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NEWS CLIPPINGS –02-05-2018

Control on cloth output liberalised	The Hindu http://www.thehindu.com/todays-paper/tp-opinion/control-on-cloth-output-liberalised/article23742383.ece
<p>A comprehensive short-term policy, which includes adjustments of pattern of production, marketing and excise duty on cotton textiles, was announced by the Commerce Minister, Mr. Dinesh Singh, in the Rajya Sabha to-day [May 1, New Delhi] to relieve the present difficulty faced by the textile industry. Under the new scheme, the area of control has been reduced from 40 to 25 per cent. The controlled varieties will now consist of dhotis, saris long cloth, shirting and drill made in coarse and lower medium categories. The superfine, fine and higher medium categories have been taken off the control. A two per cent increase in the ex-mill price of the controlled varieties has been allowed, but this will not affect the consumer price, because it will be absorbed by the reduction in excise duty from 3 paise to 1 ½ paise per square metre and abolition of processing surcharge. In order to maintain the competitive position of decentralised sector vis-a-vis the mill sector, a corresponding reduction is being made in the processing surcharges applicable to coarse and medium handloom and power-loom cloth.</p>	

Have fresh jobs really been created?	Business Line https://www.thehindubusinessline.com/opinion/columns/have-fresh-jobs-really-been-created/article23739893.ece
<p>Rising EPFO registrations may not mean new jobs as savings and consumption data do not reveal any sharp uptick</p> <p>Data provided on new registrations with the EPFO are useful insofar as being one of the indicators on employment. At present, getting authentic data on jobs is difficult because of the amorphous concept of employment, especially in the non-organised sector. In the corporate sector employment numbers are provided in annual reports.</p> <p>The Central Government provides the same for its staff in various ministries in the Budget document, while the information on State governments and other government-related organisations are less transparent. The Pay Commission provides numbers, but that would be for the past and are not contemporary. It is here that the EPFO data add value because if the number of new registrations is going up, there must be reason to believe that more jobs have been created. But is it really so?</p> <p>The EPFO data however could be also indicative of people already in the workforce getting enrolled by their employers. There could be switches from private EPF funds to EPFO. Also, with GST coming in and smaller units being registered with the tax authorities the formalisation process has also meant that the employees get registered with the EPFO as all this would go into preparing their tax statements and claiming tax exemptions.</p> <p>If these numbers are large, then the 4.7 lakh being added in February 2018 or six lakh in January may not be</p>	

presenting an accurate picture of fresh employment. Typically, most employment in the organised sector takes place when students pass out from their institutes in March or April. High numbers towards the end of the calendar year would be more on account of shift in jobs or currently employed getting registered.

While this ambiguity will remain, a way to link these registrations with EPFO and job creation is to go back to some intuitive questions. Typically when more people are employed, there should be a reflection in higher income being earned in the country. This should mean that the money earned is either spent or saved.

Mixed Picture

Production of goods typically purchased by the new labour force (growth %)

Sep-Feb	Garments	Media Players	Compu .	Mobile	Tv	AC	Washing Machines	Refrigerators	Cars	Two-Wheelers
2017	1.42	16.8	-52.0	20.2	-9.8	-2.0	12.4	6.2	13.7	-0.2
2018	-3.71	9.9	24.2	-2.9	-10.0	22.7	11.3	5.9	1.2	20.1

Source: CSO

Therefore, it would be interesting to see how the production of goods has been during the period September 2017-February 2018 relative to past years for some goods which would typically be purchased by the new labour force. Table 1 lists some of them. The three time periods taken are September-February 2016, 2017 and 2018 and the growth rates are calculated accordingly.

The table is interesting as it presents a fairly uneven picture. Typically one would expect new workers to spend on mobile phones, where the rate of growth is in negative territory compared with 2017. The same holds for garments which is top on the purchase charts of youngsters. Computers are an indicator of corporate activity in general and could mean more employees. However, this comes over a decline of 52 per cent last year and in value terms at ₹825 crore is still lower than that in 2016 when it was ₹1,384 crore.

Therefore, this does not look like growth due to employment. Two-wheelers is probably the more convincing indicator of higher growth with a qualification that the stagnation in 2017 was largely due to non-satiated demand due to demonetisation, which could have been recouped in 2017-18.

