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# NEWS CLIPPINGS –11-01-2019

| Annual returns filing will benefit textile firms' | Business Line https://www.thehindubusinessline.com/todays-paper/tp-news/article25965613.ece |
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The Centre's move to allow companies under composition scheme to file GST returns annually will improve ease of doing business for small textile companies, according to the Cotton Textiles Export Promotion Council.

The GST Council on Thursday raised the existing Composition Scheme turnover threshold from Rs. 1 crore to Rs. 1.5 crore effective from April 1.

Companies under the scheme will now pay tax on a quarterly basis but returns will have to be filed annually, said KV Srinivasan, Chairman, Texprocil. The expansion of the Composition Scheme has come as relief to a large number of small tax payers who are not in a position to file returns on time, he added.

The increase in GST exemption threshold limit

will help small and medium-sized businesses and will encourage growth in the struggling textiles sector, he said.

| Cotton and Currency Markets | Kotak Commodities Research Desk **For more details contact :** Research@kotakcommodities.com & aurobinda.gayan@kotakcommodities.com |
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| A. Cotton | | |
| Spot price (Ex-Gin) 28.5 to29 mm | | |
| Rs/Bale | Rs/Candy | USD Cent/lb |
| 20526 | 42900 | 77.59 |
| Domestic Futures (Ex-Gin) November | | |
| Rs/Bale | Rs/Candy | USD Cent/lb |
| 20750 | 43368 | 78.43 |
| **International Futures** | | |
| NY ICE USD Cents/lb. ( Mar 2019) | | 72.85 |
| ZCE Cotton: Yuan/MT (May 2019) | | 15105 |
| ZCE Cotton: USD Cents/lb. | | 100.93 |
| Basis Difference (Domestic spot – ICE March) | | 4.74 |

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|---|---|---|
| Cotlook A Index - Physical | | 82.60(1.55) |
| WTI Crude :USD/Barrel | | 52.59 |
| B. Currency | | |
| USD/INR | Close | Previous Close |
| Spot | 70.45 | 70.41 |
| USD Index | 95.55 | |

Cotton Guide

The threshold for Cotton seems to be 74 cents/lb. Prices were around 73.82 cents/lb yesterday for ICE March Contract, subsequently the selling pressure drove the prices to settle at 72.85 cents/lb which is a (-28) drop. ICE May contract settled at 74.36 after touching a high of 75.13, the change noticed was -16. With the above figures it seems that yesterday the Bulls were trying their best to drive the market but the bears seemed to restrict them successfully. The total open interest increased by 1560 contracts to 225,567 contracts. An increase of 400 and 55 contracts was seen for March and May contracts which amounted to 127,579 and 38,481 contracts respectively. The OI for July contract also increased by 710 contracts to 23,145 (source cotlook). We expect the Contracts to trade in a sideways trend today, with a bias towards gains.

All MCX contracts were in negative figures yesterday. The MCX January contract settled at 20,750 RS/Bale with a decline of (-170) Rs, the February contract settled with a figure of 21,020 Rs/Bale i.e. a decline of (-160) Rs, whereas the March and April contract settled at 21260 and 21560 with (-170) and (-70) Rs decline respectively. The volume for the MCX January contract decreased by (-814) lots to 1697 lots. The open interest for MCX January contract also reduced by (-108) lots to 7982 lots.

Arrival figures are estimated to be around 174,000 lint Equivalent Bales (1 Indian Bale = 170 Kg) (source cotlook) which includes 47,000 in Maharashtra, 41,000 in Gujarat and 30,000 in Andhra Pradhesh. Shankar 6 was available to change hands at 42,900 Rs/Candy, whereas Punjab J-34 was available at 4,435 Rs/Maund. Cotlook Index A has been adjusted to a positive figure of 82.60 cents/lb with an increase of +1.55 as compared to the previous figure.

We about to witness the longest US government shutdown ever recorded. The shutdown has been there for the past 20 days. 21 days is the longest period for a US Government Shutdown ever recorded in history. A day after shutdown talks broke down once again, President Donald Trump threatened to declare a national emergency to circumvent Congress if he cannot reach a deal with Democrats to fund his promised border wall. Consequently, all important statistic figures are not available for cotton.

