



## Fortnightly E-REVIEW

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### NEWS HIGHLIGHTS

- ❖ Withdrawal of QCOs on Polyester Value Chain
- ❖ CITI welcomes India's Export Promotion Mission for T&A growth
- ❖ Cabinet approves Export Promotion Mission to strengthen export ecosystem
- ❖ Cabinet has approved introduction of Credit Guarantee Scheme for Exporters
- ❖ US researchers develop composting methods for cotton textiles
- ❖ Dumping of cheap Indian yarn hits Bangladesh's textile industry
- ❖ US ports hit September slowdown as tariffs curb imports

### MEETINGS / WEBINARS

**Highlights of the session on “Value Creation and Market Competitiveness with Kasturi Cotton: Opportunities for Spinners and the Downstream Industry held on 5th November 2025 at SIMA, Coimbatore.**

A session on Value Creation and Market Competitiveness with Kasturi Cotton: Opportunities for Spinners and the Downstream Industry was held on 5<sup>th</sup> November 2025 at SIMA, Coimbatore, jointly organised by the Association along with TEXPROCIL and ICAR – CIRCOT (Central Institute for Research on Cotton Technology).

#### **Key points discussed:**

- Kasturi Cotton assures stakeholders across the value chain from farmers to manufacturers and consumers, access to premium-quality Indian cotton.
- Kasturi Cotton programme is in the process of introducing ELS cotton of 34mm+ and 35mm+ staple length.
- Quality assurance, traceability and brand identity are the key parameters
- Kasturi Cotton has the potential to match the fibre qualities of Brazilian and Australian cotton as 1<sup>st</sup> and 2<sup>nd</sup> pickings are capable of meeting KCB norms with better fibre Uniformity Index, less trash in cotton  $\leq 2\%$  ensures minimal seed coat neps and ginned cottonseeds in bales.

- To attract cotton farmers a high premium for producing Kasturi Cotton should be given to increase the area.
- Collaboration between industry and farmers through the formation of FPO to support ELS cotton production in suitable regions is required to motivate farmers to cultivate premium varieties.
- The longer crop duration required for ELS cotton (more than 180 days) and an FPO model would help to protect farmers' interests while ensuring consistent supply for the industry.

### Glimpses of the Session

	
Welcome address by Dr Siddhartha Rajagopal, ED, TEXPROCIL	ED, TEXPROCIL, Welcoming Mr Ashwin Chandran, Chairman, CITI with a Boquete
	
ED, TEXPROCIL, Welcoming Mr Krishnakumar S, Deputy Chairman, SIMA with a Boquete	ED, TEXPROCIL, Welcoming Dr S K Shukla, Director, ICAR, CIRCOT with a Boquete
	
Mr Ashwin Chandran, Chairman, CITI, giving his inaugural address	Mr Krishnakumar S, Deputy Chairman, SIMA delivering the Special address





ED, TEXPROCIL, welcomes, Mr T Rajkumar, Chairman, CITI Standing Committee on Cotton with a Boquete



Mr T Rajkumar, Chairman, CITI Standing Committee on Cotton delivering the Special address



Dr S K Shukla, delivers keynote address



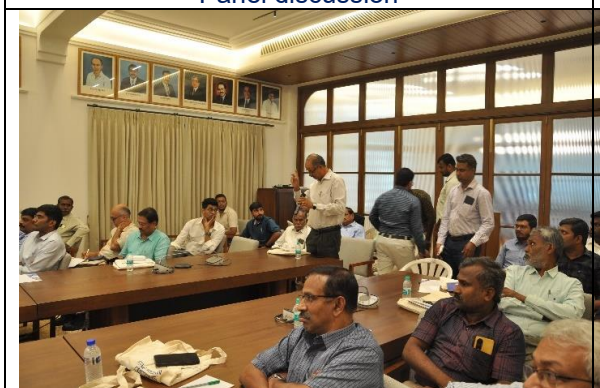
Mr K Sivaraj, Vice-Chairman, SIMA, delivering Vote of thanks



Panel discussion



Q&A Session



Q&A Session



Q&A Session

## TEXTILE SCENE

### **India's textile industry eyes full value addition after QCO removal**

- Removal of QCOs on polyester value chain products has boosted industry confidence, with leaders saying it will lower raw material costs, improve global competitiveness, and support MMF-led growth.
- SIMA welcomed the move, urging similar action for viscose staple fibre and filament yarn to capture emerging global market opportunities.