Another way of looking at higher employment would be whether or not they took loans for housing, vehicles, consumer goods, etc. Here too the answer is not very clear.

The table indicates that incremental credit was higher in the most recent period compared with 2017 with the number doubling. However, compared with 2015-16 there was an increase of 18.3 per cent. The drop in 2016-17 was due to demonetisation. But these retail loans are dominated by the housing segment, which is normally not the preference for fresh employees.

Incremental auto loans had increased from ₹10,200 crore to ₹12,450 crore, which could be loans taken by new workers as there is a tendency to own a vehicle once employment is procured. But the numbers are not very high to

point to large employment generation.

The logical question is that in case individuals were not spending their incomes, were they saving the same.

The incremental deposits in 2016-17 were distorted due to demonetisation and were high. But the amount in 2017-18 is much lower than that in 2015-16 too, meaning thereby that if a very high number of new jobs were created, the savings do not reflect the same. A similar picture is seen for mutual funds.

The discussion on whether new registrations with EPFO are indicative of more jobs being created will be an ongoing one. Based on the use of income earned through employment, the available data on both consumption — as denoted by production of specific products which find favour among this group — as well as savings do not reveal any sharp uptick.

No conclusive proof

In that case, the question to be asked is what is happening to the money, which is being generated by these new jobs? Based on this analysis, there is a tilt towards the belief that these registrations may not be conclusive to show that jobs have been created. The fact that these months are not normally the recruiting season for companies is also significant.

Growth in value addition as per the GDP would provide broad indications of job creation. This would mean acceleration in the growth rate. The fact that GDP growth this year would be lower than that in FY17 would prima facie indicate that there cannot be acceleration in employment growth.

The present array of GDP numbers under the new methodology is lower than those under the earlier one by at least 1-1.5 per cent. Growth has to be upwards of 8 per cent to convince that jobs are really being created. The EPFO data, though encouraging, do not look that assuring when analysed this way.

Smriti Irani urges review of jute packaging rule

The Hindu

<http://www.thehindu.com/business/Industry/smriti-irani-urges-review-of-jute-packaging-rule/article23740505.ece>

Jute mills may close for want of orders

Union Textiles Minister Smriti Irani has sought the intervention of her counterpart at the Consumer Affairs, Food and Public Distribution ministry to help stave off the risk of jute mill closures by increasing orders for jute sacks for packaging foodgrains.

“I wish to draw your attention to the fact the jute industry is facing shortage of jute bag orders,” Ms. Irani wrote to Ram Vilas Paswan, in a letter dated April 26, a copy of which has been seen by *The Hindu*. The issue was flagged earlier by the Textiles Secretary, who had written to his counterpart in the Consumer Affairs ministry saying that the problem had its genesis in the request made by the Consumer Affairs ministry to the Textiles ministry seeking dilution of the Jute Packaging Mandatory Order (under the Jute Packaging Material Act, 1987) in favour of the

HDPE/PP bags sector.

Responding to the February 8 request from the Consumer Affairs ministry, the Textiles Ministry had granted a relaxation of 2.58 lakh bales for HPDE/PP bags based on a projection of bag requirement for foodgrains packaging and an anticipated shortage of supply of jute bags. "This relaxation was given to ensure that the food-procurement programme is not affected due to the anticipated shortfall in supply of jute bags till March 31," the official wrote on April 24. The Secretary also noted that subsequently the total requirement till April was projected at 16.7 lakh bales, of which the order for jute bags was put at 13.68 lakh bales. The jute industry had already met 93.4% of this order.

'Not in tune'

The Textiles ministry contends that the total bag requirement (including HDPE) was now being put at only 15.6 lakh bales and that unless the order allowing the use of HDPE bags was withdrawn the jute industry could be hit.

"It appears that when we met in February 2018, the supply projection for jute bags was not in tune with ground realities, which led to the dilution of the packaging order," the Textiles Secretary wrote, urging the Food ministry to rescind its decision allowing HDPE bags supply.

Highlighting this imbroglio, the Jute Commissioner too wrote a letter to the Director Food and Public Distribution on April 19, saying that the Textiles Ministry had agreed to dilute to the extent of 2.58 lakh bales as Secretary (Food) had said there would be a shortage of jute bags to this tune.

