

## Northern India Textile Mills' Association

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### VAT relief for Punjab Textile Industry in state budget 2016-17

( from Northern India Textile Mills' Association ( NITMA)

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Northern India Textile Mills' Association ( NITMA) welcomed and appreciated Govt. of Punjab's announcement to reduce the VAT on cotton and yarn from 6.05% to 3.63% in the state budget proposed on Tuesday ,15.03.2016 , which has been sought after for a long time. Punjab has close to 165 spinning mills with 4.25 million active spindles with annual consumption capacity of 6.5 million to 7 million bales . Due to higher VAT in Punjab, the textile industry was facing tough times and weaving industry preferred to purchase yarn from spinners from Himachal, UP and Uttrakhand. The spinners from neighboring states used to sell it at 2% VAT. With this reduction in VAT will help Punjab's spinning sector compete in the market." said Chandigarh-based Northern India Textile Mills' Association ( NITMA) president Hardyal S Cheema.

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( With a request for wider circulation)

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