When we speak about Brazilian Supplies, we have seen record Brazilian Exports during December which amounted to 214,590 tonnes. China was seen to be the largest importer of Brazilian cotton accounting to 128,512 tonnes which is almost 60% of the December month’s shipment. The figure for cotton lint production is raised by 49,900 tonnes to 2,413,700 tonnes which is considered as a record crop.

On the technical front ICE March cotton is hovering in the band of 71.50-73.80. In the daily charts prices made a bullish pattern (Morning star) accompanied with the RSI above 40 suggest a short term pullback in the price.

Sustainable trades below 70.50 will only resume the downtrend while the immediate resistance is at around 74.50.From the above we expect prices to trade in the range of 71.50-74.60 with sideways to positive bias. Above 74.60, 75.35 and 76.20 exits as immediate resistance levels. In the domestic markets trading range for Jan future will be 205500-20980 Rs/Bale.

Currency Guide

Indian rupee may witness choppy trade amid mixed cues but general bias remains weak. Weighing on rupee is firmness in crude oil price which has rekindled trade deficit concerns. Brent crude is holding above $61 per barrel supported by OPEC and Canada's commitment to continue with production cuts. However, supporting rupee is general strength in US and global equity market and weaker outlook for US dollar. Equity markets have managed to hold firm despite US-China trade talks ending without any concrete measures. Hopes of lower interest rate amid Fed and ECB's dovish tilt have improved risk sentiment. FOMC minutes and comments from Fed officials have cemented market expectations that Fed may not consider rate hike in the near term as it awaits more clarity. Fed Chairman Jerome Powell Thursday said the US central bank can be patient before adjusting interest rates again as it waits to see how global risks impact the domestic economy. Also supporting rupee are changes to GST rules to provide support to small business. As per reports, small and medium businesses with an annual turnover of Rs 40 lakh will be exempt from paying the goods and services tax. The GST Council also announced on Thursday that the turnover cap for the composition scheme — under which most small businesses pay only a 1% tax —would be raised to Rs 1.5 crore from April 1 from earlier threshold of Rs.1 crore. Meanwhile, market players are awaiting RBI's 100 billion rupee debt purchase in open market operations which will boost liquidity. Rupee may witness choppy trade as global financial markets have turned choppy amid lack of fresh cues however general firmness in crude oil will weigh on rupee. USDINR may trade in a range of 70.2-70.85 and bias may be on the upside.

| **Gujarat comes to the aid of textile sector** | **Business Line**<br>https://www.thehindubusinessline.com/todays-paper/tp-others/tp-states/article25965658.ece |
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The assistance for the entire value chain starts where the previous textile policy left off

The Gujarat government on Thursday announced the much-awaited support scheme spanning the entire textile value chain.

With incentives in the form of interests/power tariff subsidy, the new scheme will also provide assistance in a variety of areas such as technology upgradation, environmental compliance cost and for textile parks.

Named 'Scheme for Assistance to Strengthen Specific Sectors in the Textile Value Chain', the scheme will be operative from September 4, 2018 to December 31, 2023.

An official statement issued on Thursday said: "The government analysed the existence of all segments in the textile value chain and identified gaps in certain segments. After careful consideration, the government has decided to come out with a new scheme to strengthen the value chain and extend support to textile industry in the State."

Local employment

Aimed at creating local employment, the scheme requires at least 85 per cent of the total manpower of an enterprise and at least 60 per cent of supervisory and managerial staff to be domiciled in Gujarat.

The previous Gujarat Textile Policy 2012 which was operational till September 3, 2018, proved successful in terms of investment and employment generation in ginning, spinning and technical textiles, it said.

The scheme comes at a time when the State's textile industry is facing tough challenge from textile hubs in Telangana, Andhra Pradesh and Maharashtra.

Segments covered

The segments covered under the scheme include weaving, knitting, dyeing/printing, machine carpeting, technical textile, made-ups, composite units and other activities in the textile value chain such as embroidery, winding, sizing twisting and crimping.

The scheme provides financial assistance through credit-linked interest subsidy of 6 per cent for MSME and 4-6 per cent for large enterprises with an upper ceiling of Rs. 20 crore per annum. A separate scheme for subsidy in power tariff allows up to Rs. 3 per unit for weaving and Rs. 2 per unit for other eligible segments. The eligibility period for these benefits is five years.