"There is no shortage of jute bags and the decision to procure synthetic bags should be reviewed," the letter said.

JPMA was enacted to protect the interest of raw jute farmers and workers involved in the production of jute goods by compulsory usage of jute bags for supply and distribution of commodities.

Although it started with 100% reservation for foodgrains and sugar and 70% and 50% for cement and fertiliser, over the years this was diluted. This is annually decided by Centre on the basis of the recommendation of Standing Advisory Committee, a statutory body, currently it is nil for fertiliser and cement and 90% for foodgrains and only 20% for sugar.

**Weather adversely impacting
cotton crop**

The Hindu

<http://www.thehindu.com/todays-paper/tp-national/tp-telangana/weather-adversely-impacting-cotton-crop/article23735355.ece>

Scientists report high incidence of bollworms, poor yield

"Crop is at flowering to boll formation stage, grown in black cotton soil. Profuse vegetative growth to the height of above six feet due to sufficient rainfall and application of N-fertilizer was observed. Farmer did not apply K-fertilizer. According to farmers, proper plant protection measures were taken against sucking pests. Somehow incidence of pink bollworm was noticed below Economic Threshold Levels (ETL). Though vegetative growth of the crops was normal, number of bolls per plant on an average was very low, 10 to 15 only, which will affect the final output. Hence, the concerned seed company personnel can be called for explanation about the crop performance," was the

report submitted by A. Srinivas, coordinator, DAATTC after visiting the field of one Narayana of Allapur village in Munipally mandal on November 9, 2017.

Narayana had cultivated Ajeeth seeds in two acres and sowing took place in the first week of June, 2017. This is only an instance of the disastrous picture of cotton crop that became evident in the beginning of this year and which has resulted in the suicide of at least six farmers. In January, 2018, B. Ram Prasad, Senior Scientist, Cotton Entomology, Regional Agriculture Research Station (RARS), Warangal and V Bharathi, Principal Scientist, Pathology, Seed Regulation Testing Cell (SRTC), visited fields of six farmers in Kondapur, Munipally and Sadashivapet mandals and studied the performance of cotton crop.

In almost every field they found that the yield reduction was between 25 per cent and 60 per cent as there was less number of bolls due to the poor performance of hybrid seeds. "It is observed that primarily, the crop growth is luxuriant in all fields because of heavy seasonal rains followed by high temperature, closer plant spacing and high fertilization. The team could not compare these hybrids with other similar hybrids/fields as they did not exist in the near vicinity to check their performance. Further, incidence of pink bollworm is also another reason for apparent yield loss," observed the scientists.

However, the DNA reports of four out of the five samples collected by the authorities confirmed the prescribed minimum genetic purity standard of 90 per cent for cotton. Only one report was adverse.

Report of another sample was yet to be received by the officials. "The weather conditions were playing havoc in the lives of farmers. Four out of the five DNA reports showing the genetic purity indicate this. Farmers were failing to sow non-BT seed supplied along with BT, which will act as 'refuge'. This was one of the reasons pink bollworms are becoming pesticide resistant," observed an agriculture officer.

TAI to establish 26 incubation centres in India: Dr Sonare

The Hitavada

<http://thehitavada.com/Encyc/2018/5/1/TAI-to-establish-26-incubation-centres-in-India--Dr-Sonare.aspx>

AFTER taking over the responsibility as the Chairman of the prestigious Textile Association of India (TAI), Dr Hemant Sonare disclosed his own planning to accelerate the growth of textile industry in the country. Talking to The Hitavada, he said that TAI, which had 26,000 members, would take the initiative to arrange a get-together of various associations from China, Indonesia, Myanmar and Vietnam. It would try to bring the organisations such as Walmart, Costco and Target, etc. on a common platform.

"The Make in India initiative has made India a preferred manufacturing destination and has allowed the manufacturing sector to be beneficiary of 100 per cent FDI," he said. The Government should give strong financial support to R&D. Textile industry should stop importing used machinery and encourage domestic manufacturers. "Time demands improved technical courses, advanced textile engineering colleges with focussed research to develop our own pools of technocrats. Big time reforms are required in technical courses where the focus should be practical implementation of engineering concepts and an attitude towards innovative research," he felt.

