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NEWS HIGHLIGHTS

- **Reduction of Hank Yarn Obligation from 30% to 20%**
- **Bangladesh-US apparel paradox shows higher rank and weaker momentum**
- **US apparel sourcing shifts beyond Asia**
- **Bangladesh exporters concerned over US tariff move under Section 301**
- **Ministry of Textiles, Government of India, withdraws cotton bales QCO after multiple extensions**
- **Government of India, exempted cotton from 11% import duty for the period 1st June 2026 to 31st October 2026**

REPRESENTATIONS

- Vide representation dated 10th June 2026, a request was submitted to Selvi S Keerthana, Hon'ble Minister of Industries, Government of Tamil Nadu, seeking clarification and support measures to facilitate the effective operationalisation of the PM MITRA Park.
- Vide representation dated 12th June 2026, an appeal was submitted to Shri Giriraj Singh, Hon'ble Minister of Textiles and Shri Piyush Goyal, Hon'ble Minister of Commerce & Industry, requesting them to recommend to the Hon'ble Finance Minister for the non-notification of the proposed Anti-Dumping Duty on Elastomeric Filament Yarn (EFY) imported from China PR and Vietnam in the larger interest of the Indian textile value chain.
- Vide representation dated 10th June 2026, an appeal was made to strengthen the Coimbatore Regional Office of the Textile Commissioner through the appointment of an exclusive Additional Textile Commissioner, considering the strategic importance of the region to the textile sector.

WORKSHOP

International Labour Organization conducted an awareness building workshop on social dialogue, workplace co-operation and grievance handling on 5th June 2026 at Chennai

From the Association, the workshop was attended by Mrs. Hema Mohankumar, Secretary and she has been awarded a Certificate and the same can be used to serve the industry as a trainer on the subject.

TEXTILE SCENE

Reduction of Hank Yarn Obligation from 30% to 20%

The Association has been making concerted efforts during the last several years to reduce the hank yarn obligation. The Hon'ble Union Textile Minister, Shri. Giriraj Singh, after examining the justifications submitted by the Association has reduced the obligation from 30% to 20%. Accordingly, Office of the Textile Commissioner has issued a Notification No.8/TDRO/8/2026 dated 15.06.2026. The announcement and the notification have come as a big relief to the spinning segment of the industry.

Bangladesh-US apparel paradox shows higher rank and weaker momentum

- Bangladesh remains the second-largest apparel supplier to the US, but exports are losing momentum despite China's sharp decline.
- Falling shipment value, volume and unit prices indicate growing competitive pressure.
- To capture more market share, Bangladesh must strengthen synthetic fibre capabilities, speed, flexibility and compliance rather than relying solely on low-cost manufacturing.

US apparel sourcing shifts beyond Asia

- US apparel sourcing is becoming more diversified as buyers reduce dependence on traditional suppliers.
- While Asia remains dominant, Europe, Africa and the Middle East are gaining share due to their strengths in quality, traceability, compliance and risk management.
- Future sourcing decisions will increasingly balance cost, speed, resilience and regulatory certainty.

Bangladesh exporters concerned over US tariff move under Section 301

- The Office of the United States Trade Representative (USTR) has proposed additional tariffs of 10 per cent to 12.5 per cent on imports from 60 countries, alleging that these economies have failed to prohibit or enforce bans on goods produced using forced labour
- Bangladesh is also included in this list, with the USTR recommending an additional 10 per cent duty as part of a broader Section 301

investigation into global trade practices. Section 301 is one of Washington's most powerful unilateral trade tools, allowing the US to investigate foreign trade practices and impose tariffs or other restrictions.

Ministry of Textiles, Government of India withdraws cotton bales QCO after multiple extensions

- The Ministry issued a notification on June 9, 2026, rescinding the Cotton Bales (Quality Control) Order, 2023, with immediate effect. The order had originally been notified on February 28, 2023, under the Bureau of Indian Standards (BIS) Act and prescribed compliance with Indian Standard IS 12171:2019 for cotton bales.
- The move comes less than a year after the government granted a third extension to the implementation timeline. Under a notification issued in July 2025, the QCO's effective date had been pushed to August 27, 2026, from the earlier August 27, 2025 deadline, following repeated requests from industry stakeholders.

