



Fortnightly E-REVIEW

Vol. XX

No.17

Nov 16-30, 2025

NEWS HIGHLIGHTS ➤➤➤

- ❖ Vietnam's 2025 textile-garment exports estimated to hit \$46 bn: VITAS
- ❖ India launches Tex-RAMPS scheme to boost textile research & innovation
- ❖ India's textile exports record growth across 111 countries: Report
- ❖ QCO removal lifts apparel sector; polyester yarn growth to stay flat
- ❖ Industry bodies urge Bangladesh govt to save spinning sector
- ❖ India rescinds QCO on VSF to boost textile sector growth
- ❖ Tough competition in EU hits Bangladesh RMG exporters' profit margins
- ❖ Indian textile industry welcomes trade package for exporters

MEETINGS ➤➤➤

SIMA Deputy Chairman, Shri S Krishnakumar, and Vice-Chairman, Shri K Sivaraj met His Excellency, Shri C P Radhakrishnan, the Hon'ble Vice President of India 28th November 2025 at New Delhi

- Appealed to recommend to include Spinning, Weaving/Powerloom, Knitting & Processing sectors in the Relief Package announced recently by RBI and also
- Appealed to recommend to exempt cotton from 11% Import Duty beyond 31st December 2025 preferably for the current cotton season 2025-26 to sustain global competitiveness and to mitigate raw material shortage



5th Session – SIMA-Bharathiar University, Department of Social Work Code of compliance for industries – HR Perspective

- The Department of Social Work, Bharathiar University and SIMA entered into a Memorandum of Understanding (MoU) on 21.02.2022 to conduct a job-oriented certificate course “Code of Compliance for Industries- HR perspective”. This job-oriented certificate course is aimed at enhancing the students’ knowledge base pertaining to the compliance that must be followed by the industries.
- The certificate course comprises of two components, theory and field work. Theory classes will be conducted for 30 hours and students can be placed in textile mills for practical training for a period of 30 hours.
- For this year, theory classes were held between November 25, 2025 – November 29, 2025 for around 40 MSW Final Year Students. This session was handled by faculty of Social Work, Bharathiar University, Dr R Arjunan, Dr Shanmugavadivu, external faculties’ Mr.PM.Jagatheesan (Advisor), Mrs Gayathri,(SWASTI) Dr G. Baladhandyutham, (M/s Rohini Garments), SIMA faculties Mrs. Hema Mohankumar and Mr.N.Selvaraj and Dr R Mathulaa, Dr NGP Arts & Science College.



Mr PM Jagatheesan, Advisor, SIMA with University Faculties and Students



Mrs Hema Mohan Kumar, Secretary SIMA with University Faculties



Mrs Gayathri, SWASTI



Mr N Selvaraj, Assistant Secretary



Dr G Balathandayutham KRISH Carbon

TEXTILE SCENE ➤➤➤

Vietnam's 2025 textile-garment exports estimated to hit \$46 bn: VITAS

- The Vietnamese textile-garment industry's export revenue is expected to hit \$46 billion this year, marking a 5.6 per cent YoY increase, according to the Vietnam Textile and Apparel Association.
- The sector's trade surplus is estimated at \$21 billion for the year.

India launches Tex-RAMPS scheme to boost textile research & innovation

- India has launched the Tex-RAMPS Scheme with an outlay of ₹305 crore for the fiscal 2025-26 to 2030-31 to strengthen research, data systems, innovation and start-ups in textiles.
- Funded by the Ministry of Textiles, the scheme will support smart textile research, build a real-time data platform, nurture entrepreneurial ventures and expand State-level capacity.

India's textile exports record growth across 111 countries: Report

- India's textile exports expanded across 111 countries in April–September 2025 as the industry diversified away from the US amid high tariffs.
- The India-UK FTA will further lift exports, while technical textiles and rising domestic fashion demand fuel growth.
- Government support, innovation, and expanding digital retail are helping the sector navigate volatility and strengthen its competitiveness.

QCO removal lifts apparel sector; polyester yarn growth to stay flat

- India's removal of QCO norms on polymer and fibre intermediates will lower input costs for textile exporters.
- Polyester yarn manufacturers are expected to post flatter 3–5 per cent revenue growth as cheaper imports drag down realisations.
- Interest cover is set to weaken to 2.7–2.9 times as crude volatility and tariff gaps continue to pressure the upstream segment.

Industry bodies urge Bangladesh govt to save spinning sector

- Three major industry bodies in Bangladesh have called for urgent measures to protect the spinning industry, which could face a shutdown at any moment without swift intervention.
- This could lead to job losses and significant financial shocks to banks and financial institutions, and may also force the textile-apparel industry to rely heavily on imports, posing a serious threat to long-term competitiveness.

