



South India Garments Manufacturer & Wholesalers Association Karnataka

South India Garment Association

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12th January 2021

Sri Narendra Bhai Modi
Hon'ble Prime Minister
Government of India
North Block, New Delhi

Submission for development of Apparel & Textile Trade & Industry

Hon'ble Prime Minister

Greetings !

SIGA the association represents Apparel Manufacturers, Wholesale traders & Retailers. For few years apparel trade & industry which creates highest jobs opportunity to every section of the society is under performing due to various reasons. Now, need of the hour is generate employment, only apparel & textile industry has all the potentials to create highest jobs to skilled, un-skilled, educated as well as un-educated & poorest section of the society let it be women or youths.

Philosophy of Honb'le Prime Minister Sri Modi ji can be achieved majorly by developing Indian Apparel & Textile industry. It can increase enormous jobs for all section of society. It is also to be mentioned that Indian Textile & apparel industry provides livelihood to all section of society.

It is to submit that for few years manufacturing activities are affected & working under capacity, As they are not able to utilize their full production capacity. There are many reasons like higher production & maintenance cost because of expensive land value, high rentals, electricity tariff, expensive labour cost & difficult logistics & cumbersome & tough labour laws; put together our product becomes costly and un-competitive comparing to other apparel manufacturing countries.



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Government has to consider extending whole hearted support to Apparel & Textile industry. Undoubtedly all trade industry is under stress and there is significant drop in sales & profits. Due to Pandemic and its after effect un-employment is also increased.

We submit few suggestions for development of Apparel & Textile trade & industry as follows

1. Ease of doing business is taken away with hardest rules & provisions in Goods & Service Tax. A micro, small & medium entrepreneur are hardest hit & are under tremendous pressure. First it is required to create environment to boost morale of small & medium entrepreneurs and ease of doing business must be assured.
2. It is required to consider on rules & provisions which are introduced at the time of introduction of GST as well as introduced several time & again, which has made GST law cumbersome & difficult and basic of GST is taken away.
3. Financial institutes must continue to renew credit facilities without complications as there is negative growth and major drop is noted in production as well sales in pandemic year 2020-21
4. Apparel industry is very low profit margin making industry hence working capital is major constrain for manufacturing units. It is required to offer working capital at low rate of interest.
5. Indian apparel & textile industry is majorly govern by unorganised sector and includes cumbersome manufacturing activities. Once the fabric is taken for conversion into apparels, process starts at various stages like dyeing, cutting, designing, special effects, embroideries, detailing, stitching, than final checking, packing and dispatch unfortunately sometimes rejection due to fabric, designing or other reasons.



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6. There is single slab of GST @ 5% on Textile/Fabric & Saree, while apparels have two slabs 5% & 12%.

We submit SINGLE SLAB OF GST:

We earnestly urge to remove 12% slab on garment where transaction value is more than one thousand. Discrimination or two slab of GST 5% AND 12% is creating un-healthy competition & Pressures from buyers. GST @ 12% is very high for apparels. Kindly remove discrimination and bring under single slab of 5% GST. We assure you that single rate of GST will give substantial growth to apparel industry

Enhance Depreciation on investment:

To reduce cost burden depreciation must be enhanced to **30%** on investments on land, machineries & infrastructure it may be with conditions that to re-invest the benefit every 5th year to increase production capacity. That will increase production, sale as well as employment.

We are sure our suggestion will be considered for all round development of Apparel & Textile trade & industry.

With Highest regards

Sincerely yours

Anurag Singhla

President

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