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E-REVIEW

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NEWS HIGHLIGHTS

- Government of India extends cotton import duty exemption till December 31 to ease textile costs
- Revamped textile PLI scheme will boost investment in India
- India approves $1.05 Billion container manufacturing scheme
- India extends 95% RELIEF export risk cover to March 31, 2027
- Bangladesh garment workers' council demands $260 minimum monthly wage
- India's ICAR-CIRCOT signs cotton-picking glove technology MoU
- China's textile capacity utilisation at 75.1% in Q3 2026
- Bangladesh's apparel exports to EU may gain in late 2026
- Bangladesh garment exporters face pressure from steep US freight

REPRESENTATIONS

Date		Representations
Oct 21, 2026	Subject	Requested the continuation of the Basic Customs Duty exemption on shuttleless looms beyond 31st March 2027 and the extension of the same benefit to knitting machines to enhance competitiveness of the textile and apparel sector
	Represented to	Smt. Nirmala Sitharaman, Hon'ble Minister of Finance, Government of India, New Delhi.

Oct 26, 2026	Subject	An appeal was made to the Hon'ble Ministers of Textiles, Commerce and Agriculture to recommend to the Hon'ble Union Finance Minister for the permanent removal of import duty on cotton to strengthen the competitiveness of the textile industry.
	Represented to	Shri Shivraj Singh Chouhan, Hon'ble Minister of Agriculture & Farmers Welfare, Government of India, New Delhi Shri Giriraj Singh, Hon'ble Minister of Textiles, Government of India New Delhi
		Shri Piyush Goyal, Hon'ble Minister of Commerce & Industry Government of India New Delhi
Oct 27, 2026	Subject	Requested financial assistance / capital subsidy under the TEEM Scheme for end-to-end automation in garment manufacturing units, covering operations from cutting to packing.
	Represented to	Smt. Neelam Shami Rao, Secretary, Ministry of Textiles, Government of India, Udyog Bhawan, New Delhi – 110011.

TEXTILE SCENE

Government of India extends cotton import duty exemption till December 31 to ease textile costs

- The Central Government has extended the customs duty exemption on cotton imports until December 31, 2026, giving textile and apparel manufacturers two additional months to import the raw material under the existing duty-relief arrangement.
- The Finance Ministry issued Notification No. 35/2026-Customs on October 30, replacing the earlier October 31 deadline. The extension is intended to improve cotton availability and ease raw-material cost pressures, particularly for small and medium-sized textile businesses.

Revamped textile PLI scheme will boost investment in India

- India's Textile PLI portal will reopen for new Round 4 applications from November 1 to December 31, 2026.

- Lower turnover threshold and longer-term horizon would widen participation and support investment.
- The round would aid MMF apparel, MMF fabrics and technical textiles; sector exports rose 17.51 per cent in September.

India approves $1.05 Billion container manufacturing scheme

- India's Cabinet has approved a Rs 10,000 crore (~$1.05 Billion) Container Manufacturing Promotion Scheme up to FY 2039-40 to expand domestic container capacity and cut import dependence.
- It provides interest subvention, operational expenditure support and testing and certification assistance.

India extends 95% RELIEF export risk cover to March 31, 2027

- India's Department of Commerce has extended RELIEF Component II until March 31, 2027, citing West Asia maritime disruption.
- The measure offers 95 per cent ECGC risk coverage for eligible Standalone and Whole Turnover Policies obtained on or after March 16, 2026.
- It covers FCL, LCL excluding energy shipments; claims are filed through ECGC's customer portal.

Bangladesh garment workers' council demands $260 minimum monthly wage

- Industrial Bangladesh Council has demanded a $260 monthly minimum wage for Bangladesh garment workers, citing higher living costs and market volatility.
- IBC said essentials, transport and medical costs had strained workers, alongside a 100 to 142 per cent rise for government employees.
- It plans grade-wise wage proposals once the full wage board is formed.

