



**COTTON
ASSOCIATION
OF INDIA**

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News Relating to
**Cotton and
Textile Sector**

Date-09-10-2026

Sr. No.	Topics	Page No.
News Relating to Cotton and Textile Sector		
1	CAI's Spot Rates- 9 th October 2026	3
2	ICE Cotton Futures: 8 th October 2026	4
3	Cotlook "A" Index: 8 th October 2026	4
4	India's GST Council prioritises refunds, exports & compliance reforms	4-6
5	ICE cotton futures edge lower ahead of USDA WASDE report	6-7
6	Tajima seminar in Tirupur showcases the AI technology of embroidery machines	7-9
7	US Upland cotton export sales fall 19%; shipments rise 8%: USDA	10-11
8	CMAI welcomes GST reforms, flags higher tax on garments	11
9	ESA-backed CottonConscience project advances cotton traceability	11-12
10	CCI Raises Cotton Prices by ₹300.	12-13
11	Sirsa Tops Haryana Cotton Production	13-14
12	Akola Cotton Farmers Fear 70% Losses	14-15
13	Texprocil Targets Kasturi Cotton Growth	15-16
14	Andhra Pradesh Declares 388 Mandals Drought-Hit	16-17

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ICE Cotton Futures: 08-10-2026

ICE COTTON CLOSE						08 Oct 2026
CONTRACT MONTH	OPEN	HIGH	LOW	SETTLE	CHANGE	Op. Int.
Cotton (CT) - Quote: Cents/Pound - Contract Size: 50,000 Pounds.						
Oct-26	0.00	76.21	76.21	76.21	▼0.09	0
Dec-26	80.10	81.07	79.88	79.94	▼0.09	1,70,850
Mar-27	83.22	84.08	82.99	83.03	▼0.09	89,199
May-27	84.96	85.75	84.69	84.74	▼0.09	55,556
Jul-27	85.38	86.09	85.13	85.17	▼0.07	33,613
Oct-27	0.00	79.02	79.02	79.02	▲0.31	26
Dec-27	78.12	78.52	78.09	78.14	▲0.06	32,078

Cotlook Index: 08-10-2026

90.65 (-1.05)

India's GST Council prioritises refunds, exports & compliance reforms

Friday, 9th Oct 2026, (Source: www.fibre2fashion.com)

Insights

India's 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 ₹5 crore and cutting the general penalty to ₹10,000.

India's Goods and Services Tax (GST) Council has recommended a series of reforms to speed up refunds, support exporters and simplify tax compliance, while curbing excessive enforcement and reducing administrative hurdles for businesses. The measures include automated processing of

eligible refund claims, expanded input tax credit (ITC) provisions, simplified registration for small businesses and tighter restrictions on inspections of goods in transit.



At its 57th meeting, chaired by Indian Finance Minister Nirmala Sitharaman in New Delhi on October 8, the Council recommended reducing the time limit for acknowledging refund claims from 15 days to 10 days. If neither an acknowledgement nor a deficiency memo is issued within that period, the claim will be treated as acknowledged. Under the proposed risk-based system, 90 per cent of eligible claims will be sanctioned automatically, with refund orders issued within three working days of acknowledgement, compared with seven days currently. Refunds of excess balances in electronic cash ledgers will also be automated, the Ministry of Finance said in a press release.

The Council has proposed extending refunds under the inverted duty structure to input services and removing the exclusion of plant and machinery from such refunds, subject to phased implementation. It has also recommended widening ITC eligibility to cover specified employee health and life insurance costs, telecommunications towers, pipelines laid outside factories, free samples and certain expired stock that must be destroyed under the law. A proposal allowing businesses to claim ITC when suppliers collect but fail to deposit the tax has been referred to a committee for further consideration.

To ease compliance for smaller businesses, the GST Council has discussed an optional annual-return scheme for taxpayers with turnover of up to ₹5 crore who supply exclusively to consumers. During a media interaction after the 57th GST Council meeting, Sitharaman said a concept note on the scheme had been circulated, under which eligible businesses would file one annual return while making quarterly tax payments. The detailed framework will be placed before the Council for a decision at its next meeting.

The Council has also proposed allowing small sellers using e-commerce platforms, subject to conditions, to use a platform operator's warehouse in another State as their principal place of business. Routine GST registration changes, including changes to trade names, directors, partners and additional business locations, would also be processed automatically under the proposed system.

The proposed reforms also seek to reduce delays in the movement of goods by restricting physical inspections to cases involving specific intelligence and prior authorisation from an officer not below the rank of Joint Commissioner. Inspections would be limited to the originating and destination States, reducing repeated checks along transit routes.

To support exporters, the Council has recommended changes to the treatment of certain cross-border services. Services supplied by an Indian company to a foreign client through its own overseas branch would qualify for export benefits under the proposed changes. Work performed in India on goods owned by foreign clients, including testing, repair, certification, research and processing, would also qualify as exports of services even if the goods do not leave the country.

The Council has further recommended exempting upfront concession fees paid to the National Highways Authority of India under the Toll-Operate-Transfer model from GST and addressing double taxation in specified business-to-business transactions involving hotel accommodation, restaurant and catering services, and passenger transport. GST rates will not undergo a broad revision at this meeting, with rate-related matters to be considered once a year at a dedicated meeting.

Separately, the Council has recommended removing GST officers' arrest powers and raising the prosecution threshold from ₹1 crore to ₹5 crore. It has also proposed removing minimum punishment provisions and reducing the general penalty from ₹25,000 to ₹10,000. Additional measures include clearer guidelines for demand notices and adjudication orders, a proposed ₹10,000 threshold for issuing show-cause notices, and a reduced penalty of 5 per cent in specified non-fraud cases where tax and interest are paid within the prescribed period.

The reforms are scheduled to take effect from April 1, 2027, subject to the necessary legal and administrative changes. The package shifts the Council's focus towards faster refunds, easier compliance and more predictable tax administration while retaining mechanisms for tax recovery and action against genuine criminal offences.

ICE cotton futures edge lower ahead of USDA WASDE report

Friday, 9th Oct 2026, (Source: www.fibre2fashion.com)

Insights

US ICE cotton futures settled marginally lower on Thursday as traders awaited the USDA WASDE report, with the December 2026 contract down 9 points at 79.94 cents per pound.

The contract stayed 106 points higher for the week, while volume eased to 40,731 lots and open interest remained near a record high.

US export sales totalled 224,404 bales, led by Vietnam, Pakistan, China and India.

ICE cotton futures settled marginally lower on Thursday as traders remained cautious ahead of the US Department of Agriculture's (USDA) monthly supply and demand (WASDE) report scheduled for Friday. Trading remained largely range-bound, with the December 2026 contract declining 9 points to settle at 79.94 cents per pound. Moderate US export sales and improved shipments provided some support, although a stronger dollar and uncertainty over global cotton supply continued to weigh on sentiment.



The December 2026 contract remained 106 points higher for the week despite Thursday's decline. Contracts from December 2026 through July 2027 settled 7–9 points lower, while other contracts gained 6–31 points. However, limited trading activity in most deferred contracts suggested that buying interest was not widespread.

Trading volume declined to 40,731 contracts from 41,421 in the previous session. Open interest stood at 384,176 contracts, having increased by 1,948 contracts in the preceding session. It remained close to the record high of 389,494 contracts recorded on September 29.

Meanwhile, USDA export sales data for the week ended October 1 showed total US cotton net sales of 224,404 bales across crop years, comprising 221,128 bales of Upland cotton and 3,276 bales of Pima cotton. Vietnam emerged as the largest buyer with 61,926 bales, followed by Pakistan with 45,863 bales, China with 36,774 bales and India with 25,104 bales.

Market participants were awaiting the USDA's World Agricultural Supply and Demand Estimates (WASDE) report on October 9 for fresh indications of US cotton production, yields, exports and ending stocks. Revisions to global supply and consumption estimates, particularly for China, India and Brazil, were also expected to influence market direction.

The December contract faced immediate resistance around 80.86–81.00 cents per pound, while support was seen around 79.80–80.00 cents. Traders remained cautious ahead of the report, with unexpected changes in production and ending-stock estimates likely to determine the next significant price movement.

This morning (Indian Standard Time), December 2026 cotton traded at 80.60 cents per pound (up 0.66 cent). Cash cotton traded at 77.69 cents (down 0.09 cent), while the March 2027 contract traded at 83.71 cents (up 0.68 cent). The May 2027 contract traded at 85.40 cents (up 0.66 cent), the July 2027 contract at 85.83 cents (up 0.66 cent), and the October 2027 contract at 79.02 cents (up 0.31 cent). A few contracts remained at their previous closing levels, with no trading recorded so far today.

