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NEWS CLIPPINGS –11-04-2018

States to step up e-way bill vigilance to clamp down on evasion

Economic Times

<https://economictimes.indiatimes.com/news/economy/policy/states-to-step-up-e-way-bill-vigilance-to-clamp-down-on-evasion/articleshow/63702983.cms>

NEW DELHI: Some states have asked their tax departments to step up vigilance on electronic way bills to clamp down on evasion, according to people with knowledge of the matter, raising the prospect of increased roadside inspections of trucks. The move comes as states such as Maharashtra have seen lower-than-expected generation of e-way bills by transporters, which the authorities fear could be a sign of evasion.

Maharashtra has issued instructions that tax authorities should start taking strict action against those found to be transporting goods without e-way bills.

Maharashtra generated 100,938 bills compared with Gujarat's 175,851 on March 3 though it had 2,669 enrolments against Gujarat's 1,980.

"There is an apprehension that transporters or businesses are not generating e-way bills," said a government official. An e-way bill is required for movement of goods worth more than Rs 50,000 across state borders. E-way bill trials began on January 16 and the system was formally implemented on April 1. E-way bills for intra-state transport, which involve movement of goods beyond 10 km, will start on April 15 in Andhra Pradesh, Gujarat, Kerala, Telangana and Uttar Pradesh, the government said on Tuesday.

Trucks caught without e-way bills can be levied a penalty of up to Rs 10,000 besides which the cargo can be inspected to ascertain tax evasion.

A penalty to the tune of 100% of the tax being evaded can be levied along with the tax itself. Both the vehicle and the goods can be impounded as well.

The e-way bill mechanism is an integral part of the goods and services tax (GST) regime that's aimed at plugging evasion.

Evasion was one of the reasons cited by the government for the fall in GST revenue in the past few months. GST collections hit a high of Rs 95,132 crore in October before declining to Rs 85,931 crore in December 2017.

They have since recovered to Rs 89,264 in February but are still below the peak.

Tax experts said businesses need to ensure that they don't slip up on e-way bill generation through error or ignorance of the law.

"Businesses may face more scrutiny going forward as clearly there seems to be an apprehension based on the data that many dispatches are being made without generation of e-way bills," said Anita Rastogi, partner, GST and indirect tax, at PwC. "They need to put focus on this area."

Textile mills plan job fair in Tripura	<p style="text-align: center;">The Hindu</p> <p style="text-align: center;">http://www.thehindu.com/business/Industry/textile-mills-plan-job-fair-in-tripura/article23496167.ece</p>
<p>Textile mills in south India, which are facing a high rate of attrition, plan to conduct a job fair at Agartala on April 25-26 to recruit workers directly. About 2,500 textile mills in the south employ close to 7 lakh workers, of which more than 60% are migrants. Southern India Mills' Association chairman P. Nataraj said the association recently conducted a study on the challenges mills faced in employing these workers. A migrant worker stays at a unit for just 7-9 months and leaves. This affects almost 30% of the production, he said.</p> <p>These is no process to verify the profile of the workers and the mills are unable to find out if a worker who goes home will return to work or not. The migrants need to be trained not only in work but also in workplace systems. Hence, it was decided to conduct job melas (fairs) in different States where the mills can recruit directly, he said.</p> <p>The association had written to various States and the Tripura Government responded immediately. Seven textile mills would take part in the fair with an aim to recruit about 4,000 workers. "This is on a trial basis and the candidates can join work immediately. There are several schemes of the Central government under which the mills will train the workers for three months and then induct them as operators," Mr. Nataraj said. The State government has extended support for the initiative. It will identify eligible candidates village-wise and verify their details. Just a group of villages are taking part in the job mela initially</p>	

