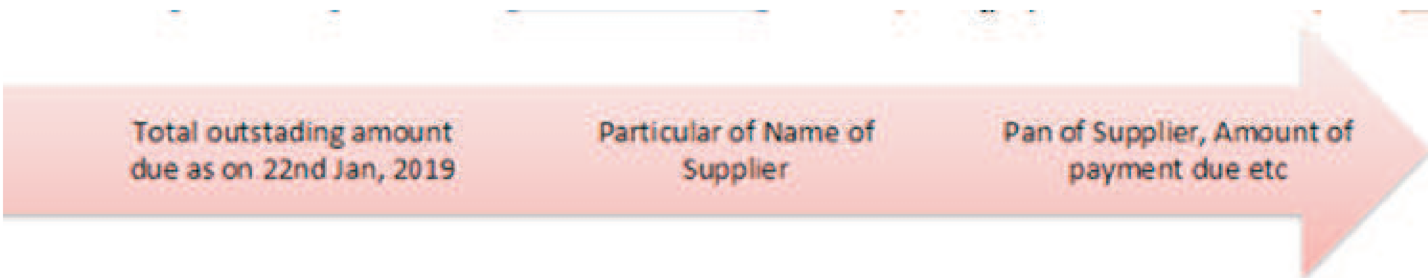
Specified Companies are required to file returns with ROC in e-form MSME-1: Two Type of Returns required filing by "Specified Companies" like:

- One Time Return
- Half Yearly Return

I. Which is due date of filing of "One Time Return"?

One time return required to file within 30 days from the availability of forms at MCA portal. The form was available on 25.02.02019 hence last date will be 24.03.20019

II. in "One Time Return" which type of information required to submit with ROC?



III. Which is due date of filing of "Half Yearly Return"?

For Half year period 'April to September' 31st October

For half year period 'October to March' 30th April

QUICK BITES:

IV. If a Company falls in criteria of MSME, However not registered under MSME Act. Whether Company need to mention details of such MSME in their reporting?

As per language of Notification, If a Company registered under MSME Act and having a valid MSME certificate. Then only required to include in reporting while filing of MSME-1.

Therefore, one can opine that, Details of only registered MSME required filing with ROC in form MSME-1.

V. If on 22.01.2019 (date of notification of rules) company doesn't have any MSME register creditor. Whether Company need to file MSME-1 with NIL details.

As per language of Notification, if all the vendors/ creditors of Company are NON- MSME registered. In such case there is no need to file MSME-1.

VI. Whether there is any limit on amount of transaction with MSME?

As per MSME Act, 2006; Limit of amount doesn't matter to check whether payment made in 45 days or not.

What are the Consequences on Company if it's fails to file e-form MSME-1 within 30 days of notification?

Statutory Provisions Contained Under the Act:

Section 405: - Power of Central Government to Direct Companies to Furnish Information or Statistic

(1) The Central Government may, by order, require companies generally, or any class of companies, or any company, to furnish such information or statistics with regard to their or its constitution or working, and within such time, as may be specified in the order.

(4) If any company fails to comply with an order made under sub-section (1) or subsection (3), or knowingly furnishes any information or statistics which is incorrect or incomplete in any material respect, the company shall be punishable with fine which may extend to twenty-five thousand rupees and every officer of the company who is in default, shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than twenty-five thousand rupees but which may extend to three lakh rupees, or with both.

Therefore, one can opine that if company fails to file MSME-1 within 30 days then Penalty shall be as follow:

Penalty on	Minimum Fine	Fine can Extend Upto
Company	Rs. 25,000/-	Rs. 25,000/-
Officer in Default (KMP, Directors)	Rs. 25,000/-	Rs. 300,000/-

VII. How to identify whether creditors entity falls under Micro and Small or not?-

For the purpose of reporting under MSME Form-1. Company should be aware that creditor's entity is Micro or Small or not.

Therefore,

- Company have to ask a declaration from the creditors whether they falls under Micro or small or not and whether as on date they meet criteria of MSME.
- Company has to ask for copy of certificate of registration under MSME.

VIII. Meaning of Enterprises?

- **Manufacturing Enterprises-**he enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and regulation) Act, 1951) or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use. The Manufacturing Enterprise are defined in terms of investment in Plant & Machinery.
- **Service Enterprises:-**The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment.

IX. Whether Traders and Retailers can get registration under MSME?

- As per our understanding of MSME Act, Only manufactures and service provides as mentioned above can get registration under MSME.

X. If there is an agreement between MSME registered company and other company for payment with in any days more than 45 days e.g 60 days or 75 days? Whether Specified Company need to file e-for MSME-1 after expiry of 45 days?

As per section 15 of MSME Act, "in no case period agreed between supplier and buyer in writing shall exceed 45 days from day of acceptance.

Therefore one can opine that, agreement between supplier and buyer for payment after 45 days doesn't have any effect in filing of MSME-1. Because as per MSME Act, supplier and buyer cannot decide day more than 45 days.

XI. What are consequences for non filing of the MSME form?

As per section 16 of MSME Act, if buyer make delay in payment more than 45 days in such case buyer is liable to pay compound interest with monthly restes to the supplier on that amount from the appointed day, at three times of the bank rate notified by RBI.

Therefore one can opine that, consequences nonpayment within 45 days is buyer liable to make payment of interest

E-Form- Active
ACTIVE COMPANY TAGGING IDENTITIES AND VERIFICATION

Compiled by CS Priyanka Vyas

MCA on 21st February, 2019, came out with Companies (Incorporation) Amendment Rules, 2019.

Every Company incorporated on or before 31st December, 2017 shall file Particular of Company and Registered Office in e-form Active (i.e. e-form 22A) on or before 25.04.2019.

NOTE:

If Company has not filed its due Financial Statement (AOC-4) or Annual Return (MGT-7) or both with ROC. Such Company shall not allow filing e-form ACTIVE.

