



sima

Fortnightly

E-REVIEW

Vol. XII

No.21

January 1-15, 2018

NEWS HIGHLIGHTS >>>

- ❖ **SIMA SEEKS TIME EXTENSION FOR HYO FULFILMENT**
- ❖ **SHIPPING MINISTRY URGED FOR SUFFICIENT CONTAINERS FOR COTTON TRANSPORT**
- ❖ **INDIAN ECONOMY TO GROW AT 7.3% IN FY 2018-19- WORLD BANK**
- ❖ **YARN EXPO SPRING 2018 EXPECTS OVER 450 EXHIBITORS**

REPRESENTATIONS >>>

- ❖ Vide a representation dated 10.1.2018, the Association requested Dr Kavita Gupta, IAS., Textile Commissioner, Mumbai and sought extension of time for fulfilling shortfall in hank yarn obligation.
- ❖ The Association has written a letter dated 11.1.2018 to the Director General (Shipping), Ministry of Shipping, Mumbai appealing to make available sufficient numbers of containers for cotton transport. It was mentioned shortage of containers during the cotton season would affect the purchase of cotton by textile mills and it was requested to resolve the issue on a priority basis.

MEETINGS >>>

Highlights of the 72nd HYPMC

- ❖ The 72nd Hank Yarn Price Monitoring Committee meeting was held on 6.1.2018 at the Office of the Textile Commissioner under the Chairpersonship of Textile Commissioner, Dr Kavita Gupta, IAS. On behalf of SIMA & CITI, Dr K Selvaraju attended the meeting. The highlights of the meeting are as follows:-

While discussing on the action taken on the various decisions of the last meeting held on 22.2.2016, following decisions were taken at the meeting held on 6.1.2018:-

***Online submission of Return**

Out of 2500 spinning units, 1539 units have submitted the hank yarn returns online. The remaining units failed to file the online return. The

Office of the Textile Commissioner might take penal action on the defaulting mills. Dr K Selvaraju requested the Chairperson to provide the names of the mills in each Region so that CITI / SIMA could advise the mills and also the various Associations to follow up with the mills advising them to file the returns online.

***Alternative Mechanism for Hank Yarn Supply**

CITI has already submitted a detailed note on alternative mechanism for hank yarn supply prepared by SIMA suggesting to install reeling centres in all the major handloom clusters and NHDC could act as a nodal agency to implement the proposal. It was informed that after the implementation of GST, the actual demand of cotton yarn by the handloom sector through NHDC might not exceed 50 million kgs per year and such yarn might be used in cone form, dyed cone form and dyed hank yarn form. After detailed deliberations, the Committee decided to constitute a 12-member Committee under the Chairmanship of Mr.S.P.Verma, Joint Textile Commissioner involving NHDC, CITI/SIMA, Director of Handlooms of few major States including Tamil Nadu, Telangana, Assam, few leading handloom societies to make an estimate of actual hank yarn requirement by the handloom sector in hank form, cone form and dyed cone form within a period of 45 days.

***BSM**

NHDC has been regularly conducting the Buyer-Seller Meet (BSM) in all the major handloom clusters in association with SIMA and Office of the Textile Commissioner.

***Registration of submission of hank yarn returns by new spinning units**

CITI/SIMA would request the member Associations and the mills to advise all the new spinning mills that are installed in different places to register and file the returns.

***FIRs against defaulters**

The Office of the Textile Commissioner has filed FIR on 365 mills during the period 1.4.2010 to 30.11.2017. Unless otherwise the spinning mills take initiative to close the FIRs by taking appropriate legal remedy, the Police Stations in the respective areas might harass the concerned mills threatening arrest. Therefore, the Textile Commissioner strongly recommended CITI/ SIMA to advise the concerned mills to seek legal remedy and close the FIRs and the Office of the Textile Commissioner might not raise objections for closing such FIRs. Textile Commissioner was requested to send the contact details (name, address, e-mail ID, phone number) of all the 365 mills so that the CITI and SIMA could advise the concerned mills suitably.

The Office of the DC(Handlooms) was requested to furnish the requirement of cotton hank yarn by handloom sector within a week.

