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NEWS HIGHLIGHTS

- ❖ Brazil's cotton harvest accelerates amid price, export declines
- ❖ India charts MMF growth path at CITI's 3rd Man-Made Fibre Conclave
- ❖ India approves \$221.25-mn plan for PM MITRA Park in Tamil Nadu state
- ❖ India's apparel exports to Brazil jump 31% in Q1 2025
- ❖ South Africa's textile imports up 1.2% to \$1.4 bn in Jan-May 2025
- ❖ BTMA urges Bangladesh govt to withdraw AIT on cotton imports
- ❖ All textile-RMG items under strict border control: Indonesian minister
- ❖ Bangladesh starts new system for paying export-import duties
- ❖ CCI sells more than half of cotton procured in current season
- ❖ India defers cotton QCO implementation to Aug 2026, industry relieved
- ❖ Trump's tariff rattles Bangladesh apparel industry
- ❖ Global cotton output, stocks & consumption raised for 2025-26: WASDE

REPRESENTATIONS

- ❖ Vide a representation dated 1st July 2025 an appeal was made to Smt. Neelam Shami Rao, IAS, Secretary, Textiles Appealed to refund accumulated capital credit - Suggested Amendments to Rule 89(5) of CGST Rules and related conditions for enabling fair GST Refund for Capital-Intensive MMF Textile Value Chain.
- ❖ Appealed to recommend exempting cotton from Import Duty (both during season and off-season) to create a win-win situation for farming and textile manufacturing sectors to Shri Devesh Chaturvedi, Secretary, Ministry of Agriculture & Farmers Welfare on 1st July 2025.
- ❖ Vide a representation dated 10th July 2025 requested to Dr Manuskh Mandaviya, Hon'ble Minister of Labour and Employment, Gol to expedite Launch of the Employees' Provident Fund Amnesty Scheme.
- ❖ Vide a representation dated 15th July 2025, addressed to Dr M Beena IAS, Textile Commissioner, a request was made to implement Code of Conduct for the Members of Committee on Cotton Production and Consumption and take appropriate action to protect the interests of all the stakeholders in the cotton value chain.

MEETINGS

Highlights of the consultation with Stakeholders on enhancing cotton productivity by the Hon'ble Minister of Agriculture and Farmers Welfare on 11th July 2025

- The Hon'ble Minister for Agriculture & Farmers Welfare, Shri Shivraj Singh Chouhan, GoI and Hon'ble Minister for Textiles Shri Giriraj Singh, GoI, convened a full-day stakeholder's consultation meeting at ICAR Breeding Institute, Coimbatore on 11th July 2025. The stakeholders across the cotton value chain right from Cotton Scientists, Seed Producers, State and Central Government Officials, Policy makers, Cotton farmers, Ginners, Cotton agricultural implements manufacturers, Cotton trade and the user industry.
- In the morning prior to the meeting SIMA Former Chairmen, Mr Ravisam, (Vice-Chairman - TEXPROCIL) and Mr T Rajkumar, Immediate Past Chairmen - CITI, Dr K Selvaraju, Secretary General, SIMA, Mr. Rajesh Chopra, Sr.Vice President and Mr Sushil Jheimp, Director Raw materials from Vardhman group met the HMoA, submitted a memorandum and impressed upon the immediate need for removing 11% import duty on cotton. A copy of the memorandum is attached.
- After giving a patient hearing HMoA stated that the Government had to balance the interest of cotton producers (Farmers) and the user industry to have a win-win situation. He stated that he would consider the demand of the industry after having a consultation with the entire stakeholder's.



Mr Ravisam, Immediate Past Chairman, SIMA and Vice Chairman, Texprocil and Mr T Rajkumar met Hon'ble Union Minister of Agriculture Shri Shivraj Singh Chouhan at Coimbatore on 11th July 2025 and submitted a memorandum seeking the removal 11% import duty on cotton.

Half a day Session on PMKVY, RPL, NAPS & NATS held on 11th July 2025

- Half a day Session on PMKVY, RPL, NAPS & NATS schemes was held on July 11, 2025 (Friday) at 3 PM SIMA. Around 30 participants from 16 Mills attended the programme. Mr Suresh Kumar, Deputy Director, Training, Board of Apprenticeship Training, Southern Region handled the session on National Apprenticeship Training Scheme (NATS), which benefits monetary benefits of Rs 4500/- per month (maximum) as stipend under DBTS. The scheme can be availed through the link www.nats.education.gov.in. Apart from the above Mr Vignesh Raja handled the session on TSC activities such as PMKVY RPL scheme etc., and Mr Mathan Kumar, Skill India Mission Third Party aggregator handled the session on NAPS scheme.