Therefore, Companies are required to complete its Annual Filing before filing of e-form Active (i.e. 22A).

I. If Company incorporated on or after 01st January, 2018. Then whether Companies need to file this form 22A?

As per Amendment Rules, Only companies incorporated on or before 31st December, 2017 are required to file e-form 22A.

Therefore, one can opine that Companies Incorporated on or after 1st January, 2018 not required to file e-form 22A

II. What is due date for e-form 22A?

Due date for filling of e-form 22A is 25th April, 2019.

III. Consequences if Company fails to file e-form 22A till 25th April, 2019?

There are two types of consequences:

1. After 25th April, 2019 if any Company will file e-form 22A. Company have to pay Fees of Rs. 10,000/-.
2. Status of Company in Master Data shall be changed as "Active- Non Compliant" w.e.f. 26th April, 2019.
3. Barred of Filing of Forms: Once status of Company changes as 'Active Non-Compliant" It will be restricted to file following below mentioned forms:
   - Sh-7 (Increase in Authorized Capital)
   - PAS-3 (Allotment of Shares)
   - DIR-12 (Appointment and Resignation of Director (Except Cessation))
   - INC-22 (Change in Registered Office)
   - INC-28 (For purpose of Amalgamation or de-merger)
4. Action by ROC: Company shall be liable for action under Section 12(9). ROC may remove the name of Company from its record.

IV. Companies which are exempted to file e-form 22A (e-form Active)?

- Struck off Companies (Whether by ROC or sue motto)
- Companies under process of Strike off
- Companies under amalgamation

- Companies Dissolved

V. If Company is under Management Dispute due to this not able to file Financial Statement or Annual Return. Whether allowed to file e-form Active.

   If there is any management dispute and company has informed the same to ROC. In such case even without completion of Annual Filing (AOC-4 or MGT: 7) Companies are allowed to file e-form ACTIVE.

Features of e-form 22A (ACTIVE)–

Initial Details Required to Mention in e-form 22A:

- Name and Registered Office of Company
- Latitude & Longitude of (RO)
- Mail ID & OTP Verification

VI. Whether any OTP shall be generate to file e-form 22A. Whatever email ID or Mobile No. of Company mentioned in e-form 22A shall receive OTP. That OTP is mandatory to file form 22A.

VII. Address Proof of Registered Office.

Photo of Registered Office

- Showing external building and
- Inside Building
- Inside office also showing therein atleast one director/KMP who has

VIII. affixed his/her DSC on e-form 22A.

- Serial No DIN
- Name of Director Status of DIN

NOTE:

Company has to ensure that DIN of Directors are Active. DIN are not Deactivated due to non-filing of DIR-3KYC or Disqualified u/s 164(2)

I. Details of AUDITORS (Statutory / Cost) required being mention in e-form 22A.

- Category PAN
- Name of Auditor/ Firm Membership No.
- Period of Account for which appointed

J. Information about KMP:

- Details of MD/CEO/ WTD (DIN/ PAN, Name, Designation)
- Details of Company Secretary
- Details of CFO

K. One more important Information:

- SRN of AOC-4 and MGT-7 filed for Financial Year 2017-18

NATIONAL FINANCIAL REPORTING AUTHOIRTY

Compiled by CS Priyanka Vyas

MCA vide its notification dated 13th November 2018 notified National Financial Reporting Authority (NFRA) Rules 2018.

A. Functions of NFRA:

- Recommend CG on formulation of AS and SA
- Monitor and enforce compliance of AS and SA
- Oversee quality of services rendered by professionals in context of above and suggest improvement measures
- It has also been given the power to investigate matters of professional misconduct by chartered accountants or CA firms, impose penalty and debar the CA or firm for up to 10 years.

The ICAI will continue to exercise these powers over small companies. The NFRA will have jurisdiction over listed companies and large, unlisted companies.

<table>
<tr><th>Function and Duties</th><th>Actionable and Power of Authority</th></tr>
<tr><td>To recommend accounting standards & auditing standards for approval by the Central Government.</td><td>Before recommending accounting standards and auditing standards for approval by the Central Government, the Authority shall:
a. Receive recommendations from ICAI on proposals for new accounting standards or auditing standards or for amendments to existing one;
b. to seek additional information from ICAI on the recommendations received.
Authority shall mandatorily consider their recommendations but may or may not accept.</td></tr>
<tr><td>To monitor and enforce compliance with accounting and auditing standards</td><td>To monitor and enforce the compliance with the accounting standards the Authority may review the financial statements of any company or body corporate governed, for which it may issue written notice to such company/body corporate or its auditor directing to provide further information, explanation or any relevant documents within the time prescribed.
To monitor and enforce compliance with auditing standards following actions may be taken by the Authority:
1. Review working papers, audit plan and other documents and communication related to audit
2. Evaluate the quality control system, documentation system of the auditor.
3. Testing the audit supervisory and quality control procedures of the auditor.
4. Require the auditor to submit a report on its governance practices and internal processes designed to promote audit quality, protect its reputation and reduce risks including risk of failure of the auditor and may take such action on the report as may be necessary.
Further, following common action may be taken by the authority:
a) Require personal presence of officers of the company/body corporate and its auditors for seeking further information and explanation.
b) Where the Authority finds or has reason to believe that any accounting standard has or may have been violated, it take further course of investigation or enforcement action through its concerned Division.
c) The Authority shall publish its findings relating to non- compliances on its website and in such other manner as it considers fit, unless it has reasons not to do so in the public interest and it records the reasons in writing.
d) The Authority shall not publish proprietary or confidential information, unless it has reasons to do so in the public interest and it records the reasons in writing.
The Authority may send a separate report containing proprietary or confidential information to the Central Government for its information.</td></tr>
<tr><td>Overseeing the quality of service and suggesting measures for improvement</td><td>1. Authority may direct the auditor to take measures for improvement of audit quality and specify detailed plan with time- limits.
2. Auditor shall make the required improvements and submit a detailed report.
3. The Authority shall monitor the improvements made by the auditor and take such action as it deems fit depending on the progress made by the auditor.
The Authority may refer the case to Quality Review Board constituted under the Chartered Accountants Act, 1949 and seek any other information required.</td></tr>
<tr><td>Duty to investigate</td><td>Authority shall forward the following matter to its division dealing with enforcement for carrying out investigation and other action:
1. Matters of professional or other misconduct under section 132(4) received from Central Government.
2. Matters of professional or other misconduct undertaken suomoto Matter undertaken on the basis of its compliance or oversight activities.
Note:
a. if, during the investigation, the Authority has evidence to believe that any company/body corporate has not complied with the requirements under the Act or rules which involves or may involve fraud amounting to rupees one crore or more, it shall report its findings to the Central Government.
b. No other institute or body except the Authority has the power to initiate any proceedings against any such matters of misconduct.</td></tr>
</table>

