sima

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NEWS HIGHLIGHTS

- SIMA URGES TN CM TO PERMIT HSD OIL PURCHASE UNDER 2% CST
- TEXTILE SECTOR IN TELANGANA SEES SOPS, SUBSIDIES IN 2017
- HIGHLIGHTS OF 9TH MEETING OF TAMC
- INDIA'S GDP TO GROW AT 7.5% IN 2018, SAYS NOMURA
- SIMA HAILS THE SCHEME FOR CAPACITY BUILDING IN TEXTILE SECTOR

REPRESENTATIONS

- In a representation dated 26.12.2017 sent to Mr.Rajagopal Sharma, IRS., Officer on Special Duty, Ministry of Shipping, Government of India, the Association sought extension of time for cotton trading from 30 days to 90 days at port and waiver of penalty for the delayed filing of Bill of Entry.

- Chairman of the Association, Mr.P.Nataraj, vide a representation dated 27.12.2017 sent to the Hon'ble Chief Minister appealed to permit purchase of high speed diesel oil by textile mills for power generation using C form. It was mentioned that such action would be helpful to the textile mills as they will be able to purchase the HSD oil at 2% CST rate.

- The Association vide a letter dated 28.12.2017 sent to the Principal Secretary, Labour and Employment, Government of Tamil Nadu sought amendments in the Rule 84 B of Tamil Nadu Factories Rules, 1950.

- The Association vide letters dated 30.12.2017 sent to various State governments in North and North Eastern States to furnish certain particulars such as highly potential location of unemployed youth, approximate availability of labour force, details of authorities to be contacted for sourcing labour, etc., so as to enable the textile mills in Tamil Nadu to provide employment in textile mills to the unemployed youth from those States.

TEXTILE SCENE

Indian textile ministry wants more funds for powerlooms

- The Indian textiles ministry, which had allocated a sum of Rs 126.76 crore for the Power Tex India scheme for 2017-18, is planning to seek an additional Rs 33.27 crore in the form of supplementary demand for grants, textiles minister Smriti Irani recently informed the upper house of parliament. Rs 83.08 crore has already been spent from the allocation. There is no plan to enhance the capital subsidy for powerlooms from the present 10 per cent to 30 per cent, she said responding to a question. Forty eight yarn bank proposals and 118 group work shed proposals have been approved In fiscal 2017-18, she said, according to a report in a top Indian daily. The ministry of textiles announced the yarn bank scheme under Power Tex India to provide interest-free corpus fund to special purpose vehicles or consortiums, enabling them to purchase yarn at wholesale rates and offer at a reasonable price to small weavers.

Pakistan's PHMA wants removal of import duty on cotton yarn

- Pakistan Hosiery Manufacturers and Exporters Association (PHMA) has appealed to the government to withdraw duty on the import of cotton yarn, a raw material for the value-added knitwear sector, following the proposed withdrawal of custom duties on raw cotton import from India. The sharp rise in cotton yarn prices has hit the value-added garment sector hard. The prime minister’s package for textile and apparel exporters announced on January 10 had declared a number of incentives, including withdrawal of customs duty and sales tax on the import of cotton yarn from January 16 this year, but no such step has been implemented so far, according to PHMA chairman Khurram Anwar Khawaja. He appealed to the government to abolish additional regulatory duty on cotton yarn that should be imported freely from anywhere, a Pakistani newspaper reported.

UP govt approves new policy to promote textile sector

- To create maximum job opportunities in the state in five years, the Government of Uttar Pradesh has approved ‘Handloom, Powerloom Silk, Textile and Garmenting Policy 2017’. Under the policy special incentives would be given to Purvanchal, Bundelkhand and Mandhyachal regions. There is also a provision to boost reeling units, commonly used in silk industry. All the ‘ease of doing business’ provisions mentioned in Uttar Pradesh Industrial Investment and Employment Promotion Scheme 2017 would be applicable to the new policy, says a press release of Uttar Pradesh government. The policy aims to create around 1 lakh new jobs. The policy will also benefit those investors who will be attending UP investor summit in February 2018, UP government spokesperson and health minister Sidhharthnath Singh said after the Cabinet meeting presided by chief minister Yogi Adityanath. The new policy will lead to increased employment and business opportunities, Singh said. He added that apart from rebate in GST and electricity bill, the government will assist traders in finance and marketing