M Suresh Kumar, Deputy Director, BOAT (SR), GOI addressing the participants



Mr Mathan Kumar, Skill India Foundation addressing the participants



Mr Vignesh Raja, TSC addressing the participants



Participants at the meeting

TEXTILE SCENE

India charts MMF growth path at CITI's 3rd Man-Made Fibre Conclave

- CITI hosted the 3rd MMF Conclave on June 30 in Coimbatore, focusing on boosting India's MMF sector amid evolving global trade dynamics.
- Minister Margherita emphasised MMF's critical role in achieving \$100 billion textile exports by 2030.
- A Knowledge Paper, From Potential to Power, highlighted India's potential to lead in synthetic fashion for the Global South and scale up circular textile systems.

India approves \$221.25-mn plan for PM MITRA Park in Tamil Nadu state

- The Indian Textiles Ministry announced the approval of a \$221.25-million plan for setting up a PM MITRA Park in Tamil Nadu's Virudhunagar.
- The park will house an advanced textile manufacturing complex focused on technical textiles and integrated processing units. Completion target is Sept 2026.

India's apparel exports to Brazil jump 31% in Q1 2025

- The Prime Minister Shri Narendra Modi's visit to Brazil, Argentina, Ghana, Trinidad & Tobago and Namibia has underscored growing trade ties, particularly in textiles.
- India's apparel exports to Brazil rose 31 per cent year-on-year in Q1 2025, with cotton imports from Brazil also surging due to high domestic prices.
- Exports to Argentina, Ghana, and Trinidad & Tobago also showed moderate growth.

South Africa's textile imports up 1.2% to \$1.4 bn in Jan-May 2025

- South Africa's textile imports rose by 1.2 per cent year-on-year to 26.3 billion rand in January–May 2025.
- May saw a month-on-month decline in both imports and exports. Despite the dip, cumulative trade remained positive.

All textile-RMG items under strict border control: Indonesian minister

- Indonesia is going ahead with import relaxation policies while maintaining strict oversight, particularly in the textile and apparel sectors.
- The latest regulation says imports of apparel and related accessories need import approvals, technical considerations from relevant ministries and surveyor reports.
- All textile, textile products and readymade garments remain under strict border control.

RAW MATERIAL

Brazil's cotton harvest accelerates amid price, export declines

- Brazil's 2024/25 cotton harvest is picking up, with production forecast to reach 3.913 million tons up 5.7 per cent from the previous season.
- Sellers are clearing older stocks amid falling domestic and international prices.
- Exports also slumped by nearly 48 per cent month-on-month.

BTMA urges Bangladesh govt to withdraw AIT on cotton imports

- The Bangladesh Textile Mills Association recently urged the government to immediately withdraw the 2-per cent advance income tax (AIT) imposed on imported cotton and reduce corporate tax to 15 per cent from 27 per cent to avoid a crisis in the textile sector.
- AIT will significantly increase production costs and make local mills less competitive compared to counterparts.

CCI sells more than half of cotton procured in current season

- CCI has sold over 56 lakh bales from a landmark procurement of 100 lakh bales this season.
- Despite lower production, domestic prices remain sluggish due to weak demand and price disparity.

- Imports surged over 131 per cent, driven by high MSP making Indian cotton costlier.
- With private ginners staying away, the textile industry is heavily reliant on CCI's stock.

India defers cotton QCO implementation to Aug 2026, industry relieved

- India's cotton industry has been granted a third one-year extension for implementing the Cotton Bales (Quality Control) Order, 2023, now deferred to August 27, 2026.
- The Ministry of Textiles extended the timeline due to ongoing opposition from MSME-dominated ginning units struggling to meet BIS standards.

GLOBAL TEXTILE SCENE

Bangladesh starts new system for paying export-import duties

- Following pilot tests, Bangladesh will begin its online system for paying export and import duties through automated challan (A-challan).
- The revised system allows customs duties to be paid directly to the government treasury.
- The A-challan system supports multiple payment modes, including internet banking, debit/credit cards and mobile financial services.

Trump's tariff rattles Bangladesh apparel industry

- The US has imposed 35 per cent tariff on imports from Bangladesh.
- As per the experts and industry players, the newly imposed 35 per cent tariff will be added to the existing average duty of around 15 per cent.
- However, there is some hope of tariff reduction as the USTR has reportedly extended invitation to Bangladesh for another round of negotiations.