The scheme for assistance in compliance of energy, water and environment conservation covers all existing units in operation for more than three years. The scheme provides 20 per cent assistance on the cost of machinery with a ceiling of Rs. 30 lakh and 50 per cent assistance for audit fees with a limit of Rs. 1 lakh. The benefits can be availed once in two years during the operative period of the scheme.

For technology upgradation and modernisation in textile value chain, the scheme provides one-time financial assistance of up to 50 per cent of the cost with a limit of Rs. 25 lakh.

The State government has also extended support for setting up textile parks with financial assistance of up to 25 per cent of capital expenditure on common facilities and infrastructure with a limit of Rs. 15 crore. The park will also get financial assistance to create hostel facilities within park with minimum 100 workers domiciled in Gujarat.

The developer of Park will get complete reimbursement of stamp duty paid on purchase of land required for the new Park.

| Big relief for small businesses under GST | Business Line<br>https://www.thehindubusinessline.com/todays-paper/article25965556.ece |
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Threshold limit for mandatory registration of suppliers of goods doubled to Rs. 40 lakh

Small businesses can breathe easy now as the Goods and Services Tax (GST) Council has decided to double the basic threshold limit for goods suppliers.

However, the Council, which took a slew of decisions on Thursday, could not arrive at a consensus on lowering the levy on under-construction flats.

The 32nd meeting of the Council, chaired by Finance Minister Arun Jaitley, decided to raise the basic threshold limit for suppliers of goods (for mandatory GST registration) to Rs. 40 lakh from the current Rs. 20 lakh. Also, some of the north-eastern and hilly states will have a new limit of Rs. 20 lakh from Rs. 10 lakh earlier. However, there is no change in the limit for services. The threshold for registration of service providers would continue to be Rs. 20 lakh, and in case of special category States, Rs. 10 lakh.

‘States can fix threshold’

“The States will have the freedom to change the threshold,” Finance Minister Arun Jaitley told reporters after the meeting. Any State, which would like to exercise the freedom, has to inform the Council’s Secretariat within one week. Jaitley said that this will be a one-time concession.

Stating that there will be notional revenue loss, Jaitley added that over 20 lakh assesses could go out of the GST net.

Archit Gupta, Founder & CEO of ClearTax, said that increasing the basic registration threshold will benefit small businesses as it will reduce their compliance cost and efforts. However, suppliers selling to other businesses must continue with full compliance if they want to pass on the input tax credit benefit to their buyers, he said. “Service providers will be relieved with the composition scheme; even though the rate is higher, their compliance cost will go down significantly,” he added. The Council also decided on the new structure for the composition scheme that will come into effect from April 1, 2019. Trading, manufacturing and restaurant businesses with annual turnover of Rs. 1.5 crore can be part of the scheme. Though the tax rates will be same at one per cent (trading and manufacturing) and five per cent (restaurants), such businesses will now be required to file returns annually and not quarterly. But taxes should be paid quarterly along with a simple declaration.

Special composition scheme

The Council also decided to bring in a special composition scheme for small services providers. Any such providers with an annual turnover of up to Rs. 50 lakh will be eligible. Here, the GST rate would be 6 per cent. The scheme will also cover mixed suppliers such as electricians and plumbers.

| Govt doubles GST exemption limit for MSMEs; 2 million businesses to benefit | **Business Standard** https://www.business-standard.com/article/economy-policy/2-million-msmes-exempted-from-gst-panels-to-decide-on-real-estate-taxation-119011001274_1.html |
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Two million additional micro, small and medium enterprises (MSMEs) in India will become eligible to opt out of the goods and services tax (GST) system from the beginning of the next financial year, the GST Council decided on Thursday.

The Council took a slew of measures for MSMEs by increasing the annual turnover threshold for exemption from GST registration to Rs 40 lakh from the current Rs 20 lakh, introducing a composition scheme for services, easing return filing procedures, and raising the composition threshold for traders and manufacturers. However, for services providers, the threshold remains the same at Rs 20 lakh.

The revenue impact of this move is estimated to be more than Rs 6,000 crore on an annual basis.

The Council permitted Kerala to impose the calamity cess of up to 1 per cent for a maximum period of two years, Union Finance Minister Arun Jaitley told reporters after the meeting.