Textile sector in Telangana sees sops, subsidies in 2017

- Allocation of a budget of Rs 1,200 crore for fiscal 2017-18, a gamut of incentive and subsidy schemes to boost the handloom and powerloom sectors, initiating work to set up the Kakatiya Mega Textile Park in Warangal district and efforts to woo weavers who migrated to other states marked the year in the textiles sector of Telangana state in south India. Dipesh Satapathy discusses the key developments. Telangana was earlier part of undivided Andhra Pradesh state. There are 16,879 working handlooms and 49,112 powerlooms in the state at present. About Rs 373 crore was earmarked for the handloom sector and Rs 827 crore for powerlooms and their modernization in the budget. In August, the state announced a string of incentives, including capital subsidy, for the next five years for new and existing enterprises to boost the textile sector. Part of the Telangana Textile and Apparel Incentive Scheme 2017, the sops aim to attract investment and generate job opportunities. A capital subsidy of 25 per cent for conventional textile units and 35 per cent to technical ones manufacturing medical textiles, geotextiles, agrotextiles and protective clothing was announced. In government textile parks, the state will take complete responsibility for providing a common effluent treatment plant for use by individual industrial units, the circular said. Sops to facilitate return of weavers from Telangana who migrated earlier to other states were also announced. More than 23,000 weavers from the state are said to have returned home following government initiatives in the last three and a half years. In November, the government launched a revised Rs 100-crore 'yard subsidy' scheme in cotton-rich Warangal to benefit nearly 35,000 weavers. The 20 per cent subsidy on purchase of cotton, wool and silk yarns, dyes and chemicals by weavers and their cooperative societies was doubled to 40 per cent. Additionally, beneficiaries can avail the central government's 10 per cent subsidy. A host of other measures, including a Rs 10.5-crore loan waiver, setting up of handloom and powerloom corporations, and administrative sanction for a handlooom park in Gadwal city, were announced as well. The loan waiver will benefit about 2,500 handloom weavers. Each weaver will receive a waiver of up to a lakh rupees. Handlooms and textiles minister KT Rama Rao asked officials in April to formulate a handloom directory containing details of the weavers so that policies could be framed to directly offer subsidy benefits to them. Rama Rao also sought setting up of a separate corporation for wide marketing and increase in sales of handloom items. Geo-tagging and Aadhaar-linking of all the 16,776 handlooms functioning in the state under 5,505 weavers' societies was completed to implement welfare schemes. The officials of the handlooms department also carried out a study of the Cooptex of Tamil Nadu to work on the same model in Telangana. In June, the government placed an order for one crore saris worth Rs 200 crore with powerloom weavers in Rajanna district's Sricilla town, which has been in the news for high suicide rates due to unemployment. The saris were distributed to women living below the poverty line during a festival. The state government also placed orders for bedsheets and blankets for hospitals with powerloom weavers there. In November, the government decided that orders for producing fabric for school uniforms under the Rajiv Vidya Mission and Bathukamma sarees and other materials will be placed only if powerloom weavers upgrade their looms to produce value-added fabric. Out of a total 50,000 powerlooms in the state, Sircilla town hosts more than 30,000. The government also undertook upgradation of powerlooms in Sircilla. State chief minister K Chandrasekhara Rao on October 22 laid the foundation stone of the Kakatiya Mega Textile Park, an integrated textile cluster on 1,200 acres near Shayampet in Warangal. This is the first industrial park project to reach this stage in three years after the state was formed. The government plans to invest Rs 1,000 crore in the project featuring common effluent treatment, zero-liquid discharge facilities and readymade sheds. With an estimated 27,000 direct and 50,000 indirect employment potential from this park, there is a plan to expand it to 2,000 acres. Rao said over a dozen firms have come forward to set up their manufacturing bases at the park with a cumulative investment of over Rs 3,900 crore. The project aims to bring back local textile workers who had migrated to Surat in Gujarat, Bhivandi in Haryana and Sholapur in Maharashtra after the Azam Jahi Textile Mill in Warangal closed. A visiting Korea Federation of Textile Industries (KFTI) delegation in August had expressed satisfaction over the location and infrastructure of the park. In April, a new training and garment production centre was launched with 40 Juki sewing machines at the textile park near Sircilla to provide employment to women. The number of machines will gradually be increased to 150. The government has plans to set up an apparel park at Sircilla by investing Rs 30 crore. Amazon India signed an agreement in August with the state department of handloom and textiles to educate and train weavers and artisans to directly sell their products to the firm's customers online. This will boost sale of popular handloom products from Pochampally, Warangal, Gadwal, Narayanpet and Siddipet. Cotton was sowed on a record 47.72 lakh acres in the state this year. However, cotton production is feared to have come down drastically because of pink bollworm pest, unseasonal rains and inferior quality seeds. Pink bollworm is estimated to have eaten up 40 per cent of the crop this year. The state's agriculture and marketing departments estimate a fall in production from 3.30 crore quintals estimated earlier to 2 crore quintals. Incidents of distressed cotton farmers committing suicide were reported in the state in November-December. The state also directed all district collectors in December to take stringent action against sale and supply of unapproved herbicide tolerant cotton variety developed by Monsanto and directed them to immediately destroy the produce. The state is concerned over widespread cultivation of this genetically-engineered cotton seed by farmers.

