



# Fortnightly E-REVIEW

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## NEWS HIGHLIGHTS ➤➤➤

- ❖ **India-Chile FTA: A strategic push for Indian textiles in South America**
- ❖ **Demand steady for Polyester, Viscose yarn in India; prices up in Surat**
- ❖ **China's apparel exports to Africa twice the imports in Jan–Mar 2025**
- ❖ **US textiles and apparel imports grow 8.78% to \$35 Billion in Jan-Apr 2025**
- ❖ **EU Cotton T-Shirt Market: Trends, Growth and Export Opportunities**
- ❖ **Slow exports, tariff woes keep South India cotton yarn prices steady**
- ❖ **EU FTA in 30-60 days, Indian minister tells Swissmem Industry Day meet**
- ❖ **Addressing key issues aim of Indian Task Force on Textiles Exports**

## REPRESENTATIONS ➤➤➤

- ❖ Vide a representation dated 2<sup>nd</sup> June 2025 an appeal was made to the Hon'ble Union Minister of Finance Smt. Nirmala Sitharaman to remove 11% import duty on all cotton varieties to regain and grab the global market opportunities in cotton textiles
- ❖ The Association vide a representation dated 4<sup>th</sup> June 2025 submitted comments/suggestion on Draft TNERC RPO Notification dated 21<sup>st</sup> May 2025.
- ❖ Clarification sought on the recent Amendment made to the Tamil Nadu Hostel and Homes for Women and Children (Regulations) Rules, 2015 vide a representation dated 9<sup>th</sup> June 2025 submitted to Tmt Jayashree Muralidharan IAS, Secretary to Government, Department of Social Welfare and Women Empowerment, GoTN.

## MEETINGS ➤➤➤

**Secretary General met Textiles Secretary on 11<sup>th</sup> June 2025 and discussed key policy interventions required to boost textile industry growth includes,**

- Exempting all cotton varieties from 11% import duty to regain and grab the global market opportunities in cotton textiles
- Mission for Cotton Productivity
- Proposed scheme for alternate to TUFS
- Cost effective and sustainable hank yarn scheme for handloom sector
- Alternative Scheme to fulfill Hank Yarn Obligation

- Need for addressing anomalies in the SION applicable for certain textile products
- Cotton Bale Quality Control Order– Appeal to defer the implementation
- Appeal to recommend for Comprehensive Study prior to Implementation of QCO for Textile Machines (Weaving and Embroidery Machines), etc.

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## TEXTILE SCENE ➤➤➤

### India-Chile FTA: A strategic push for Indian textiles in South America

- India and Chile have recently concluded their first round of negotiations for a free trade agreement (FTA), signalling the beginning of a Comprehensive Economic Partnership Agreement (CEPA)
- India – Chile FTA offers a growth opportunity for Indian textile exports, currently forming 20% of India's exports to Chile
- While India faces stiff competition, tariff reductions could boost its competitiveness, especially in technical textiles and fabric exports
- To capitalise, India must upgrade production, tackle logistical constraints and strengthen transhipment routes.

### Addressing key issues aim of Indian Task Force on Textiles Exports

- The primary objective of the Task Force on Textiles Exports is to create a unified platform to address critical issues of the textile sector by involving all relevant stakeholders, Indian Commerce Secretary Sunil Barthwal told the first meeting of the task force held in Delhi on 10<sup>th</sup> June 2025.
- That would help resolve issues and formulate strategies for enhancing India's share of textile exports globally.

### EU FTA in 30-60 days, Indian minister tells Swissmem Industry Day meet

- An FTA between India and the EU being negotiated since 2022 could be sealed in a month or two, and the pact, along with other similar engagements, will insulate India from geopolitical changes in the rest of the world, Indian Commerce and Industry Minister Piyush Goyal has said in Bern.
- Foreign Minister S Jaishankar told the German Marshall Fund Forum in Brussels the FTA is feasible by 2025 end.

## GLOBAL TEXTILE SCENE ➤➤➤

### China's apparel exports to Africa (rose 20% yoy) twice the imports in January – March 2025

- Africa accounted for 5.6% of China's apparel exports but only 2.3% of its imports in Q1 2025, reflecting a continued trade imbalance.
- Apparel trade data across 2022-2024 also shows consistently higher export volumes to Africa than imports, indicating China's dominant supplier role in African garment market.

## **US' textiles and apparel imports grow 8.78% to \$35 Billion in Jan-Apr 2025**

- Apparel imports led this growth, increasing by 10.67 per cent.
- While China remains the top supplier, its market share slightly decreased.
- India and Bangladesh saw significant surges in apparel imports, while imports from Honduras and Italy declined.