Government of India, exempted cotton from 11% import duty for the period 1st June 2026 to 31st October 2026

- The Strategic intervention to help make Indian textiles more competitive in the international market while safeguarding the interests of domestic cotton farmers
- Duty-free imports to stabilize raw material costs, strengthen global competitiveness, and sustain employment in textile-apparel value chain.
- Cotton textile exports account for 33% of India's total textile exports, helping sustained demand of cotton benefiting farmers directly

CHAT BOX

Legal Metrology Act

1. **Is a yarn manufacturing unit required to have its weighing machines periodically verified and stamped under the Legal Metrology Act?**

   In a yarn manufacturing unit, the requirement for stamping (verification and certification) of weighing machines depends on the purpose for which the weighing machine is used under the Legal Metrology Act, 2009.

   When stamping is mandatory:

   A weighing machine must be verified and stamped by the Legal Metrology Department, if it is used:

   - For purchase or sale transactions of cotton, yarn, waste, packing materials, etc.

- For determining the quantity supplied to customers.
- For invoicing, billing, stock transfer, export documentation or commercial transactions.
- For payment of wages, royalty, duty, toll or other dues based on weight.
- For any activity where the weight affects a commercial transaction.

Ref: Section 24(1) of the Legal Metrology Act, 2009.

2. What is the frequency/timeline for stamping of weighing machines?

- Most electronic weighing machines, platform scales, weighbridges, bale weighing machines, cone/package weighing machines and similar instruments used in spinning mills for commercial transactions generally fall under the residual category of “all other weights or measures”, requiring re-verification every 12 months.
- Before use, if the weighing machine:
  - ❖ is dismantled and re-installed; or
- undergoes repair affecting its metrological accuracy, even if the normal verification period has not expired.

Ref: Rule 27 of the Legal Metrology (General) Rules, 2011

3. What types of transactions or uses of weighing machines are exempt from mandatory verification and stamping under the Legal Metrology Act, 2009?

As per the 2021 amendment to the Legal Metrology (General) Rules, weighing instruments used exclusively for internal industrial purposes (Quality Testing) and which do not affect the quantity delivered to customers are exempt from periodic re-verification requirements.

Examples:

- Laboratory balances used only for quality testing.
- Process-control weighing systems used only for internal production monitoring.
- Machines used for internal consumption calculations where no commercial transaction is based on the reading

Ref: Proviso to Rule 27(2) of the Legal Metrology (General) Rules, 2011, inserted by the Legal Metrology (General) (Amendment) Rules, 2021 vide G.S.R. 149(E) dated 03.03.2021.

4. **Are weighing instruments used in a yarn manufacturing unit eligible for exemption from mandatory verification and stamping under the Legal Metrology Act, 2009 and the Legal Metrology (General) Rules, 2011?**

   Verification/stamping is mandatorily required in the case of:

   - Cotton procurement weighing machines.
   - Bale weighing machines used for purchase/sale.
   - Yarn package weighing machines used for invoicing or dispatch.
   - Weighbridges used for commercial transactions.

5. **What are the statutory packaging and labelling requirements applicable to Home Textiles sold in retail packages under the Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011?**

   The applicable provision for Home Textiles (Bedsheets, Towels, Pillow Covers, Napkins, Table Cloths, etc.) is Rule 14 which specifically provides that where a package contains:

   - Bed sheets,
   - Hemmed fabric materials,
   - Napkins,
   - Pillow covers,
   - Towels,
   - Table cloths,
   - Similar textile articles,

   the package must declare:

   1. Number of pieces; and
   2. Finished dimensions (size).

   Where a package contains multiple pieces of different dimensions:

   - Dimensions of each piece; and
   - Retail sale price of each piece

   must also be declared. Further, the dimensions and Retail Sale Price are required to be marked on each individual piece.

1. What is deemed demand concept? Is this concept still active?

Demand charges are levied based on the higher of (i) the actual recorded demand or (ii) 90% of the sanctioned demand. In the case of open access consumers, since a portion of their power requirement is met through captive sources, they are entitled to a corresponding consideration in demand charges for the power sourced through such arrangement.

