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NEWS CLIPPINGS –01-02-2018

E-way bill mandatory from today	The Hindu http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/e-way-bill-mandatory-from-today/article22615540.ece

In a move aimed at facilitating hassle-free movement of goods, the Department of Commercial Taxes and Registration said on Wednesday that the e-way bill system would be mandatory from February 1. According to an official release, goods falling under the purview of the Goods and Services Tax (GST) Act, irrespective of whether they are taxable or exempt, and whose value exceeds Rs. 50,000, while being transported, shall be accompanied with documents prescribed under the GST Act viz., invoice or bill of supply or delivery note along with a copy of an e-way bill or an e-way bill number.

"This system shall work on a self-declaration model. E-way bill can be generated either by the supplier, the recipient or the transporter. It can be generated on the portal (www.ewaybillgst.gov.in) or through mobile app or SMS. The necessary rules relating to the e-way bill (Rules 138 to 138D of the Tamil Nadu Goods and Services Rules) have already been notified," stated the release. As per the GST Act, from February 1, 2018 onwards, all tax-payers should ensure that the e-way bill is generated from www.ewaybillgst.gov.in at the time of the transport of goods, and that it is accompanied with an invoice or bill of supply or delivery note. Further information can be obtained by calling 044-28290962 or 1800 103 6751 or e-mailing helpdesk@ctd.tn.gov.in

Police to profile migrant workforce	The Hindu http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/police-to-profile-migrant-workforce/article22615576.ece

Proforma will be created soon for the registration of migrant workers: Periaiah

In bid to deter criminal elements among migrant workforce, the police has resolved to create a database of labourers employed here. Police Commissioner K. Periaiah said that a proforma will be created soon for the registration of migrant workers. "The idea of collecting information on migrant workforce has been discussed with subordinate officers. This initiative will help in profiling the floating working population and prevent criminal elements who involve in crimes," said Mr. Periaiah.

For the profiling of migrants, each police stations will collect details of companies, hotels and other establishments employing other State workers. Later, the employer will be asked to share their whereabouts to the police. “Details such as name of the employer, name of the employees, their address, copy of an identification document, photo, phone number and fingerprints can be taken for the data base. The process itself will serve as a warning to criminal elements present in the workforce,” said Mr. Periaiah.

Coimbatore city had come across cases wherein persons involved in serious offences and anti-national activities sought hideout in various establishments. In April 2013, enforcement agencies had arrested Shyam Saran Tudu, a West Bengal native who was involved in various Maoist operations. In July 2017, two suspected operatives of the National Democratic Front of Bodoland were arrested by the Directorate of Military Intelligence from their workplace near Sulur. Of late, three migrant workers have been accused murdering a 48-year-old woman from Annur.

E-way bill system comes into force	**The Hindu** http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/e-way-bill-system-comes-into-force/article22616671.ece

PUDUCHERRY 1,732 dealers and transporters registered in the portal between January 16 and 31

During a fortnight-long trial run of the e-way bill system under the GST regime, 1,732 dealers and transporters registered in the portal and 5,745 e-way bills were generated through the portal in the Union Territory, the Commercial Taxes Department has said. The e-way bill system in GST was introduced on a trial basis from January 16 to 31.

Threshold limit

According to a press note from G. Srinivas, Commissioner of the Commercial Taxes Department, the test run was initiated ahead of the e-way bill becoming mandatory for transport of taxable goods exceeding the value of Rs. 50,000 from February 1. The e-way bill is compulsory for goods sent for job work from one State to another, irrespective of the value of the consignment transported. The dealer or transporter may generate the e-way bill on a voluntary basis even if the value of goods transported was below Rs. 50,000. The department said the e-way bill can be generated by the supplier, recipient or the transporter. The taxpayers/transporters need to register in the e-way bill common portal www.ewaybillgst.gov.in with the GSTIN allotted to them and generate username and password to generate the bill. The unregistered transporter/dealer not having GSTIN, can enrol by providing their PAN details, Aadhaar details and generate username and password to generate e-way bill.

The transporter shall carry the e-way bill along with the invoice for the goods transported. Transporting goods without e-way bill for which it is mandatory is an offence under the GST Act, 2017, and will attract penalty.

Hence, all the dealers/transporters are requested to enrol in the common portal www.ewaybillgst.gov.in and comply. Clarification is available at the help desk functioning at the Commercial Taxes Department, 100 feet road, Ellaipillaichavady, Puducherry or through the toll-free number 1800-425-1717. Help desks are functioning in the offices situated on the outskirts of Karaikal, Mahe and Yanam, the press note said.

'Eliminate embedded taxes to boost exports'	**The Hindu** http://www.thehindu.com/business/budget/eliminate-embedded-taxes-to-boost-exports/article22561073.ece

Survey moots thorough review of taxes from products left outside the ambit of GST, and from within

The Economic Survey has suggested that the Goods and Services Tax (GST) Council should comprehensively review 'embedded taxes' and expeditiously eliminate the embedded export taxes to boost India's manufacturing exports.