## **EU Cotton T-Shirt Market: Trends, Growth and Export Opportunities**

- The EU cotton T-shirt market is projected to reach \$16.36 Billion in 2025, driven by rising demand and stable inflation.
- Bangladesh, Vietnam and Pakistan are gaining ground as key exporters amid China's decline
- Emerging EU markets like Poland, Romania and Ireland offer strong export opportunities
- Sustainability and trade alignment remain crucial for growth.

## **RAW MATERIAL**

### **Demand steady for Polyester, Viscose yarn in India; prices up in Surat**

- India's MMF yarn market showed mixed trends.
- Polyester specialized yarn rose in Surat due to strong weaving demand and higher PSF prices, while PC and spun yarn demand stable in Ludhiana.
- North India's cotton prices slipped amid weak demand and ICE pressure.

### **Slow exports, tariff woes keep South India cotton yarn prices steady**

- Cotton yarn prices remained steady in South India amid weak sentiment
- Slow export order, tariff uncertainty and labour shortage are dampening trade
- Mills are resisting price cuts despite margin pressure
- Demand in Mumbai and Tiruppur stays muted
- MSP support announced by the Government has steadied cotton prices, but fresh buying remains cautious across markets.

### **ICAC holds world cotton production at 26 Million tonnes, consumption at 25.7 Million tonnes**

- ICAC projects steady global cotton production and consumption in 2025–26 at around 26 Million tonnes and 25.7 Million tonnes, respectively. Trade is expected to rebound to 9.65 Million tonnes.
- Production gains in Brazil, US and West Africa may be offset by a decline in China. Consumption faces pressure from tariffs and competition.
- The A Index price forecast ranges between 56–95 cents per pound.

## CHAT BOX ➤➤➤

### GST

- Sale of “Duty Credit Scrips” issued under various export promotion schemes (MEIS, RoDTEP etc) is exempt from GST. Should proportionate credit of GST paid on inputs and services used in relation to duty credit scrip (common credit) be reversed?**

No,

The value of Duty Credit Scrips should not be considered as part of the value of exempt supply, while calculating GST ITC reversal in relation to common inputs/input services, used in the manufacture of taxable and exempt goods.

Ref: Notification 14/2022-CT dated 5.7.2022 and the Order passed by the Authority for Advance Ruling (AAR), Telangana in the case of M/s. Kaveri Exports

- GST Department conducts audits spanning several years and issues a consolidated Show Cause Notice (SCN) for all the audit periods. Can a single SCN be issued for multiple assessment years?**

No:

- The proper officer should issue separate SCNs to cover different financial years, as the time limit applicable for adjudication of the SCNs is based on the due date of furnishing of Annual Return.
- Consolidated SCNs covering multiple assessment years can only be issued when there is a common period for initiation and completion of the adjudication.

Ref: Sections 73 & 74 of GST Act/Joint Commissioner (Intelligence & Enforcement) Vs M/s Lakshmi Mobile Accessories (Kerala High Court)

- Can both Late Fee and General Penalty be charged for belated filing of GST Returns?**

- The Madras High Court has ruled that taxpayers cannot be charged both a late fee (Rs. 200 per day subject to a maximum late fee of Rs. 10,000/-) and a general penalty (Rs. 50,000) for delayed filing of GST Returns.
- General penalty is imposable only in the event where there is no prescription of specific penalty for a default under the Act.

Ref: Sections 47 & 125 of GST Act/ Tvl. Jainsons Castors & Industrial Products vs. The Assistant Commissioner (ST)

- What is the status in GST for sale of used Air Conditioner by the textile manufacturer, which was used in the office building?**

Scenario	GST Rate and credit status
Sold as scrap (non-functional)	18%/credit eligible
Sold as second-hand (functional)	28%, payable on the difference in purchase and sale value, if no credit was availed at the time of purchase

Scenario	GST Rate and credit status
Sold to unregistered individual (scrap merchant)	18% under RCM, since also contains metal scrap
Sold by unregistered individual (purchased in the personal name of the MD)	NIL/GST not applicable

Ref: HSN Code 7204 (for metal scrap) / Rule 32(5) of CGST Rules, 2017 (margin sales)

**5. When the vehicle carrying the goods reaches the place of destination during the period of validity of e-waybill itself (before the expiry), but the vehicles could not be unloaded on the same day and were being unloaded on the following day, should the e-way bills be valid even at the time of unloading?**

- Unloading of transported goods without any further transit cannot be challenged, when the GST provisions permit further extension of validity of an e-waybill by eight hours after the expiry.
- Thus, e-waybill should be valid during the transit till the goods are unloaded.