However, it referred the much-awaited decision on reducing the GST rate on under-construction property and lotteries to two groups of ministers (GoMs).

There was no decision on cutting the 28 per cent rate on cement. Jaitley said, “Any decision on cutting GST rates on individual items will be taken only when revenues improve.”

For the Northeast and hilly states, the threshold will be raised from the current Rs 10 lakh to Rs 20 lakh on April 1. But, they will have an option to “move up” to the Rs 40 lakh threshold.

Prime Minister Narendra Modi had expressed a view that the threshold needed to be increased to Rs 75 lakh.

“Increasing the threshold to Rs 40 lakh instead of Rs 75 lakh as speculated is better because while we need to provide relief to small taxpayers, it is equally important to expand the tax base,” said Pratik Jain, partner, indirect tax, PwC India. The decision is likely to have been taken on the basis of the data that only 1.1 million of the roughly 5 million GST filers below a turnover of Rs 20 lakh pay the GST, contributing only 1.5 per cent of overall GST collection.

Companies with a turnover of Rs 20-40 lakh form 20 per cent of GST filers and contribute less than 3 per cent of overall collection, officials told Business Standard.

“Of the GST filers with a turnover of Rs 20-40 lakh, only those whose cost of compliance is higher than the tax they pay will opt out. Most of them are likely to stay in the system owing to the availability of input tax credit,” Revenue Secretary Ajay Bhushan Pandey said.

In a first, a composition scheme was introduced for small service providers with a turnover of up to Rs 50 lakh per year, with a GST rate of 6 per cent (3 per cent each to the Central and State GST).

Experts said while such a scheme would be beneficial for companies providing electrical and other household services, businesses such as beauty parlours, whose rental cost is high, would not opt to save the available input-tax credit.

“For services providers, keeping a limit of Rs 50 lakh for registering under the composition scheme and increasing the exemption threshold to Rs 40 lakh at the same time do not make much sense for those having a high ITC (input tax credit) available at their disposal,” said Abhishek Rastogi, partner of Khaitan & Co.

For goods dealers, the upper limit of turnover to become eligible for the composition scheme will be increased to Rs 1.5 crore from the next financial year. This will not be available for dealers involved in inter-state trade. Further, composition dealers will need to file GST returns only annually, but pay tax quarterly, from 2019-20.

On revenue mobilisation for post-disaster rehabilitation, the GST Council accepted the recommendations of the ministerial panel headed by Bihar Deputy Chief Minister Sushil Modi, and allowed Kerala to impose a calamity cess of up to a maximum of 1 per cent on the value of goods and services up to a maximum of two years.

| **GST burden on small businesses eased** | **The Hindu**<br>https://www.thehindu.com/todays-paper/tp-business/gst-burden-on-small-businesses-eased/article25964627.ece |
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Threshold for businesses in most States doubled to Rs. 40 lakh; small firms allowed to file annual returns

The GST Council in its 32nd meeting on Thursday — the last before the Budget — took a slew of decisions aimed at reducing the tax and compliance burden on small and medium enterprises, including increasing the threshold limit below which companies are exempt from GST, extending the Composition Scheme to small service providers, and allowing small companies to file annual returns.

The Council also raised the annual turnover limit under which companies would be exempt from GST to Rs. 40 lakh for most States and Rs. 20 lakh for the North Eastern and hill states, from the earlier limit of Rs. 20 lakh and Rs. 10 lakh, respectively.

“A very large part of GST revenue comes from the formal sector and large companies,” Finance Minister Arun Jaitley said at a press conference. “The decisions taken today by the GST Council have been done to help the small and medium companies. The revenue impact due to these will be minimal.”

“Increasing the threshold limit [in general] from Rs. 20 lakh to Rs. 40 lakh is a welcome relaxation from the GST Council and should benefit a large number of taxpayers,” Pratik Jain, Partner and Leader Indirect Tax, PwC India, said. “Also, increasing the threshold to Rs. 40 lakh instead of Rs. 75 lakh [as speculated] is better because while we need to provide relief to small taxpayers, it is equally important to expand the tax base.”

Mr. Jaitley announced that the limit for eligibility for the Composition Scheme would be raised to an annual turnover of Rs. 1.5 crore from April 1, 2019. He added that companies opting for the Composition Scheme would be allowed to file annual returns and pay taxes quarterly from April 1.