CAI lowers 2017-18 cotton production estimate by 2 lakh tonnes	<p style="text-align: center;">Economic Times</p> <p style="text-align: center;">https://economictimes.indiatimes.com/news/economy/agriculture/cai-lowers-2017-18-cotton-production-estimate-by-2-lakh-tonnes/articleshow/63698711.cms</p>
<p>PUNE: Cotton Association of India has released its March estimate of the 2017-18 crop year beginning from 1st October 2017-18. In this latest estimate, the CAI has estimated cotton crop for the ongoing 2017-18 season at 360 lakh bales of 170 kgs. each, which is lower by 2 lakh bales – one lakh bales each in the states of Maharashtra and Karnataka than its previous estimate of 362 lakh bales made in the month of March 2018. The projected Balance Sheet drawn by the CAI has estimated total cotton supply for the season at 410 lakh bales of 170 kgs. each which includes the opening stock of 30 lakh bales at the beginning of the season and the imports which the CAI has retained at 20 lakh bales as in the previous month.</p> <p>The CAI has estimated domestic consumption at 324 lakh bales while the exports for the Season are estimated at 65 lakh bales which is higher by 5 lakh bales than the CAI's estimate of the previous month as the country is now witnessing a good export demand. The carry-over stock at the end of 2017-18 season is estimated by the Association at 21 lakh bales, which is lower by 1 lakh bales of 170 kgs. each. than the CAI 's earlier estimate made in the last month. The CAI estimates the cotton arrivals upto 31st March 2018 at 287 lakh bales as per the data received by it from upcountry associations and various other trade sources.</p>	

Amid ongoing trade war between Trump and Xi Indian Cotton exports to china increasre

Swarajyamag

<https://swarajyamag.com/insta/as-us-ups-ante-in-trade-war-indian-cotton-exports-to-china-increase>

India seems to be gaining from the ongoing trade war between the United States and China. According to the Economic Times, the country has exported 1.5 lakh bales of cotton to the latter since the trade war between the two countries broke out.

"We have contracted between 1.5 lakh bales to 2 lakh bales of exports to China during past 10 days," said President of Cotton Association of India Atul Ganatra.

China is heavily dependent on Cotton imports from the US. However, after the trade war broke out, China has reportedly imposed tariffs on import of cotton from the US. Cotton is one of the 106 American goods on which China has imposed tariffs of up to 25 per cent. China, the largest consumer of cotton, is the second-largest buyer of American cotton with one out of every five bales headed there.

"I cannot overstate the importance of China's market to U.S. cotton farmers and the importance of U.S. cotton in meeting the needs of China's textile industry," said Chairman of the US National Cotton Council Ron Craft.

With tariffs on the import of cotton from the US, Chinese manufacturers who need the raw material in large quantities are likely to shift increasingly to India. The fact that Indian cotton prices are 10 cents cheaper at 80 cents per pound compared to the global price on the Intercontinental Exchange will also be helpful.

Another advantage that India enjoys is low freight charges. This is because ships that call at ports in Gujarat with Chinese goods tend to carry Indian exports at a lower freight cost than to return empty and incur losses. However, Chinese importers will have to make do with smaller vessels unlike bulk shipment from the US.

Of the total export of 55 lakh bales since the beginning of the Cotton Year 2017-28 on 1 October last year, India has exported about 6 lakh bales of cotton to China. India, which is the world's second-biggest cotton exporter, is hoping to treble shipments to China, Reuters reported. Cotton exports may touch 7 million bales.

GST e-way bill compulsory for local goods shipment in 5 states from 15 April

Live Mint

<https://www.livemint.com/Money/HzuCHE8x5FykLnW5OJPAXL/Intrastate-eway-bill-rollout-in-5-states-from-15-April.html>

Andhra Pradesh, Gujarat, Kerala, Telangana and Uttar Pradesh will make GST e-way bills compulsory for movement of goods within their boundaries

Generating e-way bills will be compulsory for transporting goods locally in five more states starting 15 April as the nation gradually extends the scope of electronic permits mandated for goods shipments across state borders from the beginning of the month.

A statement from the finance ministry said that Andhra Pradesh, Gujarat, Kerala, Telangana and Uttar Pradesh will make e-way bills compulsory for movement of goods within their boundaries. Karnataka had implemented it for local movement of goods when the e-way bill requirement was implemented from 1 April nationwide for inter-state shipments.

The idea of the Goods and Services Tax (GST) Council is to gradually have the same electronic permit for all shipments

of goods within the country above a value of Rs50,000, including local transportation beyond 50km. By 1 June, the council expects all states to adopt e-way bills for local movement of goods as well.

The statement said that till 9 April, more than six million e-way bills had been generated.

“With the roll-out of e-way bill system in these States, it is expected that trade and industry will be further facilitated insofar as the transport of goods is concerned, eventually paving the way for a nation-wide single e-Way Bill system,” said the statement. Businesses have to register in the e-way bill portal to generate the document.

E-way bill system is one of the anti-evasion features of the new indirect tax system that is expected to prevent manipulation of the value of goods transported. It is also expected to integrate cash-driven informal transactions into the formal economy. Policy makers expect e-way bills will boost GST revenue, which has been stagnating for the last three months. In March, GST revenue stood at Rs85,174 crore, slightly lower than the receipts in the previous month.

