



## The Southern India Mills' Association

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### NEWS CLIPPINGS –08-01-2018

<b>Apparel and textiles park to come up near Patna: Sushil Modi</b>	<b>Times of India</b> <a href="https://timesofindia.indiatimes.com/business/india-business/apparel-and-textiles-park-to-come-up-near-patna-sushil-modi/articleshow/62369166.cms">https://timesofindia.indiatimes.com/business/india-business/apparel-and-textiles-park-to-come-up-near-patna-sushil-modi/articleshow/62369166.cms</a>
<p>An apparel and textiles park will be set up on the outskirts of the state capital for which a land tract spread over more than 100 acres has been earmarked, Bihar Deputy Chief Minister Sushil Kumar Modi said here today. Speaking after the inauguration of a three-day fair organized by the Bihar Readymade Garments Association, Sushil Modi said 115 acres of land have been earmarked in Bihta for the proposed park. The park will be set up as part of the state government's policy to promote textiles, leather, Information Technology and food processing, he said.</p> <p>The Deputy CM, who also holds the finance portfolio, said a number of incentives were being offered to those willing to invest in the state which include exemption from land registration and conversion fees and a 10 per cent grant on interest payable on bank loans. "Also on offer are 100 per cent refund on SGST (state goods and services tax), 50 per cent assistance on the amount payable towards EPF and ESI and a skill development subsidy of Rs 20,000 per employee from Bihar", he said. The Deputy CM appealed to readymade garment producers to invest in Bihar, stating that the sector had immense potential for job creation and pointing out that 90 per cent workers employed in the sector at places like Mumbai and Bengaluru hail from the state.</p>	

<b>GST: Anti-profiteering complaint form is expected to become simpler</b>	<b>Business Standard</b> <a href="http://www.business-standard.com/article/economy-policy/gst-anti-profiteering-complaint-form-is-expected-to-become-simpler-118010800033_1.html">http://www.business-standard.com/article/economy-policy/gst-anti-profiteering-complaint-form-is-expected-to-become-simpler-118010800033_1.html</a>
<p>The government is looking at simplifying the anti-profiteering application complaint form to allow the public to file profiteering complaints against firms</p> <p>Filing complaints against companies for not passing the benefits of tax reduction under the goods and services tax (GST) regime is expected to become simpler.</p>	

The government is looking at simplifying the anti-profiteering application complaint form to allow the public to file profiteering complaints against firms. The chairman of the anti-profiteering authority, B N Sharma, has asked the standing committee, part of the anti-profiteering mechanism, to suggest a simplified version of the form. “We understand the current application form is a little complicated for a layman. We are in the process of simplifying it. The standing committee is looking into the matter. Meanwhile, people can take help of tax authorities to file a complaint,” Sharma told *Business Standard*.

The current format of the complaint form requires detailed information such as sale price, taxes (both before and after GST), benefits of input credits, etc, making it tough for a common man to file a complaint. Besides, one is required to fill in details such as GST identification number of the company and the six-digit harmonised system of nomenclature (HSN) code of the products. A separate application needs to be filed for each good or service for which anti-profiteering is alleged, making the process tedious. The anti-profiteering authority has so far received 169 complaints alleging that suppliers of goods or services have not passed on the GST benefits to customers.

Director General of Safeguards, the investigative arm of the department of revenue, has sent out notices to Pyramid Infratech, Honda Motor Vehicles, Lifestyle International and Hardcastle Restaurants (the master franchisee of McDonald’s) for not passing on the benefit of the GST to the final consumer. It has asked these firms to provide their balance sheets, trial balance and profit and loss accounts for the past one year.

The anti-profiteering mechanism is a three-stage process — state-level screening committee for local complaints and a standing committee for national-level complaints; investigation by the Directorate General of Safeguards, and a probe by the decision-making body, the the National Anti-Profiteering Authority. Pratik Jain of PwC India said there was certainly a need to simplify the form for consumers. “Once a prima facie case is established, the details can then be sought from the business concerned. The entire methodology of conducting the investigation needs to be relooked, including the information being sought from the businesses.” According to the rules, “Benefits of input tax credit should have been passed on to the recipient by way of commensurate reduction in prices.” The Confederation of Indian Industry (CII) has argued that this definition was not clear and that discretionary bias might creep in. “The rules say benefit of input tax credit should have been passed on to the recipient by way of commensurate reduction in prices. However, as this definition is not clear, discretionary bias may creep in,” a PTI report quoting CII said.

It pressed for clear guidelines on anti-profiteering for the industry as it could lead to hardship for smaller players. “Another challenge is complicated compliance. The government would need to compare the cost of every product

before and after GST to determine the amount of tax benefit applicable. Manufacturers or suppliers may also deal in several products that are not distinguished in their accounting books, so that determining price margins for individual products will be difficult,” CII says. “Tax authorities will need to be sensitive to natural business outcomes and avoid undue harassment. Also, the clause gives relatively less time for preparation and adoption of the new provisions.” Bipin Sapra of EY said: “While simplification of the complaint form would make it easy to file complaints for the common man, it is important for the government to do preliminary verification before initiating an inquiry to avoid undue hardship to industry.”