"We are planning to establish incubation centres all across the country through 26 different units to boost entrepreneurship in textile and clothing sector. TAI will organise global innovation and research conclaves across the

country to provide a platform to the young innovators and researchers,” he said. “Nagpur is not only ‘Orange City’ but ‘Cotton City’ too because of the availability of cotton on a large scale. About 35 lakh bales are produced every year. Of them, only 7 to 8 lakh cotton bales are processed through available spinning mills and converted into yarn in Vidarbha, rest of the cotton is going out for value addition,” Dr Sonare said. Vidarbha was among the highest cotton producing areas of the country with a large amount of ginning factories and spinning mills but there was not enough weaving and processing facilities available, therefore forward value addition was not taking place in Vidarbha. Forward and backward integration with value addition at every stage would bring back the glory to Vidarbha.

“The Government has offered special packages to promote textile and clothing sector. There is a need of concrete solutions for the cotton producing farmers of Vidarbha to increase productivity and quality. The industry should adopt cotton producing villages and adapt corporate farming to change the entire cultivation system. Farmers need modern techniques of farming and strong processing ecosystem,” he said. Along with the creation of textile parks, there was a need for more R&D to promote Vidarbha region as the ‘Cotton Hub & Spinning Capital’ of the country. “Large number of suicides has brought a bad name to Vidarbha. For the survival of cotton farming sectors of Vidarbha, collective and collaborative efforts are required. TAI would address various issues of cotton and take corrective steps including educating various people in cotton value chain. This is an emotional approach which will design the future road map for progressive growth. The major cotton growing countries like China, US and Australia had faced drought-like situation due to which there would be a good demand of cotton from India in the international market. “We have to grab the opportunity,” he suggested.

Labour pains: Not pushing labour reforms a mistake, but still not too late

Financial Express

<https://www.financialexpress.com/opinion/labour-pains-not-pushing-labour-reforms-a-mistake-but-still-not-too-late/1152445/>

Given how India is fast losing its competitive edge in exports, and enterprises at home are increasingly automating operations, it is unfortunate the government doesn't think it important enough to move on critical labour reforms.

Given how India is fast losing its competitive edge in exports, and enterprises at home are increasingly automating operations, it is unfortunate the government doesn't think it important enough to move on critical labour reforms. After four years of inaction, news reports suggest the government no longer wants to talk tough and would rather change those laws that placate the labour unions. For instance, the Draft Code on Wages, 2017, which seeks to usher in the concept of a statutory minimum wage, and which was introduced in the Lok Sabha in August, 2017, could soon become law. This would suit both the government and the Opposition a year ahead of the general elections as would a universal social security scheme and changes that relate to more benefits for workers without hire-and-fire.

To be sure, the government has amended the Industrial Establishment (Standing Order) 1946, which allows fixed-term work workers across sectors—earlier, this option was available only to apparel manufacturers. This will no doubt give companies more leeway, but going by the limited traction in the textile sector—where less than 700 units have used the package since 2016 to create some 1.55 lakh jobs—the impact could be limited.

Watering down key legislations sends the wrong signals. The crucial Labour Code on Industrial Relations—already diluted to pacify labour unions—is now unlikely to see the light of day. The government had first sought to allow companies to lay off 300 workers without approval but later abandoned the idea saying it would stay with the

current level of 100 workers. Ideally, the threshold should be 1,000 persons.

The government needs to understand that companies, even smaller establishments, need to be able to hire and fire, or they will simply stop relying on permanent work-forces. In fact, the Centre had also objected to proposals from Madhya Pradesh to exempt micro industries—those with an investment not exceeding Rs 25 lakh—from the purview of seven central laws, including the Contract Labour Act and the Factories Act, even though the state had pointed out that small factories were unduly subjected to harassment.

At a time when the economy has been slowing, the government should have made it easier for business enterprises to hire. The KLEMS India database shows a contraction in the workforce between 2013-14 and 2015-16, with about 1.2 million jobs being lost and the total employment down from 483.9 million to 482.7 million.

This ties in with the poor growth in sectors such as exports during this period. As has already been pointed out, countries with more practical labour laws such as Bangladesh have been growing their share in the global textile market at India's cost. The government may cite subscriber additions to the EPFO to claim millions of new jobs have been created but few are convinced.