Experts said the government is encouraged by the fact that the e-way bill system worked for inter-state shipments since the beginning of the month. “The strategy of introduction of e-way bill in phases and testing the load capacity of the e-way bill portal gradually has worked well for the government,” said Abhishek Jain, indirect tax partner at EY.

Archit Gupta, founder and chief executive officer of Cleartax, a tax payer services firm, said that barring a few exceptions, the experience of the e-way bill portal has been smooth so far. “The government has succeeded in offering a stable infrastructure and we hope the same will be replicated with the intra-state roll out. This staggered roll out for a few states at a time will help balance the load.”

India, Peru to hold next round of free trade agreement talks this week

Live Mint

<https://www.livemint.com/Politics/jloyF4qPcljvDkX5jopw3L/India-Peru-to-hold-next-round-of-free-trade-agreement-talks.html>

Peru ranked third amongst export destinations for India in the Latin America and Caribbean (LAC) region during 2015-16

Senior officials of India and Peru will hold next round of negotiations for a proposed free trade agreement (FTA) in the South American nation this week to boost two-way commerce between the countries.

“Officials from commerce ministry are there in Peru for the second round of negotiations for the pact,” a government official said.

In an FTA, two countries significantly reduce or eliminate duties on most of the goods traded between them besides relaxing norms and rules to promote trade in services and increase bilateral investments.

With growing uncertainties in its traditional markets, including the US and Europe, India is looking to enhance its engagements with regions like Africa, South America and Central Asia. Exporters body Federation of India Export Organisations (FIEO) said that Peru holds huge potential for exports.

“The FTA would help boost our exports. India should look at South American market aggressively as Peru is also a member of MERCOSUR (a six country trade bloc with Brazil, Argentina, Paraguay and Uruguay as its members),” FIEO director general Ajay Sahai said.

He said that India should also look at increasing investments in these regions. Peru ranked third amongst export destinations for India in the Latin America and Caribbean (LAC) region during 2015-16.

The bilateral trade between the nations increased to \$1.77 billion in 2016-17 from \$1.52 billion in the previous fiscal.

Among the top ten commodities of India's export to Peru are motor vehicle, cars, products of iron and steel, cotton yarn and fabrics. While the imports include bulk minerals and ores, gold, fertilisers crude and zinc.

Over 7 tonnes of spurious hybrid cotton seed seized

The Hindu

<http://www.thehindu.com/news/cities/Hyderabad/over-7-tonnes-of-spurious-hybrid-cotton-seed-seized/article23496973.ece>

50 Task Force teams set up last month conducted raids in districts from March 29 to April 9

The Task Force teams comprising officials from the agriculture and police departments and seed certification and development agencies have seized over seven tonnes of spurious and illegal hybrid cotton seed with herbicide tolerant trait worth ₹13.15 crore during the raids conducted in districts from March 29 to April 9.

In all, the 50 Task Force teams set up last month have conducted raids/inspections on 1,860 seed shops besides seed processing plants and godowns.

The reports submitted by the teams were reviewed at a meeting held here on Tuesday by Principal Secretary (Agriculture) C. Parthasarathi and Inspector General of Police Y. Nagi Reddy.

According to officials, the teams have arrested 31 persons for and registered cases under Section 420 of the Indian Penal Code against 6 persons following the detection of spurious seed during the raids. In all, they have seized 4,283 kg of expired herbicide tolerant (HT) cotton seed worth ₹3.32 crore and over 2,842 kg (6,317 packets of 450 grams each) of spurious HT cotton seed worth ₹9.83 crore.

Besides, the Task Force teams have also issued show cause notices to Narmadasagar, Karthiyan Agri-Genetics, Kohinoor Seeds and Vibha Agro-tech seed companies.

Speaking at the meeting, Mr. Nagi Reddy said cases under the provisions of the IPC and Prevention of Dangerous Activities Act would be registered against those indulging in spurious and illegal seed to minimise loss to the farming community.

Commissioner of Agriculture M. Jaganmohan, Director of Telangana State Seed and Organic Certification Authority K. Keshavulu, Director of Horticulture L. Venkatram Reddy and others also participated in the review.

In Rajasthan Despite 'heat', Bt Cotton basks

DNA India

<http://www.dnaindia.com/jaipur/report-in-rajasthan-despite-heat-bt-cotton-basks-2603410>

Despite agriculture minister Prabhu Lal Saini is raising voice against genetically modified (GM) mustard, agriculture department has extended permission once again for the sale of Bt cotton seed in the state for coming Kharif Season-2018.

