sima

Fortnightly

E-REVIEW

Vol. XII | No.18 | November 16-30, 2017

NEWS HIGHLIGHTS

- POLYESTER FIBRE MARKET TO REACH $39.3 BILLION BY 2025
- GOVT NOTIFIES POST-GST RATES UNDER ROSL
- TEXFAIR 2017 & FARM TO FINISH EXPO 2017 SUCCESSFUL
- ASIA-PACIFIC LEADS IN GLOBAL TEXTILE YARN MARKET: REPORT

REPRESENTATIONS

- The Association vide a letter dated 30.11.2017 sent to Mr.K.Kaliannan, Director, Industrial Safety and Health, Government of Tamil Nadu, Chennai requested not to insist for nomination of NGO as a member to the ICC in the constitution of the Internal Complaints Committee (ICC) under the “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

TEXFAIR 2017

- The Association conducted the 11th edition of Texfair 2017 and 3rd edition of Farm to Finish Expo during November 17-20, 2017 at CODISSIA Trade Fair Complex, Coimbatore. Mr.Sanjay Jayavarthanavelu, Chairman & Managing Director of Lakshmi Machine Works Limited was the Chief Guest of the inaugural function held on 17th November 2017 and he threw open the fair for the visitors. At the inaugural function, Chairman, Mr.P.Nataraj delivered his Welcome Address. Deputy Chairman, Mr.K.Vinayakam spoke about Texfair. Mr.Ajay D Shah, President, Textile Machinery & Mill Stores Merchants Association (TMMSMA), Coimbatore and Mr. Kaizar Z. Mahuwala, President, Indian Textiles Accessories & Machinery Manufacturers’ Association (ITAMMA), Mumbai offered felicitations.

SIMA Chairman, Mr.P.Nataraj delivering Welcome Address

SIMA Dy.Chairman, Mr.K.Vinayakam delivering About Texfair

Chief Guest, Mr.Sanjay Jayavarthanavelu releasing Texfair Souvenir & Dr K V Srinivasan, Vice-Chairman, TEXPROCIL receiving the first copy

Chief Guest, Mr.Sanjay Jayavarthanavelu delivering his inaugural address

Audience at the inaugural function

Chief Guest, Mr.Sanjay Jayavarthanavelu throwing open the Texfair

	
Visitors at the fair	Aerial view of the stalls in the fair

In his address, Mr.Sanjay Jayavarthanavelu said that both the textile and textile engineering industries need comprehensive policies to grow. "The only solace is that textiles is still a growing industry, and as the industry grows, we have to understand the needs of the customer. With new fashion retailers coming into the world of textiles, challenges are aplenty for the mill sector to keep pace with the changes," he said. "There were four seasons till a few years ago, and mills had enough lead time to convert the fibre. This has changed dramatically now," he added, putting in context the pressure on the industry, given the rise in avenues and different types of textile products such as leisure wear, bed and bath products, industrial fabrics, medical textiles and so on. Referring to the gap in the post-spinning sector, he urged the participants to tap the potential and begin manufacture of such products in India, instead of depending on imported fabrics. "The growth should be supported by investments," he added.

SIMA Chairman, Mr.P Nataraj also stressed the need for continuous investments in upgradation of technology to achieve exponential growth. He advised the manufacturers to adopt cost-effective manufacturing methods and emphasised the need for maintaining consistency in quality and delivery schedule. "Focus on value addition, vertical integration, consolidation and branding," he said. Mr.Ashwin Chandran, Vice-Chairman, SIMA proposed vote of thanks

TEXTILE SCENE

FICCI welcomes the draft textile policy of Uttar Pradesh

- Welcoming the Uttar Pradesh government's draft textile policy, the Federation of Indian Chambers of Commerce and Industry (FICCI) has said the draft includes many of the chamber's suggestions, such as open access for existing as well as new units, capital subsidy for new and existing units over and above the technology upgradation fund scheme (TUFS). All this would help in attracting investments in the sector in value added segments and generate employment, according to LK