State should oppose Centre's new labour rules'	The Hindu http://www.thehindu.com/news/cities/Madurai/state-should-oppose-centres-new-labour-rules/article23740071.ece
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Tamil Nadu government must oppose the recently amended Industrial Employment (Standing Orders) Central Rules of 2018, which enables all industries to hire workers on a contractual basis for a fixed term, said S. Selva Gomathi, managing trustee, Justice Shivaraj V. Patil Foundation, here on Tuesday.

Speaking at an awareness campaign launched for securing the rights of garment factory workers, particularly women, she said that the new amendment would prove detrimental to the workers as they will lose job security.

Until the recent amendments, engaging employees on a fixed-term basis was allowed only in the apparel manufacturing sector. "Though many companies in other sectors were already following this practice even with the old rules, the amendment will encourage them to hire primarily on a temporary basis," she said.

Urging the State government to reject the amended rules, she said that the State must instead form its own rules to ensure job security of workers in all sectors.

P. Muthu Raja, president, Textile Workers Union, appealed to the gathered workers to not give up their fighting spirit and be part of the unions to demand their rightful wages and decent working conditions.

"There is a perception among some people that many decades-old garment factories have shut down and the industry is not doing well. On the contrary, the truth is that more units have come up and the exploitation of labour has only increased," he said.

He said that he knew a few garment units in Madurai that have not given their workers holiday this year not only on Tuesday for Labour Day, but even for the festival of Lord Kallazhagar's entry into Vaigai on Monday, when the whole

of Madurai comes to a standstill.

B. Thirumalai, writer and journalist, pointed out how loss of jobs in the farming sector, which used to be a major source of employment for women, has forced them to take up jobs in places like garment factories that exploit them in many ways.

Alleging that employment opportunities were seeing a negative growth in the country, he also blamed the government for diluting the labour laws and consequently worsening the situation of workers in all sectors.

India-China border trade via Nathu La resumes

Times of India

<https://timesofindia.indiatimes.com/business/india-business/india-china-border-trade-via-nathu-la-resumes/articleshow/63991783.cms>

The bilateral trade for the year 2018 between the traders of India and China through the Nathu La border started on Tuesday with traders and government officials from both sides exchanging gifts and greetings.

Last year, the trade was disrupted following the Doklam standoff. This year, the traders are hopeful that there would be no problem, an official of the Sikkim government said. Traders from India and the Tibetan Autonomous Region (TAR) said they were optimistic that there would be no problems this year, the Sikkim government official said, adding that the trade was stopped in July last year.

"Last year, due to the Doklam standoff, trading through Nathu La was possible only for two weeks, as a result of which we incurred losses. However, we are optimistic this year," the general secretary of the Indo-China Border Traders' Welfare Association, Tenzing Tsepel, said.

In 2016-2017, goods worth Rs 3.54 crore were traded via the Sino-Indian border, Nathu La, an official of the Sikkim Commerce and Industries department said at the border today.

The trade between the two countries through Nathu La border, located at a height of 14,200 feet, was resumed in 2006, 44 years after it was closed. The traders' association also informed that an official meeting was held between the representatives from both sides today, including officials of the ITBP and PLA, on how to make this year's trade more efficient and cordial.

Issues like currency exchange, road connectivity and problems due to inclement weather were discussed at the meeting, an official said. While the Indian traders export oil, ghee, blankets, copper items, rice, textile and processed goods, among other items, to their counterparts in the TAR, the import comprises mostly quilts and jackets, the official added.

Economic revival seen as April GST mop-up crosses ₹1-lakh cr

Business Line

<https://www.thehindubusinessline.com/economy/economic-revival-seen-as-april-gst-mop-up-crosses-1-lakh-cr/article23736584.ece>

Jaitley calls it a 'landmark achievement'; experts say better compliance, e-way bill enforcement bode well for the future

NEW DELHI, MAY 1

Riding on improved compliance and an upswing in economic activity, GST revenues came in at a record ₹1,03,458 crore in April (for March 2018 economic activity), official data released on Tuesday showed.

The average monthly GST collection so far has been ₹89,885 crore. The collections in April — the highest-ever since the GST launch in July 1 last year — were also bolstered by the 'March effect', when companies generally pump up sales to boost their annual performance.