Accordingly, the TNERC vide its Wind Tariff Order No. 3 of 2006 dated 15.05.2006, granted a deemed demand benefit of 18.77% (i.e. 81.23% of demand charges to be payable is attributable to demand met through wind energy generation), based on the Capacity Utilization Factor (CUF).

This concept was withdrawn by the Commission vide its Wind Tariff Order No.6 of 2012 dated 31.7.2012 and the same was litigated before the court and currently pending before the APTEL.

Illustration for deemed demand charges payable by the wind energy user is given below.

	Example 1	Example 2
Equivalent demand for the units consumed from the wind energy generations in the billing month	= 1,00,000/ (30*24*0.95) = 146 kva	= 5,00,000/ (30*24*0.95) = 730 kva
Recorded or 90% of sanctioned demand	= 1000 kva	= 1000 kva
Demand supplied by discom	= (1000 kva-146 kva) = 854 kva	= (1000 kva-730 kva) = 270 kva
Demand charges Rs.300/kva payable by the wind energy user	= (146 kva x 81.23% x Rs.300) + (854 kva x Rs.300) =Rs.35,579+ Rs.2,56,200 = Rs.2,91,779/-	= (730 kva x 81.23% x Rs.300) + (270 kva x Rs.300) = Rs.1,77,893.7+ Rs.81,000 = Rs.2,58,894/-
Benefit to wind energy user	= (1000 kva x Rs.300) – Rs.2,91,779 = Rs.8,221/-	= (1000 kva x Rs.300) – Rs.2,58,894 = Rs.41,106/-

2. Is Deemed Demand concept applicable to both renewable and non-renewable energy?

Deemed Demand concept was originally incorporated in the 2006 Wind Tariff Order and the examples cited in the Order with the percentage of the benefit and MD charges (as existed then) were reproduced in yesterday's faq for easy understanding.

Currently, the proceedings pending before the Appellate Tribunal for Electricity (APTEL) relates to thermal power, arising out of a challenge to the Retail Tariff Order, 2013, and do not apply to wind or other renewable energy sources.

3. What is ALMM and what are the applicable compliance requirements & regulatory provisions?

ALMM stands for Approved List of Models and Manufacturers and is a mechanism introduced to ensure quality and reliability in solar photovoltaic components. It comprises of two lists: List I, covering solar PV module manufacturers and List II pertaining to solar PV cell manufacturers.

The Ministry of New and Renewable Energy (MNRE) undertakes inspection of manufacturing facilities of applicants whose models have already been registered and certified by the Bureau of Indian Standards (BIS) under the Solar PV Systems, Devices and Components Goods (Requirements for Compulsory Registration) Order, 2017. Based on such evaluation, eligible manufacturers are included in the ALMM.

The primary objective of this framework is to enforce stringent quality standards, safeguard consumers from substandard products and promote the growth of India's domestic solar manufacturing industry, thereby reducing dependence on imports.

Therefore, only ALMM-listed solar PV modules and cells are permitted for use in projects to be commissioned. Compliance with respect to solar PV modules is already in force with effect from 01.04.2024.

In this regard, CE/NCES has directed SE/EDCs to implement the MNRE order and to issue grid tie-up approvals only after due verification, vide Letter No. D.2384/24 dated 19.08.2024.

With regard to solar PV cells, the compliance shall come into effect from 1.06.2026.

4. In case a captive user exceeds its proportionate consumption limit under CGP Regulations, is cross-subsidy surcharge applicable on the entire consumption or only on the excess consumption?

Till 31.03.2026: For the period prior to the amendment to Rule 3 of the Electricity Rules, 2005 (relating to CGP requirements), a failure to meet the prescribed criteria could result in loss of captive status and consequently, cross-subsidy surcharge (CSS) would be applicable on the entire consumption.

From 1.04.2026: With effect from 1st April 2026, under the amended provisions, if a captive user exceeds its proportionate consumption limit vis-à-vis its ownership share, only such excess consumption is treated as non-captive. Accordingly, CSS is payable only on the excess consumption, and not on the entire consumption.