Jhunjhunwala, chairman of FICCI UP State Council. Jhunjhunwala and SK Khandelia, co-chairman, FICCI textiles committee recently attended a meeting called by the state chief minister Yogi Adityanath to discuss the draft textile policy, said a press release from the industry chamber. Some of the other suggestions by FICCI which the state government may like to consider include higher subsidy on electricity tariff, Rs 20 crore subsidy for each cluster or park in addition to the central government's subsidy of Rs 40 crore, making raw materials like cotton available to the sector at competitive rates by setting off the high freight cost, a detailed plan for revival of sick textile units and a dedicated scheme for supporting skill development in garment making, processing and technical textiles, the press release added

Polyester fibre market to reach $39.3 billion by 2025

- The global polyester staple fibre (PSF) market is expected to reach $39.3 billion by 2025, growing at a CAGR of 6.3 per cent, says a recent report. Rise in the global consumption of sustainable textiles has been a major factor driving market growth. Growing environment consciousness and cheaper price of PSF has increased utilisation of PSF in the market. Solid PSF was the largest product segment in 2016 and is expected to witness a promising growth rate over the forecast period, according to the "Polyester Staple Fibre (PSF) Market Analysis 2014 – 2025" report by Research and Markets. Hollow product segment is anticipated to observe a low growth rate by 2025. In terms of revenue, apparel application segment is anticipated to observe the fastest growth over the next eight years at a CAGR of 6.7 per cent from 2017 to 2025, the report said. Polyester staple fibre is lightweight, wrinkle-free, and resistant to light and weather. It also has an ability to withstand extreme climatic conditions. It is used as a key element in various end-use sectors, including apparel, home furnishing, construction, and automotive, which is expected to drive market growth over the forecast period. Rising product demand, owing to its long-term effectiveness, high elastic resilience, tenacity, and eco-friendly nature of PSF, is also expected to boost market growth over the next eight years. PSF is instrumental in improving the overall quality at a lower price than its alternatives, which is expected to drive its demand. Increasing product usage in Asia Pacific owing to its rising utilisation in textile manufacturing industry is also expected to boost demand over the forecast period.

Indian textile sector's cautious optimism on govt decision

- The Indian textile industry has expressed cautious optimism on the government decision to raise the incentive under the Merchandise Exports from India Scheme (MEIS) for readymade garments and made-ups and notify post-goods and services tax (GST) rates on their exports under the scheme for remission of state levies, saying it will address declining exports. The textile industry organisations include the Confederation of Indian Textile Industry (CITI), Tiruppur Exporters' Association (TEA) and the Coimbatore-based Southern India Mills' Association (SIMA). The commerce ministry recently enhanced the export incentives to 4 per cent from 2 per cent for the garment and made up sectors under MEIS. Similarly, under the scheme for remission of state levies (RoSL), the government has increased the refund of state levies by an average of 0.5 per cent. However, the notified drawback and RoSL rates are only interim relief as these benefits have not considered various embedded taxes and inverted duty on fabric stage, according to SIMA. Both SIMA chairman P Nataraj and TEA president Raja M Shanmugham urged the government in separate press releases to announce the new duty drawback rates without further delay with effect from October 1 to minimise the financial stress of exporters. Several garment and made-ups exporting units have already curtailed their production to the tune of 20-30 per cent rendering several lakhs jobless, Nataraj said. Nataraj is hopeful that the government would consider the remaining embedded taxes while announcing the revised duty drawback rates and ensure the same level of competitiveness that the industry had under special export garment package to enable exporters to retain existing customers and remain competitive in the global market. Noting that the exports of readymade garments had declined by 39 per cent to $829 million in October 2017, CITI chairman Sanjay K Jain said yarn and fabric, which have also witnessed a steep fall in exports, have not been given any relief. Even in garments and made-ups, the overall incentives and refund of duties on exports is still about 3 per cent less than pre-GST levels, he added.