Tajima seminar in Tirupur showcases the AI technology of embroidery machines

Friday, 9th Oct 2026, (Source: www.apparelviews.com)

Universal MEP Projects & Engineering Services Limited (UMPESL), Textile Machinery Division, in association with leading embroidery technology provider TAJIMA Industries Limited, Japan, successfully organized an exclusive technology seminar in Tirupur, bringing together garment manufacturers, embroidery specialists, exporters, and key industry stakeholders to explore the latest

advancements in embroidery automation and smart manufacturing. The seminar was supported by the local Tirupur team and witnessed enthusiastic participation from industry leaders and technology experts.



The event served as a dynamic knowledge-sharing platform, offering valuable insights into emerging trends in embroidery technology, automation, digitalization, productivity enhancement, and sustainable manufacturing. Participants gained a deeper understanding of how advanced embroidery solutions can help businesses improve product quality, optimize operational efficiency, reduce manufacturing costs, and enhance competitiveness in global markets.

The seminar commenced with a welcome address by Mr Pradip Roy, Head of Textile Machinery Division, who emphasized the critical role of technology adoption and innovation in strengthening India's textile and apparel industry. This was followed by a presentation on UMPESL's Textile Machinery Division by Mr Karamveer Rathore, highlighting the division's comprehensive portfolio, nationwide presence, and commitment to delivering world-class textile machinery solutions and customer support across India.

A key highlight of the event was the TAJIMA Technology Presentation by Mr Washimi Hiroki, who showcased the AI advancements in embroidery machinery, software integration, automation capabilities, and productivity-enhancing technologies designed to address the evolving needs of the apparel and fashion industry. Participants were introduced to innovative solutions that offer superior precision, higher productivity, enhanced operational flexibility, and improved manufacturing efficiency.

The seminar also featured a specialized session by the Coats team, which showcased innovative thread technologies and solutions that complement modern embroidery applications. The session demonstrated how the synergy between advanced machine technology and high-performance thread solutions can significantly enhance product quality while improving operational performance and consistency.

Further strengthening customer engagement, Mr S. Kasi introduced the Tirupur team and reaffirmed the company's commitment to providing localized support, technical expertise, and responsive after-sales service to customers in the region.



The event witnessed active participation from leading garment and embroidery manufacturers, creating valuable opportunities for interaction, knowledge exchange, and discussions on current market challenges, emerging opportunities, and the future direction of the embroidery industry. The seminar reinforced TAJIMA's position as a trusted technology partner while highlighting the collective efforts of TAJIMA, UMPESL, and industry partners in driving innovation, productivity, and operational excellence.

The program concluded with a vote of thanks by Mr B. Saikumar, who expressed appreciation to customers, partners, speakers, and the organizing team for their valuable contributions in making the seminar a resounding success.



COTTON ASSOCIATION OF INDIA

US Upland cotton export sales fall 19%; shipments rise 8%: USDA

Friday, 9th Oct 2026, (Source: www.fibre2fashion.com)

Insights

US cotton export sales fell in the week ended October 1, 2026, with 2026–27 Upland net sales down 19 per cent week on week to 165,100 RB, though 14 per cent above the four-week average.

Vietnam led Upland buying at 61,800 RB, followed by Pakistan and India; Upland shipments rose 8 per cent to 161,600 RB.

Pima sales recovered to 3,300 RB, but shipments dropped 69 per cent to 2,900 RB.

US cotton export sales declined in the week ended October 1, 2026, as Upland cotton bookings moderated from the previous week, although shipments improved. Vietnam and Pakistan remained the leading buyers, while India continued to show interest in both Upland and Pima cotton. Meanwhile, Pima sales returned to positive territory after recording a marketing-year low in the preceding week, but shipments declined sharply.

Net sales of Upland cotton for the 2026–27 marketing year totalled 165,100 RB (running bales, each weighing approximately 226.8 kg), down 19 per cent from 202,600 RB in the previous week. However, sales were 14 per cent above the prior four-week average, according to the US Department of Agriculture (USDA).

Vietnam was the largest buyer with 61,800 RB, including 1,100 RB switched from China. Pakistan followed with 45,900 RB, while India purchased 20,800 RB, including reductions of 1,000 RB. Honduras bought 11,900 RB and Bangladesh 8,100 RB. These increases were partly offset by reductions of 7,400 RB for China.

In the previous week ended September 24, Upland sales had declined by 12 per cent to 202,600 RB from 230,500 RB a week earlier. The latest figures therefore marked a second consecutive weekly decline, although sales remained above the recent four-week average.

Net sales for the 2027–28 marketing year increased to 56,100 RB from 39,200 RB in the previous week. China accounted for 44,100 RB, followed by Honduras with 10,400 RB and Japan with 1,600 RB.

Upland export shipments rose by 8 per cent to 161,600 RB from 149,500 RB in the preceding week and were 2 per cent above the prior four-week average. Vietnam remained the largest destination with 39,600 RB, followed by India with 18,100 RB, Mexico with 17,900 RB, Pakistan with 16,500 RB and Guatemala with 14,500 RB.

Meanwhile, Pima cotton net sales for 2026–27 recovered to approximately 3,300 RB from a net reduction of 2,100 RB in the previous week, when sales had fallen to a marketing-year low.

India led Pima purchases with 4,300 RB, followed by Vietnam with 200 RB and China and Thailand with 100 RB each. These gains were partly offset by reductions for Egypt and Indonesia.

However, Pima export shipments dropped 69 per cent week on week to 2,900 RB and were 62 per cent below the prior four-week average. India accounted for 2,400 RB, followed by Italy with 400 RB and Bahrain with 100 RB. In the previous week, Pima shipments had totalled 9,300 RB.

Combined current-marketing-year net sales of Upland and Pima cotton stood at approximately 168,400 RB, compared with 200,500 RB in the preceding week. Combined shipments increased to around 164,500 RB from 158,800 RB, reflecting stronger Upland exports despite the sharp decline in Pima shipments.

CMAI welcomes GST reforms, flags higher tax on garments

Friday, 9th Oct 2026, (Source: www.fibre2fashion.com)

Insights

CMAI welcomed GST procedural reforms limiting officers' prosecution powers and removing arrest powers but criticised the 18 per cent GST on garments priced above ₹2,500 (~\$26). It had sought an increase in the price threshold to at least ₹10,000 (~\$103), saying this would have significantly boosted garment consumption and sales during the forthcoming festive season.

CMAI welcomes the procedural reforms that the GST Council has announced, in particular the limiting of the powers of the GST officers for prosecution and eliminating the powers to arrest. However, we still express our disappointment at the charging of 18% GST for products over ₹2500 (~\$26), making garments probably one of the few products where GST has actually gone up after the last round of reforms. We were hoping that the slab rate could be increased to at least ₹10,000, which, in view of the forthcoming festive season, would have made a huge impact on the consumption and sales of garments during the festival season.

ESA-backed CottonConscience project advances cotton traceability

Friday, 9th Oct 2026, (Source: www.fibre2fashion.com)

Insights

A European Space Agency (ESA)-backed CottonConscience project is advancing cotton traceability by using satellite Earth observation and DNA tagging to verify farm-level origins. A feasibility study completed in September found satellites can identify cotton-growing areas and provide environmental insights. The project is now moving towards pilots with live supply chains.

A cotton traceability project supported by the European Space Agency's ESA Space Solutions is moving towards live supply-chain pilots after a feasibility study found satellite technology can identify cotton-growing areas and generate farm-level environmental insights.

The CottonConscience project uses satellite Earth observation through its Farm Trace system to distinguish cotton from other crops, while DNA tagging is used to verify the origin of cotton. Its

Water Trace system provides information on water use and environmental risks, according to its LinkedIn post.

The findings are integrated into the ASK MIRANDA platform, which links farm-level evidence to finished products to support sourcing, ESG and compliance decisions.

The feasibility study, completed in September, showed that satellites can distinguish cotton from other crops and provide meaningful insights at farm level. The project will now move towards pilots involving live supply chains.

The initiative comes as climate pressures on farmland increase and traceability requirements tighten, making supplier declarations, proxy data and manual records increasingly insufficient for verifying cotton's origin and environmental impact.