Function and Duties	Actionable and Power of Authority
Disciplinary proceedings	Where the Authority believes that sufficient cause exists to take actions permissible under Section 132(4) of the Act, it shall refer the matter to the concerned division, which shall cause a show- cause notice to the auditor in the manner prescribed and the necessary order shall be passed.
Miscellaneous functions of Authority	1 **Maintain details of particulars of auditors appointed** in the companies and bodies corporate governed by the authority 2 **Promote awareness in relation to the compliance** of accounting standards and auditing standards Perform such other functions and duties as may be necessary or incidental to the aforesaid functions and duties

B. Companies cover under NFRA:

a) All **Listed Companies**/ Listed Body Corporate;

Body Corporate: body corporate" or "corporation" includes a company incorporated outside India,

b) **Unlisted Public Companies** with

Paid up Capital or Loans > = INR 500 crores OR

Turnover > = INR 1000 crores OR

Outstanding Loan, Debentures and Deposit >= INR 500 crores

**Above Limits shall be check on as on the 31st March of immediately preceding financial year; Banking Companies

Insurance

Electricity Companies

Special Act Companies

c) Body corporate; or Company; or Person on a reference made by CG in public interest.

d) Certain specific foreign Subsidiaries/Associates of Indian Companies

**NOTE: Once a Company falls under the above limits under NFRA, will be covered by NFRA for 3 more years.

C. Companies Not cover under NFRA

Considering the provisions of applicability of the Rules, following companies shall not be governed by the Authority:

1. Private Companies (unless referred by Central Government to the Authority in public interest); and
2. Unlisted public companies with paid-up capital or turnover or aggregate of loans, debentures and deposits below the limit stated under Rule 3(1)

Existing body corporate: Initial One Time Disclosure

Every existing body corporate, other than a company, governed by these rules, shall inform the Authority within thirty days of the commencement of these rules, in Form NFRA-1, the particulars of the auditor as on the date of commencement of these rules.

- Everybody corporate shall within 15 days of appointment of an auditor, inform the Authority about the particulars of the auditors appointed by the body corporate, inform NFRA-1;

  Note: Indian Cos. are exempted from this requirement.

- **Annual return** - Every auditor referred to in rule 3 shall file a return with the Authority on or before 30th April every year in such form as may be specified by the Central Government.

Demetralization of Securities" of Public Limited Company

Compiled by *CS Shubhangi Janifer*

The Ministry of Corporate Affairs in its drive to enhance transparency, investor protection and corporate governance, has notified Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 on 10th September 2018 effective from 2nd October, 2018.:-

A. **Dematerialization:**

Dematerialization is *the process of conVerting Physical Securities into electronic format.* It should be related to Listing of securities. A Shareholder intending to dematerialize its securities needs to open a Demat account with Depository Participant.

Investor Deface and surrenders his Physical Securities and in turn gets Electronic Shares in his Demat Account:

B. **Benefit of Dematerialization:**

- Elimination of risk of duplication, theft, fraud and loss with respect to physical share certificates.
- Exemption from payment of stamp duty on transfer.
- Ease in transfer and pledge of securities.

C. **Applicability:**

Every unlisted public company with effect from 02 October 2018 shall-

- Issue its securities only in dematerialized form; and
- Ensure dematerialization of all its existing securities

D. **Major Impact on Company:**

I. After 02.10.2018, Unlisted Company has to ensure that entire holding of securities of its Promoters, Directors, Key Managerial personnel is in dematerialized Form, otherwise company shall not be able to do followings:

- Issue of securities;
- Buy-back of securities;
- Issue of bonus shares; and
- Rights issue

II. After 02.10.2018, all new issue of securities or transfer of securities shall be only in Dematerialize form.

III. Impact on Security Holders (Transfer / subscription of Securities):

Rule 3 of the amendment specifies that every holder of Securities who intends to transfer securities or who intends to subscribe to any securities of an unlisted public company has to make sure that all their existing Securities are held in dematerialised form before such transfer or subscription to the Securities;

A. Compliance Requirement by Public Company:

After amendment w.e.f. 02nd October, 2018, Public Companies must have to compliance with the following below mentioned compliances:

A. Make timely payment of Fees (admission as well as annual).

B. Maintenance of Security deposit of 2 years' Fees, as per agreement executed with the followings:

- Depository;
- Registrar to an issue;
- Share Transfer Agent

C. Comply with the regulations, guidelines or circulars, if any issued by **the Securities and Exchange Board or Depository** from time to time.

D. Most Important: Reconciliation of Share Capital Audit Report provided under regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996 to be submitted on a half-yearly basis to the registrar, under whose jurisdiction the registered office of the company is situated.

B. Legislative Requirement (Regulation 55A):

Under provision of Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996, listed companies are required to submit

- Reconciliation of Share Capital Audit Report on a Half Yearly basis to the stock exchanges audited by a qualified chartered accountant or a practicing company secretary, for the purpose of reconciliation of share capital held in depositories and in physical form with the issued / listed capital.
- The Reconciliation of Share Capital Audit Report is required to be submitted to the stock Exchange **within 30 days from the end of the Half Year**."