### **CITI welcomes India's Export Promotion Mission for T&A growth**

- CITI has welcomed the Union Cabinet's approval of the Export Promotion Mission, calling it a major boost for the textile and apparel (T&A) sector.
- Chairman Ashwin Chandran said it will enhance global competitiveness, support MSMEs, and create jobs.
- The move follows a 50 per cent US tariff that hit exports, which fell over 10 per cent in September 2025.

### **Cabinet approves Export Promotion Mission to strengthen export ecosystem**

- Cabinet has approved the Export Promotion Mission, announced in the FY26 budget to strengthen export competitiveness, particularly for MSMEs, first-time exporters and labour-intensive sectors.
- The mission is expected to facilitate access to affordable finance for MSMEs and export readiness through compliance and certification support, and generate manufacturing and logistics jobs.

### **Cabinet has approved introduction of Credit Guarantee Scheme for Exporters**

- India's cabinet has approved introduction of the Credit Guarantee Scheme for Exporters for providing cent per cent credit guarantee coverage by the National Credit Guarantee Trustee Co Ltd to member lending institutions for extending additional credit facilities up to ₹200 billion to exporters.
- The aim is to enhance competitiveness of exporters and support diversification into new and emerging markets.

### **US researchers develop composting methods for cotton textiles**

- UC Merced researchers are developing composting methods for cotton textile waste to create sustainable, soil-enriching compost.
- In collaboration with Bowles Farming, Agromin, Fibershed, and Cotton Incorporated, the two-year project aims to recycle cotton waste, reduce landfill emissions, and promote a circular soil-to-soil system that supports agricultural sustainability and improved soil health.

## Dumping of cheap Indian yarn hits Bangladesh's textile industry

- Bangladesh's textile companies are seeing a dumping of cheap Indian yarn in its market—a result of US-imposed high tariffs on Indian textiles.
- This is putting pressure on spinning mills in the country and disrupting the market.
- Some importers are also misusing bonded warehouse facilities to bring foreign yarn into Bangladesh duty-free and sell it in the local market, further compounding the situation.

## US ports hit September slowdown as tariffs curb imports

- After record-breaking summer volumes, US ports saw a sharp September slowdown as tariffs curbed imports.
- The Port of Los Angeles' volumes fell 7.5 per cent, while Long Beach remained resilient.
- With peak season cargo already landed and tariff uncertainty rising, officials expect a soft Q4 and slower finish to 2025

## CHAT BOX

### GST

#### 1. Can the GST department recover the tax dues from the debtors of a defaulter? Can a buyer be considered a 'debtor' of the defaulting supplier under GST?

Yes

Under Section 79(1)(c) of the CGST Act, 2017, the GST officer is empowered to recover tax dues of a defaulting taxpayer by requiring any other person (debtor), who owes money to the defaulter, to pay such amount directly to the government instead of paying the same to the defaulter.

A debtor is any person who:

- Owes money to the defaulter or
- Holds money on behalf of the defaulter or
- Is likely to pay money to the defaulter in the future (e.g., customers, clients, or business associates) or
- Buyer of the defaulting supplier.

#### 2. What is the procedure for recovery of unpaid GST from the debtor?

The GST officer issues a notice in writing to the debtor under Section 79(1)(c), directing that:



- The debtor must pay (Form DRC-14) to the government the amount specified in the notice
- Payment must be made within the time specified therein
- The amount paid will be treated as payment made on behalf of the defaulter
- If a debtor has already paid the amount to the defaulter before receipt of notice, they cannot be held liable again. The officer must verify payment records before issuing recovery directions.
- Submitting a reply to the Show Cause Notice is mandatory.