The project said CottonConscience aims to encourage brands to establish evidence on cotton sourcing before buying, sourcing or designing products, rather than addressing traceability after the fact.

CCI Raises Cotton Prices by ₹300.

Friday, 9th Oct 2026,, Yash Chouhan, (Source: www.smartinfoindia.com)

WEEKLY SALE OF CCI COTTON BALES (2025-26) APPROX			
SMART INFO SERVICES CALL: 96300 96370			
DATE	MILLS SESSION	TRADER SESSION	TOTAL BALES SOLD
05.10.2026	0	1,600	1,600
06.10.2026	20,400	16,400	36,800
07.10.2026	43,400	53,000	96,400
08.10.2026	48,900	37,100	86,000
09.10.2026	22,000	27,000	49,000
TOTAL (2025-26) (+/- Incomplete lot's quantity)			269,800
GRAND TOTAL BALES SOLD BY CCI IN THIS WEEK			269,800

CCI increase its Cotton Candy Prices by ₹300 per Candy; Weekly Auction Sales Reach 2.69 Lakh Bales

The Cotton Corporation of India (CCI) Increase its cotton selling price by ₹300 per candy during the week ended 9 October 2026. During the week, CCI sold approximately **2,69,400 bales** of cotton from the 2025–26 crop through its auctions.

Day-Wise CCI Auction Performance

****October 5, 2026 (Monday)****

CCI began the week with sales of 1,200 bales, all purchased by mills.

****October 6, 2026 (Tuesday)****

Auction activity picked up, with total sales reaching 36,800 bales. Mills purchased 20,400 bales, while traders bought 16,400 bales.

****October 7, 2026 (Wednesday)****

CCI recorded its highest daily sales of the week, selling 96,400 bales. Of these, mills purchased 43,400 bales, while traders accounted for 53,000 bales.

****October 8, 2026 (Thursday)****

CCI sold 86,000 bales, including 48,900 bales purchased by mills and 37,100 bales by traders.

****October 9, 2026 (Friday)****

The week concluded with sales of 49,000 bales. Mills purchased 22,000 bales, while traders bought the remaining 27,000 bales.

Cumulative Sales

Following the latest auction activity, CCI's cumulative cotton sales for the 2025–26 season reached approximately ****97.16 lakh bales****.

Sirsa Tops Haryana Cotton Production

Friday, 9th Oct 2026,, Yash Chouhan, (Source: www.smartinfoindia.com)

Sirsa Leads in Cotton Acreage and Production in Haryana; Sowing Across 3.61 Lakh Acres

Sirsa, Haryana: According to the provisional report for the 2025-26 Kharif season, Sirsa district ranks first in Haryana in terms of both cotton cultivation area and total production. Cotton sowing has been recorded across an area of 361,336 acres in the district, with an estimated production of 200,567.98 metric tonnes.

The report indicates that the total cotton area in Haryana stands at 971,970 acres, with an estimated production of 496,418.70 metric tonnes. In terms of acreage, Sirsa is followed by Hisar in second place and Bhiwani in third.

Cotton cultivation has been recorded on 209,827 acres in Hisar and 111,891 acres in Bhiwani. Meanwhile, Fatehabad ranks fourth with 90,624 acres, and Charkhi Dadri ranks fifth with 39,520 acres.

Nuh Leads in Average Yield

In terms of average cotton yield per acre, Nuh (Mewat) district ranks first in the state with 694.49 kilograms. Haryana's average yield has been recorded at 510.73 kilograms per acre. This highlights that different districts of the state lead in terms of total production versus average yield.

Sirsa Was a Key Player in Cotton Cultivation in 2020-21 as Well

According to the revised report for the year 2020-21, the cotton area in Sirsa was recorded at 209.10 thousand hectares, with an average yield of 406 kilograms per hectare. That year, Haryana's total cotton area stood at 719.86 thousand hectares. These figures for the 2025-26 Kharif season are provisional. Changes to the data regarding area, production, and yield are possible upon the release of the final report.

Akola Cotton Farmers Fear 70% Losses

Friday, 9th Oct 2026,, Yash Chouhan, (Source: www.smartinfoindia.com)

Drought Hits Cotton Farmers in Akola; Losses of Up to 70% Feared

Cotton crops in Maharashtra's Akola district have been adversely affected by a prolonged dry spell and rising temperatures. While farmers earned well last season due to favorable market prices, drought conditions this year have heightened their concerns. Farmers estimate that cotton crops in some areas could suffer losses of up to 70%.

Last season, farmers received approximately ₹8,000 per quintal under the Cotton Corporation of India's (CCI) procurement price. Additionally, reports indicated that some farmers who held onto their stock until August fetched prices as high as ₹10,000 per quintal. Encouraged by these good returns, many farmers in the region had adopted the High-Density Planting System (HDPS), also known as the 'Akola Model'.

****Drought Affects Both Traditional and HDPS Farming****

Under normal conditions, traditional cotton farming yields about 8 quintals per acre, whereas HDPS claims to produce between 12 and 18 quintals per acre. However, the lack of rainfall for an extended period this season has impacted crops grown using both methods.

According to farmers, the cotton plants have failed to reach the expected height. Premature boll bursting and stunted plant growth have raised concerns regarding both total yield and fiber quality. Due to soil moisture deficiency, leaves, flowers, and small bolls are drying up and shedding.

Dilip Thakre, a cotton grower from Akola and an early adopter of HDPS, stated that the yield this year is expected to be only 2 to 4 quintals per acre. He noted that crop conditions are poor even in HDPS fields, although the higher plant density offers some hope for a slightly better yield compared to traditional methods. ****Impact of Prolonged Dry Spell on Crops****

According to Dilip Thakre, the situation is particularly critical in the district's saline-soil region. He noted that there has been no rainfall in his area for approximately 70 days, adversely affecting the cotton crop.

Dr. Purushottam Madhukar Kale, a farmer from the Sangvi Bazar area, cultivates cotton using traditional methods. He stated that the lack of rain has stunted plant growth, and the expected yield this year is merely 2 to 3 quintals per acre. He added that the condition of HDPS (High-Density Planting System) crops is also poor, although they might yield slightly better results.

****Rising Cultivation Costs Due to Pest Attacks****

Pest infestations, alongside the drought, have further compounded the farmers' woes. Frequent pesticide spraying is required to save the crops, thereby driving up cultivation costs. Despite expenditures on fertilizers, labor, and pesticides, farmers find it difficult to see how they will recover their investments this year.

Dilip Patokar, a farmer from Ural village, mentioned that repeated spraying has escalated expenses, making it a struggle to manage daily household costs. Meanwhile, Shaligram Bhagat from Andura village reported that the lack of moisture and rising temperatures have caused leaves, flowers, and young cotton bolls to shed.

Farmers assert that no farming method can fully avert losses in the face of a prolonged dry spell and a lack of soil moisture. The current situation presents a severe challenge for cotton growers in Akola, characterized by low yields, rising costs, and declining income.

Texprocil Targets Kasturi Cotton Growth

Friday, 9th Oct 2026,, Yash Chouhan, (Source: www.smartinfoindia.com)

Texprocil to Focus on Boosting 'Kasturi Cotton' Branding and Leveraging FTA Benefits

Over the next two years, the Cotton Textiles Export Promotion Council (Texprocil) will focus on increasing the volume of cotton eligible for branding under the 'Kasturi Cotton India' initiative and better utilizing the benefits available to the Indian textile industry through Free Trade Agreements (FTAs). Ravi Sam, the Council's newly elected Chairman, has identified these two areas as crucial for the industry's growth.

According to Ravi Sam, less than 50% of the cotton submitted for branding meets the prescribed standards and quality tests. Therefore, special attention must be paid to quality improvement to increase the quantity of cotton eligible for branding as Kasturi Cotton.

He stated that international retail brands should also recognize the quality of Kasturi Cotton and

promote its use. A key feature of this brand is traceability, which allows for the tracking of the cotton's source and supply chain. This can help build confidence in the product's identity and quality.

Farmers Should Also Receive the Kasturi Cotton Premium

Ravi Sam noted that the Kasturi Cotton branding process begins at the ginning units. However, it is also essential to extend the benefits of this initiative to farmers. Farmers play a pivotal role in reducing trash content and improving fiber quality.

He emphasized that farmers should receive a fair share of the premium generated by Kasturi Cotton. The interests of farmers must be considered alongside the benefits accruing to ginners and other stakeholders in the textile value chain. This could incentivize farmers to improve cotton quality and adopt better production practices.