The Composition Scheme currently allows companies with an annual turnover of up to Rs. 1 crore to opt for it, and file returns on a quarterly basis at a nominal rate of 1%. So far, only manufacturers and traders were eligible for this scheme.

Mr. Jaitley said that the Council had decided to extend the Composition Scheme to small service providers with an annual turnover of up to Rs. 50 lakh, at a tax rate of 6%.

“The option of composition scheme for small service providers is quite a welcome one,” Abhishek Jain, Tax Partner, EY India said. “Further, allowing a quarterly payment and annual return should bring quite a lot of relief and ease of doing business for small service providers.”

The Confederation of All India Traders, in a statement, said that increasing the GST threshold limit would allow about 10 lakh traders to be exempt from the compliance burden of GST, and added that increasing the Composition Scheme limit would benefit about 20 lakh small businesses that fall between the annual turnover brackets of Rs. 1 crore and Rs. 1.5 crore.

Kerala cess

The GST Council also decided to allow Kerala to levy a cess of up to 1% for up to two years on intra-State supplies to help finance the disaster relief efforts following the recent floods in the state.

“Allowing disaster cess of 1% to be introduced in the State of Kerala on local supplies… may be an administrative issue for both businesses and government and this may set a precedence for other States to demand additional levy,” Mr. Jain added.

As there were diverse and differing opinions on the issues of taxing real estate and lotteries, the GST Council decided to set up to separate Groups of Ministers to look into the issue and present their assessments to the Council, Mr. Jaitley said.

| **NABARD to give a push for financial inclusion** | **The Hindu** https://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/nabard-to-give-a-push-for-financial-inclusion/article25965104.ece |
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The National Bank for Agriculture and Rural Development (NABARD) and Thanjavur Central Cooperative Bank has planned to organise 100 financial literacy programmes in Thanjavur and Tiruvarur districts, according to K. Subramanian, District Development Manager of NABARD, Thanjavur.

Speaking at one such meeting at Thanjavur recently, Mr. Subramanian said the programmes were aimed at strengthening financial inclusion by way of creating awareness on facilities such as Rupay debit and credit cards, enrolment in social security schemes, use of Internet and mobile banking or through BHIM App.

The target groups were farmers, students, senior citizens, entrepreneurs, self help group members and people who have been newly inducted into the financial system.

Manoharan, Managing Director, Thanjavur CCB, said cooperative banks, which cater to the banking needs of rural people, would seek to give a push to financial inclusion and digital transactions through their branches in Thanjavur and Tiruvarur districts. The programmes were conducted by a team of trainers. These trainers had earlier undergone a training of trainers (ToT) programme organised at the State-level by NABARD in Chennai.

Rural people would be given a feel of various options for cashless transactions with the help of mobile van equipped with digital banking technologies. The Thanjavur CCB has decided to take the mobile van to the training locations for creating awareness on digital banking in the rural areas as well, he said.

Agri marketing infrastructure

Meanwhile, progressive farmers and officials of Pudukottai district were given an overview on the Union government's Agricultural Marketing Infrastructure subsidy scheme at a workshop organised by NABARD in the town recently.

S. Somasundaram, District Development Manager, NABARD, said storage infrastructure such as godowns with the capacity of 50 to 10,000 tonnes and silos up to 15,000 tonnes for government departments and 50 to 5,000 tonnes for all individuals and Farmers Producer Organisations can be established under the subsidy scheme. Besides, common facilities in market yards, infrastructure for direct marketing, mobile infrastructure for post harvest operations, common facility centres for Farmer Producer Organisations (FPOs), mini dhal mills, mini rice or oil mills can be established with 25% to 33.3% back-ended subsidy. The subsidy will be provided to the individuals and FPOs who avail bank loan.

Under the National Livestock Mission, 25% of back-ended subsidy is available for farmers who undertake poultry and goat rearing by availing bank loans. Similarly, agriculture graduates will be provided with subsidy of up to 36% for setting up agri-clinics and agricultural business centres.

He requested officials, progressive farmers and representatives of farmer producer companies to disseminate information about the schemes.

