



# Fortnightly E-REVIEW

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## NEWS HIGHLIGHTS >>>

- ❖ ICE Cotton rallies to 22-month high on weak dollar
- ❖ Bangladesh RMG units call for allowing local FOC raw material sourcing
- ❖ Energy emerges as biggest cost driver in textile margins
- ❖ US T&A imports from India decline, but fall is lesser than China

## REPRESENTATIONS >>>

- Vide a representation dated 8<sup>th</sup> April 2026 an appeal was made to Smt. Nirmala Sitharaman, Hon'ble Minister of Finance, Government of India, to grant interim exemption from Customs Duty on import of raw materials/inputs used in the manufacture of Manmade Textile products to support export competitiveness.
- Vide a representation dated 9<sup>th</sup> April 2026 an appeal was made to Smt. Neelam Shami Rao, Secretary Textiles, to direct CCI to stop selling MSP procured cotton to Multinationals / traders until the import duty is rescinded.
- A request was made to Shri Ashwini Vaishnaw, Hon'ble Minister of Railways; Information and Broadcasting and Electronics and Information Technology, Government of India, to enable the provision to allocate adequate Rail Services/special trains to enable Migrant Workers in Tamil Nadu particularly Coimbatore from West Bengal to exercise their Electoral Franchise.

## MEETINGS / WORKSHOP >>>

### One day workshop on “Transformative Supervisory Skill Development Programme” held on April 10, 2026 (Friday) at SIMA Conference Hall

The Association organized a Transformative Supervisory Skill Development Programme covering Introduction, Role of Supervisors, Production & Productivity, Recruitment, Selection and Retention, Communication and Team Work, Duties & Responsibilities of Supervisor, and Handling of Workers including migrant

workers. The programme was attended by around 70 participants from 25 mills. The Session was handled by Mr S Ravi, Deputy Secretary, SIMA and Industrial experts like Mr V Kalyanaraman, Textile Consultant, Dr Willington Jebaraj, Advisor SIMA and Mr P M Jagatheesan, Advisor, SIMA. The feedback received from the participants was excellent, interactive, and knowledgeable. On request from Member, the Association will conduct the second batch of the supervisory development programme during July 2026. Interested Members who are willing to conduct unit-level supervisory programmes may also contact the Association.



Mr Kalyanaraman, Textile Consultant addressing the participant



Mr S Ravi, Deputy Secretary, SIMA addressing the participant



Mr P M Jagatheesan, Advisor, SIMA addressing the participant



Dr Willington Jebaraj, Advisor, SIMA addressing the participants



Session of participant



Group Photo

## SIMA – KPR MoU

The Southern India Mills Association has signed a MoU with KPR College of Arts, Science and Research on 8<sup>th</sup> April 2026 in the presence of Dr P Geetha, Principal KPRCAS and Dr K Selvaraju, Secretary General, SIMA for Skill Development, Internship, placements, industrial visits, guest lecture, consultancy and other related services for the benefit of textile industry. Member Mills may make use of the Institutions facilities to meet the Human Resource Development needs of Textiles and Clothing industry.



## TEXTILE SCENE

### ICE Cotton rallies 22-month high on weak dollar

- ICE Cotton Futures rallied to a more than 22 month high, supported by a combination of a weaker US Dollar, firm Crude Oil Prices
- According to market analysts, high crude oil prices and rising synthetic fibre costs are key drivers supporting the cotton market, along with the impact of a weaker dollar.

### Bangladesh RMG units call for allowing local FOC raw material sourcing

- Bangladesh readymade garment (RMG) manufacturers recently requested the Government to remove restrictions on sourcing raw materials free of cost (FOC) from local suppliers.
- While exporters are now allowed to import raw materials from abroad on an FOC basis under a recent policy change, such a provision does not exist for sourcing the same materials locally, industry leaders said.
- They feel allowing FOC sourcing from domestic suppliers would boost local sales, strengthen backward linkage industries and raise overall value addition in the export-oriented RMG sector.