He also urged the government to curb the availability of spurious cotton seeds in the market. Additionally, emphasis was placed on rationalizing the number of approved seed varieties to make it easier for farmers to select the right seeds.

****Focus on Boosting Export Opportunities via FTAs****

Regarding Free Trade Agreements (FTAs), Ravi Sam noted that Indian textile exporters had long faced competitive challenges in UK and European markets due to import duties. He emphasized that the industry should better leverage the opportunities arising from India's trade agreements.

He mentioned that the Southern Region of the Confederation of Indian Industry (CII) has initiated special sessions to inform exporters about the terms, procedures, and potential benefits of FTAs. These sessions can help exporters understand the provisions of the respective agreements and capitalize on them.

According to Ravi Sam, strengthening the branding of Kasturi Cotton, ensuring fair economic returns for farmers, and expanding export opportunities through FTAs will be the key priorities for Texprocil over the next two years.

Andhra Pradesh Declares 388 Mandals Drought-Hit

Friday, 9th Oct 2026,, Yash Chouhan, (Source: www.smartinfoindia.com)

Drought Crisis in Andhra Pradesh: 388 Mandals Across 21 Districts Affected

The Andhra Pradesh government has declared 388 mandals across 21 districts of the state as drought-affected for the Kharif 2026 season. Rainfall in the state during the June-August period was 53.4% below normal. Among the affected mandals, 283 have been categorized as severely drought-

affected, while 105 fall under the moderately drought-affected category.

The state comprises a total of 688 mandals across 28 districts. Of these, 388 mandals—representing approximately 56.4% of the total—have been declared drought-affected. This decision was reached following an assessment of rainfall deficiency and various drought-related indicators.

G. Sai Prasad, Special Chief Secretary (FAC) of the Revenue (Disaster Management) Department, issued the official order (G.O. Ms. No. 4) declaring the drought on October 1, 2026. The decision followed a review of proposals received from District Collectors and recommendations made by the State Drought Committee. The committee met on September 30 to evaluate the proposals in accordance with the guidelines laid down in the Government of India's *Drought Management Manual, 2016*.

53.4% Rainfall Deficiency

According to government data, Andhra Pradesh recorded an average rainfall of 197.6 mm between June 1 and August 31, 2026, against a normal rainfall of 424.3 mm for the period. This represents a rainfall deficit of approximately 53.4%. Taking into account the rainfall situation and other drought-related indicators, the government declared the drought ahead of the usual schedule.

Drought Assessment Conducted in Three Phases

The drought assessment was carried out in three phases. The first phase involved examining mandatory indicators such as rainfall deficiency and the duration of dry spells. In the second phase, impact indicators such as sown area, crop condition, soil moisture, water storage in reservoirs, and groundwater levels were analyzed. In the third phase, the situation was verified at the ground level.

Data obtained from the Directorate of Economics and Statistics, the Department of Agriculture and Horticulture, the Andhra Pradesh Space Applications Centre (APSAC), the Irrigation Department, the Groundwater Audit Department, and Acharya N.G. Ranga Agricultural University (ANGRAU) were utilized in this process.

The government has directed District Collectors to publish the list of affected mandals and relevant details in the district gazettes in both English and Telugu.



**COTTON
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Publications

Represented on various International Cotton Fora
i.e. ICAC, ICA, CICC, ACSA, ITMF and several
other International Cotton Associations



Union Finance Minister Nirmala Sitharaman (centre) with chief ministers, and others during the GST Council Meeting in New Delhi on Thursday PHOTO: PTI

A quick guide to GST Council's key decisions

1. Opportunity to challenge ITC blocking
Taxpayers will get an opportunity to object and seek a personal hearing before ITC is blocked.

Implication: The change adds procedural safeguards to ITC blocking and gives taxpayers a formal opportunity to contest the department's action.

2. Wider availability of blocked ITC
ITC restrictions will be removed for specified expenses including outdoor catering, insurance, telecom towers and certain written-off goods.
Implication: Businesses can recover GST on more inputs, reducing tax cascading and lowering the embedded tax cost of operations.

3. Better access to export benefits for services
Place-of-supply rules will change for specified services involving goods made available by overseas recipients.
Implication: Indian service providers should find it easier to establish export status and claim associated GST benefits.

4. 90% provisional refund for exporters
Ninety per cent of eligible zero-rated and inverted-duty refund claims will be sanctioned provisionally through risk-based automated processing.
Implication: Exporters should see less working-capital blockage as GST administration shifts from universal scrutiny towards risk-based checks.

5. Accumulated ITC on capital goods and services made refundable
Refunds of accumulated ITC on capital goods and input services will be allowed for specified zero-rated and inverted-duty supplies.
Implication: Businesses can recover GST previously locked into capital expenditure and input services, easing working-capital constraints.

6. E-way bill interceptions to become intelligence-led
Goods vehicles can be intercepted only on specific intelligence with authorisation from an officer of Joint Commissioner rank or above.
Implication: Routine highway checks should decline, reducing transport delays while retaining targeted enforcement against suspicious consignments.

7. No GST confiscation of goods in transit
Confiscation provisions will no longer apply to goods and conveyances while they are in transit.
Implication: Transporters face a less punitive enforcement regime, reducing the risk of disproportionate action against legitimate consignments.

8. GST returns to get a new reconciliation architecture
New electronic statements will reconcile liabilities, RCM payments, ITC reversals and reclaims across GSTR-1, GSTR-3B and GSTR-2B.
Implication: Fewer mismatches should mean fewer notices and intimations, while making ITC claims more traceable across the supply chain.

9. Automatic GST registration expanded
Registration applications will get standardised documents, drop-down options and guided portal filing outside the existing automatic route.
Implication: Fewer applications should be rejected or queried over documentation gaps, reducing officer intervention and speeding up registration.

10. GST registration amendments to become largely automatic
Amendments to registration particulars will be automatically accepted, except principal-place-of-business changes outside the automatic route.
Implication: Routine changes can be reflected almost immediately, reducing departmental interface and administrative delays.

11. Small e-commerce sellers get easier interstate registration
Small sellers can use an e-commerce operator's warehouse as their principal place of business in states where they have no physical presence.
Implication: Sellers can enter new states through e-commerce without establishing premises there, lowering the fixed cost of expansion.

12. E-invoicing extended to RCM and imported services
E-invoicing will cover specified domestic RCM supplies from unregistered suppliers and imported services for businesses above ₹5 crore turnover.
Implication: GST will capture more transactions electronically, improving traceability but increasing compliance requirements for larger businesses.

13. Penalty-only appeals get ₹40-crore pre-deposit cap
Pre-deposit for appeals involving only penalties will be capped at ₹40 crore across CGST and SGST/UTGST.
Implication: Large penalty disputes will require less capital to be locked up before taxpayers can pursue appellate remedies.

14. Small B2C businesses may get quarterly payment option
An optional Annual Return Quarterly Payment scheme is proposed for businesses up to ₹5 crore turnover making exclusively B2C supplies.
Implication: Small consumer-facing businesses could eventually move to a lighter compliance cycle, reducing routine filing and payment workload.

15. Waste and scrap transactions moved to RCM
Specified plastic, electronic, tyre and used-cooking-oil waste transactions with unregistered suppliers will move under reverse charge.
Implication: Tax liability shifts to registered buyers, bringing informal scrap transactions into the GST chain while increasing compliance for organised recyclers.

Council suggests tax exemption on storage of seeds meant for sowing

SANJEEB MUKHERJEE
New Delhi, 8 October

The Goods and Services Tax (GST) Council has recommended exemption of tax on storage and warehousing services for agricultural seeds meant for sowing.

In its meeting on Thursday, the Council also suggested exemption for agricultural support services of curing coffee provided by curers to cultivators.

Sources stated that the exemption for storage and warehousing is available for agricultural produce that has

undergone only such processing as a cultivator or producer would ordinarily carry out.

The exemption has been proposed to be carried out by amending Entry 24B of notification number 12/2017, sources said.

"Seed for sowing is graded, treated, and packed before it reaches the farmer, and on that reasoning it fell outside the entry. The exemption now rests on what the goods are rather than how far they have been processed, and the cost of holding seed

will no longer enter the price at which seed reaches the cultivator. The meaning of seed is drawn from the seeds law," officials said.