While reviewing the availability of hank yarn, market price of hank yarn and fulfillment of hank yarn, it was reported that no complaints have been received from the handloom sector on all the aforesaid matters.

Request of CITI/SIMA for reduction of hank yarn obligation from 40% to 10%

As mentioned above, a detailed deliberation was made based on the working given by CITI in its representation sent to the Hon'ble Union Minister for Textiles marking a copy to the Textile Commissioner and also a Power Point Presentation made by SIMA Secretary General and decided to form the Committee and submit report within a period of 35 days as already mentioned above.

SIMA Secretary General requested the Textile Commissioner to give extension of time for fulfilling the hank yarn obligation as hank yarn transfer premium had steeply increased from 50 paise to Rs.5/- per kg after implementation of GST as there is no actual demand for hank yarn. He also added that after the implementation of GST, there is no attraction for the powerloom sector and even the handloom sector to opt for hank yarn as 5% VAT, 2% CST exemption given till 30th June 2017 had been scrapped and both the cotton hank yarn and cone yarn attract same 5% GST. Textile Commissioner advised SIMA / CITI to send a representation so that she could take up the matter with the Ministry of Textiles as the Textile Commissioner has no power to give extension but to take penal action if the mills failed to submit the returns on time.

Highlights of the stakeholders meeting on Comprehensive Textile Labelling Regulation on 6.1.2018

- ❖ The meeting on Comprehensive Textile Labelling Regulation was held on 6.1.2018 at the Office of the Textile Commissioner under the Chairpersonship of the Textile Commissioner, Dr Kavita Gupta. On behalf of CITI & SIMA, Dr K Selvaraju attended the meeting. On behalf of TEXPROCIL, Mr.A.Ravikumar, Joint Director, Texprocil also attended the meeting. The highlights of the meeting are given below:-
- ◆ It was informed that the mandatory marking regulation was abolished after the removal of textiles from the Essential Commodities Act from February 2007. The Textile Commissioner informed that the Ministry has decided to bring back the Textile Labelling Regulation Act to protect the consumers and also various segments of the textile industry with minimal information. After detailed deliberations, it was decided to mention the following details on labels:-

Garment/made-ups – Name of the manufacturer, country of origin, washing and care & fibre composition

Dyed fabric – Name of the manufacturer, country of origin, washing and care, length and width, dyed/printed, fibre composition

Grey fabric – Name of the manufacturer, country of origin, warp count, weft count, fibre composition, fabric density, length and width (size)

Yarn – Name of the manufacturer, country of origin, count, fibre composition

Cotton fibre – Name of the ginning factory, country of origin, length, micronaire, trash percentage, bale weight, lot number.

Manmade fibre – Name of the manufacturer, country of origin, staple length (mm), denier, merge No, bale weight

Manmade filament yarn – Name of the manufacturer, country of origin, variety of filament, type of filament, denier

After detailed deliberations, the industry requested the Office of the Textile Commissioner to circulate essential information to be provided on the labels to all the Associations. The Textile Commissioner informed that the Office of the Textile Commissioner would send the information within a week and the industry has to respond within a period of 14 working days and if no response is received, the Office of the Textile Commissioner would presume that the industry has no objection in labeling. The industry requested to impose the same Regulations for imported textile products.

The Office of the Textile Commissioner would also come out with a draft Comprehensive Textile Labelling Regulation / Notification that would be circulated to all the Associations that should respond within 14 working days, if any objection or suggestion. Regarding the operational strategy with penal provisions, the industry suggested to follow the guidelines given in the Consumers Protection Act and circulate the same to the Associations for comments.

TEXTILE SCENE

India's textile & apparel exports turnaround in Nov '17

- ❖ After a brief period of decline in textile and apparel exports, including handicraft exports, every month beginning May, June, July and October 2017, there is a turnaround in India's textile and apparel exports, in November 2017. There has been a spurt in export of handloom products, readymade garments, cotton, silk and jute products, and carpets. India's textile and clothing exports registered a 20 per cent increase in November 2017 over October 2017, according to data published by Directorate General of Commercial Intelligence and Statistics (DGCIS). The 20 per cent overall increase in textile and garment exports is marked by an increase of 24 per cent in readymade garments, 24 per cent in cotton, 9 per cent in man-made textiles, 17 per cent in silk products, 28 per cent in handloom products, 11 per cent in carpets and 10 per cent in jute products, a ministry of textiles release said.

