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NEWS HIGHLIGHTS

- **Bangladesh non-cotton garment exports reach 30.7% share in Jan-Sep**
- **Global cotton benchmarks fall over past month**
- **GST Council prioritises refunds, exports & compliance reforms**
- **Bangladesh's RMG exports to non-traditional markets rise 9.4% in Q1**
- **India & UK seek to double trade by 2030 under CETA**
- **Vietnam finalises proposal to sign free trade agreement with EFTA**

REPRESENTATIONS

Date		Representations
Oct 3, 2026	Subject	Requested the issuance of NOCs for HT consumers to procure power through Open Access from IEX to improve the current grid position
	Represented to	Dr. V Arun Roy, IAS., Chairman and Managing Director, Tamil Nadu Power Distribution Corporation Limited, (TNPDCL), 144, Anna Salai, Chennai - 600 002.
Oct 7, 2026	Subject	The CETP requirements of seven investors in the PM MITRA Park, Virudhunagar, were consolidated and submitted

Oct 7, 2026	Represented to	Thiru. S.A. Raman, IAS., Managing Director, SIPCOT, 19-A, Rukmani Lakshmipathy, Road, Egmore, Chennai - 600 008.
	Subject	A request was made for clarification regarding the eligibility of Input Tax Credit on solar power plants/panels used for captive renewable energy generation
Oct 9, 2026	Represented to	Smt. Neelam Shami Rao, IAS., Secretary, Ministry of Textiles, Government of India, New Delhi.
	Subject	Comments were submitted on the Draft Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff from Nonconventional Energy Generation Sources) Regulations, 2026.
Oct 9, 2026	Represented to	The Secretary, Tamil Nadu Electricity Regulatory Commission (TNERC), 4th Floor, SIDCO Corporate, Office Building, Thiru. Vi. Ka. Industrial Estate, Guindy, Chennai 600 032.
	Subject	Comments were submitted on the Draft Tamil Nadu Electricity Regulatory Commission Forecasting, Scheduling and Deviation Settlement and Related Matters for Wind, Solar and Hybrid Generations (with or without ESS) Regulations, 2026.
	Represented to	The Secretary, Tamil Nadu Electricity Regulatory Commission (TNERC), 4th Floor, SIDCO Corporate Office Building, Thiru. Vi. Ka. Industrial Estate, Guindy, Chennai 600 032.

Oct 13, 2026	**Subject**	Inputs was submitted regarding HSN classification and the proposed separate tariff classification for Recycled Polyester Staple Fibre and organic cotton
	Represented to	Shri S. Dhanasekaran, Deputy Director (Non-Technical), Office of the Textile Commissioner, Nishta Bhavan, New CGO, Building, 48, New Marine Lines, Mumbai – 400020.
Oct 13, 2026	**Subject**	An appeal was made for the removal of the 11% import duty levied on cotton to ensure raw material security, prevent textile unit closures and job losses
	Represented to	Smt. Nirmala Sitharaman, Hon'ble Minister of Finance, Government of India, New Delhi.
Oct 14, 2026	**Subject**	An appeal was made to the Hon'ble Union Ministers for Agriculture & Farmers Welfare, Textiles and Commerce and Industry to recommend to the Hon'ble Union Finance Minister for the removal of the 11% import duty levied on cotton to ensure raw material security, prevent textile unit closures and job losses
	Represented to	Shri Giriraj Singh, Hon'ble Minister of Textiles, Government of India, New Delhi. Shri Shivraj Singh Chouhan, Hon'ble Minister of Agriculture & Farmers Welfare, Government of India, New Delhi Shri. Piyush Goyal, Hon'ble Minister of Commerce & Industry, Government of India, New Delhi.

TEXTILE SCENE

Bangladesh non-cotton garment exports reach 30.7% share in Jan-Sep

- Bangladesh's non-cotton garments took a 30.7 per cent share of total garment exports in January-September 2026, as demand from international clothing retailers and brands rose, according to the Export Promotion Bureau data.
- Total garment exports stood at $29.91 Billion, with cotton at $20.75 Billion and non-cotton at $9.17 Billion.
- The non-cotton share peaked at 34.6 per cent in August.

Bangladesh's RMG exports to non-traditional markets rise 9.4% in Q1

- Bangladesh's RMG exports to non-traditional markets rose 9.40 per cent to $1.81 Billion in July-September FY26-27, outpacing EU growth.
- Shipments to five leading destinations increased 9.62 per cent to $1.03 Billion. Turkiye drove about 90 per cent of their combined increase, while Japan remained the largest destination. India was the only market among the five to record a quarterly decline.