On the second exemption recommended by the Council on support services of curing coffee provided by the coffee curers to cultivators, officials said it has been granted exemption because it is an activity found to be falling outside the general exemption for services relating to cultivation, because it is carried out at a separate unit.



Urea offers fall in sign of easing global fertiliser costs

India, a major fertiliser importer, received offers in a urea tender nearly 10 per cent below its August purchase price, signaling some relief for global farmers who have faced surging input costs this year. Indian Potash Ltd, which also imports urea on behalf of the government, received offers for the west coast between \$356.25 and \$416.50 a ton in a tender that closed Wednesday, according to traders with direct knowledge of the tender.

Offers for supplies to the east coast ranged between \$352.10 and \$465 a ton, they said. In both regions, the total volume offered was more than double the amount the agency is seeking. India's purchases are watched as a price benchmark for other importers, who have faced volatile costs this year after the war in Iran curbed the vital West Asian supply. The country paid as much as \$959 a tonne for urea when the conflict began. BLOOMBERG

The dubious record of monsoon rains

The southwest monsoon was both patchy and deficient. That has hurt key farm regions and raised concerns over food prices

SANJEEB MUKHERJEE
New Delhi, 8 October

The southwest monsoon season has ended with around 13 per cent deficiency, which sets many dubious records — according to India Meteorological Department (IMD) records, it is the worst since 2015, the second-lowest since 2001 and the fourth-worst since 1901.

Cumulative rainfall across the country stood at 759.4 millimetres (mm), against the long period average (LPA) of around 868.6 mm. The deficit, however, becomes more significant when regional variations are taken into account.

The uneven distribution of rainfall has raised the spectre of higher food prices, particularly for pulses and oilseeds, adding to inflation concerns.

This is something the Reserve Bank of India (RBI) acknowledged in its latest Monetary Policy Report released on Wednesday. The bank said the shortfall and unevenness of the southwest monsoon and El Niño effects may together pose some risks to both kharif and rabi output, though non-farm rural activities have shown greater resilience in recent years. For rabi production, it said production may face headwinds from low reservoir levels.

Data showed that kharif crops had been sown across around 111.5 million hectares as of October 2 since June 1, which is 1.1 per cent less than what was covered during the corresponding period last year.

Final yields, however, will be determined by inter- and intra-seasonal variability in rainfall, including the number of wet days and long dry spells, particularly in areas with inadequate irrigation.

According to rating agency Icria's southwest monsoon wrap-up, deficient and uneven rainfall,



coupled with El Niño conditions, has affected kharif sowing. It could also weigh on the upcoming rabi season because of lower reservoir storage.

As a result, the agency has pared its agriculture, forestry and fishing growth forecast for FY27 to around 1 per cent from its earlier estimate of 1.3 per cent.

THE DEFICIENT MONSOON MAY HAVE AN UNEVEN IMPACT ON RABI SOWING, BY BEING CONCENTRATED IN STATES WITH INADEQUATE RESERVOIR STORAGE: ICRIA

ICria also cautioned that weaker farm incomes could dampen rural demand in the second half of FY27 and create upside risks to food inflation.

Uneven rains

The monsoon deficit varied sharply across

regions. In southern India, the southwest monsoon was 24 per cent below the LPA, while in eastern and northeastern India it was 26 per cent below normal.

LPA refers to the rainfall recorded over a specific region for a given period, such as a month or the entire season, averaged over a period of 30 to 50 years.

East and northeast India received 1,017.1 mm of rainfall

during the season, the lowest since 1901.

The southern peninsula received 542 mm, the fourth-lowest since 1901 and the second-lowest since 2001.

In contrast, the southwest monsoon was 3.6 per cent below normal in central India, around 6 per cent below normal in northwest India and the monsoon core zone.

The monsoon core zone comprises areas in central and western India that are largely rain-fed and grow significant quantities of pulses and oilseeds.

Granular IMD data showed that monsoon rainfall distribution was highly uneven across the country, with a significant share of districts recording deficient rainfall during the season.

Of the 741 districts assessed, 282, or 38 per cent, were classified as "deficient", making it a large category and indicating below-normal rainfall across several parts of the country.

Another 34 districts, accounting for 5 per cent of the total, recorded "large deficient" rainfall, reflecting substantially below-normal precipitation.

At the same time, 312

districts, or 42 per cent, received normal rainfall.

The IMD assessment showed that 90 districts, or 12 per cent, recorded excess rainfall, while 16 districts, or 2 per cent, experienced "large excess" rainfall.

No district was classified under the "no rainfall" category, while rainfall data was unavailable for seven districts, accounting for 1 per cent of the total assessed.

Overall, 43 per cent of the districts witnessed either deficient or large deficient rainfall, compared with 14 per cent that recorded excess or large excess rainfall.

The figures indicate that while a sizeable proportion of the country received normal monsoon rainfall, shortages remained a concern across a substantial number of districts.

Implications for crops

Even distribution at the district level is particularly important for the farm sector, given rain-fed agriculture's dependence on the timing and spread of monsoon precipitation.

The data also underlines how aggregate rainfall figures can mask significant regional vari-

Kharif sowing dips

As on October 2, 2026 (in mn hectares)

Crop	Normal area*	2026	Y-o-Y chg (%)*	Chg from normal area (%)
Paddy	41.20	43.36	-3.5	5.2
Pulses	12.36	12.23	2.1	-1.1
Arhar	4.43	4.79	3.2	8.1
Urad	2.96	2.65	12.3	-10.5
Moong	3.54	3.37	-3.4	-4.8
Coarse cereals	18.26	18.71	0.4	2.5
Maize	8.07	9.35	-2.9	15.9
Oilseeds	20	19.66	0.6	-1.7
Soybean	12.87	12.31	-0.2	-4.4
Groundnut	4.67	5.1	0	9.2
Sugarcane	5.42	5.86	-0.3	8.1
Cotton	12.55	11.05	-0.5	-12.0
Total**	110.44	111.5	-1.1	1.0

* Normal area denotes the average area of last 5 years for most crops

** The total includes other crops not mentioned here

Source: Ministry of Agriculture

Widespread deficit

Monsoon* (in mm)

Region	Actual	Normal	Departure (%)
East & NE India	1,017.1	1,367.3	-25.6
Northwest India	553.0	587.6	-5.9
Central India	952.8	978.0	-2.6
South Peninsula	542.0	716.2	-24.3
All India	759.4	868.6	-12.6

NOTE: * From June 1 to Sept 30, 2026
Source: India Meteorological Department (IMD)

ations, with different districts experiencing substantial deficits and excesses during the same monsoon season.

According to a preliminary assessment by the agriculture ministry, Karnataka, Maharashtra and parts of Andhra Pradesh, Telangana and Rajasthan were among the worst-affected agriculturally by below-normal monsoon rainfall.

Drought assessment teams are already on their way to Maharashtra and Karnataka and are also likely to be sent to other states.

ICria said the southern peninsula received only 76 per cent of its LPA rainfall during the monsoon season, resulting in a significant deterioration in reservoir storage levels in Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Telangana.

Together, these states account for around 98 per cent of India's rabi rice acreage and about 33 per cent of coarse cereal acreage, based on 2025-26 data, it said.

Lower water availability is, therefore, likely to impact the area under these crops during the upcoming rabi season.

Irrigation risk

ICria also flagged risks to wheat sowing in Punjab and Rajasthan, which received only 59 per cent and 78 per cent of LPA rainfall, respectively.

Deficient rainfall resulted in below-normal reservoir storage in both states by the end of September 2026.

Together, Punjab and Rajasthan account for around 31 per cent of India's wheat cultivation,

the report said.

Since wheat cultivation is highly dependent on irrigation, lower water availability could constrain sowing in these states.

Overall, ICria expects the impact of deficient monsoon rainfall on rabi sowing to remain uneven, concentrated mainly in southern states and northern states such as Punjab and Rajasthan, where inadequate reservoir storage could constrain irrigation availability.

Pushan Sharma, director at Crisil Intelligence, said the crop outlook this season is mixed, with weather-related variability emerging as the key factor to watch.

For field crops, acreage is expected to be lower by around 2-3 per cent year-on-year, while yields could decline by about 5-6 per cent.

"This is driven to some extent by paddy, which is likely to see yields decline by 4-5 per cent. This is likely to keep production conditions relatively tight across several crops, although firmer prices should provide some support to farm incomes," Sharma said.

Within field crops, paddy, maize, tur, cotton and groundnut warrant closer monitoring, given the expected pressure on yields, he said.

