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## NEWS HIGHLIGHTS

- ❖ **TN HANDLOOMS & TEXTILES SECRETARY VISITS SIMA**
- ❖ **SECRETARY (TEXTILES) URGED TO RESOLVE TEXTILE ISSUES**
- ❖ **REINSTATED STAFF CAN'T HAVE BACK WAGES: SC**
- ❖ **ENERGY SAVINGS EXCEED 30% OF TARGET UNDER PAT SCHEME**

## REPRESENTATIONS

- ❖ The Association vide a representation dated 17<sup>th</sup> September 2018 sent to Shri Raghavendra Singh, I.A.S., Secretary, Ministry of Textiles appealed to resolve the textile industry issues to achieve the vision of the Hon'ble Prime Minister. While appreciating the government's initiatives on GST, TUF Scheme extension, SAMARTH scheme announcement, etc., it was requested to release pending TUFs subsidies, reduce hank yarn obligation, need for cotton stabilization fund scheme, Technology Mission on Cotton –II, etc., so as to enable the textile industry to survive and face the competition.
- ❖ The Association has sent a letter dated 20<sup>th</sup> September 2018 to the Chairman, VOC Port Trust, Tuticorin seeking extension of one week time for clearance of goods at the terminal to avoid further handling cost. It was mentioned in the letter that some of the private ports in Cochin had come forward to give at least seven days time for clearance and hence many of the shippers started preferring Cochin port instead of VOC port.
- ❖ Vide a representation dated 21.9.2018 sent to Shri Injeti Srinivas, I.A.S., Secretary, Ministry of Corporate Affairs, New Delhi, the Association sought extension of time for demating the shares of unlisted companies. It was mentioned that 2<sup>nd</sup> October 2018 as the date for the unlisted companies to change over to demat form was a short period and not sufficient. The Ministry announced amendment in the Companies (Prospectus and Allotment of Securities) Rules 2014 on 10<sup>th</sup> September. While there is a prohibition for issue of new shares, the said amendment also restricts the issuance of bonus shares, right shares, etc., this will affect the ongoing companies at its present stage. Therefore, it was requested to give time extension upto 31<sup>st</sup> December 2018 so as to enable the unlisted

companies to take all the initiatives and observe the process of converting the physical form into demat form.

- ❖ A representation dated 24.9.2018 was handed over by the Chairman to the Principal Secretary to Government, Handlooms, Handicrafts, Textiles & Khadi Department, Government of Tamilnadu during latter's visit to the Association. In the representation, it was appealed to resolve energy related issues, removal of 1% Market Committee Fee on cotton waste, permission to purchase HSD Oil at 2% CST for textile mills, settlement of TUFs subsidy arrears and reduction of hank yarn obligation from 40% to 10%.

## MEETINGS

### Visit of Principal Secretary, Handlooms & Textiles, Tamilnadu to SIMA

- ❖ As part of Global Investors Meet 2019 and also to review the progress on the Tamilnadu Global Textile Expo 2019, both the events scheduled during January 2019, a meeting was convened on 24<sup>th</sup> September 2018 by the Government of Tamilnadu at the Association premises. Representatives from all textile Associations attended the meeting and the Principal Secretary, Handlooms & Textiles, Government of Tamilnadu, Mr.Kumar Jayant, IAS., interacted with the stakeholders on the proposed events.



Kumar Jayant IAS., interacting with stakeholders



Stakeholders at the meeting

### Interactive Sessions by EPFO and DISH

- ❖ An Interactive Session was held by EPFO on 24<sup>th</sup> September 2018 at the Association premises on 24<sup>th</sup> September 2018 between 2.30 pm and 4.00 pm. The purpose of the meeting was to discuss the new initiatives of EPFO, online claims, KYC seeding, Aadhar linking with UAN, Jeevan Pranam, PMRPY & PMPRPY. Mr. M. Madhiazhagan, Additional Central PF Commissioner, Zonal Office, Coimbatore, Mr.K.Muthuselvan, Regional PF Commissioner- 1, Zonal Office, Coimbatore, Mr.Jaivadan Ingle, Regional PF Commissioner- 1, Regional Office, Coimbatore and Mr. A. Ravikumar, Regional PF Commissioner – II, Coimbatore will be handling the session, in detail. Further, followed by the EPF Session, another Interactive

Session from 4.00 p.m to 5.00 pm was also held in which Shri. K.Jagadeesan, Additional Director from the Office of the Directorate of Industrial Safety and Health (DISH), Coimbatore addressed the participants.