India's ICAR-CIRCOT signs cotton-picking glove technology MoU

- ICAR-CIRCOT, Mumbai, has signed an MoU with Trust ARS Rubber Private Limited, Chengalpattu, to transfer technology for protective gloves for cotton-picking workers.
- The agreement is expected to support commercialisation and wider availability of the gloves.
- The reusable gloves are designed to protect hands from sharp cotton bracts while retaining flexibility and comfort

China's textile capacity utilisation at 75.1% in Q3 2026

- China's textile industry recorded a 75.1 per cent capacity utilisation rate in Q3 2026, while overall industrial enterprises above the designated size stood at 73.1 per cent.
- Overall utilisation rose 0.1 percentage points from Q2 but fell 1.5 points year on year; manufacturing was at 73.3 per cent.
- The NBS survey covered about 110,000 enterprises and was not seasonally adjusted.

Bangladesh's apparel exports to EU may gain in late 2026

- Bangladesh's apparel exports to the EU could regain momentum late in 2026 and in 2027 as the bloc's import decline narrows, according to the Eurostat data.
- EU apparel imports fell 3.83 per cent to $67.74 billion) in January-August; Bangladesh's shipments dropped 11.67 per cent to $13.40 Billion).
- August EU import value rose 0.72 per cent year on year

Bangladesh garment exporters face pressure from steep US freight

- Bangladesh's exporters warned that high US freight costs, rising raw-material prices and expensive financing were weakening competitiveness.
- Shipping a garment container from Chattogram to New York could cost up to $12,900, above European rates.
- Uncertainty surrounding the Middle East conflict disrupted shipment and production planning, while buyers delayed orders and resisted price increases.

CHAT BOX

GST

1. **Can penalty be imposed merely because the address in the invoice or transport documents differs from the recipient's registered principal place of business?**

   In such scenario, the department must examine the transaction and the available evidence. Where the goods are supported by genuine invoices, e-way bill, transport documents etc and when there is no evidence of suppression, fictitious transactions or other circumstances indicating tax evasion, the penalty cannot be sustained merely on the basis of an address discrepancy.

Ref: Section 129 of the GST Act/Abdul Hai v. Dhananjay Kumar (M/s A.H. Traders), the GSTAT, Lucknow Bench

2. **What are the revised procedures for interception of goods and vehicles by the Tamil Nadu Commercial Taxes Department Roving Squad?**

    - The Tamil Nadu Commercial Taxes Department has discontinued the existing system of Roving Squads and introduced a revised procedure for intercepting goods and vehicles in transit under GST.
    - The Roving Squads have been renamed Flying Squads, which are required to remain stationed at the office of the concerned Joint Commissioner (Intelligence).
    - They may move out to intercept vehicles only on the instructions of the Joint Commissioner (Intelligence), based on specific intelligence inputs.
    - The intelligence forming the basis for interception must be recorded in writing in an electronic, time-stamped format, such as the e-Office system.
    - Interception must be authorised by an officer not below the rank of Joint Commissioner, who must have reasons to believe that the goods being transported are in contravention of the GST provisions, with such reasons recorded in writing.

    Advisory to Members: Members are advised to ensure proper transport documentation and report any deviation from the prescribed interception procedure to the appropriate tax Authorities with supporting evidence. The circular safeguards against arbitrary checks, without exempting goods from lawful verification or statutory compliance.

    Ref: Tamil Nadu Commercial Taxes Department Circular No. 12/2026 dated 14.10.2026.

3. **Credit relating to FY 2025–26 must be claimed by 30th November 2026 or the date of filing the relevant Annual Return, whichever is earlier. What checklist should taxpayers follow to ensure that all eligible, unclaimed ITC relating to FY 2025–26 is reconciled and claimed while filing the October 2026 GSTR-3B, due on 20th November 2026?**

    Checklist for claiming FY 2025–26 ITC in October GSTR-3B:

    - Reconcile purchase records with GSTR-2B and invoices.
    - Identify eligible FY 2025–26 ITC not yet claimed.
    - Verify invoices, receipt of goods/services and ITC eligibility.