GLOBAL TEXTILE SCENE

30% duty on imported cotton fabric in Zimbawe from Jan 1

- Zimbawe will impose 30 per cent customs duty on imported cotton fabric beginning January 1 as part of tax measures aimed at protecting local industries. This was recently announced by finance minister Patrick Chinamasa. The textile sector continues to face competition from cheap imported fabrics despite government support measures, he said. Due to limited administrative capacity at borders to identify the various types of fabrics, importers declare imported products under tariff codes attracting lower duty rates, a newspaper in Zimbawe quoted Chinamasa as saying. To combat this, his ministry will soon introduce a fabric specification declaration form to verify the imported fabrics, he said. The help of the Zimbabwe Revenue Authority will also be taken in this initiative.

RAW MATERIAL FRONT

Telangana takes steps to tackle pink bollworm attack

- The Telangana agriculture department has asked the collectors and district agriculture officers in Adilabad and Warangal districts to convince farmers to destroy cotton crop after the third picking as pink bollworm attack has reached the economic threshold level (ETL) this year in these districts. Its incidence has been 'sporadic' in other districts too. The Telangana government took the call after taking note of the large-scale damage caused by pink bollworm pest to cotton crop in Gujarat, Karnataka, Maharashtra and a few other states. Around 19.09 lakh hectares in the state have witnessed cotton cultivation. State agriculture production commissioner C Parthasarathi has written to the collectors and district agriculture officers to initiate a large-scale campaign to sensitise farmers about the problem to control its spread this season as well as in the next kharif season, according to a report in top south Indian daily. The farmers are to be told that the maximum yields of cotton are realised in the first three pickings and that they won't get any considerable yield from the fourth picking onwards, said agriculture department officials. According to according to the Mumbai office of the Foreign Agricultural Service (FAS) of the US department of agriculture, the higher incidences of pink bollworm infestations are due to a number of reasons ranging from resistance of bollworm to Bt toxins, use of spurious and unapproved seeds, limited or poor planting of refugia non-Bt cotton, cultivation of long duration hybrids which provides continuous food for the pest, poor integrated pest management practices and storage of damaged cotton at gins and market yards.

China's cotton output increases 2.7% in 2017

- Reversing a four-year declining trend, China's cotton production has increased by 2.7 per cent in 2017 to around 5.49 million tonnes, according to the data from the National Bureau of Statistics (NBS). This is despite the area of cotton fields falling 4.3 per cent year-on-year to 3.23 million hectares, NBS said. Yield per hectare, however rose 7.3 per cent. Owing to strong growth in yield per hectare, China's cotton output increased 142,000 tonnes in 2017, Chinese news agency said quoting NBS data. Northwest China's Xinjiang Uygur Autonomous region, accounted for 74.4 per cent of the country's total output, 7.1 percentage points higher than last year. This region saw increases in both area and yield due to production on a larger scale. Meanwhile, cotton output dropped this year in other cotton growing areas. China's cotton output peaked in 2012 at 6.84 million tonnes, more than 2.2 times that of 1978. Since 2013, it started to decline due to relatively low profitability

MEETINGS

Highlights of the TAMC meeting held on 20th December 2017

- The 9th meeting of the Technical Advisory –cum- Monitoring Committee (ATUFS) of TUF Scheme was held on 20th December 2017 at the Office of the Textile Commissioner under the Chairpersonship of the Textile Commissioner, Dr Kavita Gupta. One behalf of CITI, Shri V K Ladia, Convenor and Dr K Selvaraju, Co-Convenor, TUFS Committee attended the meeting. The highlights of the meeting are as follows:-