K.Jagadeesan, Additional Director, DISH addressing the participants



Participants at the meetings

The sessions were attended by large number of participants.

## TEXTILE SCENE >>>

### Patanjali searches apparel product franchisees

- ❖ India's Patanjali Ayurved, which plans to launch its 'Patanjali Paridhan' range of apparel products this year, has started searching for franchisees to open exclusive outlets. Its co-founder Baba Ramdev tweeted recently inviting prospective franchisees with experience in the garments business and owning property in high street, malls or commercial complexes. Ramdev had earlier said the company will launch products in menswear, womenswear, sportswear, yogawear and kidswear, including denims. It may enter the home textiles, footwear and fashion accessories segments as well, according to a report in a top Indian business daily. Apart from exclusive outlets, the company is expected to sell its products at multi-brand outlets and neighbourhood stores.

## GLOBAL TEXTILE SCENE >>>

### Malaysian ministry plans textile design federation

- ❖ Malaysia's ministry of international trade and industry (MITI) plans to set up a textile design federation to help fashion entrepreneurs, its secretary general Datuk Isham Ishak told the Fashion and Design Conference 2018 in Kuala Lumpur recently. The Malaysian Investment Development Authority (MIDA) also approved 12 projects with an investment of RM 428.8 million. Malaysia's textile and apparel exports were worth RM15.3 billion in 2017, according to Malaysian news agency report. The MIDA

projects, including those related to the production of primary textiles, garments and textile accessories, have generated 1,850 jobs. The conference was organised by MIDA in collaboration with Kuala Lumpur Fashion Week and the Malaysian Textile and Apparel Centre.

## ENERGY

### Energy savings exceed 30% of target under PAT scheme

- ❖ Energy savings are 30% more at 8.67 million tonne of oil equivalent than the target in the first phase of the energy conservation scheme Perform, Achieve and Trade (PAT), Power Minister, Mr.R.K.Singha said. Under PAT Cycle I, more than 400 large industries from key energy intensive sectors in India took measures to improve energy efficiency during the last three years which resulted in energy savings worth Rs.9.500 crore annually, the Minister said. The PAT scheme is mandatory for all designated consumers notified by the Bureau of Energy Efficiency and it is one of the major initiatives under the National Mission for Enhanced Energy Efficiency

## RAW MATERIAL FRONT

### Telangana wants 25 CCI cotton purchase centres by Oct 10

- ❖ Telangana state government has requested the Cotton Corporation of India (CCI) to open its purchase centres in at least 25 market yards by October 10 as cotton plucking has commenced in some pockets of the state where its cultivation was taken up early and cotton is expected to arrive in the market beginning the first week of October. At a recent meeting in Hyderabad, CCI decided to open cotton procurement centres in 98 market yards and another 288 purchase centres at ginning mills, according to a report in a top South Indian English-language daily. State marketing minister T Harish Rao asked CCI officials to open all their purchase centres by October 20. The Indian Government has fixed a minimum support price (MSP) of Rs.5,450 per quintal for cotton this year against Rs.4,320 last year. A large number of farmers are expected to sell their produce at the CCI purchase centres because of the rise in MSP. However, the minister suggested the farmers to maintain CCI quality norms regarding moisture content. Rao also telephoned CCI chairman and managing director P Alli Rani and asked her to initiate steps for timely shifting of cotton bales and seed from ginning mills and also to ensure hassle-free procurement in Khammam district where ginning millers did not participate in CCI tenders.

## JUDGEMENTS

**CX - Revenue has challenged CESTAT order dropping demand of Rs.30.85 lakhs - in view of revised monetary limits laid down by Circular dated 11.07.2018, appeal cannot be sustained: High Court**

**JAIPUR , SEPT 15, 2018: REVENUE** is in appeal before the Rajasthan High Court.

The CESTAT while upholding the order of the Commissioner dropping the demand of Rs.30.85 lakhs and rejecting the Revenue appeal observed thus -