- Follow up with suppliers on missing or incorrect invoices.
- Exclude blocked credits and account for required reversals.
- Check debit notes, credit notes and pending amendments.
- Avoid duplicate/second claims and verify previous ITC claims.
- Job work Return GST ITC 04 to be filed.
- Ensure correct reporting in Table 4 of GSTR-3B (credit related).
- Maintain supporting invoices and reconciliation records.

4. Is penalty imposable for expiry of an e-way bill, even if there was compliance, but the vehicle breaks down during transit?

Yes. A penalty under Section 129(1) of the GST Acts can be imposed if goods are transported under an expired e-way bill, even when the delay is attributed to a vehicle breakdown, particularly where the breakdown is not supported by adequate documentary evidence. The Tribunal also held that proof of intention to evade tax is not a mandatory prerequisite for imposing the penalty under this provision.

Advisory to members: Monitor e-way bill validity and maintain documentary evidence of vehicle breakdowns, such as repair bills, mechanic reports, towing receipts and driver communications, to substantiate the reasons for delay.

Ref: M/s Mangal Sponge and Steel Private Limited Vs Commissioner of State Tax (GSTAT Raipur)

5. Is interest on GST payable up to the date of filing GSTR-3B, or does it cease to accrue on the date the tax is deposited?

Interest on delayed payment of GST is calculated up to the date the tax liability is actually discharged. The date of filing the Return does not, by itself, necessarily determine the interest period.

In a case, where the assessee deposited the tax amount through cash challan and the corresponding Return was filed later, the Delhi GSTAT has ruled that interest under Section 50(1) of the GST Act stops accruing once the tax amount is credited to the Government's account through a cash challan, even if the corresponding Return is filed later and the electronic cash ledger is debited later.

The Gujarat High Court has also upheld that debit during Return filing being a mere accounting entry, interest could not be charged for the period between deposit and Return filing, which is not a fresh discharge of liability.

Ref: Laldeo Rajak vs Kanthwal Services (GSTAT)/M/s Symphony Ltd. vs Union of India (Gujarat High Court)

6. Can a refund of IGST paid on exports be denied merely because of a mismatch between GSTR-1 and GSTR-3B?

No. A refund claim should not be rejected solely on account of a procedural or Return-reporting mismatch, where the exporter establishes the genuineness of the exports and fulfils the prescribed conditions for claiming the refund.

Under Section 54 of the GST Act, an eligible exporter may claim a refund of IGST paid on exported goods, subject to the applicable statutory conditions. GSTR-1 reports details of outward supplies, including exports, whereas GSTR-3B is the summary return through which the taxpayer reports tax liability and discharges tax.

A mismatch between these Returns may arise due to clerical errors, incorrect reporting of export invoices, differences in the timing of reporting, or other inadvertent discrepancies. Such differences may require reconciliation and verification, but a procedural discrepancy should not automatically result in forfeiture of an admissible refund.

In M/s. Associated Cashews Vs Commissioner of CGST, GSTAT, Thiruvananthapuram, has held that denial of an export refund on procedural grounds is unsustainable. A mismatch between GSTR-1 and GSTR-3B should not, by itself, justify rejection of the refund claim when the substantive eligibility conditions are satisfied and the export transactions & payment of IGST are duly established.

LABOUR

1. For claiming exemption from ESI under the new code, what are all the steps to be followed by management?

The following 6 steps are important to be attended by the Management:

1. The benefits offered must be substantially similar or superior to the benefits provided by ESIC.
2. An application must be submitted online or physically under Section 143 of SS Code.
3. The management should not be in default in the payment of ESI contribution for preceding 3 years and ESI provisions should have been adhered for continuous period of 3 years immediately before making the application.

4. The establishment should have at least 500 employees.
5. The organisation should have positive net worth during the last 3 years before date of application.
6. Aadhaar seeding of every employee covered under the ESI related provisions should have been done.