Earlier, Singaram, Deputy Director of Agriculture, (Central scheme), inaugurated the workshop. Rajasekar, Lead Bank Manager, Pudukkottai, and others spoke.

| **Solar projects: Power ministry government tightens timelines** | **Financial Express**<br>https://www.financialexpress.com/industry/sluggish-capacity-addition-power-ministry-tightens-solar-project-timelines/1440267/ |
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Government has lowered the time periods available to developers for submitting bids, making financial arrangements and setting up solar projects.

With frequent bid cancellations threatening to upset the solar capacity addition target, the power ministry has tightened the timelines for developers setting up solar projects. In its latest amendments to the guidelines for tariff-based competitive bidding of solar projects, the government lowered the time periods available to developers for submitting bids, making financial arrangements and setting up solar projects.

According to the new amendments, solar developers would get 15 months to commission the plants after signing power purchase agreements (PPAs), if they are being built inside solar parks. Plants outside solar parks would have 18 months to be set up. The earlier timelines allowed in the original bidding guidelines charted in 2017 were 21 months for solar park projects and 24 months for plants elsewhere.

Additionally, the amended guideline says that developers with projects inside solar parks would have to finalise their funding arrangements within nine months of signing PPAs. For projects outside solar parks, the statutory timeline for financial closure has been kept as 12 months, unchanged from the tenure prescribed in the original guideline.

The minimum timeline for developers to submit their bids after the request for selection (RfS) are issued have been reduced to 22 days—eight days shorter than the duration allowed in the earlier directive. Also, the normative timeline for the completion of the bidding process has been brought down by 10 days to 110 days from RfS issuance.

Against the FY19 target of 10,000 MW for ground mounted solar capacity addition, the country has only added a little over 3,270 MW in the first nine months of the fiscal. The missing of FY19 targets may have further ramifications on the 100 GW solar target set for 2022, warranting expedition of the whole process. About 4,000 MW of solar auctions had to be scrapped in the ongoing fiscal due to issues such as higher tariff discoveries and lack of clarity on safeguard duty impact. According to renewable research agency Bridge to India, another 15,234 MW of auctioned solar capacity is under development.

| **New Textile Policy 2019 : State Govt ends incentives for ginning, spinning sectors** | **Indian Express** https://indianexpress.com/article/cities/ahmedabad/new-textile-policy-2019-state-govt-ends-incentives-for-ginning-spinning-sectors-5532991/ |
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.Ginning and spinning have been struck off from a list of over eight manufacturing activities that will be eligible for incentives under various schemes, including credit linked interest subsidy of 6 per cent for MSMEs and 4-6 per cent for large enterprises.Under the state's new textile policy 2019 announced on Thursday, the government has removed incentives for two crucial activities — ginning and spinning — that occupy an important role in the textile value chain

Ginning and spinning have been struck off from a list of over eight manufacturing activities that will be eligible for incentives under various schemes, including credit linked interest subsidy of 6 per cent for MSMEs and 4-6 per cent for large enterprises. "Sectors like ginning, spinning and technical textiles saw tremendous growth during Gujarat Textile Policy 2012… The state government analysed the existence of all segments in the textile value chain and identified gaps in certain segments. After careful consideration, the government has decided to come out with a new scheme to strengthen the value chain and extend support to textile industry in the state of Gujarat," states a copy of the new policy accessed by The Indian Express.

The move to exclude spinning and ginning units is significant, considering that in the 2012 textile policy — that remained in force till September 3, 2018 — credit linked interest subsidy of about 7 per cent was provided to spinning units, which included those using 100 per cent cotton or blended with any textile fibers. Ginning activities were also covered under this subsidy. The government while providing these incentives five years ago had pointed out that "due non-availability of spinning activities, over 90 per cent of Gujarat's cotton goes to other states for further value addition, and therefore there is a need to transform the state cotton industry as the leader in manufacturing yarn, fabric and garment with a policy to work on five Fs — Farm, Fibre, Fabric, Fashion (Garment) and Foreign (Export)."

| **GST exemption to boost MMF sector: SRTEPC** | **Times of India.com**<br>https://timesofindia.indiatimes.com/city/surat/gst-exemption-to-boost-mmf-sector-srtepc/articleshow/67478208.cms |
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Synthetic and Rayon Textile Export Promotion Council (SRTEPC) has stated that raising of GST exemption and composition scheme limits at the 32nd GST Council meeting on Thursday will boost small and medium units in the man-made fibre (MMF) sector and help increase exports.