*"6. Revenue has challenged the dropping of demand to the extent of Rs.30.85 lakhs. The demand of about Rs. 60 lakhs was proposed in the show cause notice on the basis of the quantification relying on 32 kachha parchis recovered during search proceedings. The assessee contended during the course of adjudication that out of 32 slips, 25 slips of various dates were of different despatches, which correlate and reconcile with the excise invoices issued to the respective parties. They have further claimed that all the clearances were duty paid and there was no clandestine clearance. The adjudicating authority has carefully gone through the said 25 slips alongwith the connected invoices and other documents submitted by the assessee and has given detailed discussions in para 36 of the impugned order. With reference to each kachha parchi and the relevant invoice, he has recorded that the quantity, size, truck No. name of consignee mentioned in the invoice are completely matching with the details so given in the recovered kachha parchi. Further, he has recorded that the subject invoices have been duly entered in RG-1 register as well as the ledger account. In the light of the above, he has concluded that the subject consignee were cleared on payment of Central Excise duty. We have gone through the records of the case as well as the findings of the adjudicating authority in this regard. We are of the view that since the adjudicating authority has given detailed findings that all the goods covered by 25 kachha parchis have been cleared on payment of duty, we find no reason to take a different view..."*

*9. Clandestine clearance is a serious allegation and needs to be established on the basis of tangible evidence. It is well established fact that only on the basis of the inculpatory statement, the charges of clandestine clearance cannot be upheld. The inculpatory statements given by the General Manager and Director also do not specifically cover the seven parchis. In the absence of any corroborative evidence to indicate that the goods covered by seven parchis were cleared by the appellant, we are of the view that the charge of clandestine clearance and demand of duty cannot be sustained..."*

The High Court noted that the valuation of seven parchis which were found would come to less than 50 lacs and in view of the Circular of the Department dated 11.7.2018 laying down new monetary limits for filing appeals before the High Court, the High Court was not inclined to interfere in the appeal.

Concluding that no substantial questions of law arises, the Revenue appeal was dismissed.

### **Ex-staff can start rival business**

A clause in an employment contract barring its employees from competing with the firm for one year after leaving the job will be void as it runs counter to Section 27 of the Contract Act. The Delhi High Court stated so in its judgment, Navigators Logistics Ltd Vs Kashif Quershi. In this case, the firm filed suits against several of its former executives stating that they had been privy to the database developed by it in the field of logistics and freight forward services. It had copyright in the contents of the database. But later these employees left the firm and set up a competing business. This was against the terms of the employment contract, which barred competition for one year. The ex-employees denied any copyright or confidential information in their possession. They only had the list of clients of the firm and that information was in public domain. The High Court accepted the ex-employees' defence and stated that the firm had no copyright in the database. Moreover, Section 27 of the Contract Act barred "every agreement by which anyone is restrained from exercising a lawful profession, trade or business of any kind". The High Court also observed in its judgment that a large number of such suits are being filed seeking injunctions against former employees without providing specifics, which makes it difficult for the Court to pass orders against the alleged violators. The suits only contained "high-sounding / phrases which in fact have no content or meaning", the judgment observed.

### **Reinstated staff can't have back wages: SC**

An employee has no right to back wages merely because the court has set aside his dismissal and returned his old job, the Supreme Court held in a judgment. "A workman has no right to claim back wages from his employer as of right only because the court has set aside his dismissal order in his favour and directed his reinstatement in service," a Bench of Justices A.M. Sapre and U.U. Lalit held in a judgment pronounced. Justice Sapre, for the Bench, held that it was necessary for the workman in such cases to plead and prove with the aid of evidence that after his dismissal from the service, he was not gainfully employed anywhere and had no earning to maintain himself or his family. "The employer is also entitled to prove that the employee was gainfully employed during the relevant period and hence not entitled to claim any back wages. The court can deny back wages in its entirety or award it partially depending on the facts of each case." The court laid down the law while pronouncing judgment in the case of Phool Chand, who is now represented by his legal representatives, against the Rajasthan State Road Transport Corporation. Chand, a driver, was dismissed from service after holding a departmental inquiry on the ground of dereliction of duties. Both the labour court and the Rajasthan High Court set aside the driver's dismissal and directed the Corporation to pay him or his legal representatives full back wages. The Rajasthan State Road Transport Corporation had first appealed to the Supreme Court seeking its direction.