Global cotton benchmarks fall over past month

- Global cotton benchmarks fell over the past month, with December NY/ICE futures dropping from 93 cents/lb at end-August to 78 cents/lb at start-October before edging near 80 cents/lb.
- A Index moved from above 100 to near 91 cents/lb, while China, Indian and Pakistani prices also declined.
- May 2026/27 futures remain near 85 cents/lb, above December.

GST Council prioritises refunds, exports & compliance reforms

- GST Council has recommended faster refunds, wider input tax credit, automated registration and simpler compliance for small businesses.
- It also proposed export-related relief and curbs on transit inspections.
- Separately, it recommended scrapping GST officers' arrest powers, raising the prosecution threshold to Rs.5 crore and cutting the general penalty to Rs. 10,000.

India & UK seek to double trade by 2030 under CETA

- India and the UK have been urged to use CETA to double bilateral trade by 2030, turning market access into exports, investment, partnerships and jobs.

- Piyush Goyal said CETA gives zero-duty UK access for most Indian exports, including textiles and leather goods, and opens opportunities for UK exporters.
- Both sides also called for clear guidance on tariffs, origin rules and customs procedures.

Vietnam finalises proposal to sign free trade agreement with EFTA

- Vietnam's Ministry of Industry and Trade has finalised a proposal to sign the Vietnam-EFTA free trade agreement and sent it to the Ministry of Justice for appraisal.
- EFTA would immediately liberalise over 90 per cent of tariff lines, covering 99.5 per cent of Vietnam's exports, including textiles, garments and footwear.
- Vietnam offered to remove duties on over 86 per cent of tariff lines.

CHAT BOX

GST

1. **Is there any relief from penalty, if the taxpayer voluntarily pays the tax before issuance of a Show Cause Notice (SCN)?**

   Yes.

   Where a taxpayer voluntarily pays the tax along with applicable interest before the issuance of an SCN, penalty relief is available as follows:

   - **Non-fraud cases:** No penalty is payable, if the entire tax and applicable interest are paid before the SCN is issued.
   - **Fraud, wilful misstatement or suppression cases:** The taxpayer can avail the benefit of a reduced penalty of 15% of the tax, if the tax and interest (along with the reduced penalty) are paid before issuance of the SCN.

   Ref: Sections 73, 74, 74A of GST Act

2. **A garment manufacturer purchases semi-stitched garments and undertakes various processes, including bleaching, dyeing, printing, cutting, stitching, branding, labelling and packing, before selling them as value-added branded apparel. When the manufacturer claims a refund of accumulated ITC under the inverted duty structure, the claim is denied on the ground that the input and output fall under the same HSN code. Is such denial of the inverted duty refund justified?**

No. Such denial is not justified merely because the input and output goods fall under the same HSN code. In the case of Commissioner of CGST & Central Excise Vs HP Cotton Casuals (P.) Ltd., the GST Appellate Tribunal, Kolkata, has held that inverted duty refund cannot be denied merely on the ground that the input and output have the same or overlapping HSN classification.

The Tribunal upheld that the relevant test is whether the accumulation of unutilised ITC arises because the tax rate on the inputs (purchased semi-stitched garments, dyes, chemicals etc) is higher than the tax rate on the outward supplies (value added garments), as per the inverted duty structure provisions.

Ref: Section 54(3)(ii) of the CGST Act, 2017

3. **Whether taking a longer transportation route, including through another State, attracts penalty under Section 129 of the GST Act?**

No. Merely taking a longer transportation route, even if it involves entering another State, does not automatically justify the imposition of a penalty under Section 129 of the GST Act, 2017, in the absence of an intention to evade tax.

In M/s Bitchem Asphalt Technologies Limited v. Joint Commissioner, the GSTAT Bench at Varanasi ordered as follows:

- Opting for a longer route to avoid the difficulties associated with hilly and challenging terrain on a shorter route does not, by itself, establish an intention to evade tax.
- GST provisions do not require the transporter to declare a specific route.
- Since the goods were transported with the requisite valid documents and there was no evidence of intention to evade tax, the mere deviation from the shorter route was insufficient to justify the penalty under Section 129.

4. **Can the GST department impose personal penalty on directors, employees or other individuals in cases involving fake invoices, circular trading or wrongful ITC claim by the Company?**

- Yes, provided the department establishes the connection of the persons concerned with the transaction and proves that they retained the benefit derived from it.
- GST Act does not grant blanket immunity to directors or non-registered persons.

- The penal provision applies only to transactions or acts on or after 1st January 2021.