C. Exemption dematerlize securities (22.01.2019)

This rule shall not apply to an unlisted public company which is:—

(a) A Nidhi;

(b) A Government company or

(c) A wholly owned subsidiary

COMPANIES AMENDMENT (ORDINANCE), 2018

The Ordinance has been promulgated based on the Report of Committee Constituted to Review Offences and suggested Corporate Governance Reforms.

IMPACT OF ORDINANCE

- Enlarging the jurisdiction of Regional Director.
- Re-categorized of "Fine as Penalty"

PURPOSE OF AMENDMENTS

- Simplification of Compliances and doing away with unnecessary procedures.
- Lesser regulatory interference and greater self-regulation
- Clarity in the provisions of the Act.
- Encouragement for Startups
- Strengthen Corporate Governance Standard
- Strict Action against defaulting Companies
- Transparency

ORDINANCE

A. Definition:

Substitution of First Proviso of Section 2 Clause 41: "Financial Year"

As per Companies Act, in case of Indian company having Holding/ Subsidiary/ Associate Company situated outside india, it is allowed the change the financial year as per such company with the approval of Tribunal (i.e. NCLT).

By ordinance, 2018: Power of Tribunal has been transferred to Central Government. Therefore, after notification of ordinance financial of Company can be changed with approval of Central Government.

Companies (Incorporation) Fourth Amendment Rules, 2018: Dated: 18th December, 2018

Power of Central Government has been transferred to "Regional Director". Application to Regional Director shall be File in e-form RD-1.

Following documents shall be required to attach in RD-1:

- Reason for Change in Financial Year
- Minutes of Board Meeting
- Power of Attorney or Memorandum of Appearance

Order shall be file in e-form INC-28 with Registrar of Companies within 30 days of date of receipt of order.

B. Declaration of commencement of Business:

New Section 10A inserted after Section 10:

As per 10A, a company incorporated after ordinance shall not commence its business or exercise any borrowing powers unless-

- A declaration is filed by the directors in e-form Form No. INC-20A within 180 days from date of incorporation of company with ROC that 'every subscriber to the MOA has paid the value of the shares agreed to be taken by him".
- Issue of Share Certificate: Every company shall deliver the certificates of all securities allotted, transferred or transmitted. Within a period of two months from the date of incorporation, in the case of subscribers to the memorandum;

C. Maintenance of Registered office of Company:

Addition of Sub - Section (9) after Section 12 Sub Section 8:

As per Section 12(1) A company shall, within thirty days of its incorporation and at all times thereafter, have a registered office capable of receiving and acknowledging all communications and notices as may be addressed to it.

By ordinance, 2018: Registrar may do physical verification of the Registered office of Company and if any default is found to be made in complying with provision of Section 12(1) (extract mentioned above). ROC may, initiate action for removal of name of Company (Strike off)

Compliance as per Section 12:

Every company shall—

(a) paint or affix its name, and the address of its registered office, in a conspicuous position, in legible letters, and

(b) if the characters employed therefore are not those of the language or of one of the languages in general use in that locality, also in the characters of that language or of one of those languages;

D. Duty to Register Charge:

Section Involved : Section 77 Duty to Register Charge

i. BEFORE ORDINANCE: As per Section 77 of Companies Act, 2013, Company have to create charge with the Registrar within 30 days of creation of Charge.

Provided that the Registrar may, on an application by the company, allow such registration to be made within a period of Three Hundred Days of such creation on payment of such additional fees as may be prescribed:

Condonation: Provided further that if registration is not made within a period of three hundred days of such creation, "the company shall seek extension of time in accordance with section 87"

ii. AFTER ORDINANCE: As per Section 77 of Companies Act, 2013, Company have to create charge with the Registrar within 30 days of creation of Charge.

Provided that the Registrar may, on an application by the company, allow such registration to be made within a period of Sixty Days of such creation on payment of such additional fees as may be prescribed in place of Condonation: Provided further that if the registration is not made within the period specified—

The Registrar may, on an application, allow such registration to be made within a further period of Sixty Days after payment of such ADVALOREM fees as may be prescribed.

i. If Charge is created after date of Ordinance i.e. 02.11.2018 in such case what shall be time period for filing of form for registration of charge with ROC.

If charge is created after 02.11.2018 in such case following shall be period for filing of charge form with ROC.

STAGE	PARTICULAR	TIME PERIOD	Days	FEES
i.	Satisfaction of Charge with ROC	Within 30 days of Satisfaction	0+30=30	Normal Fees
ii.	If Fails to file with in 30, days	within a period of 300 days of such satisfaction	0+30+270= 300	Normal Fees + Additional Fees
iii.	If Fails to file with in 300, days	Filing of form with RD for satisfaction of Charge	0+30+270+….=….	Normal Fees +Additional Fees + Condonation fees

NOTE: Provisions for Condonation of delay in satisfaction of charge is still there in act even after ordinance.

E. Disqualification of Director– Section 164:

Addition of clause (h) in Section 164(1)

As per Section 165, No person, after the commencement of this Act, shall hold office as a director, including any alternate directorship, in more than **twenty companies** at the same time.

By ordinance, 2018: If default made in Section 165, then director shall be considered as disqualified under Section 164. "**Breach in Maximum no of Directorships to be a Ground for Disqualification**."

F. Compounding of Offence– Section 441:

As per Act, (b) where the maximum amount of fine which may be imposed for such offence does not exceed five lakh rupees, by the Regional Director or any officer authorised by the Central Government, (Power of RD to compound offence punishable upto Rs. 500,000/-)

By ordinance, 2018: where the maximum amount of fine which may be imposed for such offence does **not exceed Twenty five lakh rupees**, by the Regional Director or any officer authorised by the Central Government, (**Power of RD to compound offence punishable increased upto Rs. 2,500,000/-)**

G. Re categorized of default:

Fine	**Penalty**
As per Oxford Dictionary	As per Oxford Dictionary:
Fine is "a sum of money exacted as a penalty by a court of law or other authority?"	Penalty is "a punishment imposed for breaking a law, rule, or contract."