India rescinds QCO on VSF to boost textile sector growth

- India has rescinded the Quality Control Order on Viscose Staple Fibre, following similar action on the polyester value chain.
- The move addresses long-standing industry concerns over inflated domestic VSF prices and limited supply.
- According to the Ministry of Textiles, the withdrawal will improve raw material access, enhance competitiveness and support Vision 2030 targets.

Tough competition in EU hits Bangladesh RMG exporters' profit margins

- As China, Vietnam, Cambodia and Pakistan compete with Bangladesh to grab more share in the EU garment market due to US reciprocal tariffs, experts feel the trend may squeeze margins and undermining profitability of Bangladesh garment exporters.
- Other key destinations where garment exports have been diverted includes Japan and Canada.
- Bangladesh has holding over 20-per cent share in the EU apparel market.

Indian textile industry welcomes trade package for exporters

- India has announced a relief package for textile and apparel exporters to counter the impact of 50 per cent US tariff and global demand weakness.
- The measures include a loan repayment moratorium, an extended export realisation period and longer export credit limits.
- Industry leaders say the steps will ease liquidity pressure but urge similar support for stressed spinning, weaving and processing units.

CHAT BOX ➤

GST

1. November being the last month to claim Input Tax Credit (ITC) for FY 2024–25, what should be the practice to be adopted by the assesses?

- As per Section 16(4) of the CGST Act, ITC for any financial year can be claimed up to 30th November of the following year or the date of filing the Annual Return, whichever is earlier.
- If ITC is not claimed within this period, the credit becomes permanently ineligible and cannot be availed later.
- Any ITC not availed by the due date will be irreversibly lost, directly increasing the taxpayer's cost

Advisory:

1. Reconcile GSTR-2B with Purchase Books.

- Check if all eligible ITC appearing in GSTR-2B has been accounted for in the purchase records.

2. Record all pending Purchase Invoices

- Ensure every eligible invoice, debit note and expense entry is properly booked.

3. Follow up with Vendors for Missing Invoices

- If any invoices are not reflected in GSTR-2B, immediately contact suppliers, asking them to upload them.

4. File an accurate GSTR-3B on time

- Make sure the GSTR-3B filed for November incorporates all pending eligible ITC.

2. Does a retiring partner remain liable if no intimation of retirement is given to the GST authority?

Yes, a retiring partner would remain liable if proper intimation of retirement is not given.

Legal Position under GST is as follows:

1. Joint and Several Liability:

As per Section 90 of the GST Act, all partners of a firm are jointly and severally liable for any GST tax, interest or penalty owed by the firm.

2. Intimation Requirement:

When a partner retires, either the retiring partner or the firm must intimate the Commissioner in writing about the date of retirement.

3. Overriding power of GST Act:

Being a statutory obligation, even if the partnership deed says otherwise, GST law will override contract terms.

4. Cut-off Liability Date:

If the intimation is given within 1 month of retirement, then the retiring partner is liable only for GST dues (tax, interest, penalty) up to the date of retirement, even if the exact amount is not determined on that date.

If no intimation is given within one month, then the retiring partner's liability continues until the date the Commissioner actually receives the notice.

Ref: Harvinder Singh Vs State of Punjab – High Court

3. If goods are unloaded at a location that is not mentioned in the tax invoice and the taxpayer subsequently applies to add that location as an “Additional Place of Business” in the GST registration, will such unloading be treated as valid?

Where goods were unloaded at a place other than that mentioned in the invoice, subsequent Application for amendment of Registration Certificate for adding the said place of unloading as “Additional place of business” would be considered as a means to escape the penal provisions prescribed under section 129 of the GST Act.

Non-compliances raised by the department in this regard include:

1. Invoice discrepancy: The invoice would not match the actual delivery location, leading to raising questions during inspection.

2. Unloading at an unregistered place would be viewed as non-compliance with Rule 56 and Rule 58, where the provisions deal with proper maintenance of books of record and storage of goods only at declared premises.

3. Possible penalties – In case of interception or audit, Authorities can impose penalties under:

- Section 122 (general penalty),
- Section 129 (detention/seizure), if goods are in transit or stored improperly.

4. Can a taxpayer claim unavailed Input Tax Credit (ITC) merely by reporting it in GSTR-9, if such ITC was not claimed earlier in the GSTR-3B Returns?

No, ITC cannot be claimed merely by reporting it in GSTR-9 if it was not claimed earlier in GSTR-3B.