In addition, March would have seen some arrears payments and adjustments, leading to an uptick in collections. The April 2018 collection, therefore, cannot be taken as a trend for the future, said the Finance Ministry.

But indirect tax experts feel it is sustainable in the coming months, given that anti-evasion measures like e-way bills have been implemented.

The April GST collection is a "landmark achievement" and a confirmation of increased economic activity, tweeted Finance Minister Arun Jaitley. With the improved economic climate, introduction of e-way bill and improved compliance, GST collections will continue to show a positive trend, he added.

Of the ₹1.03 lakh crore collection in April, the share of CGST was ₹18,652 crore, SGST ₹25,704 crore, IGST ₹50,548 crore (including ₹21,246 crore collected on imports) and cess ₹8,554 crore (including ₹702 crore collected on imports).

The number of GSTR 3B returns for March filed up to April 30 was 60.47 lakh, against the 87.12 lakh who are eligible to do so, representing a compliance rate of 69.5 per cent.

April was also the month for composition dealers to file quarterly returns. Of the 19.31 lakh composition dealers, 11.47 lakh, or 59.4 per cent, filed GSTR 4 and paid a tax of ₹579 crore.

The total revenue earned by the Centre and the State governments after settlement in April is ₹32,493 crore for CGST and ₹40,257 crore for SGST.

Stabilisation phase

MS Mani, Partner, Deloitte India, said a significant milestone has been crossed, and even excluding the year-end impact, GST revenues may have stabilised. "The revenue collections for the coming months will factor the e-way bill impact and will be on the upswing," he said.

Pratik Jain, Partner and Leader, Indirect Tax, PwC, said: "Though there may have been some impact of year-end push and adjustments (in improved collections), compliance is steadily improving." Abhishek Jain, Partner, EY, said:

"Revenue collections in April have shown phenomenal buoyancy as compared to the previous months." With anti-evasion measures like e-way bill already introduced and others like TDS, TCS and credit matching expected to be introduced in the coming months, the government can hope for very good GST collections in this fiscal, he added.

Cotton sowing yet to gather pace in Punjab

Times of India

<https://timesofindia.indiatimes.com/city/chandigarh/cotton-sowing-yet-to-gather-pace-in-punjab/articleshow/63992766.cms>

With only a fortnight left for sowing of cotton under ideal conditions, only 9,600 hectares have been covered in Punjab till April 30. Last year the crop was sown in 22,000 hectares till April end. Sowing of cotton is termed ideal till May 15 in the state.

The delayed release of canal water is termed as the biggest reason behind late sowing. The canal water reached villages in Fazilka and Muktsar districts on April 29, but that too not at full capacity whereas it had reached the other cotton districts on April 21. The sowing is expected to pick up in the first week of May. Going by the slow pace of sowing, the Punjab agriculture and farmer welfare department has called a meeting of all chief agriculture officers of the districts on May 4 to take stock of the situation. The state has put a target of sowing into 4 lakh hectares whereas as per sources the process is likely to stay at 3.5 lakh hectares. Last year cotton was sown in 3.80 lakh hectares.

“Non-availability of canal water till two days ago delayed sowing. We kept on waiting for the canal water and even when it was released, the intensity was low that is posing problems in sowing,” said farmer Kulwinder Singh of Khuian Sarwar in Fazilka. Another farmer Gamdoor Singh of Muktsar said late releasing of canal water delayed cotton sowing. The dry weather will further complicate the issue.

Punjab agriculture and farmer welfare department director JS Bains confirmed that late releasing of canal water had posed serious problems for department and farmers. He added, “We are worried as sowing has been done in only 9,600 hectares as compared to 22,000 in previous year. Even now the canal water has not been released at full intensity in some areas in Fazilka and Muktsar, which may further delay the process. The delayed sowing is prone pest attack. The department will hold a meeting in this regard on May 4”.

Water resources department superintending engineer at Ferozepur HS Chahal said, “Initially though the plan was to release water from April 7 to 21 but it got delayed due to necessary repairs of distributaries and water was released in various distributaries on April 28 which reached tails in a day.”