Commissionerate of agriculture had issued an approval notification on April 3. Through this notification, 31 seeds companies have been given permission for sale of Bt cotton hybrids. The permission is given in the pursuance of the recommendation given by Genetic Engineering Appraisal Committee (GEAC), Union ministry of Environment, Ministry

of Science and Department of Biotechnology.

It is worth mentioning that Prabhu Lal Saini, on the sidelines of the global agritechnology meeting (GRAM) , had said that the mere touch of Bt cotton caused impotency. He, that time, mentioned that the Bt gene was extracted from a soil bacterium found in Hiroshima and Nagasaki after atomic bombs were dropped on the two cities during the Second World War.

But despite all concerns, agriculture department estimates that 22-25 lakh packets (a packets contain 450 grams) of Bt cotton seeds will be required in the state for the target sown area, for which around 30 lakh packets of Bt cotton seeds have been procured. As per department data, in last Kharif season total cotton sown area was 5.5 lakh hectare and department has set the same area to be sown as target for this season also.

“Farmers prefer Bt cotton hybrid to non Bt cotton as it produce 30% more yield. Not only the production is higher but the quality of fiber in Bt cotton is much better,” Ramgopal Sharma, Joint Director at agriculture department said. “Farmers are taking around 25-30 quintal per hectare yield which is 20-22 quintal per hectare in case on non Bt cotton. Department issues permission for the sale of Bt cotton with the condition that farmers should be given training by the companies,” he added.

What is Bt Cotton?

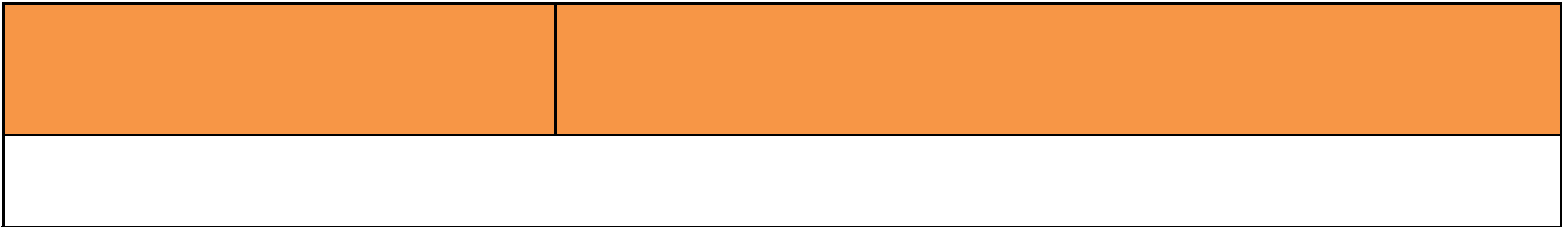
Bt cotton is genetically modified hybrid of cotton to be toxic to a pest called bollworms. It has been extensively grown in India since 2002 and in Rajasthan, on the contrary to agriculture minister’s concerns, Bt cotton is being sown in cotton-growing areas of the state since 2010. Today it is being sown in 80% of total cotton growing area in the state and in the district like Hanumangarh and Shriganganagar it is being sown in more than 95% cotton growing area.

What Saini earlier said

Agriculture Minister Prabhu Lal Saini, during the global agritechnology meeting (GRAM) at Udaipur in November 2017, had said that the mere touch of Bt cotton caused impotency. He, that time, mentioned that the Bt gene was extracted from a soil bacterium found in Hiroshima and Nagasaki after atomic bombs were dropped on the two cities during the World War II.

Concern cited

GM seeds and technologies have remained controversial in India and other countries. Bt cotton is included in genetically modified crops and it is the only GM crop for which commercial cultivation is permitted by GEAC. Environmentalist and scientist claims that Bt cotton leaves detrimental effects on Bt cotton users including human and animals or other crops located in the vicinity of Bt cotton farmers. The state of Maharashtra banned the sale and distribution of Bt cotton in 2012, but lifted the ban in 2013.



Cotton price remains stable amid demand for better grades	Daily Times https://dailytimes.com.pk/226438/cotton-price-remains-stable-amid-demand-for-better-grades-7/
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The cotton price stayed firm during the trading session at cotton market. Around 3,000 bales changed hands. The Karachi Cotton Association (KCA) spot rate remained unchanged at Rs 7,500 per maund.