Paddy has faced weather-related stress in key growing regions, while maize, pulses, oilseeds and cotton could see lower output accompanied by relatively firm prices.

Horticulture stronger

"The horticulture outlook is relatively stronger. Sown area and yields are each estimated to increase by around 2-3 per cent," Sharma said.

However, the picture remains uneven across crops and regions.

"Banana, for instance, has seen weather-related crop damage and supply disruption, which has supported prices even as production remains slightly lower," he said.

"Overall, horticulture should remain the stronger segment this season, while weather and supply conditions will remain critical monitorables across both field and horticulture crops," Sharma added.

Govt banks hike repo-linked lending rates by 25 bps

SUBRATA PANDA

Mumbai, 8 October

Following the Reserve Bank of India's (RBI's) six-member Monetary Policy Committee (MPC) raising the policy repo rate by 25 basis points (bps) to 5.5 per cent, several domestic banks — including Bank of Baroda (BoB), Punjab National Bank (PNB), Indian Bank, Indian Overseas Bank (IOB), Bank of India (BoI), and RBL Bank — have raised their repo-linked lending rates by a commensurate 25 bps.

This means new loans linked to external benchmarks such as the repo rate will become 25 bps costlier for borrowers. Existing loans linked to external benchmarks will also be repriced upwards by a commensurate 25 bps, typically within 90 days. While transmission to lending rates is immediate for external benchmark-linked loans, the pass-through to deposit rates is likely to take time, particularly for the existing deposit base, as banks are currently flush with liquidity from foreign currency non-resident bank, or FCNR(B), deposits. However, rates on fresh deposits could harden as short-term money market rates have risen in recent weeks.

State-owned BoB has raised its Baroda Repo Based Lending Rate by 25 bps to 8.15 per cent. This implies a spread of 2.65 percentage points over the repo rate of 5.5 per cent. Another state-owned lender, PNB, has revised its repo-linked lending rate to 8.35 per cent from 8.10 per cent.

Indian Bank has raised its Repo-Linked Benchmark Lending Rate by 25 bps to 8.20



Loans get costlier

A day after the policy repo rate hike, several banks raised their external benchmark-linked lending rates by 25 basis points effective October 8

Bank	Revised rate (%)
Punjab National Bank	8.35
Indian Overseas Bank	8.35
Bank of India	8.35
UCO Bank	8.3
Indian Bank	8.2
Bank of Baroda	8.15

Source: Exchange filings

per cent from 7.95 per cent, effective October 8. IOB has also raised its repo-linked lending rate by 25 bps to 8.35 per cent from 8.10 per cent.

UCO Bank has revised several of its benchmark-linked lending rates with effect from October 8. Its three-month Benchmark Lending Rate (BLR) has been increased to 5.30 per cent from 5.25 per cent, while the six-month Treasury Bill Linked Rate (TBLR)

has been raised to 5.70 per cent from 5.55 per cent. The 12-month TBLR has been revised to 5.95 per cent from 5.70 per cent.

The bank has also raised its government securities (Gsec)-linked rates. Its one-year Gsec rate has been increased to 6.26 per cent from 5.88 per cent, while the 10-year Gsec yield has been raised to 7.32 per cent from 7.09 per cent. The repo-linked rate for UCO Float has been increased to 8.30 per cent from 8.05 per cent, while the repo-linked rate for UCO Prime has been raised to 5.50 per cent from 5.25 per cent.

BoI's Repo-Based Lending Rate has also gone up by 25 bps to 8.35 per cent from 8.10 per cent. Meanwhile, RBL Bank's repo-linked lending rate stood at 8.50 per cent as of October 7.

On Wednesday, the MPC unanimously voted to raise the policy repo rate by 25 bps to 5.5 per cent, in line with expectations. The surprise, however, was the change in the policy stance to "calibrated tightening" from "neutral". Four members backed the change, while external members Ram Singh and Nagesh Kumar favoured retaining the "neutral" stance.

The policy tone was hawkish, with RBI Governor Sanjay Malhotra stating that "rate cuts are off the table in the near term, and policy action ahead can only be a rate hike or a pause, depending on the evolving conditions and the outlook".

Economists expect the current tightening cycle to be shallow, with a cumulative 75 bps rate hike expected in the current cycle. Borrowing costs could, therefore, rise further in the coming months.

RBI: Inflation pressures broaden as 37% of CPI basket rises above 4%

ANJALI KUMARI

Mumbai, 8 October

Inflationary pressures are broadening across the consumption basket, with the weighted share of goods priced above the central bank's 4 per cent target surging from 23 per cent in April to nearly 37 per cent in August, the Reserve Bank of India (RBI) said in its October Monetary Policy Report.

This suggests that the recent rise in headline inflation is not confined to a few components of the consumer price index (CPI) basket. The RBI said the inflation distribution across the basket pointed to a progressive broadening of price pressures.

The central bank's diffusion index divides CPI items into four categories: Inflation below 2 per cent, between 2 and 4 per cent, between 4 and 6 per cent, and above 6 per cent.

An increase in the share of items in the higher-inflation categories, along with a rise in headline inflation, indicates that price pressures are becoming more broad-based and generalised, the report said.

The broadening comes alongside a pickup in headline and underlying inflation. CPI inflation rose to 4.8 per cent in August from 4.5 per cent in July, while inflation excluding food and fuel increased to 4.2 per cent from 3.9 per cent. Core inflation excluding precious metals rose to 2.9 per cent. The report noted that services inflation also increased in August, indicating a wider spread of price pressures.

Food was an important reason for the price increase. Food and beverages inflation rose to 5.9 per cent in August, with animal protein and spices among the major contributors to the increase since April. The RBI said nearly 48 per cent of the 200-basis-point increase in food inflation between April and August was accounted for by animal protein and spices.

The report also flagged risks from a deficient southwest monsoon and El Niño conditions. At the same time, global energy prices have added to domestic inflation pressures. CPI fuel



Price pressures

- CPI inflation climbed to 4.8% in August from 4.5% in July
- Animal protein and spices drove nearly 48% of food inflation rise
- El Niño, weak monsoon and crude prices pose inflation risks
- RBI raised repo rate 25 bps and shifted to calibrated tightening

inflation rose to 5.2 per cent in August from 0.4 per cent in April, partly reflecting the pass-through of higher global crude prices.

The broadening of inflation has become a key consideration for monetary policy. The Monetary Policy Committee (MPC) on Wednesday raised the policy repo rate by 25 basis points to 5.5 per cent and shifted its stance to calibrated tightening, citing a less benign inflation outlook. The RBI raised its FY27 inflation forecast to 5.2 per cent from 5 per cent earlier.

The RBI has indicated that monetary policy is aimed not only at the immediate supply shock but also at preventing its second-round effects from becoming entrenched in inflation expectations and companies' pricing behaviour. RBI Governor Sanjay Malhotra said the extent and duration of the rate-hike cycle would depend on the extent to which price pressures broaden and second-round effects emerge.

The latest diffusion data therefore provides another measure of the inflation challenge before the central bank, which has to assess whether the recent rise in prices remains concentrated in food and energy or starts feeding into a wider set of goods and services.

GST Council ends arrest powers of tax officers, lowers penalties

BIG REFORMS. Moves towards faster refunds, easier compliance, proportionate enforcement

Shishir Sinha
New Delhi

The GST Council on Thursday recommended significant tax administration reforms, including the elimination of arrest powers for GST officers, an increase in the threshold for criminal prosecution and a reduction in general penalties. The Council also approved accelerated refund processing and simplified procedures for taxpayer registration and cancellation.

The approvals formed a sweeping package of process and enforcement reforms that will fundamentally change how businesses interact with the indirect tax system, shifting the emphasis from rate changes to faster refunds, easier input tax credit, automated compliance and a more proportionate enforcement.

MORE TRANSPARENT

In a social media post, Prime Minister Narendra Modi said: "The focus is clear: Faster decisions. Lower compliance costs. Automated refunds. Trust-based administration. These are in



Finance and Corporate Affairs Minister Nirmala Sitharaman chairing the GST Council meeting on Thursday

line with our constant efforts to make GST more efficient, transparent and citizen-friendly."

Addressing a press conference, Finance Minister Nirmala Sitharaman underlined that the arrest powers of tax officials had been removed. However, "in case of criminality, arrest can be made by enforcement agencies," she clarified.