2. Can a complainant add to her POSH Complaint after submission?

Yes, but the right is not unlimited. A complainant will be given opportunity, and she may submit clarification about the incidence, additional evidence, witnesses, or documents involving the same respondent.

It is only the Internal Committee (IC) that should determine whether such submission supports the existing complaint or introduces entirely new allegations.

If the allegations are unrelated, involve another respondent, or substantially change the case, a separate complaint will be more appropriate. In such cases, the supplementary complaint and supporting materials must be provided to the respondent by way of providing a fair opportunity to defend it.

3. The OSH Code mandates the Occupier of the factory to provide certain compulsory disclosure of information. Is this mandate applicable across all factories?

As per Section 84 of the OSH Code, the occupier of every factory involving a hazardous process is required to disclose to the Chief Inspector-cum-Facilitator or the Inspector-cum-Facilitator, the local authority within whose jurisdiction the factory is situated, the workers employed in the factory and the general public in the vicinity, all information regarding the dangers.

This Section is applicable only in respect of factories involving hazardous process as defined under Section 2 (1) (za) of the Code. Here the responsibility is casted upon the occupier of the factory and not on the manager.

“Textile Processing” falls under “Hazardous Processes” category as per the definition contained under the Code.

JUDGEMENTS

GST

- Where appellant transported goods under valid invoice and e-way bill identifying bill-to Haryana and ship-to Kolkata and interception near Lahariya Oil Co. revealed no discrepancy in goods and no documentary evidence of undeclared delivery, penalty under section 129 was unsustainable since factual foundation for contravention was not established, and impugned orders imposing penalty were to be quashed – GSTAT
- ITC reversal demand remanded where credit was not mapped between specific and common credit before computation: GSTAT
- Where assessee omitted certain B2C sales in monthly returns due to clerical error but later voluntarily paid due tax with month-wise reconciliation before notice, interest liability under Section 50 remained to be computed based on net cash liability after considering actual ledger balances, requiring month-wise quantification by reference to due dates, and blanket interest demand without such computation was unsustainable- GSTAT
- Where summary show-cause notice in Form GST DRC-01 and consequent assessment order were issued and uploaded without Document Identification Number during specified period, following Supreme Court and High Court precedents and CBIC circular mandating DIN, such orders were treated as non-est and invalid, requiring setting aside of both notice and assessment for lack of DIN – High Court
- Where impugned order relating to erroneous refund was challenged by writ despite availability of statutory appeal and controversy existed regarding applicable limitation provision based on nature of demand, such determination required factual examination unsuited to writ, so petitioner was relegated to statutory appellate remedy and any exclusion-of-time application for writ pendency was to be considered pragmatically under Limitation Act – High Court
- Where importer challenged SCN proposing levy of IGST on ocean freight based on Notifications No. 15/2017-ST and 16/2017-ST, and earlier binding precedent had already declared these notifications ultra vires the charging section, continuation of levy was unsustainable and writ appeal was dismissed, sustaining relief to importer – High Court

Customs

- Refund claim was not time-barred as limitation started from date of reassessment note, not duty payment date: CESTAT

DATA CORNER

- During Sept'26, Indian Textiles exports registered a growth of 19.87% over the previous year while Apparel exports registered a growth of 13.68% during the same time period.
- Cumulative Exports of Textiles and Apparel during Sept'26 have registered a growth of 17.51% over Sept'25.
- During Apr-Sept'26, Indian Textiles exports registered a growth of 9.05% over the previous year while Apparel exports registered a degrowth of -6.19% during the same time.
- Cumulative Exports of Textiles and Apparel during Apr-Sept'26 registered a growth of 2.38% as compared to Apr-Sept'25.