## Energy emerges as biggest cost driver in textile margins

- Energy is replacing labour as the key determinant of textile manufacturing competitiveness, driving a structural industry reset.
- Rising fuel and power costs are sharply increasing processing expenses, compressing margins across global hubs.
- SMEs face the highest risk due to limited pricing power and weak energy resilience, accelerating consolidation.

## CHAT BOX

### GST

#### **1. Can ITC be denied solely due to mention of an incorrect GSTIN of another branch under the same PAN in the invoice, despite fulfilment of all substantive conditions?**

ITC should not be denied merely due to mention of wrong GSTIN of another branch under the same PAN in the invoice and the same should be treated as a procedural/technical error, subject to fulfilment of substantive conditions including:

- The goods have been actually received and used for business purposes
- Possession of tax invoice
- Tax has been paid to the government
- Invoice details furnished by supplier in GSTR-1
- Reflected in GSTR-2B of the recipient (The invoice may appear in GSTR-2B of another branch, not the actual recipient)

Ref: Section 16 of GST Act and judgement of Delhi High Court in B Braun Medical India Pvt Ltd. vs. Union of India

#### **2. Is pre-deposit required to be paid for duplicated ITC demand, while filing appeal before the Commissioner? Whether the amount paid during investigation can be adjusted toward pre-deposit?**

Delhi High Court has held as follows:

- Duplicated demands cannot be used to burden assesee with multiple pre-deposits.
- Amounts deposited during the course of investigation are liable to be adjusted against the statutory pre-deposit requirement.

Ref: Section 107 of GST Act and judgement of Delhi High Court in Rajesh Tanwar vs. Commissioner, CGST, Delhi West

### **3. Whether the pre-deposit for filing appeal can be validly made using the Electronic Credit Ledger, especially when the tax in dispute is output tax? Whether the Revenue's insistence on pre-deposit through only the cash ledger is legally sustainable?**

Several Courts have taken a view in favour of the assesseees:

- **Union of India vs. Yasho Industries Ltd (Supreme Court)**
  - pre-deposit for appeal under Section 107(6)(b) can be made via the Electronic Credit Ledger, if it relates to output tax.
- **Jyoti Construction vs Deputy Commissioner:**
  - Pre-deposit under Section 107(6) is in the nature of payment of tax.
  - Therefore, it can be discharged using the Electronic Credit Ledger, subject to eligibility of ITC.
- **Oasis Realty v. Union of India:**
  - If the liability relates to output tax, ITC utilization cannot be denied.
  - Restricting payment only through cash ledger lacks statutory backing.

Ref: CBIC Instruction/Circular F. No. CBIC-20001/2/2022-GST (dated 06.07.2022)

### **4. Only payments reflected against the Demand ID in the Electronic Liability Register are considered for pre-deposit. How is the Demand ID in the Electronic Liability Register relevant for considering payments made through Form GST DRC-03 towards pre-deposit?**

The Demand ID in the Electronic Liability Register is crucial because the GST system recognizes payments for pre-deposit only when they are linked to that specific Demand ID.

Payments made through Form GST DRC-03 are treated as voluntary payments and are not automatically tagged to any Demand ID. Therefore, such amounts do not appear as adjusted liabilities in the Electronic Liability Register and are not considered by the portal while calculating the mandatory pre-deposit at the time of filing an appeal.

To ensure these payments are counted:

- The taxpayer must file Form GST DRC-03A to link the DRC-03 payment with the relevant Demand ID.
- Once linked, the amount gets reflected against the demand in the Electronic Liability Register.

- The GST system will then recognize the payment as part of the pre-deposit and no additional payment will be required to the extent already paid.

**5. With year-end verifications underway, whether a supplier can reduce output tax liability in cases where an invoice was raised in FY 2025–26, but was rejected by the customer (who has not availed input tax credit), and no credit note has been issued till date. If so, what is the appropriate mechanism under GST to claim such reduction?**

- **A credit note must be raised on or before the earlier of:**
  - 30th November following the end of the financial year in which the original invoice was issued, or
  - Date of filing of the relevant Annual Return (GSTR-9)
  - If the buyer rejects in IMS portal, it can still be justified during audit with Invoice rejection proof, No ITC Declaration and Commercial correspondences.