References: Section 122 (1A) of the GST Act/Parag Garg v. Commissioner, Adjudication, CGST Delhi West and Anr. (Delhi High Court)

5. **Whether the sale of Salwar / Churidar sets comprising of three pieces of cloth viz Top, Bottom and Dupatta would be classifiable as Fabrics and attract only 5% GST or would it be classifiable as "Articles of apparel" and charged to GST accordingly?**

The status as decided by the Advance Ruling Authority is as follows:

- Both Top and Bottom not stitched- a model where no stitching has been done and the Top is merely cut into size – classified as Fabric subject to GST @ 5%.
- Top Semi-stitched and Bottom not stitched- a model where the Top is semi-stitched, requiring further cutting and stitching to size – partially cut into shape – classified as Article of apparel – 5% (sale value not exceeding Rs.2,500 per piece) and 12% (sale value exceeding Rs.2,500 per piece)
- Top stitched but bottom not stitched- a model where the Top is completely stitched but the bottom is not stitched - classified as Article of apparel – 5% (sale value not exceeding Rs.2,500 per piece) and 12% (sale value exceeding Rs.2,500 per piece)
- Top Neck-worked - Both Top and Bottom not stitched - a model where both the Top and Bottom are not stitched but only the neck portion is cut and design made - classified as Article of apparel – 5% (sale value not exceeding Rs.2,500 per piece) and 12% (sale value exceeding Rs.2,500 per piece)

Ref: Order No. 2 /AAR/2O19 Dated 21.01.2O19 in the case of M/s. RmKV Fabrics Private Limited

LABOUR

1. **As per the new Labour Code, a "Safety Officer" must be appointed for every 500 or more workers ordinarily employed. How is the term "ordinarily employed" to be calculated for determining the requirement to appoint a Safety Officer?**

The number of persons employed in a factory should be considered on a "daily basis throughout the calendar year, i.e., from 1st January to

31st December". The total number of persons employed during the year should be divided by the total number of working days of the factory to arrive at the "average number of persons ordinarily employed".

Accordingly, merely obtaining a factory licence for engaging "500 workers" does not, by itself, trigger the requirement to appoint a Safety Officer. The requirement is to be determined based on the "actual number of workers ordinarily employed during the calendar year", and not on the licensed capacity of the factory.

2. **What are the most common communication mistakes made by managers that contribute to employee dissatisfaction and how can HR support managers in improving their communication skills?**

   Poor communication is a leading cause of employee dissatisfaction. One of the most common mistakes managers make is failing to provide regular and constructive feedback. The employee receives feedback only during annual performance reviews. Another mistake is giving unclear or incomplete instructions, which creates confusion, delays and frustrations. Furthermore, another error is one-way communication by the manager focusing on conveying instructions without actively listening to employee concerns or suggestions or feedback.

   HR Personnel can address these issues through structured communication training. Managers should be trained in active listening, constructive feedback, conflict resolution, empathy, etc. HR can provide individual coaching to managers who require additional support.

3. **How can an Internal Committee distinguish a genuine POSH complaint from a general workplace grievance?**

   An Internal Committee should apply a simple three-part test before proceeding under the POSH Act:

   1. **Sexual or gender-based nature:** i.e., the conduct must involve a sexual element or target a person because of their sex or gender.
   2. **Unwelcome conduct:** i.e., the behaviour must be unwelcome from the complainant's perspective.
   3. **Workplace:** i.e., the incident must occur at, during, or arise out of the workplace as defined in the Act.

   If any one of these elements is missing, the matter is generally a workplace misconduct and it cannot be considered as a POSH complaint.

4. **While the "employees enrollment campaign" is applicable to the employees who are currently employed by the company, what about those who have already left, but were employed between 2009 and 2026?**

   The Scheme clearly states that no action would be initiated by the EPFO against the employers who avail the benefits of the campaign. The employer is to give a declaration and submit an undertaking declaring that all the existing and eligible employees have been declared.

   Further, it must be ensured that no amount relating to the employees' share of contribution, whether pertaining to existing or former employees, which has been deducted from their wages along with the corresponding employer's contribution, remains pending for remittance to the fund.

5. **Under the Code on Wages, are there any differences in the prescribed mode or manner of payment of wages by an employer to its employees and by a contractor to contract workers? If so, what are the respective requirements?**

   As per Section 15 of the Code on Wages, the employer can pay wages to workers in current coin/currency notes or by cheque or by crediting the wages directly to the employee's bank account or through electronic mode. However, the appropriate Government may, by Notification, specify that wages shall be paid only by cheque or by crediting the wages directly to the employee's bank account.