Ref: Section 129(3) of GST Act/ Rule 138(10) of GST Rules

## LABOUR

**1. Can an employee seek gratuity beyond the maximum limit?**

No, an employee, under the provisions of the Payment of Gratuity Act, 1972, can make a claim up to the maximum limit prescribed under the Act, which is currently ₹20 lakhs. However, the employer can pay gratuity over and above this maximum limit, if the terms and conditions of employment or the company policy provide for it or if there is a mutual agreement to this effect.

**2. Is there any cap on the number of deliveries for claiming maternity benefit either from the Employer or ESIC?**

There is no limit for the entitlement of maternity benefits. However, this entitlement is restricted, after two deliveries. Prior to the 2017 amendment, there was no such regulation regarding restrictions on the number of deliveries. Through the amended provision, the maximum period for availing the maternity benefit is 26 weeks, of which not more than 8 weeks can precede the date of the expected delivery. For subsequent deliveries, the maximum period is restricted to 12 weeks, of which not more than 6 weeks can precede the date of expected delivery.

Ref: K. Umadevi Vs The State of Tamil Nadu & Others (SC)

**3. Is it permissible to deduct the entire day's wages of employees, even if they are absent only for part of the day?**

In cases where the business suffers and the employer has given prior warning, it is permissible to deduct wages for the whole day, even if the absence is for a few hours. The contract of service is not indivisible, the deduction of wages is not a penalty but enforcement of contract of employment.

Ref: Bank of India Vs TS Kelawala and others 1990 LLR SC 313.

**4. When criminal prosecution is initiated by the DISH authorities for violation of some provision of the Factories Act, can the court issue summons first without having heard the management?**

When the reference is related to the merits of the case, then it is not mandatory for the court to first hear the management on merits. However, if the defence raises the involvement of the management in the alleged incident, then that can be adjudicated during the trial.

Ref: Ramesh R Pai and others Vs State of Odisha and another 2025 LLR WEB 412 Orissa HC.

**5. Can medical reimbursements be denied to the employee in case the name of the hospital is not approved by the insurer?**

No, the real test is the fact of the receipt of treatment before any medical claim is honoured. The Authority must ensure whether the claimant actually received the treatment. The fact of treatment must be supported by a duly certified record from the doctors/hospital concerned. Hence, the claim cannot be denied on technical grounds.

Mrs Suma sunil Vs the State Medical Officer, ESI WP (C) No.21799/2024 19.12.2024 Kerala HC.

## JUDGEMENTS ➤➤➤

### Labour

- The period spent as a trainee/probationer is to be included in the length of service for the purpose of payment of the Gratuity. (Cal HC)
- Dismissal, merely on the basis of a preliminary enquiry, is invalid. (HP HC)
- The EPF authority cannot ask the employer to fix the salary in a particular manner.
- A copy of compliant must be provided to the person against whom allegation of sexual harassment are raised. (Ker HC)
- Punishment of termination for minor misconduct, which caused no loss to the company, is disproportionate. (Guj.HC)
- ESI authorities can initiate proceedings when contributions were paid after a lapse of 13 years. (Mad. HC)
- If an additional premium has been paid by the employer/insurer to cover compensation under the Workers' Compensation Act, the liability to pay the penalty under Section 4 (A) (3) (b) of the Act shall also be borne by the insurer. (Del HC)
- No EPF contribution are to be made for the employees exempted under the EPF Act. (P&H. HC)
- Workman cannot engage lawyer in enquiry even if management representative has a law degree. (Cal. HC)
- Date of birth can't be corrected in writ petition for enhancement of pension. (HP. HC).

## COTTON AND COTTON YARN PRICES

### Cotton – Spot\* (Rs/Candy)

❖ Given below are the cotton and cotton yarn prices prevailed at various dates for the benefit of the members:

S. No	Growth	Staple	Micronaire	Strength/ GPT	June 2 2025	June 9 2025	June 14 2025
1	P/H/R	Below 22 mm	5.0-7.0	15	47,400	47,300	47,300
2	GUJ	22 mm	4.0-6.0	20	37,000	37,700	37,900
3	M/M(P)	23 mm	4.5-7.0	22	47,700	47,500	47,200
4	P/H/R(U)	27 mm	3.5-4.9	26	52,800	52,700	52,700
5	P/H/R(U)	27 mm	3.5-4.9	26	53,400	53,300	53,300
6	M/M(P)/SA/TL/G	27 mm	3.0-3.4	25	46,800	46,600	45,500
7	M/M(P)/SA/TL	27 mm	3.5-4.9	26	51,500	51,700	51,600
8	P/H/R(U)	28 mm	3.5-4.9	27	54,600	54,800	54,800
9	M/M(P)	28 mm	3.7-4.9	27	52,900	53,100	52,700
10	SA/TL/K	28 mm	3.7-4.9	27	53,000	53,200	52,800
11	GUJ	28 mm	3.7-4.9	27	53,000	53,200	52,900
12	R(L)	28 mm	3.7-4.9	27	54,100	54,000	54,100
13	R(L)	29 mm	3.7-4.9	28	54,700	54,600	54,600
14	M/M(P)	29 mm	3.7-4.9	28	54,100	54,300	53,800
15	SA/TL/K	29 mm	3.7-4.9	28	54,200	54,400	53,900
16	GUJ	29 mm	3.7-4.9	28	53,900	54,200	53,900
17	M/M(P)	30 mm	3.7-4.9	29	54,800	55,200	54,700
18	SA/TL/K/O	30 mm	3.7-4.9	29	55,000	55,400	54,900
19	M/M(P)	31 mm	3.7-4.9	30	56,500	56,800	56,500
20	SA/TL/K/TN/O	31 mm	3.7-4.9	30	56,500	56,800	56,500
21	SA/TL/K/TN/O	32 mm	3.5-4.9	31	Na	Na	Na
22	M/M(P)	34 mm	2.8-3.7	33	74,500	74,500	74,500
23	K/TN	34 mm	2.8-3.7	34	79,000	79,000	79,000
24	M/M(P)	35 mm	2.8-3.7	35	76,700	76,700	76,700
25	K/TN	35 mm	2.8-3.7	35	82,000	82,000	82,000

Source: Cotton Association of India | Na-Not Available

**Hosiery Yarn Price (Rs/Kg) – Including GST**  
**For the Month of June 2025**

<b>Count</b>	<b>VL</b>	<b>GL</b>	<b>RL</b>
10	252	-	-
16	252	241	-
20	256	245	263
25	265	254	272
30	277	266	284
32	283	-	290
34	284	273	291
36	291	-	298
40	305	294	312

*Prices are only indicative subject to reconfirmation.*

## CIRCULARS ISSUED DURING THE FORTNIGHT

Sl. No	Cir.No	Date	To	Subject
1)	67-A/2025	02.06.2025	Member Mills in Tamil Nadu	50% Capital Subsidy for Purchase and installation of brand new computerised cutting machine with CAD / CAM software to Cut and Sew sector
2)	67-B/2025	03.06.2025	Member Mills in Tamil Nadu	Amendments to Tamil Nadu Hostel and Homes for Women and Children (Regulation) Rules, 2015
3)	68/2025	03.06.2025	All Member Mills	DGFT – Extension of time for filing of Annual RoDTEP Return (ARR) – Assistance provided by TEXPROCIL in filing the Return
4)	68-A/2025	04.06.2025	Member Mills in Tamil Nadu	Power – Draft Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligation) (Amendment) Regulation, 2025
5)	69/2025	05.06.2025	All Member Mills	DGFT – Export - Clarification on RoDTEP Rates
6)	70/2025	05.06.2025	All Member Mills	DGFT – Export - Clarification on RoDTEP Rates
7)	71/2025	07.06.2025	All Member Mills	Export – Restoration of Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme for exports under AA/EOU/SEZ from 1.06.2025 – Rates
8)	71-A/2025	10.06.2025	Member Mills in Tamil Nadu	Power – Hon'ble High Court of Madras quashed the GO issued by the Tamilnadu Government in respect of levying E-tax on IEX power purchase
9)	71-B/2025	10.06.2025	Member Mills in Tamil Nadu	Consumer Price Index Number - Chennai City – April 2025
10)	71-C/2025	10.06.2025	Member Mills in Andhra Pradesh & Telangana	Consumer Price Index Numbers for the month of April 2025
11)	71-D/2025	10.06.2025	Member Mills in Kerala	Consumer Price Index Numbers for the month of April 2025
12)	71-E/2025	11.06.2025	Member Mills in Tamil Nadu	Amendment to the Tamil Nadu Public Buildings (License) Rules 1966
13)	71-F/2025	11.06.2025	Member Mills in Tamil Nadu	Observance of Anti-Child Labour Day on 12.6.2025
14)	72/2025	12.06.2025	All Member Mills	POSH Act- Companies (Accounts) Second Amendment Rules, 2025
15)	73/2025	14.06.2025	All Member Mills	Request for Feedback on Credit Access from Banks and Financial Institutions
16)	74/2025	14.06.2025	All Member Mills	EXIM - Trade Connect e-Platform – DGFT Initiative
17)	74-A/2025	14.06.2025	Member Mills in Tamil Nadu	Shops and Establishment- Amendment to the Tamil Nadu Shops and Establishment Act, 1947