Referring to the ₹6,000-crore package for the apparel sector announced in June 2016, the Survey observed that the largest component of that package was rebates on state levies to offset indirect taxes levied by the states (the VAT) that were 'embedded' in exports. The Survey found that the package in fact increased exports of ready-made garments made of man-made fibres.

It then said a policy implication (arising from this example) was that the GST Council should conduct a comprehensive review of embedded taxes arising from products left outside the GST (petroleum and electricity) and those that arose from the GST itself (for example, Input Tax Credits that get blocked because of "tax inversion," whereby taxes further back in the chain are greater than those up the chain). "This review should lead to an expeditious elimination of these embedded export taxes, which could provide an important boost to India's manufacturing exports," the Survey said.

Need for national policy

Pointing out that high cost of logistics was impacting competitiveness in domestic and global market, it suggested the formulation of a National Integrated Logistics Policy to bring in greater transparency and enhance efficiency in logistics operations. "Improving logistics sector has huge implication on exports and it is estimated that a 10% decrease in indirect logistics cost can increase 5-8% of exports," the Survey said.

The document has also thrown up some interesting findings on India's export sector. This included data on the international exports of states, the first in India's history, showing that five states — Maharashtra, Gujarat, Karnataka, Tamil Nadu and Telangana — in that order account for 70% of India's exports. Similarly, for the first time, the Survey did a firm-level analysis on exports and found that export concentration by firms was much lower in India than in the U.S., Germany, Brazil, or Mexico – meaning that India had no 'exports superstars' and that its export structure was "egalitarian" in nature. "The top 1% of firms accounted for 72, 68, 67, and 55% of exports in Brazil, Germany, Mexico, and USA respectively, but only 38% in the case of India. The top 5% accounted for 91, 86, 91, and 74% in those countries, compared with 59% in India," the Survey said, adding that the new GST data had made it possible to construct firm-level exports.

Budget 2018: As imports flood the market, India's textile industry is getting hammered	**Economic Times** https://economictimes.indiatimes.com/small-biz/sme-sector/budget-2018-as-imports-flood-the-market-indias-textile-industry-is-getting-hammered/articleshow/62705193.cms

After persistent calls from various industry groups, the government last week announced the enhancement of duty drawback rates to be effective from January 25, 2018. The enhancement of rates for 102 tariff items must come as a relief to all the companies dealing in the mentioned items. However, representatives of textile industry have come forward to register their "disappointment" with the government for ignoring the calls of an industry which has been "one of the most impacted by GST".

The notification just mentions wool items which is a very insignificant part of the textile industry. There is nothing on textiles. The textile industry is pretty disappointed that demands for increasing drawback or ROSL for yarn fabric and garments was not considered, despite the industry being in a very difficult position post-GST," says Confederation of Indian Textile Industry (CITI), president, Sanjay K Jain. The domestic textile industry, inform its representatives, is getting flooded by imported material and it has become a concern for the SMEs operating in the sector.

"Export incentives have come down and at the same time import barriers have gone down, which has resulted in imports going up by 20% already, and in some cases like in Bangladesh garments have increased by 50%. Exports are coming down every month," says Sinha. A decline of 3% in CAGR in textiles and apparels in the month of December last year compared to the corresponding period in 2016 has been reported. The exports came to $2996 million during December 2017 as against $3075 million in December 2016.

The effective GST duty on fabric is 5% officially, but because of the non-refund of excess input tax credit under inverted duty structure, it actually adds up to 8-9%.This is making us lose to imports because they only pay 5%

IGST," remarked Jain. His concern is echoed by another industry association - The Textile Association of India. "We need genuine duty exemption in exports because money is getting stuck for manufacturers," says the national president of the Textile Association, Arvind Sinha. The textile industry, both maintain, is under depression and Sinha says the "main issue is GST, GST and GST".

Textile industry is not an industry where people can make a lot of money because the margins are very small," adds Sinha. With days to go for the budget, both the associations have called for the government to take initiatives which can help the exports get a boost. The drawback rates or ROSL rates (Rebate of State Levies) for exports need to be increased to get them back to pre-GST level. The drawback rates have reduced considerably and the net which the industry was getting has come down. Import duty should also be restored to pre-GST level. It was much higher earlier and is disrupting the export to import ratio," says Jain.

The import duty, says Jain, has come down to 10% as compared to an average of 29%. "Basic duty plus countervailing plus special additional duty (SAD) used to add up to 29% and now countervailing and SAD has been reduced after GST," says Jain. Jain asserts that the impact has been worst on the SMEs in the textile industry. "Those guys are extraordinarily hit and they do not know where to go and whom to ask for redressal because they are not well organised," says Jain.