India's WPI inflation for textiles down 0.4% in Dec '17

- ❖ India's annual rate of inflation, based on monthly wholesale price index (WPI), stood at 3.58 per cent for the month of December 2017 over same month of last year. The index for 'Manufacturing of Textiles' group declined by 0.4 per cent to 113.0. The index for 'Manufacturing of Wearing Apparel' group rose by 1 per cent to 138.9 in December. The official WPI for all commodities (Base: 2011-12 = 100) for the month of December 2017 declined by 0.5 per cent to 115.7 from 116.3 for the previous month, according to the provisional data released by the Office of the Economic

Adviser, ministry of commerce and industry. The index for manufactured products (weight 64.23 per cent) for December 2017 rose by 0.1 per cent to 114.0 from 113.9 for the previous month. The index for textiles sub-group declined by 0.4 per cent to 113.0 from 113.5 for the previous month due to lower price of cordage, rope, twine & netting and weaving & finishing of textiles (2 per cent each). However, the price of viscose yarn (2 per cent) and manufacture of other textiles, woollen yarn, texturised & twisted yarn, manufacture of knitted & crocheted fabrics, cotton yarn and synthetic yarn (1 per cent each) moved up. The index for 'Manufacture of Wearing Apparel' sub-group rose by 1.0 per cent to 138.9 in December 2017 from 137.5 for the previous month due to higher price of manufacture of knitted and crocheted apparel (3 per cent). The index for primary articles (weight 22.62 per cent) declined by 2.9 per cent to 131.7 from 135.6 for the previous month. The index for fuel and power (weight 13.15 per cent), on the other hand, increased by 1.6 per cent to 96.5 from 95 for the previous month due to higher price of bitumen, ATF, naphtha, furnace oil, kerosene, HSD, petrol and LPG.

HKL Magu takes over as AEPC chairman for 2018-20

- ❖ HKL Magu, managing partner of Jyoti Apparels, has assumed office as the new chairman of the Apparel Export Promotion Council (AEPC) for the period 2018-20. Before assuming charge as the chairman of AEPC, he was holding the position of vice chairman of the council. He took over from Ashok Rajani at the conclusion of the council's executive committee meeting. With over 40 years of experience, Magu is a veteran and patriarch of the apparel and textiles industry in India. He is among the early few players of apparel and textiles industry who gave their time, devotion and allegiance for the growth of the industry as a whole. He has always been very instrumental and influential in getting various incentives and subsidy schemes from the Central as well as state governments. Highlighting his vision for the apparel Industry, Magu said, "These are challenging times for the industry with global headwinds blowing over us. The industry has not been able to cope-up with the sudden dilution of DBK and ROSL rates and is still reeling under the adverse impact of the move. Apparel sector has been recognised as one of the most important sectors for employment generation and for furthering the growth of the sector, our Prime Minister has given the '5F' Formula - Farm to fibre; fibre to fabric; fabric to fashion; fashion to foreign but 2017 has been an extremely difficult year for us and the export data of the last two months indicate towards a trend of declining exports. "We are hopeful that in the new year Government will extend the necessary support to the sector, in the form of continuation old DBK rates and RoSL rates till June 2018 which would help us in making the Indian apparel industry the most competitive industry globally. Only then, the vision of our Prime Minister would be realised." In his illustrious career of over four decades, Magu has held various positions such as the president of Garment Exporters Association (GEA), chairman of Finance & Budget sub-committee, AEPC, and has also served on the Board of Governors of Apparel Training & Design Centers (ATDC). He has

been a recipient of Certificate of Merit from President of India for doubling the exports during the year 1993-94 and has also served as the Member of the Grievance Committee of Director General of Foreign Trade (DGFT). Jyoti Apparels is one of the oldest members of AEPC. Started in the year 1976 in Delhi, today Jyoti Apparels has manufacturing units in Gurgaon and Manesar as well. Jyoti Apparels (through its sister concern Magsons Exports) is the first organization in garment sector to get the AEO certification in the year 2015