GST slowly gets back on track

DNA India

<http://www.dnaindia.com/business/report-dna-money-edit-gst-slowly-gets-back-on-track-2610584>

As expected, the goods and services tax (GST) collections in April have surpassed the Rs 1 lakh crore mark for the first time since the new tax regime was rolled out on July 1, 2017. Though the high numbers may represent the year-end push and adjustments, it is clear that tax compliance is steadily improving. Being the last month of the financial year, people may have tried to pay arrears, making it difficult to view the jump in collections as a trend.

The finance ministry said in a statement that the buoyancy could be attributed to economic recovery and improvement in compliance, adding that the payment of tax arrears could have partly inflated the numbers.

With the introduction of e-way bill system now, the tax collection is expected to improve in the coming months,

thanks to the electronic tracking of movement of goods and invoice matching. This will surely become a deterrent for tax evaders looking to keep transactions off their books or to play down their turnover.

With tax compliance improving, the government can be hopeful of increasing tax collections in the current fiscal year. Everyone is now keenly awaiting the upcoming GST Council meeting on Friday (May 4) wherein the new return-filing mechanism is expected to be announced.

**Bizmen seek VAT and GST refund,
Manpreet Badal obliges**

Times of India

<https://timesofindia.indiatimes.com/city/chandigarh/bizmen-seek-vat-and-gst-refund-manpreet-badal-obliges/articleshow/63991574.cms>

A delegation of Punjab Industries and Trade Forum (PITF) met finance minister, Punjab Manpreet Singh Badal to discuss various issues of the industry. The delegation raised the issue of pending VAT and GST refunds and urged Badal to intervene at the earliest for the betterment of trade and industry.

Inderjit Singh Navyug president of United Cycle and Parts Manufacturers Association and member of PITF said, "We met finance minister yesterday and raised several issues concerning industry. The most important issue was about pending VAT and GST refunds. Acting swiftly on our request, Badal called the excise and taxation commissioner, Punjab on the spot and ordered him to release Rs. 400 Crores of VAT refund."

Kulwant Singh, another member of PITF added, "Finance Minister informed us that in last three months government had cleared a refund of Rs. 318 crores and the pendency is around Rs. 400 crores which will be cleared shortly. Regarding GST refunds he asked our delegation to send specific instances where the industry is in trouble due to delay in GST refunds"

According to Badish Jindal another member of PITF the issue of bogus billing was also discussed with the minister. "He asked us to send a details along with possible suggestions to counter this problem. He discussed the issue of appointing IAS and IPS officers in GST department as Deputy excise and taxation commissioners and as Director Investigation. We also raised the difficulties of small cloth manufacturers as the big companies have started making cloths from inbuilt yarn and are selling the cloth at 5% GST whereas the cloth manufacturer buy the yarn at 12 % GST and sell cloth at 5% GST and there is no provision of refund," Jindal said. The businessmen also requested finance minister to bring 'One time settlement scheme for Punjab state power Corporation Limited and Punjab Small industries and export corporation

**GST alert: Soon, cashbacks to businesses,
price benefit to customers for digital
transactions; details here**

Financial Express

<https://www.financialexpress.com/economy/gst-alert-soon-cashbacks-to-businesses-price-benefit-to-customers-for-digital-transactions-details-here/1149916/>

The government is working on a proposal to incentivise digital transactions by providing cashbacks to businesses and price benefits to consumers, a source said.

The government is working on a proposal to incentivise digital transactions by providing cashbacks to businesses and price benefits to consumers, a source said. As per the proposal being worked out by the Revenue Department,

consumers paying through the digital mode would be offered a discount over the maximum retail price (MRP). The discount would be capped at Rs 100. Businesses, on the other hand, could get a cashback based on the quantum of turnover through the digital mode.

The proposals to encourage digital transactions are likely to be placed before the GST Council, chaired by Finance Minister Arun Jaitley and comprising state ministers, on May 4. According to the source, the issue of providing incentive for digital transaction was discussed at a meeting held in the Prime Minister's Office.

During the meeting, three possible modes of incentivising businesses to go in for digital transactions were discussed. Apart from cashbacks, a proposal to allow businesses to obtain tax credit on the basis of turnover obtained through digital mode was also discussed. This would have worked like the input tax credit mechanism wherein businesses can credit for taxes paid on raw materials. Besides, the option of allowing businesses to offset their GST liability up to a threshold for using digital transaction was also deliberated.