   Under Rule 98 of the Occupational Safety, Health and Working Conditions (Central) Rules, 2021, the contractor is required to disburse wages to contract labour through bank transfer or electronic mode. However, the Rules also provide that where it is not practicable to disburse wages through bank transfer or electronic mode, the wages may be disbursed in cash (currency).

   In respect of Tamil Nadu, the Government has not yet notified the rules for the OSH code.

JUDGEMENTS

GST

- Interest paid earlier to be refunded when there is no liability to pay tax after omission of Rule 96(10) since inception – Bombay High Court

- Refund of ITC on exports – Computation of 'Net ITC' under Rule 89(4) – Credit pertaining to earlier period but reversed during relevant period not to be deducted from credit availed – GSTAT Ranchi
- Refund for inverted duty structure is available if packing material has higher duty incidence, even when tax on principal input and final product is same – GSTAT Kolkata
- Refund of accumulated ITC is not deniable on grounds of ineligible ITC in absence of any order under Section 73 or 74 – GSTAT Ernakulam
- Transportation of goods – No penalty under Section 129 for taking longer route while also entering into another State – GSTAT Varanasi
- Pre-deposit cannot be paid by appropriation of part of Input Tax Credit blocked under Rule 86A – Delhi High Court
- No pre-deposit for penalty-only appeals if SCN issued prior to 1 October 2025 when provisions amended to mandate such deposit – GSTAT Hyderabad
- Payment made during investigation cannot be considered as voluntary – Karnataka High Court
- Jurisdiction of officer of DGGI to issue SCN – Absence of specific assignment under Section 2(91) is not material – Circular No. 254/11/2025-GST is clarificatory – Delhi High Court
- Demand – Section 61 [Scrutiny of returns] is not an invariable jurisdictional precondition for issuance of notice under Section 74A – Allahabad High Court
- Demand – Limitation for issuance of SCN – Section 73(2) does not mandate application of corresponding-date principle – Gauhati High Court
- Recovery – Blocking, including negative blocking, of electronic credit ledger falls within scope of Section 79 – Madras High Court
- Parallel proceedings – Bar of Section 6(2)(b) not applicable even if both State and Central proceedings on ITC claimed from certain entity in same FY – Delhi High Court

CUSTOMS

- Demand – Section 28 cannot be invoked merely to reclassify certain goods for which duty not demanded – CESTAT Chennai
- Courier agent – No contravention of Courier Imports and Exports Regulations for non-collection of second identity document and outsourcing of physical pick-up – CESTAT Chennai

- Classification of goods – Department cannot justify reclassification through general assertions, selective examination of few products, or by relying on website material which not placed on record – CESTAT Chennai
- Pre-import condition not fulfilled – IGST exemption cannot be claimed merely because EO discharged under Advance Authorisation – CESTAT Hyderabad
- Pre-import condition cannot be examined in abstract for entire Advance Authorisation – CESTAT Hyderabad

LABOUR

- The term 'industry' under the IR Code is to be interpreted independently and not necessarily in the manner laid down by the Bangalore Water Supply case. - SUPREME COURT OF INDIA
- No notice can be issued under the Factories Act with respect to an incident after 21.11.2025. - ALLAHABAD HIGH COURT
- Under the IR Code, the Industrial Tribunal has the power to stay an illegal strike. - KARNATAKA HIGH COURT
- No forfeiture of gratuity in the absence of evidence when FIR for misappropriation was closed. - SUPREME COURT OF INDIA
- IT analyst, having powers to authorise payments and access to company servers, is not a 'worker'. - BOMBAY HIGH COURT
- SS Code does not provide a time gap between grant of maternity benefits for the first and second child. - ALLAHABAD HIGH COURT
- ESI Amnesty Scheme can even be availed after recovery order has been passed by the ESIC. - MADRAS HIGH COURT
- Maintenance of employee registers in head office won't grant territorial jurisdiction for raising dispute. - DELHI HIGH COURT
- Workers can seek continuation of conciliation proceedings even after they were closed. - KERALA HIGH COURT
- Complaint under PoSH Act on mere apprehension of sexual harassment is not maintainable. - CALCUTTA HIGH COURT

Hosiery Yarn Price (Rs/Kg) – Including GST

For the Month of October 2026

Count	VL	RL	GL
10	309	-	-
16	309	-	298
20	313	320	302
25	322	329	311
30	334	341	323
32	345	352	-
34	346	353	335
36	348	355	-
40	362	369	351

Prices are only indicative subject to reconfirmation.