115 acres earmarked for apparel, textiles park near Patna

- ❖ India's Bihar state has earmarked a land tract of 115 acres in Bihat on the outskirts of capital Patna to set up an apparel and textiles park, state deputy chief minister Sushil Kumar Modi recently announced. The proposed park forms part of the state policy to promote textiles, leather, information technology and food processing, he said. Modi was speaking after the inauguration of a three-day fair organized by the Bihar Readymade Garments Association. Urging readymade garment producers to invest in Bihar, he said the state has immense potential for job creation in this sector as 90 per cent workers employed in this industry in Mumbai and Bengaluru hail from the state, according to a news agency report. A number of incentives are on offer to those willing to invest in the state, he added

GLOBAL TEXTILE SCENE

Yarn Expo Spring 2018 expects over 450 exhibitors

- ❖ More than 450 exhibitors are expected at the Yarn Expo Spring 2018, the leading trade event in the world's biggest yarn and fibre consuming market. The three-day international event in Shanghai will keep on display a full spectrum of quality yarn and fibre products, such as natural and blended yarns, man-made fibres and yarns as well as specialty yarns. In the past three years, Yarn Expo Spring has recorded significant growth in its exhibitor number and exhibition space. "Three years ago when we first entered China, there weren't many people that knew about us, but, today, Birla is a well-known company with an increasing number of fashion garment brands appointing us to be the main supplier of their products," said Peter Dong, senior manager of Birla Group's marketing & business development, while sharing the experience during the last spring fair. Nearly 400 domestic exhibitors will showcase a wide range of innovative fibres and yarns in Fancy Yarn Zone, Colourful Chemical Fibre Zone, Natural Cotton Zone, Quality Wool Zone and Green Linen Zone. Besides selling and sourcing at the trade fair, the participants can also attend a series of seminars and be a part of the fashion show. "Yarn Expo offers an effective platform for us to meet our target buyers from around the world. We've met many Chinese and European buyers during the fair last year, and many of them placed orders with us," said Abedin Ahmed Rizvi, manager (sales & marketing) of Indus Dyeing & Manufacturing from Pakistan. Yarn Expo Spring 2018 will be held concurrently with four other

textile trade fairs including Intertextile Shanghai Apparel Fabrics – Spring Edition, Intertextile Shanghai Home Textiles – Spring Edition, PH Value and the China International Fashion Fair (CHIC). Messe Frankfurt (HK) Ltd, the Sub-Council of Textile Industry, China Cotton Textile Association, China Wool Textile Association, China Chemical Fiber Association, China Bast & Leaf Fibres Textiles Association and China Textile Information Centre are organising the Yarn Expo Spring

Indonesian textile exports up by 5% in 2017: API

- ❖ Indonesia's textile exports rose by 5 per cent on a year-on-year basis in 2017 after being stagnant in the 2012-2016 period despite a decline in global textile demand in the year, according to the Indonesian Textile Association (API). Exports to the United States and Japan fell by 2 per cent each in 2017, while to the European Union (EU) fell by 3 per cent. These declines were offset by rising textile demand in Southeast Asia and the Middle East, API chairman Ade Sudrajat said while disclosing the statistics recently. The United States still remains the biggest market for Indonesian textiles. About 36 per cent of Indonesian textile shipments go there. On second place comes the Middle East (23 per cent), followed by the EU (13 per cent). Indonesia's competitiveness, in general, has improved in the textile sector which has attracted more investment because of the country's stable economy, a leading portal monitoring the country's economy reported. Various textile factories were moved from West Java and Banten to Central Java several years ago because minimum wages rose too steeply in West Java and Banten. Central Java still offers a relatively cheap production environment. Nearly \$759 million was invested in Indonesia's textile industry in the January-September 2017 period, much higher than the figure in the same period a year earlier, according to statistics from the country's Investment Coordinating Board (BKPM). As Indonesia lacks a free trade agreement with the EU like Vietnam, Sudrajat urged the government to have discussions with the EU to further improve the competitiveness of the country's textile products.