  - In her opening remarks, the Textile Commissioner conveyed the industry that all the claims received by the Office of the Textile Commissioner are cleared on a fast track and sent to the Ministry of Textiles. The delay in getting the subsidy is mainly caused due to banks which do not file the claims on time and also due to certain new procedural imposed by MoT like certifying each claim by the Textile Commissioner even for the M-TUF, R-TUFS and RR-TUFS (this condition is applicable only for A-TUFS). The Textile Commissioner also mentioned that any specific issue brought to her knowledge is addressed immediately without any delay. Banks also need to give Direct Benefit Transfer (DBT) for each claim that causes delay. She also advised all the industry Associations to communicate to all the beneficiaries to closely follow up with the banks and ensure timely claim.
  - CITI appreciated the efforts of OTXC and requested to give the list of banks that are yet to file the claims for the quarter June 2017 so that the industry also could take up the matter with the banks and also advise the mills to have close follow-up with the banks.
  - The Office of the Textile Commissioner has already requested the banks to file the claims for September 2017 quarter.
  - The estimated fund requirement for clearing subsidy for 2017-18 is Rs.1309 crores while the balance allocated fund available is only Rs.631 crores. The Ministry needs to get additional allocation of Rs.678 crores.
  - Rs.750 crores is required to meet the fund requirement of waitlist UIDs under RR-TUFS. The Ministry feels that as per the resolution of RR-TUFs,

further UIDs could be allotted only depending upon the fund availability. Though originally there is a provision to migrate to A-TUFS from RR-TUFS, the aforesaid cases have not opted for the same as there would be a substantial reduction in the subsidy amount. As of now, these units will not be eligible to migrate to A-TUFS unless otherwise the IMSC gives additional time for migration.

- After detailed deliberations, as requested by CITI, the TAMC would refer the matter to utilize the surplus funds that would be available due to reduction of project cost and also cancellation of several projects that got UIDs under RR-TUFS. The Office of the Textile Commissioner will write to the individual units and also the banks advising them to furnish the details on the status of the implementation of the projects under RR-TUFs. It was also suggested to utilize the surplus fund that would be available from A-TUFS as the scheme is not taking off as envisaged due to long drawn recession being faced by the industry especially on the export front and also due to the impact of two historical reforms viz., demonetization and tax reforms (GST). CITI would make efforts to persuade IMSC to allot UIDs for all the pending cases by pooling of surplus funds under the different schemes of TUFS or allow them to migrate to ATUFS in the forthcoming IMSC meeting scheduled on 4th January 2018.

- The response for ATUFs is only around 20% due to the recession in the industry.

- The SPELSGU benefit of additional 10% capital subsidy offered for garments and made-ups also could not attract the envisaged investment due to poor export performance.

- Rs.6006 crores special export package consisting of enhanced duty drawback and RoSL were significantly reduced after the introduction of GST. The duty drawback rate on cotton garment was reduced from 7.7% to 2% and MMF garment from 9.8% to 2.5%. Similarly, the RoSL for cotton garment was reduced from 3.9% to 1.22% and later marginally increased to 1.7%. For the MMF garment, the RoSL was reduced from 2.70% to 0.75% and later enhanced to 1.16%. CITI insisted for a stability in any policy so that the industry could take advantage of various schemes and achieve a sustained growth rate.

- During the last three years, there were several changes in the policies and benefits that affected the competitiveness of Indian textile products in the international market and countries like Bangladesh, Vietnam took advantage of the space vacated by India.

- CITI strongly recommended to bring back the TUFS subsidy for spinning only for modernization as the benefit was suspended for almost four years. Life span of high tech spinning machinery is only around seven years and countries like Vietnam already have superior technology than India.

- TUFS subsidy is essential to remain internationally competitive by reducing the interest burden. The interest rates of competing Nations range between 2% and 6% while the Indian interest rates range between 10% and 13%. The textile industry profit margin is only 3 to 6% as against 8 to 12% profit margin of other manufacturing sectors.

- CITI also stressed to restore 30% MMS benefit extended under RR-TUFS for the powerloom Sector considering the urgent need for Technology upgrdation and also to enable the powerloom sector to take advantage of the Powertex India.