The buyers made deals for all qualities offered by the ginners during trading session. Deals changed hands at around Rs 6,075 per maund to Rs 7,675 per maund.

Spinners and mills remained quality conscious and made deals on slightly higher prices during the session while leading ginners sensing future demand of quality lint offered thin volumes of better stocks on higher prices to the buyers.

Domestic buyers remained eyeing on better grades even on a bit higher price. They bought around 900 bales at Rs 7,675 per maund during the session.

Buyers would remain eager for quality lint on slightly higher price on the back of growing demand of cloth and yarn. Weather conditions in parts of cottonseed growing areas were normal.

There was possibility that leading buyers likely to import 15,000 bales of quality cotton in near future for meeting domestic and export demands of end products.

New York Cotton market remained in the grip of speculative selling pressure and the traders were looking for any good news from Chinese-USA corridors.

A senior broker said the ginners of Punjab offered quality cotton to the buyers around Rs 7,700 per maund while ginners of Sindh offered raw grade of lint to the buyers around Rs 5,975 per maund, depending on trash level.

Private sector commercial exporters were looking for better lots for Rs 6,375 to 6,450 per maund.

New York Cotton May Futures 2018 contract closed at 84,71 cents per pound, July Futures 2018 contract closed at 84.70 cents per pound and Cotllook A Index closed at 90 cents per pound..

Yarn production is set to expand 2.67 percent to 7.70 lakh tonnes this fiscal year on the back of rising garment exports, according to a report from the United States Department of Agriculture.

But the Bangladesh Textile Mills Association says the amount of yarn produced in the country is much higher at 13.50 lakh tonnes a year.

“In our estimate, yarn production in Bangladesh is much higher as cotton import has been on the rise over the last several years thanks to higher demand from garment manufacturers,” its Secretary Monsoor Ahmed said.

The total demand for yarn is more than 21 lakh tonnes. Of the amount, nearly 30 percent is imported, mainly from India, China, Vietnam and Pakistan.

Cotton import in Bangladesh has been increasing between 20 and 25 percent over the last few years, he said.

Last fiscal year, Bangladesh imported nearly 70 lakh bales [480 pounds make a bale], Ahmed said, adding that the quantity will increase 25 percent this year.

Bangladesh's 430 spinners can supply nearly 90 percent of the demand for yarn from the knitwear sector and 35 percent from the woven sector.

As a result, Bangladeshi woven garment manufacturers import fabrics worth more than \$6 billion from countries like China, India, Vietnam and Pakistan.

Raw cotton consumption is projected to increase to 6.7 million bales in fiscal 2017-18 on stronger sales of garment and other value-added products in domestic and foreign markets as well, said the USDA report published in November last year.

In fiscal 2016-17, raw cotton consumption was 6.3 million bales, the report said.

The USDA report said, in fiscal 2017-18 yarn and fabric consumption is expected to rise to 1.13 million tonnes and 7.4 billion metres on strong international demand for clothing due to population growth, urbanisation and disposable income growth.

Demand for quality cloth has also increased in domestic markets as wages and living standards are on the rise.

The retail market size of clothing in Bangladesh is nearly \$8 billion a year, according to industry insiders.

Gradual development of the upstream supply chain, including spinning, dyeing, finishing, weaving and printing, creates more demand for cotton to meet required supply to the garment industry, the USDA report said.

Siddiquir Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association, said: “It's normal. Our exports are rising. Since the government is giving LNG supply, so many more factories will come into operation and the yarn production will also grow.”

Fazlul Hoque, managing director of Plummy Fashions Ltd, a Narayanganj-based green garment factory, said both yarn production and consumption will continue to grow as the country's garment export has been rising every year. Yarn consumption at his factory has been growing at more than 10 percent year-on-year as his knitwear export is also

increasing. Still, there is a gap of 10-15 percent in supply and demand of yarn in the local knitwear sector, Hoque said. So, there is scope for further production in the country. Moreover, there are a lot of varieties of yarn, which are mainly imported now to meet the local demand, he added.

A Matin Chowdhury, managing director of Malek Spinning Mills Ltd, a leading yarn producer, said yarn consumption in the local markets also increased due to higher consumption of clothing items by the people in the country.

Moreover, some spinning mills have of late gone into operations as the government has offered them gas connections, Chowdhury said.

Garment makers use more local yarn mainly to reduce the longer lead-time, he said, adding that this is one of the major causes for higher consumption of yarn in Bangladesh.

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