RAW MATERIAL FRONT

Brazil's cotton output up 18.6% to 1.5mn tons in 2016-17

- ❖ Brazil's cotton output in the 2016-17 season increased 18.6 per cent year-on-year to 1.529 million tons, pushed up by the 20.6 per cent increase in the average productivity, since area under the crop decreased 1.7 per cent to 939,100 hectares. The weather favoured crop development during the growing season, but hampered the harvesting season. Domestic textile consumption increased by 5 per cent to 690,000 in the 2016-17 season, due to the recovery of textile companies, according to data from Conab (National Company for Food Supply). Despite the higher production, the domestic surplus increased compared to the 2015-16 season. Meanwhile, from January to November 2017, Brazil exported 695,400 tons of cotton, which is 5.1 per cent lower than the amount shipped in the same period last year, according to data from the

Secretariat of Foreign Trade (Secex). Although the volume decreased compared to the previous year, exportations were above the sector's expectations. The decrease in volume of export was owing to lower quantity shipped in the first semester, which was due to lower production in 2016. During June to November 2017, Brazil exported 558,000 tons of cotton, registering 37 per cent growth compared to the same period of the previous season. Cotton imports during first eleven months of 2017 stood at 33,600 tons, showing an increase of 45 per cent compared to the same period of the previous year. Of this, 32,000 tons were bought in the first semester. Thus, mainly in the second semester, firm cotton exports balanced supply and demand in the Brazilian market. This limited the drops in average prices, although production was higher in 2016-17, the Center for Advanced Studies on Applied Economics (CEPEA) said. In 2017, the CEPEA/ESALQ cotton Index dropped only 3.07 per cent. The average price during the year was 2.6105 BRL per pound, only 1.5 per cent higher than in 2016

ECONOMY

Indian economy to grow at 7.3% in FY 2018-19: World Bank

- ❖ Supported by strong private consumption and public spending on wage increases and infrastructure investments, Indian economy is expected to pick up to 7.3 per cent growth in financial year (FY) 2018-19, which begins on April 1, and to 7.5 per cent in FY 2019-20. Private investment is expected to revive, says the World Bank in its latest report. In fiscal 2017-18, which ends March 31, Indian economy is estimated to grow 6.7 per cent, slightly down from the 7.1 per cent of the previous fiscal year. "This is due in part to the effects of the introduction of the Goods and Services Tax (GST), but also to protracted balance sheet weaknesses—including corporate debt burdens and non-performing loans in the banking sector—weighing down private investment," states the report 'Global Economic Prospects: Broad-Based Upturn, but for How Long?' Private investment, however, is expected to revive in FY 2018-19 as the private sector adjusts to the GST and a global trade recovery lifts exports. In South Asia, growth slowed to a still strong 6.5 per cent in 2017, but it is forecast to accelerate to 6.9 per cent in 2018. "Consumption is expected to stay strong, exports are anticipated to recover, and investment is on track to revive as a result of policy reforms and infrastructure upgrades," says the report. Excluding India, growth in the South Asian region is projected to pick up to 5.8 per cent in 2018 and to 5.9 per cent the following year as domestic demand remains robust and exports recover. Pakistan is expected to accelerate to 5.8 per cent in FY 2018-19, which begins July 1. Bangladesh will grow at 6.7 per cent in FY 2018-19, benefitting from strong domestic demand and strengthened exports. Sri Lanka is forecast to accelerate to 5 per cent in 2018, mainly reflecting strong private consumption and investment growth. Terming that risks to the outlook are mainly domestic, the report states that "setbacks to reform efforts in the corporate and financial sectors, disruptions due to natural disasters, and challenges that weaken domestic

demand could subdue growth prospects.” Increasing liabilities across the region could also derail fiscal consolidation efforts, with weaker debt sustainability dampening financial market confidence. Externally, an upswing in global financial volatility could slow growth. However, on the upside, stronger-than-expected global growth could result in faster growth than anticipated in the more open economies in the region.