In General words, Fine imposed when any application/ petition filed with any court (like: NCLT, High Court) and penalty imposed when company made any non compliance and authority directly can impose penalty on them.

Quick Bites:

iii. Many people having doubt whether 'Additional Fees' paid on filing of **form is penalty or fine?**

As per Rule 12 of The Companies (The Registered offices and Fees) Rules, 2014.

Additional fees is only a fees paid by Company for filing of form it Is neither Fine nor Penalty.

Example: Section 92- Annual Return

Sub section 4: States about filing of Annual Return and additional fees in case of non filing with in prescribed period of 60 days from AGM.

Sub Section 5: States about fine in case of company fails to file annual return within time prescribed under sub section 4.

Therefore, one can observe that for one form Annual Return MGT-7 Company is paying additional fees and fine both in case company make any non compliance for filing of same.

Therefore, Additional fees is neither fine nor penalty.

There are as many as 16 sections amended via Ordinance, whereby the punishment for non-compliance to be levied under the Companies Act, 2013 is re-categorized from "FINE" to "PENALTY"

Sr.	**Section**	**Section Description**
1.	53(3)	Prohibition of Issue of shares at a discount
2.	64(2)	Notice to be given to Registrar for alteration of share capital
3.	92(5)	Annual Return
4.	102(5)	Statement to be annexed to Notice
5.	105	Proxies
6.	117(2)	Resolutions and Agreements to be filed
7.	121(3)	Report on annual general meeting
8.	137(3)	Copy of financial statement to be filed with Registrar
9.	140(3)	Removal, resignation of auditor and giving of special notice
10.	157(2)	Company to inform Director Identification Number toRegistrar
11.	159	Punishment for Contravention - in respect of DIN
12.	165(6)	Number of Directorships
13.	191(5)	Payment to Director for Loss of Office
14.	197(15)	Overall maximum managerial remuneration and managerial remuneration in case of absence or
		inadequacy of profits
15.	203(5)	Appointment of Key Managerial Personnel
16.	238(3)	Registration of the offer of scheme involving transfer of shares

Example- Discussion on one of above section:

iv Section 117(2) - Resolutions and Agreements to be Filed: As per this section Companies are required to file e-form MGT-14 with ROC for passing of resolutions mentioned u/s 117(3) within 30 days of passing of resolution.

S. No.	Fine	Penalty
Company	Company shall be punishable with FINE which shall not be less than 5,00,000 rupees but which may extend to 25,00,000 rupees	Liable to PENALTY of 1,00,000 rupees and incase of continuing failure futher penalty of 500 rupees for each day upto maximum 25,00,000 rupees
Director	punishable with FINE which shall not be less than 1,00,000 rupees but which may extend to 5,00,000.	PENALTY of 50,000 and incase of continuing failure with further penalty of 500 rupees for each day up to 5,00,000

Thus, before ordinance section 117(2) states about Fine and after ordinance section states about Penalty.

Therefore, **before ordinance** default can be make good by petition in NCLT by filing compounding application Suo Moto or after receipt of notice form ROC/ MCA.

And, **After Ordinance** ROC may start levying penalty by issuing 'Show Cause Notice' without any petition to NCLT or any other authorities.

H. Conversion of Public Company into Private Limited Company:

<u>Substitution of Provisos of Section 14 Sub section 1:</u>

As per Section 14(1)- for conversion of Public Company into Private Limited Company approval of Tribunal is required.

By ordinance, 2018: Power of Tribunal has been transferred to **Central Government**. Therefore, after notification of ordinance Public Company can be converting into Private Company with approval of Central Government.

Power of Central Government has been transferred to Regional Director.

UPDATES

MCA

The Ministry of Corporate Affairs has amended the incorporation rules wherein new form has been introduced, named, e-form Active Company Tagging Identities and Verification (Active). This new e-form Active is required to be filled by all the companies which are incorporated on or before 31.12.2017 except struck off cos., under process of winding up, sticking off, liquidation and dissolved companies. One to the best things in the e-form is mandatory attachment of the photograph of registered office showing external building and inside office with atleast one director, KMP who is authorized to affix his/her digital signature. This e-form also seeks information related to financial Statement, auditor directors, KMP and SRN details for AOC-4 and MGT-7. It must be filed with the MCA till April 25, 2019 with Zero fee, otherwise company will have to face INR 10,000 penalty and would be considered as 'Inactive' and debarred from filing the various e-forms related to change in authorized share capital, change in paid - up capital, change in director, change in registered office and amalgamation.

RBI - NBFC

RBI has decided to merge the three categories of NBFC's viz. Asset Finance Companies (AFC), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC - Investment and Credit Company (NBFC-ICC). RBI has reviewed the complete structure of the NBFC Sector including the applicable guidelines & directions and with intend to bring harmonisation within the different categories of NBFCs. Over a period of time, evolution of the NBFC sector has resulted in several categories of NBFCs intended to focus on specific sector/ asset classes. Different sets of regulatory prescriptions were accordingly put in place. On a review, it has been decided that in order to provide NBFCs with greater operational flexibility, harmonisation of different categories of NBFCs into fewer ones shall be carried out based on the principle of regulation by activity rather than regulation by entity.

The Companies (Incorporation) Amendment Rules, 2019

They shall come into force with effect from 25th February, 2019.

In the Companies (Incorporation) Rules, 2014 (hereinafter referred to as the said rules), after rule 25, the following shall be inserted, namely:-

'25A. Active Company Tagging Identities and Verification (ACTIVE).-

(1) Every company incorporated on or before the 31st December, 2017 shall file the particulars of the company and its registered office, in e-Form ACTIVE (Active Company Tagging Identities and Verification) on or before 25.04.2019.