### **3. What happens if the debtor (including buyer) fails to comply with the “demand to pay” raised in the notice?**

If the debtor (including buyer) fails to comply with the recovery notice:

- The debtor becomes personally liable to the government for the amount specified in the notice (to the extent of money owed to the defaulter).
- The amount can be recovered from the debtor as if it were the buyers/debtors own tax dues under GST.
- The department may issue recovery notices to multiple debtors of the same defaulter to ensure full recovery of the outstanding amount, subject to the total dues payable.

### **4. Can credit of GST paid through DRC-14 be availed as credit?**

Form DRC-14 is a certificate issued by the GST Authorities, when tax dues are recovered from a third party under GST, including recovery from the buyer for the default of the supplier.

- Credit of GST paid through DRC-14 cannot be availed as input tax credit (ITC).
- Reasons for denial of credit:
- The amount paid via DRC-14 is a liability payment, not a tax paid on inward supplies.
- Section 16(1) of the CGST Act allows ITC only on tax paid on supply of goods or services used in the course of business and not on tax paid under demand or recovery proceedings.
- Rule 36 specifies that ITC can only be taken if the tax is reflected in the supplier’s GSTR-2B or GSTR-2A, which is not the case for payments made through DRC-14.

Ref: Rules 145 /146 of the CGST Rules, 2017

**5. What best practices can be adopted by the buyer to avoid disputes arising due to non-deposit of tax by the supplier?**

- Ensure accurate records of payments and receivables.
- Respond promptly to any notice from GST Authorities.
- Seek clarification or modification of notices when factual errors exist.
- Maintain communication between defaulter, debtor, and department to avoid double payments or wrongful recovery.

**LABOUR**

**1. Can an “incentive bonus” be considered a substitute for the statutory bonus payable under the Payment of Bonus Act, 1965?**

- No. An “incentive bonus” cannot be treated as a substitute for the statutory bonus under the Payment of Bonus Act, 1965. The two are fundamentally different in nature and purpose.
- Statutory bonus is a legal obligation payable to eligible employees under the Act, irrespective of productivity and even in years without profits (subject to minimum bonus provisions).
- Incentive bonus is linked to production, productivity, efficiency, or performance. It is an optional scheme introduced by employers to encourage higher output.
- Therefore, incentive bonuses cannot replace or be adjusted against the statutory bonus mandated by law.

**2. What can the internal committee (IC) do if the complainant is unable to submit a written complaint?**

If the complainant is unable to submit the written complaint due to following reasons:

- Illiteracy
- Disability
- Trauma
- Due to fear

The Presiding Officer or any Internal Committee (IC) member shall assist the complainant by recording their oral complaint in their local language. The recorded statement shall be documented in writing and an acknowledgement shall be obtained from the complainant. The committee shall then proceed further with the complaint. In cases of incapacity, death or other valid reasons, the complaint may be filed through a representative.

Ref: Rule 6 of the POSH Rules.

**3. What is the minimum age at which an adolescent can be certified to work as an adult in a factory? Is it mandatory to obtain a fitness certificate for such adolescent workers, and what are the consequences if an employer engages an adolescent without this required fitness certificate?**

The minimum age for adolescents to be certified to work as adults in a factory is 15 years. It is mandatory for the factory to obtain a certificate of fitness for adolescent workers to work as adults in the factory. If the certificate of fitness is not obtained, the adolescent will be treated as a child labourer, and the occupier/manager will be liable for prosecution and penalties. Therefore, it is crucial to obtain the certificate of fitness before employing adolescents.

**4. Who is an adolescent as per Factories Act, 1948 and how to obtain certificate of fitness?**

As per the definition contained in the Act, "An adolescent means a person who has completed their fifteenth year of age but has not completed their eighteenth year".

Certificate of Fitness:

- **Application:** The manager shall apply for a certificate of fitness before the Certified Surgeon, DISH.
- **Certificate:** The certifying surgeon shall grant a certificate of fitness to work in a factory as an adult.
- **Conditions:** The certifying surgeon shall not grant or renew the certificate unless they have personal knowledge of the place where the young person works.
- **Validity:** The certificate of fitness is valid for one year and can be revoked at any time.
- **Fees:** The fees payable for the certificate shall be paid by the occupier.