JUDGEMENTS

Cus - Cause for filing application for refund arose only when the export actually failed - Interpretation that would lead to anomalous and unintended consequences must be avoided: High Court

AHMEDABAD, JAN 10, 2018: THE petitioner has challenged the order dated 20.06.2016 - **2016-TIOL-2920-CESTAT-AHM** passed by the CESTAT wherein it is held -

Customs –Section 27 of the Customs Act, 1962 - Refund of export duty paid since goods could not be exported for want of buyer within time - Bar of limitation - Limitation starts from the date of payment of duty and not from the date of cancellation of shipping bill - Duty has been finally assessed and paid by appellant following self assessment procedure and obtained Let Export Order - Shipping bill was allowed to be cancelled more than one year thereafter as shipment was delayed –Claim that Refund of export duty was made within six months from the date of cancellation of shipping bill held inconsequential - Further, export duty paid cannot be considered as ‘deposit’ to circumvent the limitation provision - Assessee appeal rejected: CESTAT

The petitioner also prays for a direction for refund of a sum of Rs.1,45,39,200/-, which according to them, has been wrongly withheld by the department.

The facts are -

On 17.11.2011, the petitioner filed a shipping bill with the Commissioner of Customs, Mundra, for export of Iron ore Fines to one M/s Synergy Resources International Group, China. On self assessment, the petitioner deposited a sum of Rs.1,45,39,200/- by way of export duty at the rate of 20% of the value of the goods on 05.12.2011. The Customs authorities thereupon issued a LET export order on 09.12.2011. It is the case of the petitioner that the export actually could not take place.

On **17.01.2013** , the petitioner wrote to the Assistant Commissioner of Customs, Mundra *inter alia* seeking cancellation of earlier shipping bill and allowing them to file a fresh shipping bill for payment of export duty and export thereafter.

The authorities accepted the request of the petitioner for cancellation of the shipping bill dated 17.11.2011.

The petitioner, therefore, filed fresh shipping bills dated 23.01.2013 and 19.02.2013, on which, the petitioner paid the newly assessed duty at the revised valuation of the cargo and at the rate of 30% of the valuation as per the prevailing rate of customs duty. Such goods were allowed to be exported and actually exported in due course.

On **04.05.2013** , the petitioner filed an application before the Assistant Commissioner of Customs, Mundra, for refund of the sum of Rs.1,45,39,200/- paid by way of customs duty pursuant to the original shipping bill dated 17.11.2011.

By an order dated 31.01.2014, the application for refund was rejected on the ground of limitation. Inasmuch as the application for refund of the duty was filed beyond a period of one year from the date of payment of duty. The petitioner carried this order before the Appellate Commissioner and having failed, before the Tribunal. Tribunal by the impugned judgment, upheld the orders passed by the Customs authorities.

And this is how the present petition came to be filed.

After considering the submissions made by both sides, the High Court extracted sections 2(18), 2(20), 26, 27 and also adverted to sections 12, 16, 50, 51 of the Customs Act, 1962 and *inter alia* observed -

+ What actually happened was that the petitioner applied for permission of export by filing shipping bills and depositing self assessed tax. The Customs authorities satisfied that all the requirements are fulfilled, granted permission for export as envisaged under sub-section (1) of section 51. However, the export never took place.

+ The assessment of tax, be it self assessed or assessed by the Customs authorities would be in terms of section 16 on the basis of the valuation and rate applicable at the time of entry of goods for export. The levying of tax however, would be under section 12 upon the actual export of goods. Sub-section (1) of section 51 does require that before the proper officer grants permission for export of goods, he would have to be satisfied that the exporter has paid the duty assessed on such goods and other charges payable under the Act. Naturally since the permission for export cannot be granted unless the duty is actually paid, nevertheless, the amount so deposited would be appropriated towards duty only upon exportation of the goods.

+ If the amount deposited by the petitioner is treated as a duty paid and literal interpretation of sub-section (1) of section 27 is adopted, the authorities perhaps would be right in contending that the application for refund was beyond the period of limitation prescribed (of one year). However, such interpretation would lead to anomalous and unintended consequences and must be avoided.

+ In the present case, the petitioner's right to seek refund, or in other words the cause for filing application for refund, arose only when the export actually failed . Till then, the petitioner could not have applied for return of amount already deposited. If in the meantime, as in the present case, more than a year is passed, the literal interpretation of application of sub-section (1) of section 27 would amount to a situation where the cause of action for filing refund application even though had not arisen within one year from the date of deposit of the duty, the applicant for refund would be told that his refund application is barred by limitation.