Provided that any company which has not filed its due financial statements under section 137 or due annual returns under section 92 or both with the Registrar shall be restricted from filing e-Form-ACTIVE, unless such company is under management dispute and the Registrar has recorded the same on the register:

Provided further that companies which have been struck off or are under process of striking off or under liquidation or amalgamated or dissolved, as recorded in the register, shall not be required to file e Form ACTIVE:

Provided also that in case a company does not intimate the said particulars, the Company shall be marked as "ACTIVE-non-compliant" on or after 26th April, 2019 and shall be liable for action under sub-section (9) of section 12 of the Act:

Provided also that no request for recording the following event based information or changes shall be accepted by the Registrar from such companies marked as "ACTIVE non compliant". Unless " e-Form ACTIVE" is filed –

(i) SH-07 (Change in Authorized Capital);

(ii) PAS-03 (Change in Paid-up Capital);

(iii)DIR- 12 (Changes in Director except cessation);

(iv) INC-22 (Change in Registered Office);

(v) INC-28 (Amalgamation, de-merger)

(2) Where a company files "e-Form ACTIVE", on or after 26th April' 2019, the company shall be marked as "ACTIVE Compliant", on payment of fee of ten thousand rupees".

Notification:

http://www.mca.gov.in/Ministry/pdf/CompaniesIncorporationAmendmentRules_21022019.pdf

The Companies (Registration offices and Fees) Amendment Rules, 2019

Notification:

http://www.mca.gov.in/Ministry/pdf/CompaniesRegnOfficesFeesRules21022019.pdf

Extension for last date of filing initial return in MSME Form I – reg

Pending the deployment of MSME Form I on MCA 21 portal and in order to avoid inconvenience to stakeholders on account of various factors, it is stated the period of thirty days for filing initial return in MSME Form 1 as specified in Specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Order, 2019 dated 22.01.2019 shall be reckoned from the date the said e-form is deployed on MCA 21 portal.

Circular:

http://www.mca.gov.in/Ministry/pdf/InitialReturnInMSMEForm_21022019.pdf

SEBI

Revision in Haircut on Central Government Securities (G-Sec)accepted as Collateral

Based on the feedback received from the Clearing Corporations and the recommendations of the Risk Management Review Committee (RMRC) of SEBI, it has been decided to revise the minimum haircuts applicable to the Central Government securities deposited by clearing members.

Circular:

https://www.sebi.gov.in/legal/circulars/feb-2019/revision-in-haircut-on-central-government-securities-g-sec-accepted-as-collateral_42112.html

NEWS

CORPORATE NEWS

Sebi revises minimum haircut for government securities used as collateral

Sebi on Thursday revised the minimum haircut for government securities (G-sec) that are used as collateral in the market. Generally, haircut refers to the difference between the market value of the particular securities and the value at which the same has been kept as collateral. Now, there would be three minimum haircut slabs depending on the type and tenure of the government securities, according to a circular.

The haircut would be at least 2 per cent for treasury bills and liquid government securities having maturity period of less than three years. The slab would be a minimum 5 per cent for those securities having maturity period of more than three years.

Read more at:

//economictimes.indiatimes.com/articleshow/68100744.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Government re-promulgates ordinance for companies law amendments

The government has re-promulgated an ordinance to amend the companies law that seeks to plug critical gaps in corporate governance and compliance framework as well as improve the ease of doing business in the country. On Tuesday, the Cabinet cleared the proposal to promulgate the Companies (Second Amendment) Ordinance, 2019.

A bill to replace the Companies (Amendment) Ordinance, 2018, that was promulgated in November could not be passed during the last session of the current Parliament. The latest ordinance has been promulgated with effect from Thursday, according to the official gazette.

Read more at:

//economictimes.indiatimes.com/articleshow/68100821.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

President promulgates Unregulated Deposit Scheme Ordinance

President Ram Nath Kovind Thursday promulgated the Banning of Unregulated Deposit Scheme Ordinance which seek to curb the menace of ponzi schemes and make such unregulated deposit scheme punishable.

The Ordinance will help put a check on illicit deposit taking activities like Saradha scam and Rose Valley chit fund scam in the country that dupe poor and the financially illiterate of their hard earned savings.

The Lok Sabha passed the Bill to this effect on the last day of the budget session by a voice-vote, but the legislation could not get the approval of the Rajya Sabha.

Earlier this week, the Cabinet has requested the President of India for promulgation of the Unregulated Deposit Schemes Ordinance, 2019.

Read more at:

//economictimes.indiatimes.com/articleshow/68101684.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

MSME NEWS

Expect NPE 2019 to support MSMEs, drive growth of value added manufacturing: ELCINA

Expecting increased incentives for MSMEs and drive growth of value-added manufacturing, ELCINA, the industry body representing the electronics manufacturing fraternity of the country, hopes the New Electronics Policy 2019 (NPE 2019) will address the concerns of domestic manufacturers and overcome gaps experienced in the erstwhile NPE 2012. Calling the NPE 2019 'progressive in nature', Rajoo Goel, Secretary-General, ELCINA, said, "NPE 2019 takes forward the initiatives of NPE 2012 and aims to promote domestic manufacturing and export in the entire value-chain of Electronic System Design & Manufacturing (ESDM) sector. It is also expected to give a thrust to economic development by achieving a turnover of $400 by 2025 and generating 10 million additional jobs."

Read more at:

//economictimes.indiatimes.com/articleshow/68091397.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

RBI

RBI has clarified that the applications received from a Non-Government Organisation, Non-Profit Organization, Body / Agency / Department of a foreign Government for opening of a branch office or a liaison office or a project office or any other place of business in India are to be forwarded to the Reserve Bank for prior approval and be considered in consultation with the Government of India. It is further advised that if such an entity is engaged, partly or wholly, in any of the activities covered under Foreign Contribution (Regulation) Act, 2010 (FCRA), it shall obtain a certificate of registration under the said Act and shall not seek permission under FEMA 22(R). Accordingly, the Form FNC has also been suitably modified to add the declaration to that effect.