Reference: MOP, amended Rule 3 of Electricity Rules, 2005, dated 13.3.2026

5. **Is the purchase of power from third parties or through IEX eligible for any concession on Cross-Subsidy Surcharge (CSS) payments?**

   Yes, a concession in the payment of Cross-Subsidy Surcharge (CSS) is available for the procurement of solar and wind power from third-party sources, as detailed below:

   - Wind power – Pay only 60% of CSS (Ref: Wind tariff order No.8 of 2020 dt 7.10.2020)
   - Solar power – Pay only 70% of CSS (Ref: Solar tariff order No.9 of 2020 dt 16.10.2020)

   However, there is no concession for the purchase of conventional power from third parties or from IEX platform.

6. **What are the current challenges being faced by the Renewable Energy sector in Tamil Nadu and what is the status of the issues?**

   1. Annual banking was withdrawn for wind power projects commissioned on or after 1st April 2018. This restriction was challenged before the Appellate Tribunal for Electricity (APTEL), and the matter is presently pending before the Supreme Court. While the Government of Tamil Nadu has issued G.O. No. 3 of 2026 on repowering, refurbishment and life extension of wind turbines, it does not provide clarity on the applicability of annual banking benefits to wind power projects commissioned after 1st April 2018.
   2. The levying of network charges for rooftop solar projects at Rs.1.04 per unit in respect of HT consumers and Rs.0.80 per unit (subsidized) in respect of LT consumers is under challenge before the High Court. This amount is periodically increased by TNERC through the Retail Tariff Order based on the CPI index.
   3. The existing Solar and Wind Tariff Orders allow adjustment of energy generation on a slot-to-slot basis. However, pursuant to M.P. No. 23 of 2024 filed by Tamil Nadu Green Energy Corporation Limited, the Commission approved a transition to 15-minute block-wise and day-wise adjustment and the Commission also approved the same.
   4. Similarly, the Tamil Nadu Electricity Regulatory Commission's (TNERC) Green Energy Open Access (GEOA) Regulations, 2025

provide for energy accounting and settlement on a 15-minute time-block basis, with restrictions on inter-block/inter-slot adjustments. The Regulations also stipulate that banked energy shall be adjusted subject to banking charges of 8%. Further, banking has been completely disallowed for third-party sale transactions. These provisions have been challenged before the Madras High Court, which has granted an interim stay on the operation of the Regulations.

5. The Chief Engineer/Grid Operation has been insisting that renewable energy generators and developers provide uninterrupted real-time data visibility to the State Load Despatch Centre (SLDC) to facilitate real-time grid operation, renewable energy integration, and efficient management of the State grid. However, renewable energy generators have represented that the existing Automated Meter Reading (AMR) system does not support dynamic viewing of generation data and is presently used only for billing purposes. Consequently, generators do not have access to real-time generation data, making it difficult to comply with Deviation Settlement Mechanism (DSM) requirements. In this regard, discussions with the SLDC are necessary to explore the feasibility of utilizing the existing AMR infrastructure for providing real-time generation data.

6. With regard to weather and historical data, there is currently no mandatory requirement for individual renewable energy generators to install Automatic Weather Stations (AWS). As per the guidelines issued by the Ministry of Power on 7 July 2025 and notified by the Central Electricity Authority (CEA), installation of weather monitoring infrastructure is required only for renewable energy projects with an aggregate capacity of 50 MW and above connected to the intra-State transmission network. Therefore, any requirement for individual generators to install separate weather stations may not be in line with the prevailing regulatory framework.

7. Under the amended Repowering, Refurbishment and Life Extension Policy issued by the Government of Tamil Nadu, a safety certificate issued by the Chief Electrical Inspector to Government (CEIG) or the Original Equipment Manufacturer (OEM) is considered sufficient for the life extension of existing wind turbines. However, the proposed Quality Control Order (QCO) being introduced by the Ministry of New and Renewable Energy (MNRE) requires compliance with IS/IEC TS 61400-28:2005 standards. Compliance with these standards may not be technically feasible or economically

viable for many older wind turbine generators, thereby creating implementation challenges for life extension projects.

8. Before introducing a new Deviation Settlement Mechanism (DSM) Regulation, the Tamil Nadu Electricity Regulatory Commission (TNERC) is expected to consult the State Advisory Committee (SAC) on the proposed regulatory framework prior to seeking public comments from stakeholders. However, no meeting of the SAC has been convened on the proposed revised DSM Regulations, and the Commission has proceeded to initiate the stakeholder consultation process by inviting comments and suggestions on the draft Regulations. This has raised concerns regarding adherence to the consultative process envisaged under the regulatory framework.