+ The issue can be looked from slightly different angle. If the petitioner's export had failed within few days of filing of shipping bill and the LET order passed by the Customs authorities, even counsel for the department agreed that the refund

application, if filed promptly, would have been granted. The question immediately arises, under which provision of the Customs Act, such refund would become payable. No provision is brought to our notice which could cover the present instance for refund.

+ Section 26 itself refers to refund of duty which has been paid on the exportation of any goods. In the present case, the goods were never exported. The right of the petitioner to seek return of the amount deposited while filing the shipping bill thus stems from the fact that the anticipated export never took place.

+ If the stand of the department was that it was not possible to allow cancellation of shipping bill after a long gap of time, such a stand has not been adopted. The department, on the contrary, permitted the petitioner to cancel the shipping bill. Consequently, the LET order based on such shipping bill stood automatically cancelled. In fact, the petitioner was allowed to file fresh shipping bill, pay fresh duty and carry out export of the same goods. That the petitioner under no circumstances can be asked to pay export duty twice on single export of the same consignment.

The impugned orders were set aside.

The respondent department was directed to refund the sum of Rs.1,45,39,200/- to the petitioner with the interest.

Cus - Bench is not concerned about taxability under GST law since not being an Authority under that law: CESTAT

MUMBAI, JAN 12, 2018 : AGAINST the order passed by the lower appellate authority, the importer is before the CESTAT.

While it is the claim of the appellant that the imported goods were 'old and used reconditioned Brunswick bowling equipment' considered to be 'equipment' covered by definition of capital goods and there shall not be levy of duty even though that is second hand in terms of para 2.17 read with para 9.12 of Foreign Trade Policy 2004-2009, Revenue denies the same saying that the goods in question not being "equipment" shall not fall in the category of capital goods and, therefore, an import licence is required.

The appellant further submitted that the equipment imported as above was installed in a mall to render service and such services are recognized by the GST law for taxability.

To this submission, the Bench retorted - *"We are not concerned about the taxability under GST law not being an Authority under that law."*

As for the matter involved, the CESTAT observed -

"2. The definition of capital goods given by para 9.12 of the Foreign Trade Policy, 2004-2009, throws light that "equipment" itself is an independent goods and characterized to be capital goods. Therefore, an equipment does not go out of the fold of definition of capital goods. The second hand capital goods in question is also permitted to be imported. The imported goods is an equipment for the reason that it is a system itself and independent by its character and nature having its independent existence to serve its purpose. Therefore such inbuilt character

recognizes the goods as equipment which cannot be ruled out. That falls in the fold of capital goods as envisaged by the Policy and import thereof does not call for licence.”

The plea made by the Revenue that the equipment was not installed for rendering service was dismissed as being without any evidence.

In fine, the appeal was allowed.

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	12.01.2018	05.01.2018	29.12.2017	22.12.2017	16.12.2017	08.12.2017	01.12.2017
ICS-101 (Bengal Deshi (RG) / Assam Comilla)	42900	42000	41400	42000	41400	40700	40600
ICS-201 (Bengal Deshi (SG))	43600	42800	42200	42700	42100	41400	41300
ICS-102 (V-797)	31600	31000	31500	31300	31000	30200	29100
ICS-103 (Jayadhar)	34600	33900	34300	34100	33300	32500	32500
ICS-202 (J-34)	40900	40000	40000	39300	38900	37300	36800
ICS-105(LRA-5166)	41300	40600	40700	39900	39500	37900	37600
ICS-105 (H4-Mech 1 - Guj)	41000	40100	40000	39700	39100	37700	37100
ICS-105 (Shankar – 6 (Guj))	42000	40900	41100	40400	39800	38400	37700
ICS-105 (Bunny / Brahma)	43200	42400	42300	42000	41000	39500	39000
ICS-107 (DCH 32)	55800	57000	56500	56400	55800	52400	50600

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

Source: CAI

Cotton Yarn (Rs/Kg – Taxes Extra)