NSE

NSE has issued a circular to all listing companies w.r.t Deficiencies in disclosures related to Pledge of Shares As per Regulation 31 of SEBI (Substantial Acquisition of shares and takeovers) Regulation, 2011. The promoter of every target company shall disclose details of shares in such target company encumbered by him or by persons acting in concert with him. It has been observed that the Promoters of the Company have not provided the details of Name of the entity in whose favour shares have been encumbered including the name of both the lender and the trustee who may hold shares directly or on behalf of the lender. NSE has advised the promoters to comply with the SEBI (Substantial Acquisition of shares and takeovers) Regulation, 2011 and SEBI Circular dated August 05, 2015 for any filing made by your Promoters henceforth.

F. No. 17/6/2017- CL V (Pt I)
Government of India
Ministry of Corporate Affairs

5th Floor, A-Wing Shastri Bhavan
Dr. R P Road, New Delhi - 01

Dated: 21.02.2019

All Regional Directors,
All Registrar of Companies,
The Stakeholders.
Sub :- Extension for last date of filing initial return in MSME Form I - reg.

Sir/Madam,

Pending the deployment of MSME Form I on MCA 21 portal and in order to avoid inconvenience to stakeholders on account of various factors, it is stated the period of thirty days for filing initial return in MSME Form 1 as specified in Specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Order, 2019 dated 22.01.2019 shall be reckoned from the date the said e-form is deployed on MCA 21 portal.

2. This issues with the approval of competent authority.

(Chandan Kumar)
Deputy Director

Copy to:-
(i) Guard File;
(ii) E-Gov Section and Web Contents Manager to publish this circular on the Ministry's website.

Highlights of the 33rd GST Council Meet 24th Feb 2019

The GST Council in its 32nd meeting held in Delhi under the Chairmanship of Shri Arun Jaitely, Union Finance Minister took following decisions:

Changes in GST Rates on Real Estate Sector

To make housing affordable for middle, neo-middle and inspirational classes, the council rationalized GST rates on under – construction residential properties.

Such recommendations are proposed taking into consideration the ongoing laid back investment activity in the under – construction housing segment. These recommendations are a move towards realizing the national mission for urban housing that stands as 'Housing for All by 2022.

As per the mission , the intent of the government is to ensure that every citizen in India owns a house and the urban areas are free of slums.

Pre GST Era:

In the pre – GST era, two main taxes were levied on under – construction housing projects:

1. State Levied Value Added Tax
2. Center Levied Service Tax

Therefore to understand the calculation of tax on an under – construction housing project, we can divide the total cost into three parts:

(i) Cost of Land
(ii) Materials Cost and
(iii) Labor Cost.

Now VAT and Service Tax were levied on different cost components in the following manner:

Cost of Land: Neither VAT nor Service Tax was applicable on such cost.

Materials Cost: The material cost component was chargeable under VAT.

Labor/Cost of Construction: The labour or construction cost component was chargeable under Service Tax.

So in cases where separate records for material and labour costs could be maintained, VAT and Service Tax were applied separately on each of the components. However, it was not that easy to maintain separate records. Therefore, a more rational way of calculating such taxes was implemented by the government.

Accordingly, the following table showcases the value of contract that was liable for tax.

S.No.	Nature of Transaction	Applicable Tax	Value Liable To Tax
1.	Goods Portion of Works Contract	VAT	70% of construction value calculated after deducting 30% (which is total contract value less land value)
2.	Services Portion of Works Contract	Service Tax	40% of construction value (total contract value less land value) to be deemed as the taxable value for computing Service Tax

As we can see, under the Pre – GST, era developers had to deal with multiple taxes like VAT and Service Tax. Moreover, the developers were not eligible for any ITC for excise duty, central sales tax and entry tax paid on procurement. Such a set up lead to increasing the final price of the real estate property. Also this made the developers more conservative in disclosing the tax bifurcations to final consumers.

Post GST Era:

In the post GST era, the rate on under – construction normal residential property was pegged at 18% (This was 12% in case of affordable housing projects). Moreover, an abatement of one – third on the total construction value was provided towards land. Accordingly, the effective GST rate for construction services came to be 12% (which was 8% in case of affordable housing projects).

Following table shows the calculation of the effective GST rates on under – construction residential projects.

S.No.	Nature of Transaction	Applicable GST Rate	Calculation of Rate Considering Deduction of Land Value	Effective GST Rate
1.	Sale of Normal Residential House/Flat	18%	18% - (18%*0.33)	12%
2.	Services Portion of Works Contract	12%	12% - (12%*0.33)	8%

1. Housing under-construction gets a boost:

The FM announced a rate cut for the under-construction properties covering the residential segment as follows:

a) Rationalization of GST Rate:

Residential Segment Type	Existing Effective GST Rate	New Effective GST Rate to be levied	ITC Availability
Residential properties outside affordable segment	12%	5%	Without ITC
Affordable housing properties	8%	1%	Without ITC

b) Definition of affordable housing:

Measure	Metropolitan cities	Non-Metropolitan cities
Carpet Area	60 SQM	90 SQM
Value	Value upto RS 45 Lacs	

Where Metropolitan Cities are

- Bengaluru,
- Chennai,
- Delhi NCR (limited to Delhi, Noida, Greater Noida, Ghaziabad, Gurgaon, Faridabad),
- Hyderabad,
- Kolkata and
- Mumbai (whole of MMR).

a) GST exemption has also been proposed on Transfer Development Rights (TDR) / Joint Development Agreement (JDA), long term lease (premium), Floor Space Index (FSI):

GST Council has specified that an Intermediate tax on these development rights will be exempt from GST for such residential properties on which GST is payable.