Exports (Million USD)	Apr-Sep 25	Apr-Sep 26	% Change
Cotton Yarn/Fabrics/made-ups, Handloom Products etc	5796.41	6317.08	8.98
Man-made Yarn/ Fabrics / made-ups etc.	2400.90	2501.48	4.19
RMG of all Textiles	7763.08	7282.93	-6.19
Textiles	9972.52	10874.80	9.05
Textiles and Apparels	17735.60	18157.73	2.38
% of T&A in Total Exports	8.09	6.99	

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 16 2026	Oct 23 2026	Oct 30 2026
1	P/H/R	Below 22 mm	5.0-7.0	15	53,400	54,900	54,400
2	GUJ	22 mm	4.0-6.0	20	Na	Na	Na
3	P/H/R(U)	27 mm	3.5-4.9	26	63,900	64,500	63,000
4	M/M(P)/SA/TL/GUJ	27 mm	3.0-3.4	25	Na	Na	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	64,300	64,700	63,400
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	64,200	64,700	63,300
11	R(L)	29 mm	3.7-4.9	28	67,800	68,100	66,700
12	M/M(P)	29 mm	3.7-4.9	28	68,000	68,200	66,900
13	SA/TL/K	29 mm	3.7-4.9	28	67,400	67,500	66,400
14	GUJ	29 mm	3.7-4.9	28	68,300	68,400	66,700
15	M/M(P)	30 mm	3.7-4.9	29	68,500	69,000	67,800
16	SA/TL/K/O	30 mm	3.7-4.9	29	68,000	68,400	67,500
17	M/M(P)	31 mm	3.7-4.9	30	Na	Na	68,300
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	Na	Na	Na
21	K/TN	34 mm	2.8-3.7	34	94,500	95,000	95,000
22	M/M(P)	35 mm	2.8-3.7	35	Na	Na	Na
23	K/TN	35 mm	2.8-3.7	35	96,000	96,000	96,000

Source: Cotton Association of India | Na-Not Available

CIRCULARS ISSUED DURING THE FORTNIGHT

Sl	Cir.No	Date	To	Subject
1)	129/2026	17.10.2026	All Member Mills	Vibrant Gujarat Global Summit 2027 - Roadshow and Interaction meet
2)	130/2026	21.10.2026	All Member Mills	India–New Zealand 100% Duty Free and Quota Free FTA – Rules of Origin for Textile Products
3)	131/2026	23.10.2026	All Member Mills	Revision of ESI Funeral Expenses benefit under Code on Social Security, 2020 from Rs. 15,000/- to Rs. 20,000/-
4)	131A/2026	24.10.2026	Member Mills in Tamil Nadu	Request for Bonus & ex-gratia particulars for 2025-26
5)	131B/2026	24.10.2026	Member Mills in Tamil Nadu	Power - Dismissal of TNPDCL's Appeal by APTEL regarding R&C Period Excess Energy and Demand Charges Calculation
6)	131C/2026	24.10.2026	Member Mills in Tamil Nadu	List of Tamil Nadu Government Holidays for the year 2027
7)	131D/2026	26.10.2026	Member Mills in Tamil Nadu	Power - Provision of Real-Time SCADA Data to SLDC – List of Aggregators
8)	132/2026	26.10.2026	All Member Mills	Online Submission of Statutory Annual Statistical Returns (ASR) and Monthly Statistical Returns (MSR) through TSRS Portal of Office of the Textile Commissioner - Penalties for Non-Compliance
9)	133/2026	26.10.2026	All Member Mills	Clarification on non-applicability of provident fund (PF) and ESI Acts to apprentices engaged under NAPS & NATS
10)	134/2026	29.10.2026	All Member Mills	Extension of the ESIC "New Amnesty Scheme, 2025"
11)	135/2026	29.10.2026	All Member Mills	Webinar on GST Amendments Notified Pursuant to the 57th GST Council Meeting – Implications and Applicability to the Textile Industry
12)	136/2026	29.10.2026	All Member Mills	Production Linked Incentive (PLI) Scheme for Textiles – Round 4 - New Applications invited from 1st November 2026
13)	137/2026	30.10.2026	All Member Mills	GST – Notifying amendments proposed by the GST Council in its 57th Meeting