**5. What are the key changes in The Occupational Safety, Health and Working Conditions Code, 2020 ?**

Existing Provisions	OSH Code Provisions
Few key terminologies like "Employee", "Employer" and "Establishment" were defined differently in various Acts	New definition of Employee introduced with a wide coverage. Employer includes Occupier of a factory  "Establishment" now includes factory, newspaper establishment and plantation in which ten or more workers are employed.



“Factory” has been defined under Factories Act 1948 as the premises whereon ten or more workers are employed with the aid of power OR twenty or more workers are employed without the aid of power.	The definition of “factory” has been changed into the premises whereon twenty or more workers are employed with the aid of power OR the forty or more workers are employed without the aid of power.
The provisions of Contract Labour (Regulation and Abolition) Act 1970 apply to the contractor who employs 20 or more contract workmen	The OSH Code provisions are applicable to the contractor who employs 50 or more contract workmen
The provision of Migrant labour applies to the contractor who employs 5 or more interstate migrant workmen in an establishment.	Migrant Labour Act applies if 10 or more interstate migrant workmen are employed in an establishment.
The threshold for the Canteen facility was 250 workers / employees	Now threshold for Canteen facility has been reduced up to 100 number of workers / employees
Threshold for appointment of Safety Officer was 1000 workers	Threshold for appointment of Safety Officer reduced to 500 workers in Factory and 250 in a hazardous process.

## JUDGEMENTS

### GST

- Order dispatched to incorrect address despite updated details being available on GST portal - appeal period be reckoned from date of actual receipt of order, which was not proven by Department - Dismissal of appeal on limitation not tenable: CESTAT

### Customs

- Delayed filing of quarterly returns under Customs Rules, 2017 is a bona fide procedural lapse without fraud, gross neglect or intent to evade, penalties imposed under Section 158 cannot sustain: CESTAT

### Income Tax

- Deduction of interest expense allowed against interest income, as there existed clear nexus of investment – Rotation of loan is not material – ITAT Mumbai
- Forex fluctuation gain is capital receipt, as underlying expenditure for acquiring capital asset – ITAT New Delhi

- Mere default or delay in payment, without suppression of income, fabrication of documents, or other acts to defeat payment, does not constitute offence: High Court

## Labour

- Gratuity cannot be denied merely because the employee did not make an application before the employer. - BOMBAY HIGH COURT
- Employee would not be guilty of insubordination when he was deliberately provoked by the management. - TELANGANA HIGH COURT
- IC cannot decide on whether the aggrieved woman had tarnished the reputation of the establishment. - ALLAHABAD HIGH COURT
- No benefits can be denied to employees by EPFO merely because there was some data mis-match and 7A proceedings were pending. - BOMBAY HIGH COURT
- Order passed under Section 7A of EPF Act, without notice to the employer, is not sustainable. - MADRAS HIGH COURT
- Bonus payable to the employees is a statutory mandate irrespective of any specific demand made on the side of the employees. - MADRAS HIGH COURT
- Settlement will not be invalid merely because some members of the trade union are unhappy with it. - MADRAS HIGH COURT
- Mere single incident of losing temper cannot be the sole reason to deny reinstatement. - TELANGANA HIGH COURT
- An administrative decision causing inconvenience to the woman is not sexual harassment. - SUPREME COURT OF INDIA
- The question as to whether the person raising the dispute qualifies as a 'workman' under Section 2(s) of the Act cannot be decided by the Appropriate Government at the stage of making a reference under Section 10. - GUJARAT HIGH COURT