Gujarat, TN powerlooms take maximum benefit of schemes

- The powerloom entrepreneurs of Gujarat and Tamil Nadu have taken the maximum advantage of the promotional schemes, said textile commissioner Dr Kavita Gupta adding that there is very low awareness about the government promotional schemes in the powerloom industry. There are 25 lakh powerlooms in the country, out of which 50 per cent are in Maharashtra. The Union textile ministry recently announced Solar Energy Scheme for small powerloom units, on Grid Solar Photo Voltaic Plant (without battery backup) and Off Grid Solar Photo Voltaic Plant (with battery backup),where government will provide Rs. 2.50 lakh subsidy per unit. "This will help the unit to pay back bank loans within 3-4 years, after which the unit shall get free electricity," said Gupta while speaking at the Buyer-Seller Meet (B2B) and Textile Exhibition held in Mumbai. Meanwhile at the event, Clothing Manufacturers Association of India (CMAI) president Rahul Mehta pointed out that the apparel export target for 2017-18 will not be attainable and is likely to remain at the last year’s level. The export for 2016-17 was $16.8 billion and the target for 2017-18 was $20 billion. "Recently, the government has raised the incentive rate from 2- 4 per cent for garments and made ups under Merchandised Exports From India Scheme. (MEIS). In addition government has also increased ROSL rates from 0.9- 1.6 per cent. However, duty drawback rates have ended on September 30 2017 and new rates have not been announced. Supposing if duty drawback rates announced are around 2-3 per cent, the total incentive will be around 8 per cent, which was 11.50-12 per cent earlier," added Mehta

Indian govt notifies post-GST rates under RoSL

- In order to support exports of readymade garments and madeups, the Indian government has notified post-GST rates under the scheme for Remission of State Levies (RoSL) on exports of readymade garments, madeups and under AA-RoSL for garments. This announcement follows the decision to double the incentive under the Merchandise Exports from India Scheme (MEIS). Post-GST rates of RoSL are up to a maximum of 1.70 per cent for cotton garments, 1.25 per cent for MMF, silk and woollen garments and 1.48 per cent for apparel of blends. Rates are up to a maximum of 2.20 per cent for cotton madeups, 1.40 per cent for MMF and silk madeups and 1.80 per cent for madeups of blends. For sacks and bags made of jute, the rate is 0.60 per cent. The RoSL rate for garments under AA-AIR combination is 0.66 per cent, an official notification said. The new RoSL rates shall be effective from October 1, 2017. Notification of post-GST RoSL rates for rebate of state levies/taxes is in pursuance of the decision of Government of India to boost exports and employment generation in the labour-intensive textiles and apparel sector. The notification is in supersession of ministry of textiles notification no 14/26/2016-IT dated September 28, 2017. This follows the Directorate General of Foreign Trade's (DGFT) announcement of enhancing the rates under the Merchandise Exports from India Scheme (MEIS) from 2 per cent to 4 per cent on readymade garments and madeups, applicable from November 1, 2017 till June 30, 2018. "Both these measures are expected to boost the exports of garments and made-ups from India," the ministry of textiles said. Welcoming the decision, Confederation of Indian Textile Industry (CITI) chairman Sanjay K Jain said, "The move will boost the garment exporters to accept bigger orders from the global buyers which they were unable to accept due to competitiveness reducing in wake of reduction in drawback and RoSL rates post-GST." "The industry was expecting at least 2 per cent to 3 per cent increase in the RoSL rates considering the various embedded/blocked taxes of Central and state levies," P Nataraj, chairman, The Southern India Mills' Association (SIMA) said in a press release. He stated that the Drawback and RoSL rates notified by the Government after the implementation of the GST are only interim relief as these benefits have not considered various embedded taxes and also inverted duty on fabric stage. He appealed to the Government to announce the new rates of Duty Drawback without any further delay giving effect from October 1, 2017 so that the financial stress caused to the exporters could be minimised during this critical juncture.