China's cotton imports from US plunge 82% in Jan-Apr 2025

- China's cotton imports from the US dropped sharply by 82 per cent in value and 80 per cent in volume during January–April 2025, falling to 94 million kg worth \$183.7 million.
- Despite the plunge, the US remained China's second-largest supplier after Brazil.

Global cotton output, stocks & consumption raised for 2025-26: USDA

- USDA's July 2025 report raises global cotton production, consumption and ending stocks, while imports, exports and beginning stocks were revised down.
- US production is forecast at 14.60 million bales.
- The season-average upland price remains unchanged at 62 cents per pound.

GST**1. Taxpayers have the flexibility to modify the pre-filled values in GSTR-3B. Is this procedure subject to any change?**

Yes.

- From July 2025 onwards (Returns filed for the period pertaining to July 2025, which is due in August 2025), this manual intervention will no longer be permitted. Any discrepancy must be addressed through amendments in GSTR-1A only.
- Auto-populated values in Table 3 (details of outward supplies and the corresponding tax liability) of GSTR-3B sourced from GSTR-1 will become non-editable.
- Objective of this amendment is to enforce strict consistency between GSTR-1 & GSTR-3B and is aimed at reducing errors and mismatches.

Advisory:

- Match GSTR-1 entries with the internal sales registers, ERP records and e-invoicing data before filing GSTR-3B.
- In case of errors or omissions in previously reported outward supplies in GSTR-1, use GSTR-1A to make necessary amendments before filing GSTR-3B.

Ref: Sections 37 & 39 of GST Act and Rules 59, 60 & 61 of GST Rules, 2017

2. Can all decisions/Orders passed by the GST Officers be appealed against?

No.

Appeals cannot be filed against the following Orders passed by a GST officer:

- An Order to transfer the proceedings from one officer to another officer.
- An Order to seize or retain books of account and other documents.
- An Order sanctioning prosecution (initiation of criminal proceedings) under the GST Act.
- An Order allowing payment of tax and other amounts in instalments.

3. Is filing of appeal against an Order passed by the GST officer subject to pre-deposit and fees?

Yes

- First appeal (Commissioner/Joint Commissioner): To pay admitted amount + 10% of disputed amount (capped at Rs. 20 crores)
- Second appeal (Tribunal): same structure as given above + filing fee of Rs.1,000/Rs.1 lakh (capped at Rs.25,000)

Ref: Sections 107 & 112 of GST Act.

4. Can I claim ITC on invoices which are rejected in the Invoice Management System (IMS), but filed in GSTR-3B?

Yes

Steps to be adopted:

- Request supplier to re-report the same invoice (unchanged) via GSTR-1A.
- Accept it in IMS → Recompute GSTR-2B → Full ITC gets reflected again.

5. If a supplier collects interest/penalty for late payment of the sale price of the product from the purchaser, is GST chargeable on the same? If so, what would be the GST rate?

- Yes, GST is chargeable on the interest or penalty collected by a supplier for late payment of consideration by the purchaser.
- Such interest or penalty is treated as a consideration for the original supply.
- Therefore, GST is applicable at the same rate as applicable on the principal supply of goods or services.

Ref: Section 15(2)(d) of the GST Act, 2017

6. Can a recovery notice be issued by the GST department directly to a third party/bank without notifying the assessee?

The GST law mandates a legal Procedure for recovery as per Section 79 and the due process is as follows:

1. Issuance of demand Order under Section 73 or 74.
2. If payment is not made within the specified period, the department can initiate recovery proceedings.
3. Recovery from third parties (e.g., banks) is permitted only after:
 - A demand order has been issued.
 - The assessee has failed to pay the dues within the statutory time limit (3 months from the date of service of the Order, unless specified otherwise).
 - Notice in Form GST DRC-13 is then issued to the bank.

Ref: M/s Galaxy International Vs UoI (Bombay High Court - Order dated 24.06.2025)

7. Can second GST proceeding be initiated by Central GST department on the same issue, if State GST department had already adjudicated the same?

- The Delhi High Court has held In the Case of “Shanti Swaroop Nikhil Kumar Vs Additional Commissioner CGST North”, (decided on 25-4-2025) as follows:
- Where proceedings had already been initiated and adjudicated by State GST Department, a second proceeding by Central GST department on the same subject matter for same time period would be barred under Section 6(2)(b).

Ref: Section 6 read with section 74 of Central Goods and Services Tax Act, 2017

1. Under the POSH Act, 2013, is it mandatory for the Internal Committee to give both the complainant and the respondent/suspected offender an opportunity to present additional inputs or evidence before submitting its final report?