- GSTR-9 is a “Summary Return,” not a “Claiming Return.” The Annual Return only summarizes the ITC reported and claimed in the GSTR-3B Return. It does not provide any new opportunity to avail missed ITC.
- Sec. 16(4) of CGST Act restricts availing ITC for any financial year up to the due date of GSTR-3B of November of the following year (or the date of filing Annual Return, whichever is earlier). Hence, if ITC was not claimed in GSTR-3B within this period, it lapses.
- ITC must be availed through GSTR-3B only, before the statutory deadline.
- Any additions/omissions detected at the time of preparing GSTR-9 cannot be used to avail ITC. No additional ITC can be claimed through GSTR-9.

5. Do liquidated damages or penalties paid by the applicant for breach or non-performance of an agreement qualify as a “supply”? Would such payments be treated as consideration for “agreeing to the obligation to tolerate an act,” and therefore attract GST

As per the Order of Gujarat Authority for Advance Ruling:

Compensatory payments for breach are outside the scope of GST.

- The payment of liquidated damages under the Agreement represents compensation for breach of contractual terms and not consideration for any activity or forbearance undertaken by the recipient.
- There is no agreement to tolerate an act or situation in return for a consideration, the damages merely arise due to non-performance or breach by the applicant, resulting in compensation.

Ref: Section 7 & Entry 5(e) of Schedule II of GST Act/ CBIC Circular No. 178/10/2022-GST, dated 03.08.2022/In Re: M/s. JBM Ecolife Mobility Surat Private Ltd. dated 03.11.2025 - Gujarat AAR

LABOUR

1. What is the Code on Wages, 2019? How many existing enactments have been consolidated under this Code and from which date is it effective?

The Code on Wages, 2019, is a comprehensive legislation introduced by the Government of India to consolidate and simplify existing labour laws related to wages and bonus payments. It extends to all categories of employment, including the unorganized sector and covers any establishment engaged in industry, trade, business, or manufacturing activities

The Code on Wages replaces and rationalizes four existing Central laws:

- The Minimum Wages Act, 1948
- The Payment of Wages Act, 1936
- The Payment of Bonus Act, 1965
- The Equal Remuneration Act, 1976

The Government of India has announced that the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code

on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 are being made effective from 21st November 2025

2. How does the definition of “wages” differ under the Code on Wages, 2019 and what would be its impact?

Under the Code on Wages, 2019, the definition of “wages” has been standardised across all wage-related laws, replacing multiple earlier definitions and ensuring uniformity. Traditionally, employers paid wages under various components such as Basic Wages, Dearness Allowance, House Rent Allowance, Conveyance Allowance, etc.

Under the new definition, wages include basic pay, dearness allowance and retaining allowance, while placing a clear cap on the items that may be excluded. The Code mandates that at least 50% of the employee’s total remuneration must be counted as wages for calculating statutory benefits such as PF, Gratuity, Bonus, etc.

All permissible exclusions such as HRA, overtime, bonus, commission, employer’s contributions and similar allowances cannot exceed 50% of the total remuneration. If the exclusions exceed this limit, the excess amount must be added back to wages.

Therefore, even if management structures salary under different components or nomenclatures, a minimum of 50% of gross remuneration must be ensured for statutory benefit calculations.

3. What is the “Industrial Relations Code, 2020”? How many enactments have been consolidated under this Code, and what are its salient features?

The Trade Unions Act, 1926, The Industrial Employment (Standing Orders) Act, 1946 and The Industrial Disputes Act, 1947 have been consolidated in this code.

Some of the key highlights of IR Code 2020 are as follows:

- Introduction of fixed-term employment - Employers will be able to hire workers directly under a fixed-term contract based on the seasonality of industry.
- All statutory benefits available to permanent/regular worker shall also be made available to Fixed Term Employees, who are doing work of same or similar nature.
- Termination of service of a worker on completion of tenure in a fixed-term employment will not be considered as retrenchment.
- Principal Employer can engage contract labourers, directly
- In case of Retrenchment, the Organisation with 100 or more workers need to obtain approval from the Labour Commissioner

- Re-skilling fund" - for training of retrenched employees. The retrenched employee would be paid 15 days' wages from the fund within 45 days of retrenchment
- Every industrial establishment employing twenty or more workers shall have one or more Grievance Redressal Committee for the resolution of disputes arising out of individual grievances.
- The Committee shall consist of a maximum of 10 members with equal participation of the employer and the workers
- Standing Orders - shall apply to every industrial establishment wherein 300 or more are employed, or were employed on any day of the preceding twelve months
- The existing Standing Orders on the date of commencement of this Code, shall, unless inconsistent with the code or rules, shall continue and be deemed to be the Standing Orders under the provisions of this Code

4. What is meant by the Occupational Safety, Health and Working Conditions Code, 2020 (OSH Code) and from when shall it be effective?