GLOBAL TEXTILE SCENE

Asia-Pacific leads in global textile yarn market: report

- Asia-Pacific leads in the global textile yarn market followed by North America with polyester and cotton being the widely used textile yarn products, says a report, which sees changing consumption pattern, rising population, disposable income and the rise in demand for clothing and home furnishing products in the Asia-Pacific as the major growth factors.

Increasing investment from multinational manufacturers in the United States and Canada will propel the growth of the North American market, whereas the market in Latin America and the Middle East are flourishing due to the developing apparel industry and high levels of product development, says the report by US-based Zion Market Research. Rapid urbanization and the shift in consumer preference towards affordable and comfortable clothing have raised the demand for high-value fabrics such as viscose, silk, and hemp. Blended varieties of fibres are also witnessing immense growth owing to significant features of both artificial and natural yarn thus opening up new growth opportunities. However, instability in the production of plant and animal source yarn and the strict regulation imposed on the trade of textile yarn products are barriers, a company press release says citing the report. The major players included in the report are Parkdale Mills Incorporated, Hengli Group, Kairuide Holding Co. Ltd., Vardhman Textiles Limited, and Birleþik Koyunlulular Mensucat TIC. V., Weiqiao Textile Company Limited, Low & Bonar Plc., Raymond Limited, Huvis Corporation, and Grasim Industries Limited.

Bangladesh agrees to EU conditions for trade benefits

- Bangladesh has decided to amend its labour law and the Bangladesh Export Processing Zones Authority (BEPZA) law to comply with the European Union (EU) recommendations. The decision was announced by law minister Annisul Huq after a recent meeting of stakeholders and will be conveyed to the prime minister and the International Labour Organisation (ILO). The amended laws will be introduced in parliament this winter, Huq said. Commerce minister Tofail Ahmed, junior minister for labour and employment Mujibul Haque, representatives of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) were present in the meeting, according to media reports in the country. The EU had earlier called on Bangladesh to show tangible progress on labour rights to avoid temporarily losing the generalised system of preferences (GSP) benefit that allows the country duty-free export to the 28-nation economic bloc. Bangladesh exported goods worth $18.68 billion to the EU in fiscal 2015-16, which was 54.57 per cent of the total receipts for the year.

RAW MATERIAL FRONT

Pakistani cotton to be disease resistant with Chinese tech

- China and Pakistan agreed to a material transfer pact between the two countries in the next two years and transfer of Chinese genetic engineering and functional genomics technologies to fight cotton pests to the latter at the first Sino-Pak international conference on ‘Innovations in cotton, breeding and biotechnology’ in Multan recently. The three-day conference was hosted by the Muhammad Nawaz Sharif University of Agriculture in Multan, according to Pakistani media reports. The conference will be held every year now. Director of agriculture research in the Punjab province Abid Mehmood said Chinese and Pakistani scientists will jointly work to improve cotton crop and providing hybrid seed to farmers. Chinese scientist Zhang Rui said China is ready to transfer more than 200 BT cotton varieties cultivated there to Pakistan