Count	12.01.2018	05.01.2018	29.12.2017	22.12.2017	15.12.2017	08.12.2017	01.12.2017
Hank Yarn							
20s	190	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)	1/2018	2.1.2018	All Member Mills	Ease of compliance of Labour Laws – downloadable software for maintenance of Registers under 9 Labour Laws (Central) – reg
2)	1-A/2018	2.1.2018	Member Mills in Tamil Nadu	Finding solution to overcome the issues in handling migrant workmen and to restore the good work culture and practices. – reg
3)	1-B/2018	2.1.2018	Member Mills Madurai, Virudhunagar, Tuticorin, Kanyakumari, Tirunelveli, Dindigul, Ramanathapuram Districts Of Tamil Nadu	One day Workshop in Export-Import Documentation – reg
4)	1-C/2018	2.1.2018	Member Mills in Tamil Nadu	Group Captive status verification by TANGEDCO – CFC recent memo dated 29/12/2017- draft letter to be sent, if necessary – reg
5)	2/2018	3.1.2018	All Member Mills	Minutes of the 9th TAMC meeting held on 20th December 2017
6)	3/2018	3.1.2018	All Member Mills	Points for Grievance Redressal Committee Meeting scheduled to be held on 18.01.2018
7)	4/2018	3.1.2018	All Member Mills	GSTN Returns – reg
8)	5/2018	3.1.2018	All Member Mills	Session on “Textile Exports and Imports under Foreign Trade Policy and GST” at Madurai, Tamil Nadu– reg
9)	6/2018	3.1.2018	Managing Directors of All Member Mills	Biography package of Mr.Kasthuri Sreenivasan, Founder Director, SITRA – reg
10)	7/2018	3.1.2018	All Member Mills	“Skill Summit – 2018, Momentum Jharkhand” – organised by the Government of Jharkhand for providing job opportunities for un-employed youths – recruitment reg
11)	8/2018	3.1.2018	All Member Mills	Updated faq's by CBEC – Reg
12)	8-A/2018	5.1.2018	Member Mills in Tamil Nadu	GST issues relevant to transport (GTA) – reg
13)	9/2018	5.1.2018	All Member Mills	Petition filed before the Supreme Court – to ensure compliance under “The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013” – reg

14)	9-A/2018	5.1.2018	Member Mills in Tamil Nadu	Introduction of e-way bill system – imparting training – reg
15)	10/2018	5.1.2018	All Member Mills	<ul style="list-style-type: none"> ▪ Enlistment of Machinery Manufacturer under ATUFS ▪ Inclusion of Machinery under ATUFS
16)	11/2018	6.1.2018	All Member Mills	Disposal of machinery & stores by M/s. The National Sewing Threads Co Ltd
17)	11-A/2018	10.1.2018	All Exporting Member Mills	Details of Vendors providing E-seals as per Circular 36/2017-Customs & 37/2017-Customs
18)	12/2018	10.1.2018	All Member Mills	Weekly cotton prices - reg
19)	12-A/2018	10.1.2018	Member Mills in Tamil Nadu	Notification on Reforms on compliance of Labour Laws – Ease of doing business - reg.
20)	13/2018	11.1.2018	All Member Mills	Extending `Fixed Term Employment` to all Industrial sectors –Publication of draft notification – reg
21)	14/2018	11.1.2018	All Member Mills	Highlights of the 72nd Hank Yarn Price Monitoring Committee meeting held on 6.1.2018 – reg
22)	15/2018	11.1.2018	All Member Mills	Disposal of machinery by member mills – reg
23)	16/2018	12.1.2018	All Member Mills	Highlights of the stakeholders meeting on Comprehensive Textile Labelling Regulation on 6.1.2018
24)	16-A/2018	13.1.2018	All Member Mills	Consumer Price Index Numbers - Chennai City –November 2017
25)	16-B/2018	13.1.2018	Member Mills in Andhra Pradesh and Telangna	Consumer Price Index Numbers - All India –November 2017
26)	17/2018	13.1.2018	All Member Mills	Power Quality audit by Asia Power Quality initiative (APQI) - Free of Cost – reg
27)	17-A/2018	13.1.2018	Member Mills in Andhra Pradesh	APERC - Public hearing – ARR proposed by the Distribution Companies for various categories of consumer for the year 2018-19– reg.