## 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	Nov 01 2025	Nov 07 2025	Nov 14 2025
1	P/H/R	Below 22 mm	5.0-7.0	15	47,600	45,900	45,600
2	GUJ	22 mm	4.0-6.0	20	Na	Na	Na
3	M/M(P)	23 mm	4.5-7.0	22	Na	Na	Na
4	P/H/R(U)	27 mm	3.5-4.9	26	49,100	48,500	48,300
5	P/H/R(U)	27 mm	3.5-4.9	26	49,700	49,200	49,000
6	M/M(P)/SA/TL/G	27 mm	3.0-3.4	25	Na	Na	Na
7	M/M(P)/SA/TL	27 mm	3.5-4.9	26	Na	Na	49,000
8	P/H/R(U)	28 mm	3.5-4.9	27	50,200	49,800	50,200
9	M/M(P)	28 mm	3.7-4.9	27	51,900	51,500	51,700
10	SA/TL/K	28 mm	3.7-4.9	27	51,000	50,500	50,200
11	GUJ	28 mm	3.7-4.9	27	52,000	Na	Na
12	R(L)	28 mm	3.7-4.9	27	51,500	51,300	51,700
13	R(L)	29 mm	3.7-4.9	28	51,900	51,800	52,200
14	M/M(P)	29 mm	3.7-4.9	28	52,500	52,000	53,000
15	SA/TL/K	29 mm	3.7-4.9	28	51,400	50,900	51,600
16	GUJ	29 mm	3.7-4.9	28	53,100	52,200	53,000
17	M/M(P)	30 mm	3.7-4.9	29	53,500	52,500	53,300
18	SA/TL/K/O	30 mm	3.7-4.9	29	51,800	52,000	52,000
19	M/M(P)	31 mm	3.7-4.9	30	Na	Na	53,900
20	SA/TL/K/TN/O	31 mm	3.7-4.9	30	Na	Na	Na
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	Na	Na	Na
23	K/TN	34 mm	2.8-3.7	34	Na	Na	74,000
24	M/M(P)	35 mm	2.8-3.7	35	Na	Na	Na
25	K/TN	35 mm	2.8-3.7	35	Na	Na	76,000

Source: Cotton Association of India | Na-Not Available

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

Count	VL	GL	RL
10	245	-	-
16	245	234	-
20	249	238	256
25	258	247	265
30	270	259	277
32	276	-	283
34	277	266	284
36	284	-	291
40	298	287	305

*Prices are only indicative subject to reconfirmation.*



## CIRCULARS ISSUED DURING THE FORTNIGHT

Sl. No	Cir.No	Date	To	Subject
1)	142A/2025	4.11.2025	Member Mills in Tamil Nadu	Questionnaire on Impact of Gender Diversity on Organizational Effectiveness - A Study of Tamil Nadu's Textile Industry
2)	143/2025	7.11.2025	All Member Mills	DGFT - Request to provide inputs for the revision of RoDTEP / RoSCTL rates
3)	144/2025	8.11.2025	All member Mills	Export - Pending IGST refund errors – List issued by Tuticorin customs
4)	144A/2025	8.11.2025	Member mills in Andhra Pradesh	Minimum rates of wages for “Spinning Mills” for the period 01.10.2025 to 31.03.2026
5)	144B/2025	8.11.2025	Member mills in Telangana	Minimum rates of wages for “Spinning Mills” for the period 1.10.2025 to 31.3.2026
6)	144C/2025	10.11.2025	Member Mills In Tamil Nadu	Consumer Price Index Number - Chennai City – September 2025
7)	144D/2025	10.11.2025	Member Mills in Kerala	Consumer Price Index Numbers for the month of August 2025
8)	144E/2025	10.11.2025	Member Mills in Andhra Pradesh & Telangana	Consumer Price Index Number - All India – September 2025
9)	144F/2025	12.11.2025	Member Mills in Tamil Nadu	Holidays – Public Holidays under Negotiable Instruments Act, 1881 for the State Government Offices and all Commercial Banks including Co-operative Banks in Tamil Nadu for the year 2026
10)	145/2025	13.11.2025	All Member Mills	With drawl of BIS Quality Control Orders (QCOs) for Polyester Staple Fibre /filament and Yarn
11)	146/2025	13.11.2025	All Member Mills	Export- Export Promotion Mission (EPM) – Credit Guarantee Scheme for Exporters (CGSE)