Yes, under Section 11 of the POSH Act, the Internal Committee is required to provide an opportunity to both parties to submit additional input or evidence before finalizing and submission of report. The objective is to ensure a fair and just inquiry process.

2. In the case of an accidental death of an employee, can a son who is above 18 years of age claim compensation under the Employees' Compensation Act, 1923, as a 'dependent'?

Under Section 2(1)(d) of the Employees' Compensation Act, a son or daughter must be a **dependent** of the deceased employee to qualify for claiming compensation (i.e) son or daughter has attained the age of 18 years **and** is also infirm.

The term infirm implies that the dependent is incapable of earning a livelihood either on account of their minority or due to physical/mental incapacity. Therefore, to fall within the definition of "dependent" under this clause, **both conditions** (i.e) attaining the age of 18 years and being infirm must be satisfied.

Ref: Divisional Manager, United India Insurance Co Ltd s Subhas and others 2022 LLR 65 (Karn HC)

3. Is it mandatory for a pregnant employee to give prior notice to the employer/management, in order to claim maternity benefits prescribed under the law?

Failure to give notice does not disentitle a woman from receiving maternity benefits, as the Maternity Benefit Act does not make such notice mandatory. However, it is generally expected that the woman should inform the employer of her pregnancy, to enable the management to make suitable alternative arrangements to ensure that work is not disrupted during her absence.

Any woman who has not given the notice when she was pregnant may give such notice as soon as possible after the delivery.

Ref: Asia pacific Institute of Management Vs office of the Joint Labour Commissioner and another, 2022 LLR 602 (Del HC)

4. Can the ESI Authorities proceed with recovery of damages in case the Order imposing dues has been stayed?

No, if the ESI court grants an interim order staying the very contribution itself, the levy of damages cannot be further proceeded.

Ref: Bharatiya Vidya Bhavan's Rajaji Vidayashram, Kilpauk, Chennai Vs Employee State Insurance Corporation, Chennai, 2025 LLR WEB 399 (Mad. HC)

5. Can an appeal be filed before the Internal Committee under the POSH Act, or can the Disciplinary Authority direct the Internal Committee to reinvestigate a complaint after it has submitted its final report?

Once the Internal Committee (IC) constituted under the POSH Act submits its final report, it becomes functus officio (a situation where an individual or body has completed their assigned task or has no further authority or jurisdiction over a matter) and cannot review or reinvestigate the matter. The IC does not have the authority to act as an appellate body or reopen the case on its own.

The Disciplinary Authority, upon receiving the IC's recommendations, may accept or reject the findings based on the applicable service rules. However, it does not have the power to refer the matter back to the IC for reinvestigation once the final report has been submitted.

As per Section 18 of the POSH Act, an appeal against the IC's recommendations may be filed before the Appellate Authority as defined under the relevant service rules. In the absence of such authority, the aggrieved party may approach the appropriate external forum as prescribed by law. The appeal must be filed within 90 days from the date of receipt of the IC's decision or recommendation.

JUDGEMENTS

GST

- Writ petition against GSTR-3B/2A credit mismatch not maintainable - assessee should file appeal - Where impugned order was passed against assessee for mismatch of credit availed in GSTR-3B and GSTR-2A, and assessee sought an opportunity to explain mismatch arising out of discount given by supplier, which went unnoticed while filing reply, mismatch of credit availed being interconnected with discount given by supplier, writ petition was not maintainable – High Court.
- Refund rejection was invalid as authorities relied on outside material without giving petitioner a chance to respond: High Court
- Where contentions with regard to non applicability of Section 74 of CGST Act, could not be challenged in writ proceedings; statutory remedy of appeal was to be invoked – High Court.
- Appeal delay of 129 days condoned as assessee unaware of assessment order uploaded on portal without physical service – High Court
- Where writ petition was filed against order confirming demand of interest and imposing penalty for delayed payment of tax, assessee was to be directed to pay interest, however liberty was granted to challenged impugned order insofar imposition of penalty was concerned – High Court.
- Delay to be condoned as assessee did not receive order and RTI reply showed return of undelivered copy – High Court

Customs

- When Contract has price variation clause, assessment of bills of entry at time of clearance of goods are deemed to be provisional and required to be assessed finally when assessee applied for reassessment of bills of entry – High Court.
- For provisional release of imported goods, bank guarantee far beyond their value, without reasons for its determination, when no confiscation was contemplated, directed to be reduced in accordance with law without detention charges for time of investigation, though bond/security could be obtained in that regard – High Court.