Or

- **File Refund Application under Section 54 of GST Act, in RFD-01 under the head “Excess payment of tax” / “Tax paid on cancelled supply”, with the following documents/proof:**
  - Invoice copy
  - Proof of rejection (email / communication)
  - Ledger showing no receipt
  - Declaration that recipient has not taken ITC
  - proof of rejection in IMS

Refund would be subject to thorough scrutiny and cooperation of the buyer (cancelled/rejected) is equally important

## Labour

**1. The Occupational Safety, Health and Working Conditions Code mandates medical health check-ups for employees above 40 years of age. Is it the statutory responsibility of the employer to conduct such check-ups? Further, in the case of contractual workers, can this responsibility be imposed on the principal employer?**

The Labour Codes place primary responsibility on the employer to comply with statutory provisions for direct employees. However, in the case of contract labour, if the contractor fails to fulfil any statutory obligation, the responsibility shifts to the principal employer. Accordingly, the principal employer is liable for ensuring compliance

with requirements, including medical health check-ups, even for contract workers

**2. How are the workers of the Grievance Redressal Committee to be selected when the establishment does not have its own Trade Union?**

As per the Industrial Relations Code, 2020 read with the Industrial Relations (Central) Rules, 2020, the constitution of the Grievance Redressal Committee (GRC) on the workers' side is ordinarily determined by the Negotiating Union or Negotiating Council. In the absence of any Trade Union, the management shall facilitate the election of worker representatives from among the employees for nomination to the GRC. Such selection must be carried out through a fair and transparent process, ensuring adequate representation of all categories of workers, including women

**3. Section 54 of the Occupational Safety, Health and Working Conditions Code, 2020, prohibits engagement of a contractor without a valid licence. In case, the management engages non-licensed contractor, can the contractor's workers claim automatic absorption, as employees of the principal employer?**

No. Section 54 of the Occupational Safety, Health and Working Conditions Code, 2020 prohibits engagement of contract labour through an unlicensed contractor. Where a contractor fails to obtain the required licence, it constitutes a statutory violation, attracting penal consequences under Section 94 of the Code. However, such non-compliance does not result in automatic absorption of the contractor's workers by the principal employer. The workers do not acquire a right to be treated as direct employees solely on account of the contractor being unlicensed

Ref: Director, Steel Authority of India Ltd. vs Ispat Khadan Janta Mazdoor Union, 2019 LLR 892 SC

**4. Under Occupational Safety, Health and Working Conditions Code leave, holidays and overtime related provisions are applicable only to "workers" and not "employees". If so, what criteria or parameters should be used by an establishment to identify and distinguish 'workers' from other categories of employees?**

As per the provisions of the Occupational Safety, Health and Working Conditions Code, employees engaged predominantly in supervisory functions and drawing wages above ₹21,000 per month, as well as those performing managerial or administrative roles, fall outside the scope of the definition of 'worker'. The Supreme Court and the Bombay High Court have laid down certain tests to be applied for determining the distinction between a 'worker' and other categories of employees. Some of the tests are as follows: What is the predominant nature of the duties performed by the individual, whether they are supervisory in character or involve routine/operational work

- It is not the designation or the position held but only the nature of duties.
- Whether the employee has the authority to take decisions that bind the company and to direct, supervise, or instruct others in the performance of work.

- Does the employee have the power either to recommend or sanction leave of the workmen working under him. Does he have the power to take disciplinary action.
- Does the employee have the authority to indent material and to distribute the same to workmen

Ref: SLP Civil 3682 of 2025 dated 17.12.2025, Union Carbide India Ltd Vs D Samuel and others 1998 80 FLR Bom HC

#### **5. Under the OSH code, can the occupier of the factory claim exemption from criminal liability?**

Yes. The occupier is entitled to file a complaint against any person whom he alleges to be the actual offender. However, a prior notice of three days must be given to the prosecutor before initiating such proceedings. The occupier is required to establish that he exercised due diligence and that the offence was committed by the other person without his knowledge or consent