Press release document states that details of the scheme shall be worked out by an officers committee and shall be approved by the GST Council in a meeting to be called specifically for this purpose.

The new GST rate shall be applicable from 1st April 2019.

b) Benefits of the above recommendation made by the GST Council are outlined below:

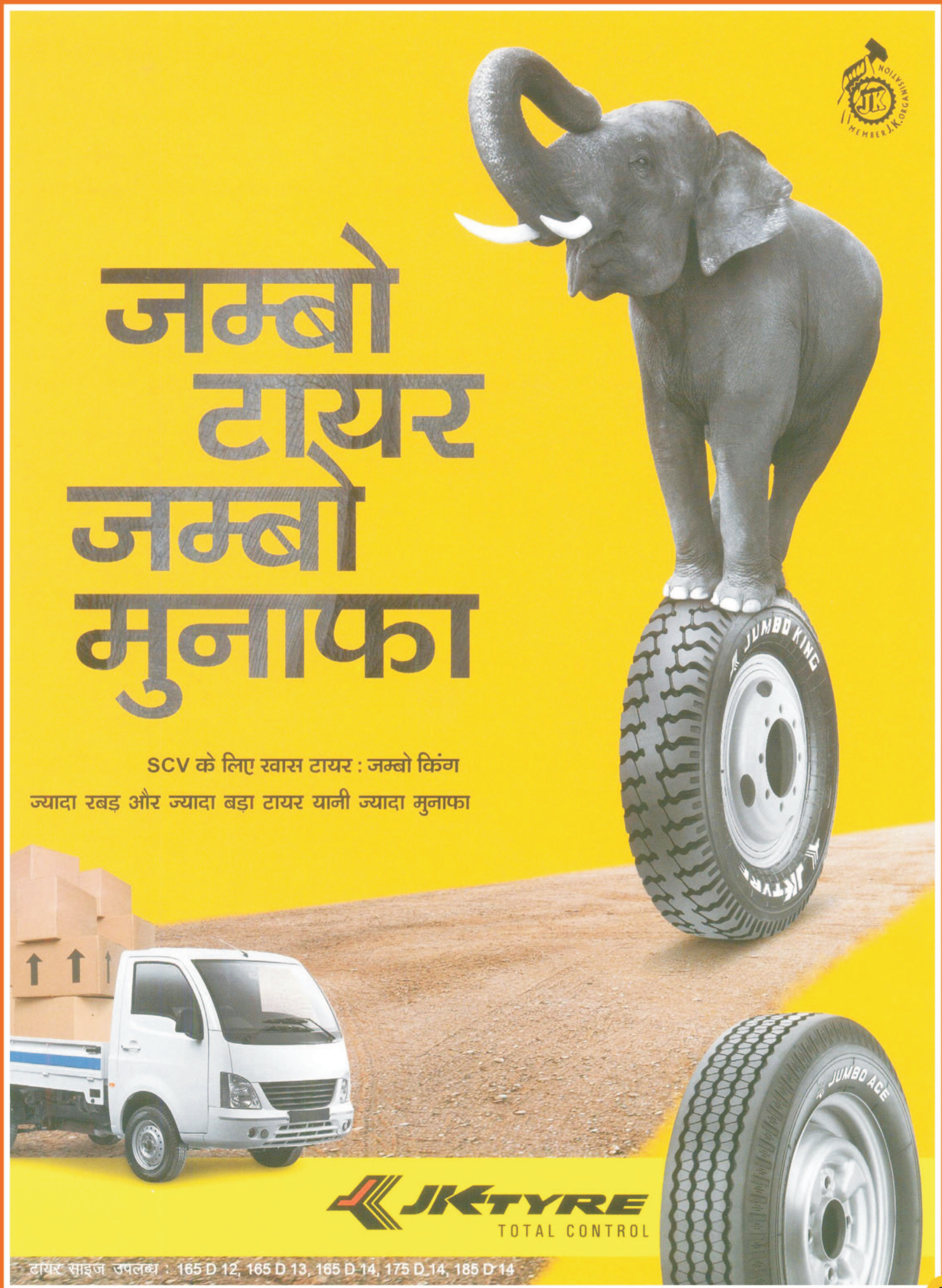
- The buyer of house gets a fair price and affordable housing gets very attractive with GST @ 1%.
- Interest of the buyer/consumer gets protected; ITC benefits not being passed to them shall become a non-issue.
- Cash flow problem for the sector is addressed by exemption of GST on development rights, long term lease (premium), FSI etc.
- Un-utilized ITC, which used to become cost at the end of the project gets removed and should lead to better pricing.
- Tax structure and tax compliance becomes simpler for builders.

2. GST rate cuts on Cement out of the discussion :

No rate cuts were discussed for Cement, which is currently being charged a GST at the rate of 28%.

3. No conclusions on Lottery Rate slash :

GST Council decided that the issue of tax rate on lottery needs further discussion in the GoM constituted in this regard.



जम्बो टायर जम्बो मुनाफा
SCV के लिए खास टायर : जम्बो किंग
ज्यादा रबड़ और ज्यादा बड़ा टायर यानी ज्यादा मुनाफा
JUMBO KING
JUMBO ACE
JKTYRE
TOTAL CONTROL
टायर साइज उपलब्ध : 165 D 12, 165 D 13, 165 D 14, 175 D 14, 185 D 14
MEMBER J.K. ORGANISATION

स्वत्वाधिकारी मेवाड़ चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री, भीलवाड़ा के लिए सम्पादक-प्रकाशक आर. के. जैन द्वारा अलका प्रिन्टर्स, भीलवाड़ा से मुद्रित एवं मेवाड़ चेम्बर भवन, नागौरी गार्डन, भीलवाड़ा से प्रकाशित। सम्पादक-आर. के. जैन फोन : 01482-220908