The Occupational Safety, Health and Working Conditions Code, 2020, is enacted to consolidate and simplify the existing complex web of labour laws. It replaces 13 Central Labour laws by a single comprehensive legislation and is effective Nov 21, 2025.

Some of the impact of OSH Code on the industry are as follows:

- Employer – to provide free of cost annual health check-up for employees who have completed 45 years of age
- Leave with wages – eligibility limit reduced from the existing 240 days to 180 days. (Adult 1 day for every 20 days and Adolescent 1 day for every 15 days worked)
- Journey Allowance shall be paid to the Inter State Migrant Workman, if the migrant workers had worked for 180 days in the preceding 12 months. i.e. To & Fro Journey allowance from the residence of the Inter-State migrant workman (II class sleeper in train or bus)

OSH Code comprises of the following Acts:

1. The Factories Act, 1948;
2. The Mines Act, 1952;
3. The Dock Workers (Safety, Health and Welfare) Act, 1986;
4. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
5. The Plantations Labour Act, 1951;
6. The Contract Labour (Regulation and Abolition) Act, 1970;

7. The Inter-State Migrant workmen (Regulation of Employment and Conditions of Service) Act, 1979;
8. The Working Journalist and other News Paper Employees (Conditions of Service and Misc. Provision) Act, 1955;
9. The Working Journalist (Fixation of rates of wages) Act, 1958;
10. The Motor Transport Workers Act, 1961;
11. Sales Promotion Employees (Condition of Service) Act, 1976;
12. the Beedi and Cigar Workers (Conditions of Employment) Act, 1966 and
13. The Cine Workers and Cinema Theatre Workers Act, 1981

5. What is meant by Social Security Code, 2020 and what is its impact on the industry?

Some of the key changes introduced under the Code are as follows:

- A uniform definition of wages has been introduced for consistency across all labour codes.
- PFO coverage has been expanded to all establishments employing 20 or more workers, whereas earlier it applied only to establishments listed in the Schedule.
- the informal workforce, including gig workers, platform workers and unorganised workers along with their family members, has been brought within the scope of the Social Security Code.
- gratuity calculation continues to remain unchanged for regular and seasonal employees.
- Fixed-term employees have been made eligible for annuated gratuity, proportionate to their period of service.

The Social Security Code, 2020 comprises of the following Acts:

1. The, Employees' Compensation Act, 1923;
2. The Employees' State Insurance Act, 1948,
3. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
4. The Employees Exchange (Compulsory Notification of Vacancies) Act, 1959;
5. The Maternity Benefit Act, 1961;
6. The Payment of Gratuity Act, 1972;
7. The Cine Workers Welfare Fund Act, 1981;
8. The Building and Other Construction Workers Cess Act, 1996 and
9. The Unorganized Workers' Social Security Act, 2008.

JUDGEMENTS



GST

- No penalty for detention of goods due to traffic restrictions causing delay in e-way bill renewal - Where registered dealer's goods in transit were found fully matching accompanying invoice, e-way bill and mandi documents and e-way bill had expired solely due to city entry restrictions during Shravan Kanwar Yatra, in absence of any material showing intention to evade tax, penalty imposed for expiry of e-way bill was unsustainable and was set aside – High Court
- No adverse action u/s 74 when buyer paid tax, despite seller's registration later cancelled - The Court held that if the supplier's GST registration was cancelled after the transaction, no adverse inference can be drawn against the purchasing dealer, provided tax compliance was completed at the time of purchase. Since the supplier had filed GSTR-1 and GSTR-3B and the assessee had paid tax accordingly, the Court considered the transaction authentic and the ITC legitimately available. The Court criticized the GST authorities for relying solely on borrowed information without verifying whether the supplier existed at the time of the transactions. Factors like valid vehicle registration used for transport and mandatory tax payment for filing GSTR-3B supported the assessee's claim that the transaction was genuine. Since proceedings under Section 74 were initiated without proper verification or legal basis, the High Court quashed the demand and reversal order as unsustainable - Allahabad HC – Singhal Iron Traders Vs Additional Commissioner and anr
- HC quashes order denying ITC as insurance policy was for stock & property and not for motor vehicle - The petitioner claimed ITC on insurance services covering stock, premises, and equipment—not motor vehicles. Since the policy did not relate to motor vehicle insurance, the blocking provisions under Section 17(5) did not apply - The ITC was duly reflected in the petitioner's GSTR-3B and GSTR-2A with no discrepancies. This strengthened the taxpayer's position that the credit was legitimately availed - The adjudicating officer incorrectly assumed the insurance related to motor vehicles and treated the claim as blocked credit. This finding was held to be contradictory to the policy terms and unsupported by evidence - Since the decision was based on a misinterpretation of facts and law, the order lacked jurisdiction. Consequently, the recovery notice and bank attachment were considered unsustainable - The court set aside the demand order and recovery proceedings, holding that ITC on general insurance of business assets (excluding motor vehicles) is eligible under GST - Gujarat HC – Arraycom (India) Ltd. v. State of Gujarat
- Where manufacturer constructed a new factory engaging a contractor under a composite works contract resulting in acquisition of immovable property, only secondary steel structural supports exclusively for crane movement and HVAC, qualifying as 'plant and machinery', are eligible