## **JUDGEMENTS**

### **GST**

- Where all notices including show cause notice were only uploaded on GST portal and assessee was denied personal hearing with assessment confirmed ex parte without ensuring effective service or exploring alternative statutory modes, such non-compliance amounted to breach of natural justice, vitiating assessment and consequential order - High Court
- Where petitioner had duly intimated change of address and official records reflected this in GST REG-06, but all crucial notices, orders, and appellate communications were incorrectly sent to old address, such failure to serve at correct address violated principles of natural justice, vitiating proceedings and resulting in quashing of SCN and related orders with direction for fresh proceedings – High Court
- Where a consolidated show cause notice was issued alleging fraud and suppression across several years under Section 74, such clubbing of multiple financial years in one notice was impermissible because each year has a separate limitation and statutory scheme, therefore, consolidated demand notices were to be quashed with liberty to re-issue separate period-wise notices as per law – High Court
- Where statutory appeal before State Tax Additional Commissioner was dismissed as time-barred and petitioner vide writ petition sought liberty to challenge order passed in appeal under provisions of section 112, liberty was to be granted to petitioner and petition was to be disposed of accordingly – High Court
- Merely because confiscation proceedings under Section 130 of GST Act is in progress, continued detention of goods is not legally sustainable if no valid order of detention as contemplated under proviso to sub-section (1) of Section 129 is passed within a period of three working days – High Court
- here show cause notice and demand under Section 73 were issued and adjudicated against a deceased sole proprietor after registration cancellation, without proceeding against legal representative as required

by Section 93, entire proceedings were void and orders passed were unsustainable – High Court

- Wrong ITC was claimed in GSTR-3B under CGST/SGST instead of IGST, but error was duly disclosed and rectified in GSTR-9/9C with CA certification and, hence, earlier proceedings were dropped; fresh DRC-01A/DRC-01 and assessment alleging revenue loss were unsustainable as no actual loss occurred, and impugned order was to be quashed – High Court

## LABOUR

- The Code on Social Security provides for assessment even in cases where returns are filed. 2026 LLR 371 MADRAS HIGH COURT
- Retrospective repeal of the Industrial Disputes Act is legal. 2026 LLR 390 KARNATAKA HIGH COURT
- Payment of ESI dues under the SS Code in instalments is proper when wages couldn't be paid. 2026 LLR 384 MADRAS HIGH COURT
- Domestic enquiry will not be vitiated even when the enquiry officer was known to the management. 2026 LLR 363 DELHI HIGH COURT
- Resignation not forceful when worker didn't raise objection during notice period and accepted F&F. 2026 LLR 414 KARNATAKA HIGH COURT
- Absorption apt when principal employer supervised, paid wages, gave tools to contractor's workers. 2026 LLR 355 SUPREME COURT OF INDIA
- Government's interim arrangement of the courts under old laws to continue having jurisdiction is legal. 2026 LLR 385 KERALA HIGH COURT
- A hospital cannot stop doctor from working for another hospital after resignation. 2026 LLR 420 MADRAS HIGH COURT
- Order of transfer can be challenged even at the place where the transfer order was served. 2026 LLR 360 DELHI HIGH COURT
- Principal employer liable to pay contract labour's dues even the contractor was unlicensed. 2026 LLR 402 ORISSA HIGH COURT
- High Court can restrain workers from going on strike when the conciliation proceedings are pending. 2026 LLR 378 KARNATAKA HIGH COURT
- Retrenchment may be illegal if notice was not served to the appropriate Government. 2026 LLR 424 HIMACHAL PRADESH HIGH COURT
- Enquiry officer need not provide further opportunity after enquiry proceeded ex-parte. 2026 LLR 363 DELHI HIGH COURT
- Gratuity forfeiture legal when employee was found guilty of financial misconduct after retirement age. 2026 LLR 393 CALCUTTA HIGH COURT
- ID card issued by Principal Employer is sufficient for making accident compensation claim against him. 2026 LLR 380 DELHI HIGH COURT
- Wages during pendency of matter before High Court not payable after superannuation age. 2026 LLR 408 DELHI HIGH COURT Even an order on the applicability of PF provisions, without imposing dues, is appealable. 2026 LLR 448 PUNJAB AND HARYANA HIGH COURT
- Rates of damages cannot exceed the percentage specified under the EPF Scheme. 2026 LLR 460 KARNATAKA 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	Apr 01 2026	Apr 08 2026	Apr 15 2026
1	P/H/R	Below 22 mm	5.0-7.0	15	49,200	49,200	50,100
2	GUJ	22 mm	4.0-6.0	20	38,900	38,200	38,700
3	M/M(P)	23 mm	4.5-7.0	22	49,500	50,000	50,500
4	P/H/R(U)	27 mm	3.5-4.9	26	53,200	54,000	54,600
5	P/H/R(U)	27 mm	3.5-4.9	26	54,100	54,900	55,500
6	M/M(P)/SA/TL/G	27 mm	3.0-3.4	25	50,000	50,900	51,100
7	M/M(P)/SA/TL	27 mm	3.5-4.9	26	55,300	56,600	56,800
8	P/H/R(U)	28 mm	3.5-4.9	27	56,000	56,700	57,300
9	M/M(P)	28 mm	3.7-4.9	27	56,800	58,400	58,500
10	SA/TL/K	28 mm	3.7-4.9	27	56,100	57,700	58,000
11	GUJ	28 mm	3.7-4.9	27	57,300	58,800	58,800
12	R(L)	28 mm	3.7-4.9	27	56,300	57,000	57,500
13	R(L)	29 mm	3.7-4.9	28	57,300	58,500	59,500
14	M/M(P)	29 mm	3.7-4.9	28	57,800	59,600	59,800
15	SA/TL/K	29 mm	3.7-4.9	28	57,100	58,800	59,100
16	GUJ	29 mm	3.7-4.9	28	58,400	60,000	60,000
17	M/M(P)	30 mm	3.7-4.9	29	58,600	60,600	60,700
18	SA/TL/K/O	30 mm	3.7-4.9	29	58,000	59,600	59,700
19	M/M(P)	31 mm	3.7-4.9	30	60,000	61,700	61,800
20	SA/TL/K/TN/O	31 mm	3.7-4.9	30	59,800	61,500	61,600
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	75,200	76,700	79,000
23	K/TN	34 mm	2.8-3.7	34	76,000	77,500	80,000
24	M/M(P)	35 mm	2.8-3.7	35	77,000	78,500	81,000
25	K/TN	35 mm	2.8-3.7	35	78,000	79,500	82,000