PRESS RELEASE

Enhanced MEIS & RoSL export benefits heave a sigh of relief – hails SIMA

- The Government has increased the Merchandise Export from India Scheme (MEIS) from 2% to 4% for all garments and made-ups and also increased the upper limit of Remission of State Levies (RoSL) for the exports of cotton garments from 1.22 to 1.7% and cotton made-ups from 1.55% to 2.20%. In respect of MEIS, the Government has allocated Rs.1,143.15 crores for the year 2017-18 with effect from 1st November and Rs.685.89 crores for upto 30th June during 2018-19 to encourage labour employment generation. Indian textile exports were under down trend due to industrial unrest in certain textile clusters and also the acute competition from countries like Vietnam, Bangladesh, Pakistan, etc., that enjoy duty free access in EU and other markets. The Government announced a special export package of Rs.6,006 crores during 2016 for garments to increase exports by US$ 30 billion, attract investments worth Rs.74,000 crores and create one core new jobs in three years and extended enhanced duty draw back rates, remission of state levies, additional benefits under Technology Upgradation Fund Scheme, PF contribution, flexible labour laws etc. Later the benefits were also extended to made-up exports. However, after the implementation of GST, the Duty Drawback Rates and RoSL benefits were drastically reduced. Since the transitional provision of pre-GST drawback rates and RoSL benefits were extended only up to 30th September 2017, the garment exports reduced by 40% during October 2017 when compared to the same month in the previous year. The garment export value of US $ 0.829 billion recorded for the month of October is the lowest in the past 42 months. In the absence of competitive duty drawback rates, RoSL and other export benefits, the entire textiles and clothing exports are at the cross-roads and exporters are not in a position to sign any long term contract and thus missing market opportunities. Under this scenario, the industry has been pleading the Government to expedite the announcement of appropriate Duty Drawback Rates, RoSL rates, MEIS and other benefits so that the industry could have the same level of export benefits announced under the special garment export package. Now, the Government has increased the MEIS benefit by 2% and RoSL benefit by around 0.65%. In a Press Release issued at Coimbatore on 25.11.2017, Mr.P.Nataraj, Chairman, The Southern India Mills' Association (SIMA) has thanked the Hon'ble Union Minister for Textiles and Hon'ble Union Minister for Commerce & Industry for enhancing the MEIS benefit from 2% to 4% and also the RoSL benefits marginally to the tune of 0.65%. He has stated that this has given some relief to the industry. SIMA Chairman has said that the industry was expecting at least 2% to 3% increase in the RoSL rates considering the various embedded / blocked taxes of Central & State levies. He has hoped that the Government would certainly consider the remaining embedded taxes while announcing the revised duty drawback rates and ensure the same level of competitiveness that the industry had under special export garment package to enable the exporters to retain the existing customers and also remain competitive in the global market. Mr.Nataraj has stated that the Drawback and RoSL rates notified by the Government after the implementation of the GST are only interim relief as these benefits have not considered various embedded taxes and also inverted duty on fabric stage. He has pointed out that several garment and made-ups exporting units have already curtailed their production to the tune of 20% to 30% keeping several lakhs of people out of jobs. He has appealed to the Government to announce the new rates of Duty Drawback without any further delay giving effect from 1st October 2017 so that the financial stress caused to the exporters could be minimised during this critical juncture.

JUDGEMENTS

CX - No evidence adduced to show that Appellant had used any other raw material other than imported goods nor any evidence of diversion of imported raw material has been brought on record - MODVAT cannot be denied: CESTAT

MUMBAI, NOV 27, 2017: THE Appellant is engaged in the manufacture of Woven Fabrics of Polypropylene or blend of Polypropylene with HDPE, LDPE or LLDPE. They were importing raw materials and were availing MODVAT Credit of the duty paid on inputs in terms of Rule 57-A of the CER, 1944.

A SCN was issued alleging that during the verification by the CE officers, shortage of 31.158 MT of finished goods namely cut pieces of woven fabrics was found involving Central Excise duty of Rs.3,11,580/-; shortage of 106.034 M.T. of input P.P. Granules involving MODVAT Credit amounting to Rs.9,27,797/- was observed; that in their statements, the factory personnel informed that HDPE/LDPE/LLDPE granules so imported were neither received nor used in the production of final products by the Appellant Unit though they had taken the MODVAT Credit of the duty paid on these inputs; accordingly MODVAT credit of Rs.87,50,158/- was sought to be recovered.

The demand on the above counts was confirmed and penalties were imposed on the company as well as the Director.

In appeal before the CESTAT, the appellant made detailed submissions negating the conclusions arrived at by the adjudicating authority.

The AR reiterated the findings of the adjudicating authority and submitted that the officials of the Appellant Company, including the General Manager, had stated in their statements that HDPE/LDPE/LLDPE was not being used in the manufacture of woven fabrics by the Appellant; the shortages in finished products as well as raw materials was accepted by the General Manager and Excise Clerk.