- TAMC decided to recommend to consider inclusion of spinning modernization under TUFS and also the issue of MMS for powerlooms.

- For the cases where term loan had been sanctioned by the lending agencies under RR-TUFS, but allowed to apply for subsidy benefits under ATUFS, the machinery would be allowed as per RR-TUFS conditions.

- Since there are issues in obtaining ISO certificate for certain machinery manufacturers, after detailed deliberations, it was decided to form a Committee and explore the possibilities to simplify the procedure. In addition, the time limit for the submission of ISO certificate was extended upto 22nd May 2018 thus giving one year time considering the practical difficulties faced by the machinery manufacturers and the industry.

- TAMC considered following three additional agenda as requested by CITI/SIMA:-

- **Supplementary Agenda No.1 –** Around 168 representations have been received for delay condonation which could not be submitted within six months due to the teething problems under i-TUFS and additional conditions and procedures brought under ATUFS. One year time was given under R-TUFS and RR-TUFS and it was requested to extend the period from six months to one year. TAMC decided to recommend the same to IMSC.

- **Supplementary Agenda No.2** - Around 184 representations have been received for delay condonation which could not be submitted to Joint Inspection Team (JIT) final verification report due to reasons beyond the control of the mills like delay in getting shipments, extended machinery delivery schedules, delay in processing loans, delay in getting embassy certificates, discrepancies in invoice value, delay in implementing the product due to market crisis, financial crunch, etc. CITI requested to extend the time from two years to three years. TAMC decided to recommend to IMSC.

- **Supplementary Agenda No.3** – Committed liabilities under M-TUFs and RR-TUFs, NABCONS study

- The IMSC at its meeting held on 4th October 2016 decided to engage NABCONS for the verification and reconciliation of committed liabilities under M-TUFS and RTUFS covering 9303 cases. The Cabinet has already approved an amount of Rs.6,006 crores during December 2015 to met the fund requirement of the committed liabilities. NABCONS was given timeline of two months and assignment was given on 9th January 2017. Even after a period of almost one year, NABCONS expressed numerous difficulties for completing the report even at the 9th TAMC meeting held on 20th December 2017. NABCONS Study Evaluation Committee and the Office of the Textile Commissioner extended maximum cooperation and support made several attempts to enable NABCONS to complete the study. Textile Commissioner personally took interest and made concerted efforts to complete the study. Now in the final report, over 60% of the data appears to be wrong and therefore after detailed deliberations, CITI strongly recommended to ignore the study and form a special task force consisting of industry, financial institutions and MoT to finalize the liability within a period of two months. CITI also pointed out that large number of textile units have already become NPAs and the increase in SMA-2 accounts has increased over 40% during the last quarter especially in the SME sector. Early release of Rs.6,000 crores for committed liabilities is essential to reduce the financial stress being faced by the industry.

GST

GST returns filing dates extended

- Vide Notification No 72/2017 Central Tax, CBEC has extended the time limit for filing the GSTR -1. The extended time line is as follows for Monthly Returns:-

Months	Extended time limit
Jul, Aug, Sep, Oct, Nov 2017	10th Jan 2018
Dec 2017	10th Feb 2018
Jan 2018	10th Mar 2018
Feb 2018	10th Apr 2018
Mar 2018	10th May 2018

Moreover, to give effect to the implementation of the concept of E way bill from 1.02.2018 as decided by the GST Council, Notification No 74/2017 (Central Tax) dated 29th December 2017 has been issued.

ECONOMY

India's GDP to grow at 7.5% in 2018, says Nomura

- Indian economy is expected to witness a sharp recovery in the January-March quarter and its gross domestic product (GDP) growth likely to be around 7.5 per cent for 2018, says a Nomura report. According to

Japanese financial services major Nomura's Composite Leading Index (CLI), some growth consolidation is likely in the Q4 (October- December), Q1 (January –March) 2018 due to ongoing remonetisation and improving global demand. "We remain bullish on the growth outlook. We expect GDP growth to rise to 6.7 percent year-on-year in Q4 (October-December) from 6.3 per cent in Q3 (July-September) followed by a stronger rebound to 7.5% in 2018, " Nomura said in a reaserch note. The report further noted that a tightening of monetory policy is likely owing to inflationary pressures and higher oil prices.