7. What is the percentage of Renewable Purchase Obligation (RPO) mandated for FY 2025–26?

Category	Obligation (%)
Wind	1.45
HPO	1.22
Distributed Renewable Energy	2.10
Other Renewable Energy	28.24
Total Renewable Energy	33.01

Note: That distributed renewable energy component shall be met only with the energy generated from Renewable Energy Projects which are less than 10MW in size. It includes solar and other renewable energy sources.

8. What is the present status of the Deviation Settlement Mechanism (DSM) Regulations, 2024?

SLDC has reported practical difficulties in implementing the DSM Regulations, 2024. Of the 469 pooling substations identified for DSM implementation, only 48 are exclusive Pooling Substations (PSS) without any distribution load. Further, the availability and reliability of metering data required for DSM accounting remain significant concerns.

In view of these implementation challenges, the Regulatory Commission has issued a fresh draft DSM Regulation and invited comments from stakeholders. The last date for submission of comments is 11th June 2026.

9. **What are the Transmission and Distribution losses for various voltage categories?**

As per TNERC 2023-24 & 2024-25 Tariff Orders

EHT 230 kv & 110 kv	1.45%
HT 33 kv	3.60%
HT 22 kv & 11 kv	5.00%
LT 415 v	After accounting EHT & HT, it is 15.04% for 2025

JUDGEMENTS

GST

- Missing lorry receipts alone cannot justify tax demand, suppliers' returns must be considered – HC
- 'Partners' amenable to Section-122(1A) personal penalty proceedings even for pre-2021 transactions – HC
- Summary DRC-01 cannot substitute mandatory SCN under Sec. 73; Quashes demand sans statutory procedure – HC
- Pre-2025, ISD-registration not mandatory; Upholds branch-office ITC claim on invoice issued to corporate-office - HC

Customs

- Certificate of origin of goods when cannot be doubted – CESTAT Mumbai

Income Tax

- Non-compete fees are made pursuant to valid agreements restraining certain persons from carrying on competing business activities for specified period; thus are incurred wholly & exclusively for business purposes: ITAT

LABOUR

- EPFO cannot challenge CGIT's order after 6.5 years. - MADRAS HIGH COURT
- No violation of natural justice when employer failed to appear before PF authority multiple times. - Chhattisgarh HIGH COURT
- Depositing interest is mandatory at 12% per annum and the authority has no discretion to reduce it.- MADRAS HIGH COURT
- No recovery can be initiated without considering the objections of the employer-KARNATAKA HIGH COURT

- Subsequent payment of PF dues would not erase the offence which had already been committed. - MADHYA PRADESH HIGH COURT
- EPFO is liable to pay interest on the amount deposited with it when the employer succeeded in appeal. - PATNA HIGH COURT
- Employer can approach High Court for seeking payment of pre deposit amount in instalments. - MADRAS HIGH COURT

DATA CORNER:

Analysis of Exports and Imports of T&A for May 2026

- During May'26, Indian Textiles exports registered a growth of 2.47% over the previous year while Apparel exports registered a significant degrowth of -14.17% during the same time period.
- Cumulative Exports of Textiles and Apparel during May'26 have registered a degrowth of -5.40% over May'25.
- During Apr-May'26, Indian Textiles exports registered a growth of 3.03% over the previous year while Apparel exports registered a degrowth of -12.98% during the same time.
- Cumulative Exports of Textiles and Apparel during Apr-May'26 registered a degrowth of -4.44% as compared to Apr-May'25.

Exports (Million USD)

Particulars	May 2025	May 2026	% Change
Cotton Yarn/Fabrics/made-ups, Handloom Products etc	966.68	984.93	1.89
Man-made Yarn/ Fabrics / made-ups etc.	409.60	402.66	-1.69
RMG of all Textiles	1511.44	1297.23	-14.17
Jute Manufacturing Floor Covering	31.58	29.03	-8.07
Carpet	132.05	130.20	-1.40
Handicrafts excluding handmade carpet	145.44	180.13	23.85

Imports (Million USD)

Particulars	May 2025	May 2026	% Change
Cotton Raw & Waste	102.30	146.47	43.18
Textile yarn Fabric, made-up articles	220.62	212.51	-3.68