SRTEPC sources said the 32nd GST Council meeting has taken encouraging decision by relaxing tax exemption limit from Rs20 lakh to Rs40 lakh on annual turnover and increasing from Rs1 crore to Rs1.5 crore composition scheme limits.

SRTEPC chairman Narain Aggarwal said, �The step of raising exemption threshold and increasing the composition scheme limits will help small and medium enterprises, especially the power loom weavers and textile traders. Small traders having annual turnover below Rs40 lakh will not have to take GST registration. The traders and entrepreneurs registered under composition scheme of GST will have to pay tax quarterly, but file returns annually.

This will boost the confidence of the traders and entrepreneurs in the MMF sector.

Federation of Surat Textile Traders Association (FOSTTA) president Manoj Agarwal said, Majority of small traders in the markets are having turnover below Rs40 lakh per annum. These traders have got exemption from GST registration and tax filing. Also, traders under composition scheme will get benefit of filing returns annually.

| **After Monsanto patent ruling, Indian farmers hope for next-generation genetically modified seeds** | **Cotton Yarn Market**<br>http://www.cottonyarnmarket.net/news/news2.php?action=fullnews&showcomments=1&id=22924 |
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A court ruling in India this week that upheld a MonsantoNSE -0.22 % patent on genetically modified (GM) cotton seeds has raised hopes among farmers that the company would now launch its next-generation seeds, the application for which it pulled two years ago.

India approved Monsanto's GM cotton seed trait in 2002 and an upgraded variety in 2006, helping transform the country into the world's top producer and second-largest exporter of the fibre. But newer traits have not been available since the company withdrew an application in 2016 seeking approval for the latest variety due to a royalty dispute with the government and worries over patent claims.

Nevertheless, the new herbicide-tolerant variety seeped into Indian farms and many cotton growers openly sowed them last year, prompting a government investigation that is ongoing. Monsanto has said local seed companies have illegally attempted to "incorporate unauthorised and unapproved herbicide-tolerant technologies into their seeds".

"We don't understand legal issues but we want new technologies," Shrikant Kale, a cotton grower in Yavatmal district in the western state of Maharashtra, said by phone. "If the court verdict helps seed companies in bringing new technology, then it would be good for us as well."

Nearly a dozen other farmers in three Maharashtra districts said they planted the illegal cotton variety in June after buying seeds from the grey market, and that they would be happy to use it legally if Monsanto launched it.

"Illegal sales mean that there's always a risk of buying spurious seeds and we buy such smuggled seeds as there is no alternative," said Vijay Niwal, another cotton farmer in Maharashtra.

"We don't mind paying a few hundred rupees more for seeds if they help us in saving thousands of rupees on managing weeds."

Monsanto owner BayerNSE -0.07 % welcomed the Supreme Court's decision, saying it "prima facie validates our patent" and that it was confident of "defending any challenge to our patent by presenting solid scientific evidence".

Monsanto did not immediately comment on future plans, including any launch of its new seeds.

But two industry sources aware of the company's plans said that a dispute over royalties paid by local companies that licence its technology remained a hurdle to seeking fresh approval to sell a new variety of cotton seeds. India's agriculture ministry has twice slashed royalties in the past two years, apart from cutting cotton seed prices.

| **Gujarat government declares its textile policy** | **Cotton Yarn Market**<br>http://www.cottonyarnmarket.net/news/news2.php?action=fullnews&showcomments=1&id=22920 |
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The interest subsidy will be eligible on loan amount disbursed for Gross Fixed Capital Investment (GFCI).President of South Gujarat Productivity Council (SGPC), Asha Dave, said,

The textile policy will boost MSMEs in Surat and other centres in Gujarat. Sharing more details, Nitin Thakker, president, Ahmedabad Textile Processors Association (ATPA), said,

Unlike other states such as Maharashtra and Telangana, the new textile policy does not provide any capital subsidy. This will discourage new investments into the state in the textile sector in Gujarat. Another important feature of the scheme is the interest subsidy of a maximum of Rs 20 cr per annum. At a time when industry is making efforts for better energy efficiency and zero liquid discharge, the assistance should have been more, said Meena Kaviya, co-chairperson textile committee, Gujarat Chamber of Commerce and Industry (GCCI).