PRESS RELEASE

SIMA hails the Scheme for Capacity Building in Textile Sector

- The Indian textiles & clothing industry being the second largest employment provider next only to agriculture required to train the workforce on a scientific basis and constantly upgrade the skills to remain globally competitive and also enable the employees to earn good remuneration. Against this background, the Ministry of Textiles had earlier launched the Integrated Skill Development Scheme (ISDS) with a budget outlay of Rs.272 crores under 11th Plan and Rs.1900 crores in the 12th Plan. Under this Scheme, around 11 lakh people got benefited. The industry has been demanding to announce a special scheme not only for training the fresh workers, but also for upskilling and for the skill Upgradation of Supervisors, Executives, Managers and Entrepreneurs. Now the Government has announced a comprehensive Scheme for Capacity Building in Textile Sector (SCBTS) with a budget outlay of Rs.1300 crores for two years. In a Press Release issued at Coimbatore on 21st December 2017, Mr.P Nataraj, Chairman, The Southern India Mills' Association (SIMA) has thanked the Hon'ble Prime Minister and Hon'ble Union Minister for Textiles for acceding to the appeal of the industry and announcing the SCBTS. He has said that the Indian textile industry has been lagging in productivity and counties like China, Bangladesh, Vietnam, etc., are much ahead in productivity. He has stated that the new scheme would enable the industry to adopt scientific principles for upgrading the skills of the employees and achieve higher productivity. He has said that the Scheme would also facilitate to cut cost and improve quality.

JUDGEMENTS

CX - Once CENVAT credit is allowed u/r 16 of CER, CCR comes into play and appellant is entitled to remove cenvatted goods u/r 4(5)(b) of CCR without payment of duty to a job worker: CESTAT

MUMBAI, DEC 19, 2017: THE appellant availed CENVAT Credit in respect of capital goods i.e. moulds and dies received for repairs, reconditioning etc. u/r 16 of CER and after repairsit was cleared under Rule 4 (5)(b) of CENVAT Credit Rules to their job workers without payment of duty. The case of the department is that since the appellant had received the goods u/r 16 and availed the credit, the only option under Rule 16 is to clear the repaired goods on payment of duty and there is no other option. The adjudicating authority confirmed the demand and imposed equal amount of penalty.

Hence, the appellant is before the CESTAT.

It is submitted that as CENVAT credit has been allowed under rule 16, therefore, the CCR would apply for the movement of such goods and the clearances made by them are as per the law.

The Bench extracted rule 16 of CER and observed –

"…From the above Rule 16 it can be seen that even though the credit is allowed under Rule 16 but it is provided in Rule 16, the credit is allowed as if under CENVAT Credit Rules. As regard CENVAT credit the provisions of CENVAT Credit Rule is applicable. Once CENVAT Credit Rules is applicable, appellant is allowed to clear the input under Rule 4(5)(b) if the removal is for job work to the job worker. Accordingly, we are of the considered view that the clearance of capital goods under Rule 4(5) (b) is correct and legal, consequently no duty can be demanded…"

The impugned order was set aside and the Appeal was allowed.

Income tax - Demand of interest for two months u/s 201(1A) even if delay in depositing TDS is one day, warrants recomputation to meet two ends of justice: ITAT

AHMEDABAD, DEC 18, 2017: THE issue is - Whether demand of interest for two months u/s 201(1A) even if the delay in depositing TDS is one day, warrants re-computation to meet the two ends of justice. YES is the answer.

Facts of the case

The assessee is a nationalized bank. It deposited taxes deducted u/s 194A for the month of September 2014 on October 8, 2014. While processing the TDS return u/s 200A, interest for delay in depositing the tax at source, for a period of two months, i.e. September and October 2014, was charged. The interest amount of

Rs.2,78,607/- was sought to be recovered by the Assessing Officer. The CIT(A) confirmed the action of the Assessing Officer.

On appeal, the Tribunal held that,

++ the time limit for depositing the tax deducted at source under section 194A, as set out in rule 30(2)(b) – which applies in the present context, is "on or before seven days from the end of the month in which the deduction is made". In the case before us, the TDS is deposited on 8th of October 2014. There is thus clearly delay in depositing tax at source. The counsel does not even dispute that. All that he prays for is that the levy of interest should be reduced to actual period of delay in depositing the tax at source, i.e. from the date on which tax was deducted and till the date on which tax was deposited. It is only if such a period exceeds one month, then the question of levy of interest will arise. However, what has been done in the present case is that the interest has been charged for two calendar months, i.e. September and October. This plea of the assessee indeed meets our approval in the sense that the question of levy of interest for the second month can arise only if the period of time between the date on which tax was deducted and the date on which tax was paid to the Government exceeds one month. We, therefore, direct the Assessing Officer to recompute the levy of interest under section 201(1A) accordingly;

++ as per the counsel's plea that it is too strong a punishment to levy interest for a delay of first one day, such a plea is only to be noted and rejected. Who would know the time value of money better than a banker that the assessee is, and the interest is nothing more than a compensatory levy for the time during which tax deductor enjoyed the Government money. That is not at all penal in nature and we do not have any authority to relax this compensatory levy.