Source: DGCIS/MOC

COTTON AND COTTON YARN PRICES

Cotton – Spot* (Rs/Candy)

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

S. No	Growth	Staple	Micronaire	Strength/ GPT	Jun 01 2026	Jun 08 2026	Jun 15 2026
1	P/H/R	Below 22 mm	5.0-7.0	15	51,200	50,200	50,200
2	GUJ	22 mm	4.0-6.0	20	41,000	40,600	41,200
3	M/M(P)	23 mm	4.5-7.0	22	51,000	50,000	50,000
4	P/H/R(U)	27 mm	3.5-4.9	26	60,000	57,100	56,200
5	M/M(P)/SA/TL/G	27 mm	3.0-3.4	25	54,000	52,000	51,500
6	M/M(P)/SA/TL	27 mm	3.5-4.9	26	58,000	55,700	55,700
7	P/H/R(U)	28 mm	3.5-4.9	27	62,200	59,400	58,600
8	M/M(P)	28 mm	3.7-4.9	27	61,700	59,500	59,300
9	SA/TL/K	28 mm	3.7-4.9	27	61,000	58,500	58,000
10	GUJ	28 mm	3.7-4.9	27	61,300	59,500	59,100
11	R(L)	28 mm	3.7-4.9	27	61,000	58,000	57,500
12	R(L)	29 mm	3.7-4.9	28	63,000	60,500	61,200
13	M/M(P)	29 mm	3.7-4.9	28	64,000	61,500	61,300
14	SA/TL/K	29 mm	3.7-4.9	28	63,100	60,500	59,800
15	GUJ	29 mm	3.7-4.9	28	63,300	61,500	61,100
16	M/M(P)	30 mm	3.7-4.9	29	65,500	62,500	62,200
17	SA/TL/K/O	30 mm	3.7-4.9	29	64,100	61,000	60,700
18	M/M(P)	31 mm	3.7-4.9	30	66,500	64,000	64,000
19	SA/TL/K/TN/O	31 mm	3.7-4.9	30	65,800	64,000	64,000
20	SA/TL/K/TN/O	32 mm	3.5-4.9	31	Na	Na	Na
21	M/M(P)	34 mm	2.8-3.7	33	85,500	83,000	82,000
22	K/TN	34 mm	2.8-3.7	34	86,000	83,500	82,500
23	M/M(P)	35 mm	2.8-3.7	35	87,500	85,500	85,000
24	K/TN	35 mm	2.8-3.7	35	88,000	86,000	85,500

Source: Cotton Association of India | Na-Not Available

Hosiery Yarn Price (Rs/Kg) – Including GST
For the Month of June 2026

Count	VL	RL	GL
10	293	-	-
16	293	-	282
20	297	304	286
25	306	313	295
30	318	325	307
32	324	331	-
34	325	332	314
36	332	339	-
40	374	353	335

Prices are only indicative subject to reconfirmation.

CIRCULARS ISSUED DURING THE FORTNIGHT

Sl. No	Cir.No	Date	To	Subject
1)	63/2026	1.06.2026	All Member Mills	Cotton – Exemption from Import Duty on all varieties from 1.06.2026 to 31.10.2026
2)	63A/2026	2.06.2026	Member Mills in Tamil Nadu	Power – APTEL Order on the issue of condonation delay in respect of Deemed Demand matter
3)	63B/2026	9.06.2026	Member Mills in Tamil Nadu	Awareness session on Tamil Nadu Technical Textile Mission
4)	63C/2026	10.06.2026	Member Mills in Andhra Pradesh and Telangana	Consumer Price Index Number - All India – April 2026
5)	63D/2026	10.06.2026	Member Mills in Tamil Nadu	Consumer Price Index Number - Chennai City – April 2026
6)	63E/2026	10.06.2026	Member Mills in Kerala	Consumer Price Index Numbers for the month of April 2026
7)	64/2026	10.06.2026	All Member Mills	Rescinding/withdrawl of Cotton Bale Quality Control Order (QCO)
8)	64A/2026	15.06.2026	Member Mills in Tamil Nadu	Power – Updation in respect of TNERC constitution of members and invitation of comments on various draft regulations