The Bench considered the submissions and observed -

+ We find that the allegation against the Appellant Unit is that they have availed the Modvat Credit of the duty paid on imported inputs, namely HDPE/LDPE/LLDPE without using the same in the manufacture of their finished products.

+ We find that such allegation is based upon the statement of employees but not corroborated by any evidence. There is no evidence that the raw material did not enter the factory of the Appellant or were not used in manufacture. None of the records of the Appellant Unit has been held to be non-reliable. The Appellant has maintained the whole record of receipt of goods in their factory and their utilization in manufacture of finished goods and nothing contrary has been alleged to these records. No evidence has been adduced to show that Appellant has used any other raw material other than the imported goods nor any evidence of diversion of imported raw material has been brought on record. In such circumstances, merely on the basis of statement of employees, it cannot be concluded that the imported raw material has not been used in manufacture by the Appellant.

+ Further we find during the visit of offices no samples were withdrawn which could show the contents of raw material in finished goods which can support the allegation of revenue. The revenue has placed reliance upon the Opinion of Director of Laxminarayan Institute of Technology, Nagpur wherein it has been stated that P.P. Granules are the only raw material required for the manufacture of P.P. Fabrics and HDPE, LDPE and LLDPE granules have no role to play in the manufacture of polypropylene fabrics. That the addition of HDPE/LDPE/LLDPE can reduce the cost of Polypropylene fabrics as the polypropylene is around 30% costlier than HDPE/LDPE/LLDPE etc. and their addition in propylene fabrics can affect the quality. We find that such option nowhere supports the revenue's allegation and is irrelevant to the case.

+ Without testing the goods of the Appellant no meaningful conclusion could have been arrived at. Secondly the opinion nowhere shows that cut woven fabrics cannot be manufactured by blending PP granules with HDPE/LDPE/LLDPE granules. On the other hand the Opinion itself states that addition of these materials reduces the cost of PP fabrics as those materials are cheaper by 30% in comparison to P.P. This clearly shows that the manufacturer can blend any of these materials with P.P. granules at the time of manufacture of woven fabrics to reduce the cost. We are thus of the view that the Revenue has not been able to establish that the impugned inputs were not used by the Appellants in the manufacture of their finished products.
As regards the demand of excise duty on the alleged shortage of finished goods and raw materials, the CESTAT held that mere admission of shortages could not ipso facto lead to conclusion of clandestine removal of such short found goods. Noting that the documentary evidence submitted by the assessee had not been rebutted by Revenue by conducting enquiry with transporters or buyers, the demands on the aforesaid counts were set aside.

In fine, the demand and penalties against the Appellant Unit/Director were held to be unsustainable and set aside.

The appeals were allowed with consequential relief.

CX – Since principal manufacturer, after receipt of goods from appellant did not clear his final products on payment of duty, benefit of job work notification No. 214/86 will not be available to appellant: CESTAT

NEW DELHI, NOV 23, 2017: THE appellant is engaged in the manufacture of aluminum ingots, on job work basis, for *M/s. Superlink Poly Fab Ltd. (SPFL)*.

M/s. SPFL is located in Himachal Pradesh and was enjoying the benefit of *notification No. 49/2003-CE* as also *50/2003-CE. M/s. SPFL* sent the imported aluminum scrap to the appellant for conversion of the same into aluminum ingots under the cover of challan issued by them. However, no provisions of law or any notification, procedure was followed. The present appellant, after manufacturing the aluminum ingots, sent the same back to the principal manufacturer without payment of duty.

As the principal manufacturer was enjoying the area based exemption notification, Revenue was of the opinion that the job worker could not have sent the aluminum ingots to the principal manufacturer without payment of duty as the final product of the principal manufacturer was exempted.

Accordingly, proceedings were initiated resulting in confirmation of demand of duty of Rs.2.27 crores approximately.

In the first round of proceedings, the Tribunal remanded the matter for consideration of the claim of the appellant for benefit of credit of duty paid on aluminum scrap.