PROSECUTION LIMIT

According to the Finance Ministry, the threshold for prosecution has been raised from ₹1 crore to ₹5 crore. The minimum punishment has been removed, while the punishment, whether a fine, imprisonment or both, will be left to judicial discretion in every case. The general

penalty, which applies where no specific penalty is provided for, has been reduced from ₹25,000 to ₹10,000. A taxpayer who files late, makes a mistake or falls behind on payment will face recovery, interest and a proportionate penalty, and nothing beyond that.

However, issues related to allowing input tax credit for buyers even when the seller has not paid the tax, as well as input tax credit on motor vehicles, were referred to a Committee of Officers.

TECH SHIFT

The process reform package, coming a year after the Council's landmark rate rationalisation, seeks to put routine GST administration increasingly on the techno-

logy platform rather than in the hands of tax officers.

Rates were not reopened at the meeting, with the proposals instead looking to remove inconsistencies and ambiguities that have remained post the earlier exercise. Sitharaman said the GST Council had mostly addressed the aberrations because of ITC as also the duty inversion.

"I don't think there are many outstanding issues which are fundamental to ease of doing business or fundamental to anomalies and rates remain. So, yes, you can say GST next generation GST, 99 per cent issues have been addressed, rate or process," Sitharaman said.

The FM said the next-generation GST, which began with rate reductions, had emerged as a positive, transparent and stable source of revenue for both the Centre and the States. Rate revisions will now be done only once a year and made effective from April 1. The process reforms are scheduled to be implemented from April 1, 2027, and it will take about a year for the new system to fully stabilise, she added.

Coverage on p2

Faceless assessment of GST payers to come into effect next fiscal onwards

SINGLE-WINDOW SCRUTINY. To benefit around 2 lakh contributors falling under multiple CGST jurisdictions

Shishir Sinha
New Delhi

Finance Minister Nirmala Sitharaman on Thursday announced bringing in a faceless assessment system for around two lakh GST taxpayers registered under Central GST jurisdiction but having businesses in multiple States. The scheme will be launched in FY28.

RESOURCE UTILISATION

“We intend to bring a centralised tax administration for these multiple CGST jurisdiction taxpayers with a unified window for all their CGST-related functions,” Sitharaman said on Thursday. The decision is not part of the GST Council meeting and was taken by the Central government, she told reporters after the meeting ended.

Currently, there are about 69.5 lakh taxpayers exclusively in the CGST jurisdiction. Nearly two lakh of them are under multiple CGST jurisdictions, either within one State or across different States. The Minister said the government had approved a concept note on the proposal of a single window for scrutiny of returns, audit, adjudications, appeals, taxpayer



SIMPLIFYING TAX MATTERS. Finance Minister Nirmala Sitharaman addressing a press conference with Central Board of Indirect Taxes and Customs (CBIC) chief Vivek Chaturvedi, CBIC GST member Sanjay Mangal and Revenue Secretary Arvind Shrivastava after the 57th GST Council Meeting at Bharat Mandapam in New Delhi ANI

services and grievance redressal for CGST taxpayers.

Such a scheme eliminates the person-to-person interface between the taxpayer and the department to the extent technologically feasible, she said, and provides

for optimal utilisation of resources and a team-based assessment with dynamic jurisdiction.

Under the proposed framework, tax notices, hearings and orders will be dealt with on a national plat-

form rather than individual formations. It will be like the faceless assessment system, she added.

The framework will be put up for public consultation by the end of this year, said Vivek Chaturvedi, Chair-

man, Central Board of Indirect Taxes and Customs (CBIC).

CERTAIN ISSUES

Sudipta Bhattacharjee, Partner at Khaitan & Co, said faceless assessment in income tax has had mixed results, with recurring concerns about template notices, limited engagement with taxpayers' replies and orders set aside by courts. GST is more complex. “Before the model is extended to indirect tax, it would be prudent to address these issues and build in strong procedural safeguards, so that the reform reduces litigation instead of adding to it,” he said.

Under the GST, taxpayers are divided between CGST and SGST officers, based on a formula decided by the GST Council to ensure a single interface. The division of assesseees between the Centre and States is decided based on the turnover of the assesseees on a proportionate basis. The assesseees having turnover above ₹1.5 crore are to be assigned in the ratio of 50:50 between the Centre and the respective State, while those with a turnover under ₹1.5 crore must be assigned in the ratio of 10:90, with the balance tilting towards the States.

India joins US-led move to tackle excess capacity

Amiti Sen
New Delhi

India has joined a US-led initiative of 15 countries to tackle structural excess manufacturing capacity in key sectors, including automobiles, batteries, solar panels, chemicals and semiconductors, amid scrutiny of its own manufacturing policies under a US Section 301 investigation into the same issue.

Experts say New Delhi must move carefully, balancing cooperation with its own manufacturing ambitions.

The country has so far maintained that its manufacturing capacity is geared to meet both domestic and global demand.

MARKET DISTORTIONS

India was among 14 economies that joined the US in signing a Joint Ministerial Statement on October 7, following discussions at the G20 Trade Ministers' meeting in Mil-

waukee on September 30-October 1.

The other signatories include the European Union, Japan, South Korea and Mexico, all of which, like India, are also subjects of the US Section 301 investigation into structural excess capacity. Argentina, Australia, Canada, France, Germany, Poland, Türkiye, and the UK are also part of the grouping.

The joint statement called on countries to end non-market policies and practices that distort markets and contribute to structural excess capacity.

"We note that in the absence of such steps, an increasing number of countries are taking action to defend their industries, workers, and economies from distortions resulting from such policies and practices...such individual efforts will be more effective if concerned countries cooperate, share information, and take complementary action, wherever possible," it high-

But with India itself a subject of the Sec 301 probe, experts caution against legitimising US pressure

lighted. The initiative will initially focus on automobiles and electric vehicles, batteries, chemicals, foundational semiconductors and solar panels.

The signatories will establish dedicated sectoral platforms to exchange information and explore complementary action to address the impact of excess capacity on domestic industries, workers and supply chains, per the statement.

'CAN CUT BOTH WAYS'

Trade policy think tank Global Trade Research Initiative (GTRI) said India was now joining Washington in tackling the very issue under

scrutiny in its own manufacturing. The US launched its Section 301 investigation into structural excess capacity across 16 economies in March.

"The initiative also exposes a question of consistency: participating economies are coordinating against market distortions without confronting the US over its own trade-rule violations during the past two years," GTRI Founder Ajay Srivastava said.

For India, the test is whether this cooperation protects domestic manufacturing or gives Washington greater legitimacy to challenge India's industrial expansion, he added.

US Trade Representative Jamieson Greer said on Wednesday that the initiative aimed to tackle production that exceeded global demand and was sustained by government policies and interventions.

"Over the course of the US G20 presidency, numerous

economies raised instances of structural excess capacity and production in economies that persistently exceeded global demand and were sustained by foreign government's non-market policies and practices... Left unchecked, these issues will continue to cripple domestic industries, displace local production, and hinder our ability to raise the standard of living for workers and their families," he said.

No specific tariffs, quotas or other trade restrictions have been announced under the initiative.

Senior officials have begun work and are expected to meet at the technical level before December to develop terms of reference, share non-confidential information and data, assess the impact of excess capacity and identify information gaps, the joint statement pointed out.

Other countries not in the OECD have also been invited to join the initiative.

Exporters to get refunds for tax on plant, machinery

Shishir Sinha

New Delhi

Exporters are set to get relief, with the GST Council recommending refunds on taxes paid on plant and machinery, widening the pool of recoverable taxes on services and simplifying rules governing when a transaction qualifies as an export.

According to a note on the outcomes of the GST Council meeting, four conditions that had restricted export benefits have been eased, an earlier restriction on refunds has been resolved in favour of exporters, and the refund process will be automated.

THE BENEFITS

The refund for exporters will be spread over five years. Those claiming duty drawback will also be eligible for GST refunds, while a cap that linked the refund claim to the price of

the product sold in the market has been removed.

“About 38,700 taxpayers claim refund on exports, and about 13,100 of them carry tax paid on plant and machinery which could not be recovered until now,” said a note. “Among businesses claiming refunds on an inverted rate structure, about 15,200 carry tax on plant and machinery, and about 17,300 carry tax paid on input services.”

WHERE IT EASES UP

Under the existing rules, an export required the supplier and recipient not to be establishments of the same person. This meant that transactions involving an Indian company and its overseas branch could fail to qualify as exports. The council has recommended removing this condition.