<b>Indian yarn spinners to see gradual recovery in FY18: ICRA</b>	<b>Fibre 2 Fashion</b> <a href="http://www.fibre2fashion.com/news/textile-news/indian-yarn-spinners-to-see-gradual-recovery-in-fy18-icra-239924-newsdetails.htm">http://www.fibre2fashion.com/news/textile-news/indian-yarn-spinners-to-see-gradual-recovery-in-fy18-icra-239924-newsdetails.htm</a>
<p>Indian spinners are likely to see a gradual performance recovery beginning 2017-18 last quarter after facing multiple problems over the last several quarters that resulted in their profitability touching six-year lows in the previous two quarters, according to a report by credit rating agency ICRA. Cotton yarn demand is also expected to gather strength.</p> <p>The performance improvement is expected to be aided by a downward bias in cotton prices amid healthy cotton crop and an upward bias in yarn realisations due to demand restoration, said Jayanta Roy, senior vice president and group head, corporate sector ratings, ICRA.</p> <p>ICRA believes the uptick in cotton prices in recent weeks to be an aberration in light of slower-than-usual arrivals in the leading cotton producing state Gujarat owing to elections and pest attack-related concerns. These concerns are unlikely to considerably affect crop quantity and quality and the arrivals are likely to pick up in the fourth quarter of the current fiscal. Domestic prices are likely to remain 10 to 12 per cent lower than average cotton price during the twelve month period ending September 2017, a leading Indian business daily reported citing the ICRA report.</p> <p>Better clarity on export incentives for textile goods in recent weeks is likely to support India's overall textile exports and demand restoration from the fourth quarter onwards, Roy said. The cotton yarn demand is also likely to gather strength from restoration of domestic demand following the temporary disruption caused by the transition to the goods and services tax (GST) regime, and higher exports to one of India's key export markets, China, before re-launch of its cotton auctions in March 2018. However, credit profiles of spinners remain stable despite the weak performance, the report added.</p>	

Big-time apparel exporters from Ludhiana in Punjab, who export knitwear worth thousands of crores to western countries have agreed to come to Bihar and set up manufacturing units, which will generate employment for over 20,000 textile workers in the state. The deal was clinched after four top entrepreneurs from Ludhiana arrived in Patna and held a meeting with industries department principal secretary S Siddharth, Bihar Industrial Area Development Authority (Biada) managing director R.S. Shrivastava and several other officials.

Harish Dua, president of Knitwear and Apparel Exporters Organisation, a permanent invitee of Apparel Export Promotion Council and owner of KG Exports, Narinder Chugh of Million Exports, Rajat Sood of Oriental Dyeing and Pawan Garg of Worldwide Textiles Private Limited were present in the delegation from Ludhiana. These knitwear and apparel manufacturers cater to large brands and retail companies like Spencer's Retail, Walmart, GAP and sellers as well as designers in France, Germany, US and other developed countries. They also met a delegation of Bihar Chamber of Commerce and Industries led by its president P.K. Agrawal. "The delegation of apparel manufacturers has agreed to come to Bihar and establish manufacturing units. Sixteen of them will come here. We will provide them all possible help and facilities and expect 20,000 to 22,000 jobs to be created as apparel manufacturing is a labour intensive industry," Siddharth said.

The Ludhiana entrepreneurs will return on Sunday and call a meeting of their association. They will make a roadmap of their plans to set up units in Bihar and accordingly submit proposals to the State Investment Promotion Board (SIPB). The state government is expected to provide subsidised land to them.

Siddharth added that if the project fructifies, it will "bring a revolution in the state and will have a very positive impact on employment and investment climate".

The industries department had approached the Ludhiana entrepreneurs and invited them to Bihar, which has a long tradition of textile, handloom, silk, khadi and weaving.

"We are ready to come to Bihar as the state government has assured security for us. We were apprehensive about rangdari (extortion) as the state in the past had an image of lawlessness. We are happy to see the way things have changed here," Chugh said. On the other hand, Dua said he was impressed by the weaving skills of craftsmen in Bihar and pointed out that 75 per cent of the workforce in apparel industry in Ludhiana was from Bihar.

Exports of ready made garments from the country during first five months of current financial year grew up by 14.69 percent as compared the exports of the corresponding period of last year. During the period from July-November, 2017-18 about 15,008 thousand dozens ready made garments worth of US\$ 1.18 billion exported as against the exports of 13,466 thousand dozen valuing of US\$ 88.456 million of same period last year, according the data of Pakistan Bureau of Statistics. Meanwhile, knitwear exports from the country also increased by 12.07 percent, as it was recorded at 47,549 thousand dozen worth of US\$ 1098 million, which stood at 42,137 thousand dozen valuing of US\$ 980.489 million of same period of last year.

During the period under review, country earned US\$ 947.517 million by exporting bed wear as compared the exports of US\$ 888.448 million of same period last year hence showing an increase of 6.65 percent. In last five months of current financial year, exports of made up articles (excluding towels and bed wear) also increased by 7.92 percent, from \$261.272 million to \$281.967 million.

About 73,670 metric tons of towels valuing US\$ 317.357 million exported in last five months against the exports of 76,962 metric tons worth of US\$ 317.769 million of same period last year. It may be recalled here that textile exports from the country increased by 7.66 percent during the first five months of current fiscal year as against the exports of the corresponding period of last year. The overall textile exports from the country were recorded at \$5.510 billion during July-November (2017-18) against the exports of \$5.118 billion during July-November (2016-17).