In denovo proceedings, the Commissioner confirmed the demand of Rs.2.27 crores approximately and denied the Cenvat credit of around 1.45 crores on the ground that the appellants have not been able to produce the legible documents for the purpose of extending the benefit of credit. It was also observed that either the photocopies of the Bills of Entry stand produced which are also not very legible or the customs paid challans are produced which are not the documents for the purpose of explaining the benefit of Cenvat credit.

The Bench observed -

+ It appears that the appellant has manufactured aluminum ingots on job work basis for *M/s. Superlink Poly Fab Ltd.,* which is situated in Himachal Pradesh and is enjoying the benefit of area based exemption under *Notification No. 49/2003.* The goods apparently have been cleared from the appellants premises back to *M/s. Superlink Poly Fab Ltd.* without payment of duty.

+ Since the principal manufacturer, after receipt of goods from the appellant did not clear his final products on payment of duty, the benefit of job work *notification No. 214/86-CE* will not be available to the appellant. Consequently, he is required to pay duty on such clearance made to *M/s. Superlink Poly Fab Ltd.* Accordingly, the duty demand amounting to Rs. 2.27 crores made in confirmation by the adjudicating authority merits to be upheld.
In the matter of admissibility of CENVAT credit, the CESTAT further noted -

"…we are inclined to disallow the cenvat credit for the different legal reason. The disputed Bill of Entry are pertaining to the import of scrap made by M/s. Superlink Poly Fab for use in their factory which is covered by area based exemption. As such, these inputs for the principal manufacturer would not be eligible for cenvat credit in his hand because he is not paying any duty on the finished products. As per the normal procedure when duty paid raw materials are cleared outside as such, the invoice is issued and cenvat credit availed on such raw materials is debited and the recipient of such material is entitled to avail cenvat credit on the basis of invoice issued. In the present case, no such document has been issued by the principal manufacturer. As such, the duty paid scrap which are inputs for the principal manufacturer, when transferred to the appellant, subsequently, the appellant will not be entitled to cenvat credit for excise duty paid on suchscrap, since these goods have not been imported by the appellant themselves."

The Tribunal also concurred with the valuation adopted by the adjudicating authority as being duly justified in paragraph 17 of his order.

The impugned order was upheld and the appeals were dismissed.

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	24.11.17	17.11.17	11.11.17	3.11.17	28.10.17	23.10.17	14.10.17
ICS-101 (Bengal Deshi (RG) / Assam Comilla)	40700	41000	40900	39900	39900	39900	40000
ICS-201 (Bengal Deshi (SG))	41700	42000	41900	40900	40900	40900	41000
ICS-102 (V-797)	28700	28500	28400	27900	27500	27500	27300
ICS-103 (Jayadhar)	32100	32100	32000	31800	31800	31800	31800
ICS-202 (J-34)	36100	36200	35700	35700	35600	35200	35900
ICS-105(LRA-5166)	36900	37000	36400	36700	36600	36200	36400
ICS-105 (H4-Mech 1 - Guj)	36700	37000	36900	37700	37800	38100	38500
ICS-105 (Shankar – 6 (Guj))	37300	37400	37300	38100	38200	38500	39000
ICS-105 (Bunny / Brahma)	38500	38800	38600	39400	40000	40000	41300
ICS-107 (DCH 32)	50600	50600	50500	49500	49500	49500	50500

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

Cotton Yarn (Rs/Kg – Taxes Extra)

Count	24.11.2017	17.11.2017	11.11.2017	03.11.2017	28.10.2017	23.10.2017	14.10.2017
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	175	175	175	175	175
30s	190	190	185	185	185	185	185
40s	205	205	200	200	200	200	200
60s K	255	255	250	250	250	250	250
60s C	280	280	275	275	275	275	275
80s C	354	354	349	349	349	349	349