for proportionate ITC, while no ITC is admissible on civil works, PEB, primary columns, or sheeting under Section 17(5) - AAR

Labour

- Internal Committee cannot decide on whether the aggrieved woman had tarnished the reputation of the establishment – Allahabad HC
- Gratuity is payable when honorarium is being paid to workers at the end of every month – Bom HC
- An administrative decision causing inconvenience to the woman is not sexual harassment - SC
- Transfer is incidental happening in an employment which cannot be challenged even if the transferred employee faces difficulties – Mad HC
- EPF Trust- if any amendment is introduced to EPF Act it is more beneficial to the employees it becomes automatically apply to the employees, even without a formal amendment of the Trust Rules- Mad HC
- No benefits can be denied to employees by EPFO merely because there was some data mismatch and 7A proceedings were pending – Bom HC
- As per settled law contractual employees are eligible for maternity benefits – Del 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	Nov 17 2025	Nov 24 2025	Nov 29 2025
1	P/H/R	Below 22 mm	5.0-7.0	15	43,900	44,000	44,200
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	47,200	47,300	47,800
5	P/H/R(U)	27 mm	3.5-4.9	26	47,800	47,900	48,400
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	Na
8	P/H/R(U)	28 mm	3.5-4.9	27	49,300	49,200	49,300
9	M/M(P)	28 mm	3.7-4.9	27	50,400	50,400	50,600
10	SA/TL/K	28 mm	3.7-4.9	27	Na	Na	Na
11	GUJ	28 mm	3.7-4.9	27	Na	Na	Na
12	R(L)	28 mm	3.7-4.9	27	51,200	50,000	50,000
13	R(L)	29 mm	3.7-4.9	28	51,700	51,000	51,000
14	M/M(P)	29 mm	3.7-4.9	28	51,200	51,300	51,800
15	SA/TL/K	29 mm	3.7-4.9	28	50,500	50,600	51,100
16	GUJ	29 mm	3.7-4.9	28	51,900	52,000	52,100
17	M/M(P)	30 mm	3.7-4.9	29	52,100	52,000	52,700
18	SA/TL/K/O	30 mm	3.7-4.9	29	51,400	51,400	51,700
19	M/M(P)	31 mm	3.7-4.9	30	52,900	52,500	53,200
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	74,200	73,500	73,500
24	M/M(P)	35 mm	2.8-3.7	35	Na	72,000	72,000
25	K/TN	35 mm	2.8-3.7	35	75,900	75,000	75,000

Source: Cotton Association of India | Na-Not Available

Hosiery Yarn Price (Rs/Kg) – Including GST

For the Month of December 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)	147/2025	17.11.2025	All Member Mills	Trade Relief Measures for Garments and Made-ups – Moratorium and Export related measures
2)	148/2025	19.11.2025	All Member Mills	BIS – Withdrawal of Quality Control Order imposed on Viscose Staple Fiber
3)	149/2025	21.11.2025	All Member Mills	“New Labour Code” implemented with effect from 21.11.2025
4)	150/2025	21.11.2025	All Member Mills	Outreach Programme for Production Linked Incentive (PLI) Scheme on 24th at Coimbatore & Tiruppur and 25th November 2025 at Erode
5)	151/2025	25.11.2025	All Member Mills	BIS – QCO Deferment on Textile Machinery
6)	152/2025	26.11.2025	All Member Mills	Cotton - Open auction for sale of FP cotton bales on 4th December, 2025 at Coimbatore by CCI
7)	153/2025	26.11.2025	All member mills	Glimpse of “New Labour Codes
8)	154/2025	27.11.2025	All Member Mills	One day workshop on “New Labour Codes- Roadmap” at SIMA premises on December 10, 2025 (Wednesday)