## 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	28.09.2018	21.09.2018	14.09.2018	07.09.2018	31.08.2018	24.08.2018	17.08.2018
ICS-101 (Bengal Deshi (RG) / Assam Comilla)	43800	43700	43700	43700	44500	44800	44800
ICS-201 (Bengal Deshi (SG))	44300	44200	44800	44200	45000	45300	45300
ICS-102 (V-797)	33000	33100	33400	33000	33200	33600	33300
ICS-103 (Jayadhar)	36500	36500	36600	36200	36400	36600	36200
ICS-202 (J-34)	43800	44200	45000	45300	45900	46100	45900
ICS-105(LRA-5166)	44000	44400	45200	45500	46100	46300	46100
ICS-105 (H4-Mech 1 - Guj)	45300	45600	46300	46100	46600	46600	46700
ICS-105 (Shankar – 6 (Guj))	46600	46800	47500	47300	47700	47800	47700
ICS-105 (Bunny / Brahma)	47200	47200	48000	48100	48400	48400	48500
ICS-107 (DCH 32)	58400	57900	59000	59000	59000	59200	59500

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

Source: CAI

#### Cotton Yarn (Rs/Kg – Taxes Extra)

Count	28.09.2018	21.09.2018	14.09.2018	07.09.2018	31.08.2018	24.08.2018	17.08.2018
<b>Hank Yarn</b>							
20s	219	219	219	219	219	219	219
30s	236	236	236	236	236	236	236
40s	259	259	259	259	259	259	259
60s K	254	254	254	254	254	254	254
60s C	327	327	327	327	327	327	327
80s C	401	401	401	401	401	401	401
<b>Cone Yarn</b>							
20s	220	220	220	220	215	215	215
30s	225	225	225	225	225	225	220
40s	230	230	230	230	230	230	225
60s K	285	285	285	285	285	285	284
60s C	315	315	315	315	315	315	315
80s C	375	375	375	375	377	377	377

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

## CIRCULARS ISSUED DURING THE FORTNIGHT

S. No.	Cir.No.	Date	To	Subject
1)	287/2018	17.9.2018	All Member Mills	Issues pertaining to pending IGST and ITC refunds – reg
2)	287-A/2018	17.9.2018	Member Mills in Coimbatore Region	QCFI Coimbatore Chapter Convention Programme – reg
3)	288/2018	17.9.2018	All Member Mills	Open House Session with Member GST, CBIC, New Delhi on 20.9.2018 at Coimbatore – reg
4)	288-A/2018	18.9.2018	Member Mills in Tamilnadu	Global Investors Meet 2019 – Discussion about the proposed investment Target on 24.9.2018 at SIMA, Coimbatore – reg
5)	289/2018	18.9.2018	All Member Mills	Weekly cotton prices for 10.9.2018 to 15.9.2018 - reg
6)	289-A/2018	19.9.2018	Member Mills in Tamilnadu	High Court Order on Deemed demand benefits for OA consumers – reg.
7)	289-B/2018	19.9.2018	Member Mills in Tamilnadu	E-tax issue before the Hon'ble Supreme Court of India – reg
8)	289-C/2018	20.9.2018	Member Mills in Tamilnadu	Reply draft letter to the power producer for their enhancement – reg
9)	290/2018	20.9.2018	All Member Mills	Special drive for cleanliness "Swachhta hi Seva" during September 15 – October 2, 2018 – reg
10)	291/2018	25.9.2018	All Member Mills	Disposal of spinning machinery by Sree Satyanarayana Spg Mills – reg
11)	292/2018	25.9.2018	All Member Mills	ESIC - Press release - improvements in Services and benefits for IPs / Dependants – reg
12)	292-A/2018	25.9.2018	Member Mills in Tamilnadu	Draft reply letter to be sent to the power producer for revision of tariff–reg.
13)	292-B/2018	25.9.2018	Member Mills in Tamilnadu	TANGEDCO Instruction on generation of wind energy statement - reg
14)	293/2018	25.9.2018	All Member Mills	Weekly cotton prices for 17.9.2018 to 22.9.2018 - reg
15)	293-A/2018	26.9.2018	Member Mills in Tamilnadu	E-tax issue before the Hon'ble Supreme Court of India – reg
16)	293/2018	26.9.2018	Member Mills in Tamilnadu	Madurai High Court reserved the order on CGP Appeal – reg
17)	293-C/2018	28.9.2018	Member Mills in Tamilnadu	High Court Order on Deemed demand benefits for OA consumers – reg.
18)	293-D/2018	28.9.2018	Member Mills in Kerala	Consumer Price Index Numbers for July 2018
19)	293-E/2018	29.9.2018	Member Mills in Tamilnadu	Reply draft letter to M/s. Arkay Energy (Rameswaram) Ltd for enhancement of power tariff
20)	294/2018	29.9.2018	All Member Mills	Disposal of Generators by M/s. Lakshmi Saraswathi Cotton Mills (P) Limited