Source: Cotton Association of India | Na-Not Available

## Hosiery Yarn Price (Rs/Kg) – Including GST

For the Month of April 2026

Count	VL	GL	RL
10	281	-	-
16	281	270	-
20	285	274	292
25	294	283	301
30	306	295	313
32	312	-	319
34	313	302	320
36	320	-	327
40	334	323	341

*Prices are only indicative subject to reconfirmation.*

## CIRCULARS ISSUED DURING THE FORTNIGHT

Sl. No	Cir.No	Date	To	Subject
1)	44/2026	01.04.2026	All Member Mills	Export – Extension of Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme till 30.09.2026
2)	45/2026	01.04.2026	All Member Mills	DGFT – Extension of RoSCTL Scheme for export of Garments and Made-ups extended from 31.03.2026 till 30.09.2026 – Notified
3)	46/2026	02.04.2026	All Member Mills	Income Tax - TCS on sale/purchase of cotton waste
4)	47/2026	02.04.2026	All Member Mills	RBI - Trade Relief Measures for Garments and Made-ups
5)	48/2026	06.04.2026	All Member Mills	India–USA Trade Facilitation Portal – Direct Market Access and Export opportunity to USA
6)	48A/2026	10.04.2026	Member Mills in Andhra Pradesh and Telangana	Consumer Price Index Number - All India – February 2026
7)	48B/2026	10.04.2026	Member Mills in Tamil Nadu	Consumer Price Index Number - Chennai City – February 2026
8)	48C/2026	10.04.2026	Member Mills in Kerala	Consumer Price Index Numbers for the month of February 2026
9)	49/2026	10.04.2026	All Member Mills	Cotton - Request to submit State-wise Fortnightly Cotton Requirement for Direct Purchase from CCI MSP Stock
10)	50/2026	13.04.2026	Member Mills in Tamil Nadu	Techno-facts Bench Marking Survey - Revision of Key factors