On job carried out in India on goods owned by foreign clients, the place-of-

supply rules had earlier treated the service as being supplied where the work was performed. “It will now follow the location of the customer,” the note said.

Transactions related to goods sold to a foreign buyer but delivered, at the buyer’s instruction, to a Special Economic Zone for storage or processing will

now qualify as exports, provided payment is received in forex or in rupees.

The fourth is a clarification on when export payment is considered to have been received and the time limit for receiving it. The rule will be aligned with the RBI’s framework, giving exporters a single standard to comply with.

Concerns over services exports addressed, says Nasscom

Press Trust of India

New Delhi

IT industry body Nasscom has said the council’s recommendations on overseas branches and R&D services address longstanding concerns related to service exports. “Subject to the other export conditions, it should reduce tax uncertainty, litigation and unnecessary

working capital costs,”

Nasscom said, noting that Indian companies frequently serve international clients through their overseas branch networks.

Ahead of the meeting, the industry body had flagged the GST treatment of head office-to-branch office transactions as a persistent source of litigation.

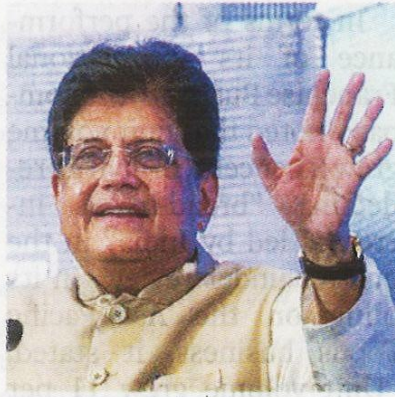
Every FTA entered into by India protects sensitivities, says Goyal

Our Bureau

New Delhi

Commerce & Industry Minister Piyush Goyal has assured that every free trade deal entered into by India protects sensitive sectors, including agriculture, fisheries and MSMEs, while opening up opportunities for exports of farm, marine, and high precision items and MSME products.

The Minister also expressed confidence that exports of goods and services in the current fiscal year would achieve the target of \$1 trillion. "I can assure each one of you that every free trade deal we have entered into protects the sensitive sectors, particularly of Indian agriculture, our fishermen and our MSMEs, yet opens up huge opportunities for export of agri products, marine products, high precision items, engineering and electronic products, as well as for MSMEs. It opens up huge investment opportun-



Piyush Goyal, Commerce & Industry Minister

ities for countries and companies around the world to come to India and enjoy the fruits of the large market....," Goyal said at a CII event on Thursday.

NINE FTA PACTS

The nine trade agreements pursued by India in the last four-five year period involve key partners such as Mauritius, the UAE, Australia, the EFTA nations, the UK, Oman, New Zealand, the EU, and the US.

While most of the FTAs have been signed and many implemented, the one with the US is still hanging fire

due to uncertainty on tariffs levied by the Trump regime, despite a framework deal signed in February this year. For better utilisation of FTAs by exporters, especially MSMEs, Goyal suggested that industry chamber CII should set up an FTA utilisation cell.

"I would urge CII to set up FTA utilisation desks across every State council to help our MSMEs to use the FTAs to good effect, to learn about new market access opportunities, to understand ROO, to understand how to join delegations, to go across the world, and to participate in exhibitions to showcase their offerings....," he said.

Goyal said India's exports were growing despite global challenges. In 2025-26, the country's exports touched a record high of \$863 billion.

"We have set a target of big growth in exports... we are looking at \$1 trillion in exports. I am confident after looking at the first half numbers, that we will achieve this," Goyal said.

Telangana advises farmers to opt for crops requiring less water in rabi season

Our Bureau

Hyderabad

The Telangana government has asked farmers to choose short-duration pulses and oilseeds that require less water and investment during the upcoming rabi season, citing likely water shortages due to the continued impact of El Nino.

“Farmers should choose crops based on the availability of irrigation water and market demand,” Telangana Agriculture Minister Tum-mala Nageswara Rao said.

He asked the agriculture and allied departments to work together to help farmers assess local conditions

and prepare for alternative crops, particularly pulses and oilseeds.

PLEA TO SCIENTISTS

The Minister directed officials to draw up and implement irrigation plans under the supervision of District Collectors, taking into account water available in reservoirs to protect the standing crops.

He also asked scientists to develop groundnut varieties suited to farmers’ requirements and market demand.

Responding to requests from farmers in the erstwhile Mahabubnagar district, he said steps would be taken to provide subsidised sprinklers.

Grim situation in South

Storage in India's 178 major reservoirs dipped marginally this week to 71 per cent of capacity, with the situation remaining concerning in the southern region, according to data from the Central Water Commission (CWC).

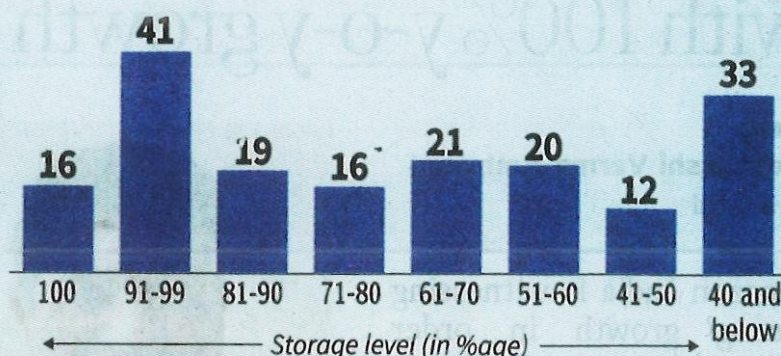
Reservoir storage in the southern region fell to 47.2 per cent of capacity, with Tamil Nadu at 31.6 per cent and Andhra Pradesh at 32.5 per cent. The Aliyar dam in Tamil Nadu was empty, while storage in the Bhavani, Vaigai, Sholayar, Karayar and Manimuthar reservoirs was below 30 per cent.

Overall storage in the 178 reservoirs stood at 131 billion cubic metres (BCM), against a total capacity of 184.8 BCM. Storage in the eastern, western and central regions was above 80 per cent, while the northern region slipped below 70 per cent this week.

The number of reservoirs at full capacity fell to 16 from 18 last week. Four each were in Maharashtra and Jharkhand, while three were in Madhya Pradesh. At least 45 reservoirs were less than half full, while more than 41 had storage above 90 per cent. With the South-West monsoon drawing to a close, reservoir storage is expected to decline. However, the India Meteorological Department has forecast heavy rain in southern and eastern regions, which could help prevent a sharp fall in levels.

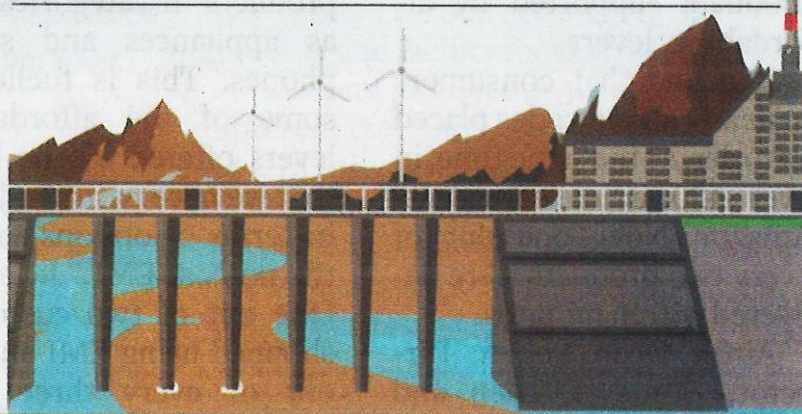
Improving storage

■ Number of reservoirs



Region-wise storage

Region	Number of reservoirs	Live capacity (in BCM*)	Storage (in BCM)	Storage last year (in BCM)	%age level to capacity
Northern	11	19.8	11.6	17.3	58.6
Eastern	31	21.9	18.7	18.4	85.4
Western	58	38.6	31.8	37.7	82.4
Central	28	48.6	42.5	43.1	87.4
Southern	50	55.9	26.4	49.9	47.2
All-India	178	184.8	131.0	166.4	70.9



Rengali, Sapua (Odisha), Maithon, Panchet Hill, Tilaiya and Konar (Jharkhand), Shetrunji (Gujarat), Salaulim (Goa), Upper Tapi, Dudhganga, Bhandardara and Nira Deoghar (Maharashtra), Bansagar, Bargi, Rajghat (Madhya Pradesh) and Sirsi (Uttar Pradesh) are full. