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ANNOUNCEMENT FOR THE MEMBERS

- 1) TED Refunds (2nd Lot of Payment) are planned the releasing for Gujarat Spinning Mills and expected by 2nd week of May 2019
- 2) Gujarat IC Department is in receipt of the Fund further to proceed the credits by 2nd week of May 2019

Current Update :

GIC Re raises premium for 8 industry categories

After having underwritten losses for many years, the national reinsurer General Insurance Corporation of India (GIC) has increased premiums payable in eight industrial categories on manufacturing rubber goods, plastics, textiles, chemicals...

The rates are increasing by three to nine times above the current rates. The new pricing has to be based on the actual loss experience of risks which sometimes may exceed 200%. The premium rates imposed on the insurers is based on the burning cost and the insurer's management fees.

In fact, these increases only account for eight per cent of the company's portfolio and are part of the property insurance segment. The direct insurers will then be able to place risks within other reinsurers if they do not intend to follow GIC's recommendations. OUR BOARD IS PREPARING THE REPRESENTATION POINTS TO TAKE IT UP FURTHER ON A FEW OPTIONS TO APPEAL THE REASONABLE COST LOAD.

RBI to issue revised circular on NPA resolution before Lok Sabha election results

The Reserve Bank of India is expected to issue a revised circular over resolution framework of stressed assets before the results of the 2019 Lok Sabha election are declared. The revised circular is unlikely to attract any action on account of the Model Code of Conduct as the central bank's monetary policy is out of its purview.

The revised circular regarding NPA resolution is in the advanced stage and would be released before the election results are out, the news agency reported. The counting of votes for the 2019 Lok Sabha election is scheduled for May 23.

The RBI is looking into all the concerns raised by various stakeholders including banks and power sector companies and may look to tweak the circular without diluting it completely so that the momentum towards resolution of stressed assets is not affected, sources said.



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**F. No. CBEC – 20/16/04/2018 – GST GST Policy Wing Circular No. 98/17/2019-GST
(23.04.2019) Ref Circular in attachment**

The newly inserted Section 49A of the CGST Act provides that the input tax credit of Integrated tax has to be utilized completely before input tax credit of Central tax / State tax can be utilized for discharge of any tax liability. Further, as per the provisions of section 49 of the CGST Act, credit of Integrated tax has to be utilized first for payment of Integrated tax, then Central tax and then State tax in that order mandatorily. This led to a situation, in certain cases, where a taxpayer has to discharge his tax liability on account of one type of tax (say State tax) through electronic cash ledger, while the input tax credit on account of other type of tax (say Central tax) remains un-utilized in electronic credit ledger.

(Upender Gupta)
Principal Commissioner (GST)

NEWS : NATIONAL / INTERNATIONAL

No input tax credit if GST returns not filed, says Telangana HC.

The company had delayed filing the GST returns from July 2017 to May 2018 when its tax liability added up to Rs 1,014 crore.

The Telangana High Court has ruled that no input tax credit (ITC) is available unless GST returns are filed and a taxpayer is liable to pay penalty on the entire liability. The ruling is expected to have a significant impact on all businesses that use tax credits available on inputs and raw materials to reduce payment in cash. "...until a return is filed as self-assessed, no entitlement to credit and no actual entry in the electronic credit ledger takes place. As a consequence, no payment can be made from out of such a



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credit entry," Justices V Ramasubramanian and P Keshava Rao said in a case involving Megha Engineering & Infrastructures and GST Authorities. The company had delayed filing the GST returns from July 2017 to May 2018 when its tax liability added up to Rs 1,014 crore. It had ITC of Rs 968 crore and it claimed that the shortfall was to the tune of Rs 45 crore. While the tax authorities demanded 18% interest on the entire amount, Megha Engineering argued that interest should only be calculated on the net tax liability, after deducting ITC from the total liability. The court upheld the department's view.

"The ruling has very wide implication as almost all taxpayers, who delayed filing returns and have paid interest only on cash payment of tax and not on the GST amount set off by them through ITC. The issue will open floodgate of litigation and demands of interest by GST officials are imminent. Even CAs while auditing Annual GST Returns, which have to be filed by June 30, may be required to point out short payment of interest due to delayed set off," said tax lawyer RS Sharma. Tax experts said that companies were relying on VAT rulings and clearing cash dues to employees and suppliers before paying GST and the ruling will change this practice. "Businesses should be very cautious in understanding the distinction between the VAT position and the GST position as the consequences could be very severe. This decision states this aspect very clearly," said M S Mani, partner at Deloitte India.

High growth achieved by India not possible without job creation:Amitabh Kant.

Niti Aayog CEO Amitabh Kant India has been growing at more than 7 per cent rate and this could not have been achieved without adequate job creation. Speaking on the sidelines of a PHD Chambers of Commerce event, Kant said that when non-NDA ruled states like Karnataka and West Bengal are claiming that jobs are being created, then it was not possible that at all India level, employment is not being generated. "How is it possible that we are having 7.5 per cent growth and jobs are not being created? It is not possible. "... If West Bengal and Karnataka are saying that jobs have been created in their respective states, then how it is possible that at the national level there is no employment generation," he pointed out.

GST refunds for exporters can now come in 3-4 days: CEPC's Mahavir Pratap Sharma

Brighter days are there now with the process being seamless if all returns are duly filed. "Now, for the GST refund, if one is filing all returns in a perfect manner, if shipping bills are filed, if the shipment is on board and exported, then I think the refunds will take 3-4 days and I think everyone is getting their refunds very easily," says Sharma. There is a caveat though. For exports made under Letter of Undertaking (LUT) which is against a custom bond, exporters can claim refunds of input tax credit on goods and services that aren't utilised. "In such a situation, the money may be stuck for 3, 4 or even 15 days. So the [LUT](#) bit is still cumbersome with the paperwork to a certain extent required to be filed in the local office of the GST or the customs, whichever area that your unit falls under. That might take a few weeks to come by," highlights Sharma.

There was also buzz about an e-wallet system under the GST last year which would come in handy for exporters facing [working capital](#) crunch with delayed GST refunds. However, this is yet to come through.



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Efforts on to promote speciality fibre in India

The Union Ministry of Textiles is in discussions with other countries to support the Indian textile industry with technology for speciality fibre and related products. The government is in talks with the Japanese Government and is also discussing with some companies in the U.S. in this regard.

ITMF publishes global textile production cost comparison

The International [Textile](#) Manufacturers Federation (ITMF) has published International Production Cost Comparison (IPCC) for 2018. The IPCC is designed to trace the implications of the growing capital intensity in the primary textile industry. The 2018 edition adds 'finishing' to the historical cost analysis in spinning, draw texturing, weaving, and knitting.

The IPCC describes manufacturing and total costs of yarn/fabric broken down into various cost elements at different stages of the textile value chain. For the first time also, the geographic coverage in the latest edition counts Pakistan and Bangladesh, besides Brazil, China, Egypt, India, Indonesia, Italy, Korea, Turkey, the US, and Vietnam.

Sintex & A.T.E set up textile processing project in India

Sintex, a textile group in Gujarat, has set-up a Greenfield processing project for processing cotton and linen, both in yarn and fibre, with a capacity of 30 tons/day in Amreli district. Sintex has entrusted a significant responsibility to German textile machinery firm, A.T.E., for this new project. The project is currently under execution. The project also includes a fully automatic dyes and chemicals dispensing solution from Color Service, Italy, a leader in the field of dispensing systems, according to a press release by A.T.E. This is one of the largest package dyeing projects executed by A.T.E. and this new yarn dyeing project is set to be the next milestone in A.T.E.'s long association with Sintex.



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TECHNICAL CORNER

Three-days Executive Development Program for Textile & Apparel Industry from June 5-7, 2019 at NITRA, Ghaziabad.

HIGHLIGHTS OF DELIBERATIONS HELD AT THE CROP COMMITTEE MEETING OF COTTON ASSOCIATION OF INDIA ON 8TH APRIL 2019 BY CAI

Crop Committee of Cotton Association of India (CAI) and based on the data available from various trade sources, upcountry associations and other stakeholders arrived at its March estimate of the cotton crop for the 2018-19 season beginning on 1st October 2018 and drew estimated cotton balance sheet.

The following are the highlights of the deliberations at the said meeting:-

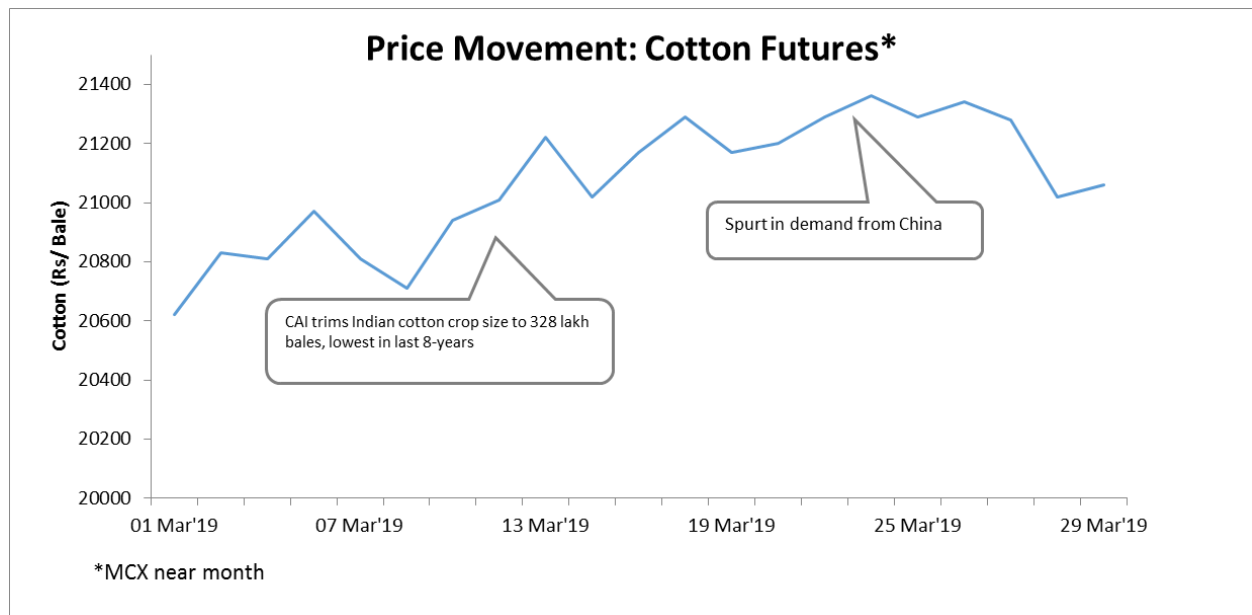
- 1) The cotton crop estimate for the season 2018-19 is reduced by 7 lakh bales to 321 lakh bales from the CAI's previous month estimate of 328 lakh bales.
- 2) The projection of cotton export for the season is reduced from 50 lakh bales to 47 lakh bales on account of prevailing higher prices of Indian cotton and smaller crop size. Last year, cotton exports from India were 69 lakh bales.
- 3) Import of cotton has projected at 27 lakh bales compared to the last year's import of 15 lakh bales. Indian mills have to resort to import compulsorily to cater to their needs and to continue running their day today operations.
- 4) Estimate of yearly consumption is maintained at 316 lakh bales.
- 5) Indian cotton arrivals during the months of October 2018 to March 2019 are estimated at 255.83 lakh bales.
- 6) Shipment of imports during the months of October 2018 to March 2019 are estimated at 6.17 lakh bales.
- 7) Cotton export shipments during the months of October 2018 to March 2019 are estimated at 39 lakh bales.
- 8) Consumption by Indian spinning mills during the months of October 2018 to March 2019 is estimated at 158 lakh bales.
- 9) Cotton stock held by mills in their godowns on 31st March 2019 is estimated at 45.85 lakh bales. This means the mills are having 53 to 55 days stock.
- 10) CCI, MNCs, Ginners and MCX are estimated to have stock of 47.15 lakh bales as on 31st March 2019.



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- 11) Thus, total stock held by spinning mills and stockists on 31st March 2019 is estimated at 93 lakh bales of 170 kgs. each which is equal to around 98 to 100 lakh running bales.
- 12) Due to small crop size and a very tight cotton balance sheet, closing stock as on 30th September 2019 is estimated by the Committee at 13 lakh bales of 170 kgs. each.

Cotton, Yarn, Waste Prices





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Members Corner:

Achievement

Feedback

New member intro

Member Joined

- 1) Himalya Cotton Yarn Limited, Surat (PC Yarn) (22608 Spindles) DOJ
16.04.2019 - CC Rajnikantbhai

Mr Raviraj Desai (M) +91 9137077077

Expected Joining

- 1) Recon, Surat - CC Rajnikantbhai
- 2) Accura, Wankaner (OE) (1920 Rotors) – CC Richibhai

Members Interested to Know

**** May 2019 Event planned by GCCI to invite Branded Companies of Textile & Apparel in Gujarat to have close interaction with the Gujarat Industries – where SAG will be involved appropriately.**



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SPIRITUAL TALKS

Why has God created the universe? What is the purpose of creating us?

The Master of all creation can best answer that. But the understanding is that the Supreme One loved us so much that He willed us into existence. All creation is an outpouring of His love. We are an expression of His infinite love. The selfsame love is manifest in every aspect, in every atom of the universe. As a part of Him, we too, in essence are simply love.

According to the *Vedas*, the Supreme felt a need to manifest in the world. Thus, was born the idea of creation. Life first appeared as a 'big bang' or explosion, reveal the *Vedas*. Then, the One, manifested as many — the many wonders of creation. God's love is the life-breath within each of us and every living thing that abounds. Born of God's love, we are heirs to His legacy. Why not live life magnanimously like our divine parent? Everything God created, fills us with awe, is vast and larger than life. Yet, we fail to grasp the lesson. Sharing the same cosmic DNA, we are meant to be lofty, to rise above small thought.

It's a shame; we are so caught up with the trivial, with the gross and the inconsequential, that we forget our powerful lineage. Thus, instead of a fulsome life, we live in the margin.

At some point we all question ourselves: 'What is the purpose of my life?' The answer is simple but we complicate everything. We imagine it to be something so deep and far-fetched that we may discover it only at the end of our life. For instance, moksha post death! In reality, all you need to do is live in the present; revel in the moment; live with love, joy, bliss and awareness. That's purposeful living.

Written by : Yogacharya Surakshit Goswami



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EVENT UPDATES

MAY 2019

- 16-18 **YIWUTEX**
Zhejiang / China
www.zhejiangtextile.com
- 14-17 **Techtextil / Texprocess**
Frankfurt/ Germany
techtextil.messefrankfurt.com

JUNE 2019

- 3-5 CINE
Shanghai/ China
www.cine-shanghai.com
- 6-8 **NON WOVEN TECH ASIA 2019**
Delhi / INDIA
www.nonwoventechasia.com
- 20-26 **ITMA 2019**
Barcelona, Spain
www.itma.com