Labour

- Payment of ex-gratia cannot be ground to deny statutory bonus - (SC)
- Plea of fictitious breaks cannot be taken by the workman after termination- (HP HC)
- When an employee is assigned duties outside the scope of his original appointment, he is entitled to be compensated on par with others similarly placed – (Mad HC)
- When an accident is admitted, the employer can't deny relationship on appointment letter's non-production. – (Del HC)
- Respondent cannot take plea of limitation when the act of sexual harassment was a continuing one.- (Mad HC)
- Charitable Trust would be liable to pay bonus as soon as it starts carrying out commercial activities- (SC)
- Abkari workers in Kerala are not entitled to gratuity under the Payment of Gratuity Act. (Ker HC).
- Workman cannot challenge his termination after 11 years. – (Guj 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	Jul 1 2025	Jul 8 2025	Jul 15 2025
1	P/H/R	Below 22 mm	5.0-7.0	15	49,200	49,600	49,500
2	GUJ	22 mm	4.0-6.0	20	38,500	38,900	39,000
3	M/M(P)	23 mm	4.5-7.0	22	47,100	47,300	47,500
4	P/H/R(U)	27 mm	3.5-4.9	26	53,400	54,000	54,400
5	P/H/R(U)	27 mm	3.5-4.9	26	54,000	54,600	55,000
6	M/M(P)/SA/TL/G	27 mm	3.0-3.4	25	45,500	46,700	47,500
7	M/M(P)/SA/TL	27 mm	3.5-4.9	26	52,300	53,200	54,500
8	P/H/R(U)	28 mm	3.5-4.9	27	55,700	56,200	56,600
9	M/M(P)	28 mm	3.7-4.9	27	53,600	54,300	55,500
10	SA/TL/K	28 mm	3.7-4.9	27	53,300	54,000	54,700
11	GUJ	28 mm	3.7-4.9	27	53,700	55,000	56,300
12	R(L)	28 mm	3.7-4.9	27	54,600	55,400	56,000
13	R(L)	29 mm	3.7-4.9	28	55,100	55,900	56,500
14	M/M(P)	29 mm	3.7-4.9	28	54,700	55,400	56,600
15	SA/TL/K	29 mm	3.7-4.9	28	54,400	55,100	55,800
16	GUJ	29 mm	3.7-4.9	28	54,700	56,000	57,300
17	M/M(P)	30 mm	3.7-4.9	29	55,500	56,300	57,400
18	SA/TL/K/O	30 mm	3.7-4.9	29	55,300	56,000	56,800
19	M/M(P)	31 mm	3.7-4.9	30	56,400	57,000	58,000
20	SA/TL/K/TN/O	31 mm	3.7-4.9	30	56,400	57,000	57,800
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	75,600	75,600
23	K/TN	34 mm	2.8-3.7	34	79,000	79,500	79,500
24	M/M(P)	35 mm	2.8-3.7	35	76,700	77,500	77,500
25	K/TN	35 mm	2.8-3.7	35	82,000	82,500	82,500

Source: Cotton Association of India | Na-Not Available

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

Count	VL	GL	RL
10	252	-	-
16	252	241	-
20	256	245	263
25	265	254	272
30	277	266	266
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)	76-C/2025	01.07.2025	Member Mills in Tamil Nadu	Power - TNERC Suo-motu Order for Power Tariff for Distribution & Non-tariff Miscellaneous charges for the year 2025-26
2)	77/2025	03.07.2025	All Member Mills	ESIC - Scheme to promote registration of employers/employees in SPREE Scheme
3)	77-A/2025	07.07.2025	Member Mills in Tamil Nadu	Skill Development – Half a day Session on PMKVY, RPL, NAPS & NATS schemes on July 11, 2025 (Friday) @ 3 PM at SIMA Conference Hall, Coimbatore
4)	78/2025	09.07.2025	All Member Mills	Cotton Bale Quality Control Order (QCO) – Extension of time upto 26th August 2026
5)	78-A/2025	10.07.2025	Member Mills in Tamil Nadu	Consumer Price Index Number - Chennai City – May 2025
6)	78-B/2025	10.07.2025	Member Mills in AP & Telangana	Consumer Price Index Number - All India – May 2025
7)	78-C/2025	12.07.2025	Member Mills in Tamil Nadu	Representation to Social Welfare Department on Standard Operating Procedure for the implementation of the POSH Act – Suggestions for effective implementation
8)	79/2025	12.07.2025	All Member Mills	Highlights of the consultation with Stakeholders on enhancing cotton productivity by the Hon'ble Minister of Agriculture and Farmers Welfare on 11 th July 2025
9)	80/2025	15.07.2025	All Member Mills	Association representation seeking expedited launch of EPFO Amnesty Scheme