COTTON AND COTTON YARN PRICES

Price Behaviour

Cotton – Spot* (Rs/Candy)

- Given below are the cotton and cotton yarn prices prevailed at various dates for the benefit of the members:

Variety	29.12.2017	22.12.2017	16.12.2017	08.12.2017	01.12.2017	24.11.2017	17.11.2017
ICS-101 (Bengal Deshi (RG) / Assam Comilla)	41400	42000	41400	40700	40600	40700	41000
ICS-201 (Bengal Deshi (SG))	42200	42700	42100	41400	41300	41700	42000
ICS-102 (V-797)	31500	31300	31000	30200	29100	28700	28500
ICS-103 **(**Jayadhar)	34300	34100	33300	32500	32500	32100	32100
ICS-202 (J-34)	40000	39300	38900	37300	36800	36100	36200
ICS-105(LRA-5166)	40700	39900	39500	37900	37600	36900	37000
ICS-105 (H4-Mech 1 - Guj)	40000	39700	39100	37700	37100	36700	37000
ICS-105 (Shankar – 6 (Guj))	41100	40400	39800	38400	37700	37300	37400
ICS-105 (Bunny / Brahma)	42300	42000	41000	39500	39000	38500	38800
ICS-107 (DCH 32)	56500	56400	55800	52400	50600	50600	50600

* - Spot rates quoted based on growth & grade standard (i.e: parameter based) *Source: CAI*

Cotton Yarn (Rs/Kg – Taxes Extra)

Count	29.12.2017	22.12.2017	15.12.2017	08.12.2017	01.12.2017	24.11.2017	17.11.2017
Hank Yarn							
20s	188	188	188	188	188	188	188
30s	210	210	210	210	210	210	210
40s	233	233	233	233	233	233	233
60s K	254	254	254	254	254	254	254
60s C	327	327	327	327	327	327	327
80s C	382	382	382	382	382	382	382
Cone Yarn							
20s	180	180	180	180	180	180	180
30s	190	190	190	190	190	190	190
40s	205	205	205	205	205	205	205
60s K	255	255	255	255	255	255	255
60s C	280	280	280	280	280	280	280
80s C	354	354	354	354	354	354	354

Source: - Mill Source: (Quotes are only indicative)*

CIRCULARS ISSUED DURING THE FORTNIGHT

Sl. No.	Cir.No.	Date	To	Subject
1	397-A/2017	16.12.2017	Member Mills In Coimbatore, Tirupur, Namakkal, Erode, Salem Dindigul Districts of Tamil Nadu	Warehouse Finance for cotton by State Bank of India – reg
2	398/2017	16.12.2017	All Member Mills	Decision of 24th GST Council Meeting - Inter-State e-way Bill to be compulsory from 1st February, 2018 and States may choose their own timings for implementation of e-way Bill for intra-State movement of goods on any date before 1st June, 2018
3	398-A/2017	16.12.2017	Managing Directors of Member Mills in Tamil Nadu	SIMA's representations – Replies from the Director of Handlooms & Textiles, Government of Tamil Nadu – reg
4	399/2017	19.12.2017	All Member Mills	Migration to GST regime - registration particulars requested - reg
5	400/2017	19.12.2017	All Member Mills	Goods and Service Tax Network – Communication – Reg
6	401/2017	19.12.2017	All Member Mills	Clarification on Customs (Import of Goods at concessional Rate of Duty) Rules, 2017 and Refund of CVD
7	402/2017	20.12.2017	All Member Mills	Parallel availment of RoSL and SGST credit - Reg.
8	402-A/2017	21.12.2017	Member Mills concerned	Submission of Balance Sheet for the year 2015-16 & 2016-17 -reg
9	403/2017	22.12.2017	All Member Mills	Highlights of the 9th TAMC meeting of TUFS held on 20.12.2017 at the Office of the Textile Commissioner, Mumbai
10	404/2017	22.12.2017	All Member Mills	Explanation to E- Way Bill Provisions – Reg.
11	405/2017	22.12.2017	All Member Mills	Implementation of Electronic Sealing of Containers by Exporters under self-sealing procedure deferred – Reg
12	405-A/2017	22.12.2017	Member Mills in Tamil Nadu	TNVAT - Filing of Form WW – Request to file in old format denied by the Department – Reg
13	406/2017	23.12.2017	All Member Mills	Big Jump in Import of Textiles & Clothing post GST - reg