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	Oct 01 2026	Oct 07 2026	Oct 14 2026
1	P/H/R	Below 22 mm	5.0-7.0	15	51,600	52,000	53,000
2	GUJ	22 mm	4.0-6.0	20	Na	Na	Na
3	P/H/R(U)	27 mm	3.5-4.9	26	61,300	62,300	63,500
4	M/M(P)/SA/TL/GUJ	27 mm	3.0-3.4	25	57,000	57,000	Na
5	M/M(P)/SA/TL	27 mm	3.5-4.9	26	Na	Na	Na
6	P/H/R(U)	28 mm	3.5-4.9	27	61,600	62,600	63,900
7	M/M(P)	28 mm	3.7-4.9	27	Na	Na	Na
8	SA/TL/K	28 mm	3.7-4.9	27	Na	Na	Na
9	GUJ	28 mm	3.7-4.9	27	Na	Na	Na
10	R(L)	28 mm	3.7-4.9	27	61,500	62,600	63,400
11	R(L)	29 mm	3.7-4.9	28	63,400	64,800	67,000
12	M/M(P)	29 mm	3.7-4.9	28	64,300	65,400	67,500
13	SA/TL/K	29 mm	3.7-4.9	28	63,900	65,000	67,000
14	GUJ	29 mm	3.7-4.9	28	64,500	66,000	68,000
15	M/M(P)	30 mm	3.7-4.9	29	65,200	66,200	68,000
16	SA/TL/K/O	30 mm	3.7-4.9	29	65,200	66,000	67,500
17	M/M(P)	31 mm	3.7-4.9	30	66,800	67,000	Na
18	SA/TL/K/TN/O	31 mm	3.7-4.9	30	Na	Na	Na
19	SA/TL/K/TN/O	32 mm	3.5-4.9	31	Na	Na	Na
20	M/M(P)	34 mm	2.8-3.7	33	92,000	92,000	Na
21	K/TN	34 mm	2.8-3.7	34	92,500	92,500	94,000
22	M/M(P)	35 mm	2.8-3.7	35	93,000	93,500	Na
23	K/TN	35 mm	2.8-3.7	35	93,700	94,000	95,000

Source: Cotton Association of India | Na-Not Available

CIRCULARS ISSUED DURING THE FORTNIGHT

Sl	Cir.No	Date	To	Subject
1)	121/2026	01.10.2026	All Member Mills	RBI – Export Realisation period reduced to 9 months from 15 months effective from 01.10.2026
2)	122/2026	01.10.2026	All Member Mills	DGFT - Enhanced ECGC Export Credit Insurance Cover for Exports to West Asia under Export Promotion Mission –RELIEF Scheme – Extension of Component II eligibility up to 31st March 2027
3)	123/2026	01.10.2026	All Member Mills	Export – Extension of Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme till 31.12.2026
4)	124/2026	01.10.2026	All Member Mills	Export – Extension of RoSCTL Scheme for export of Garments and Made-ups from 1.10.2026 till 31.12.2026
5)	124-A/2026	06.10.2026	Member Mills in Tamil Nadu	Power - Additional Installments for Payment of Deemed Demand Arrear Charges
6)	124-B/2026	06.10.2026	Member Mills in Tamil Nadu	Power - Delegation of Powers to Regional CE / Distribution for approvals relating to modifications in existing agreements
7)	125/2026	08.10.2026	All Member Mills	Compilation of FAQs on Four Labour Codes & Central Rules" issued by the Ministry of Labour & Employment, Govt. of India
8)	125-A/2026	10.10.2026	Member Mills In Andhra Pradesh & Telangana	Consumer Price Index Number - All India – August 2026
9)	125-B/2026	10.10.2026	Member Mills in Tamil Nadu	Consumer Price Index Number - Chennai City – August 2026
10)	125-C/2026	10.10.2026	Member Mills in Kerala	Consumer Price Index Numbers for the month of August 2026
11)	126/2026	12.10.2026	All Member Mills	DGFT - RoDTEP scroll-out suspended on account of non-reporting of the Annual RoDTEP Return (ARR) for FY 2023-24
12)	127/2026	12.10.2026	All Member Mills	Recommendations of the 57th Meeting of the GST Council
13)	127-A/2026	13.10.2026	Member Mills in Tamil Nadu	Power - Update on the status of real-time SCADA data provision by wind and solar energy generators
14)	128/2026	13.10.2026	All Member Mills	Extension of Due Date for Filing ECR & Statutory EPF Remittance for Wage Month September 2026 from October 15, 2026, to October 31, 2026