The source said the Revenue Department has zeroed in on the option of cashback to businesses based on a threshold of digital transaction. This would be easier to implement and cannot be misused by unscrupulous elements. As a matter of precaution, the department will ascertain the veracity of the digital transactions reported by the businesses and then credit the cashback to their bank account.

During the PMO meeting, it was also discussed if any incentives could be given for digital transaction from the direct taxes side. The direct tax department, the source said, has outlined the steps it had taken to discourage cash dealings. Besides, for small businesses opting for presumptive taxation scheme, it had reduced the rate for calculation of deemed profit from 8 per cent to 6 per cent in respect of the amount of total turnover or gross receipts received through banking channel/digital means.

The source said since the incentives would have been on the basis of the turnover of the businesses, it was felt that the indirect tax department would be better placed to incentivise the businesses and hence the GST Council would have to give a final go ahead.

Uzbekistan keen to boost business ties with Punjab

Times of India

<https://timesofindia.indiatimes.com/business/india-business/uzbekistan-keen-to-boost-business-ties-with-punjab/articleshow/63954386.cms>

Uzbekistan has expressed interest in furthering business and trade ties with Punjab, particularly in the areas of agriculture, education and tourism.

Uzbekistan's ambassador to India Farhod Arziev met Punjab Chief Minister Captain Amarinder Singh here today, and discussed cooperation in areas of mutual interest for the benefit of both India and the Central Asian country, said an official release.

The chief minister suggested export of various commodities, including wheat and rice, to Uzbekistan, pointing out that the direct air connectivity with Uzbekistan and Amritsar (Punjab) offered vast potential for trade promotion.

Farhod Arziev said Uzbekistan was also keen to utilise the air route to further bolster trade in fresh fruits, such as

mulberry, apricot and peaches, as well as dry fruits that were organically produced in his country".

Passenger and cargo flights from Chennai to Uzbekistan could also be used to exploit the trade potential, said the envoy, also inviting Punjab to see the cotton plantations in his country, as they were keen to export cotton to India.

A suggestion was made during the meeting by Finance Minister Manpreet Badal to host exchange programmes for students from Punjab Agriculture University (PAU).

Singh asked his officials to explore the possibility of knowledge sharing and transfer of agricultural technologies in coordination with the Uzbek embassy.

Citing the deep shared roots of India and Uzbekistan, the envoy also called for joint promotion of religious and heritage tourism, pointing out that Bukhara, which the first Sikh Guru Nanak Dev was believed to have visited, had various historical sites of interest to the Sikh community.

Singh and Farhod Arziev agreed to explore the heritage tourism potential offered by the two regions in order to promote the industry.

Earlier, the visiting ambassador apprised the chief minister of his government's intent to play a key role in India's connectivity initiatives in the resource-rich and strategically important Central Asia.

Evincing keen interest in supplying fertilisers to Punjab, the ambassador said that the opening of Chabahar port would result in another avenue for boosting his country's trade share with India via the Iran route.

The envoy also suggested establishment of a joint hospital, as a private sector enterprise, in Tashkent, an official spokesperson said after the meeting. The chief minister agreed to look into the suggestion

Commerce minister, governor discuss promotion of textile industry

Profit Pakistan

<https://profit.pakistantoday.com.pk/2018/05/01/commerce-minister-governor-discuss-promotion-of-textile-industry/>

KARACHI: Federal Minister for Commerce and Textile Pervez Malik met Sindh Governor Muhammad Zubair at the Governor House here.

The two leaders discussed in detail the economic development and promotion in the fields of textile and commerce as well as the steps taken to encourage the textile industry, investment in new textile industries, and other matters, said a press release issued here on Tuesday. The Sindh Governor said Pakistan is rich in natural resources and human resource, and there is a need for maximum utilisation of these resources. He stressed the need for encouraging the people associated with the textile industry as well as investors to achieve the required results.

The federal minister told the Governor Sindh that steps for promoting and encouraging the textile industry at every level and attracting local and foreign investors towards this field are drawing positive results. He said both local and foreign investors are investing in textile industry which is helping in the eradication of poverty and unemployment.