14	407/2017	23.12.2017	All Member Mills	Submission of Data on Cotton Production and Consumption
15	407-A/2017	23.12.2017	Managing Directors of Member Mills in Tamil Nadu	Good Industrial Relations Awards Scheme for 2015 & 2016
16	407-B/2017	25.12.2017	Member Mills in Tamil Nadu	Transportation of cotton from Gujarat to Tamil Nadu through Vessels – rates fixation for the year 2017-2018-reg
17	407-C/2017	25.12.2017	Member Mills in Tamil Nadu	TNVAT on all categories of Hank yarn-retrospectively taxable as per Madras High Court Judgment –reg
18	407-D/2017	26.12.2017	Member Mills in Andhra Pradesh	Proposal of ARR and Tariff for the year 2018-19 with no tariff revision by DISCOMS filed before the APERC –reg
19	407-E/2017	27.12.2017	Member Mills in Tamil Nadu concerned	Meeting of member mills purchasing power from M/s.ARS Energy Pvt Limited to be held at SIMA Conference hall on 4th January 2018 at 3:30 PM-- reg.
20	407-F/2017	27.12.2017	Member Mills in Telangana	Telangana State Electricity Regulatory Commission (TSERC) Order on Additional Surcharge -- reg.
21	407-G/2017	27.12.2017	Member Mills in Tamil Nadu	Constitution of Internal Complaints Committee (ICC) under the Prevention of Sexual Harassment Act – Nomination of an NGO member – clarification – reg.
22	408/2017	27.12.2017	All Member Mills	Requirement of carding machines without chute feed by M/s. Aruppukottai Sri Jayavilas Limited – reg
23	409/2017	27.12.2017	All Member Mills	Exhibition cum Buyer Seller Meet under MAI during 21.02.2018 - 23.02.2018 at Hotel Galadhari, Colombo, Sri Lanka - reg
24	409-A/2017	27.12.2017	Member Mills in Kerala	Kerala State Electricity Regulatory Commission (KSERC) order on Review petition filed by Kerala State Electricity Board (KSEB) in determining the CSS – reg.
25	410/2017	28.12.2017	All Member Mills	Minutes of the 1st meeting of Cotton Advisory Board – reg
26	410-A/2017	28.12.2017	Member Mills in Tamil Nadu	Textile Exports and Imports under Foreign Trade Policy and GST – reg
27	410-B/2017	29.12.2017	Member Mills in Tamil Nadu	Postponement of session on “Textile Exports and Imports under Foreign Trade Policy and GST” organized at Madurai – reg

28	411/2017	29.12.2017	All Member Mills	View points on Rules of Origin with Mauritius, Sri Lanka and Korea – reg
29	411-A/2017	29.12.2017	Member Mills in Tamil Nadu	Extension of time not granted for filing Form-WW – reg
30	411-B/2017	29.12.2017	Member Mills in Tamil Nadu	TNERC draft notification on Forecasting, Scheduling, Deviation Settlement for wind and solar generation & draft notification on Deviation Settlement Mechanism Related matters, Regulations 2017 – Comments/suggestions – invited -reg.
31	412/2017	30.12.2017	All Member Mills	Sale of cotton bales – reg
32	412-A/2017	30.12.2017	Member Mills in Kerala	Consumer Price Index Numbers for October 2017
33	413/2017	30.12.2017	All Member Mills	GST Communications – Extension of time for filing GSTR-1, Central Notification for E-way bill and explanatory CBEC Circular – Reg.
34	413-A/2017	30.12.2017	Member Mills in Telangana	Proposal of ARR and Tariff for the year 2018-19 filed by DISCOMS before the Telangana Electricity Regulatory Commission (TSERC) - with no tariff revision– reg