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

CIRCULARS ISSUED DURING THE FORTNIGHT

Sl No.	Circular No	Date	To	Subject
1	371/2017	16.11.2017	All Member Mills	Refunds of IGST paid on export of goods during July and August 2017
2	372/2017	16.11.2017	All Member Mills	CBEC issues Notifications/ Circulars/orders dated 15.11. 2017 – Reg
3	372-A/2017	16.11.2017	Member Mills in Tamil Nadu	Implementation of Harmonics limits in Solar Power Generators / Wind Energy Generators –Constitution of committee to discuss and arrive the conclusive methodology for harmonics measurement – Notice issued by concerned SE/EDCs – reply reg.
4	373/2017	20.11.2017	All Member Mills	Pre-Budget 2018-19 proposals regarding changes in Direct and Indirect Taxes – reg
5	374/2017	20.11.2017	All Member Mills	Refund of un-utilized Input Tax Credit of GST paid on inputs to exporters of fabrics - reg
6	374-A/2017	21.11.2017	Member Mills in Tamil Nadu	Next hearing on Textile Wage Dispute case before Industrial Tribunal- reg
7	375/2017	21.11.2017	All Member Mills	Disposal of machinery by member mills – reg
8	375-A/2017	21.11.2017	Member Mills in Andhra Pradesh	Pooled Cost of Power Purchase for the year 2016-17 petition filed by APERC DISCOMS – reg
9	375-B/2017	21.11.2017	Member Mills in Tamil Nadu	Highlights of the Monthly Wind and Solar Grievance Meeting held at SE, NCES chamber Udumalpet on 21/11/2017 -- reg.
10	375-C/2017	21.11.2017	Member Mills in Telangana	TSERC order on “Pooled cost of power purchase” for the year 2016-17- reg
11	376/2017	22.11.2017	All Member Mills	Relief in Average Export Obligation in terms of Para 5.19 of Hand Book of Procedures of FTP 2015-20
12	376-A/2017	23.11.2017	Member Mills in Tamil Nadu	Next hearing on Textile Wage Dispute case before Industrial Tribunal- reg
13	377/2017	24.11.2017	All Member Mills	SVPISTM Auditorium available for rental basis –Info. – reg

14	377-A/2017	24.11.2017	Member Mills in Coimbatore Region	Workshop on Technologies to reduce emission in textile industries – reg
15	377-B/2017	24.11.2017	Member Mills in Tamil Nadu	Petition filed before the High Court at Madras – to ensure compliance under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 and the Tamil Nadu Hostels and Homes for Women and Children (Regulation) Act, 2014 – guidelines to be complied with for engaging women workers during night shifts under rule 84-B of the TN Factories Rules, 1950 - reg.
16	378/2017	25.11.2017	All Member Mills	MEIS rates for Made ups / Garments – reg
17	378-A/2017	25.11.2017	Member Mills in Coimbatore, Nilgiris, Tirupur, Erode, Salem, Namakkal & Karur Districts:	Compliance to be adhered regarding Sexual Harassment, Hostels and engaging women workers during night hours – meeting on 1.12.2017
18	379/2017	27.11.2017	All Member Mills	Remission of State Levies (RoSL) on exports of readymade garments and made-ups – Reg
19	380/2017	27.11.2017	All Member Mills	New FAQs asked and replied by twitter handle of Government of India with regard to GST – reg
20	380-A/2017	27.11.2017	Member Mills in Kerala	Consumer Price Index Numbers for September 2017
21	381/2017	28.11.2017	All Member Mills	Compulsory Self Certification of Origin of Goods to EU with effect from 1.1.2017 – Reg
22	382/2017	28.11.2017	All Member Mills	Demonstration on E-auction – reg
23	383/2017	29.11.2017	All Member Mills	Release of subsidy under M-TUFS (List 1 case) - reg.
24	384/2017	29.11.2017	All Member Mills	Year-wise subsidy fund sanctioned by Ministry of Textiles under R-TUFS & RR-TUFS upto March 2017 – reg
25	385/2017	30.11.2017	All Member Mills	Export Refund – Government communication - reg
26	386/2017	30.11.2017	All Member Mills	Balance Sheets for the financial year 2015-16 & 2016-17 –reg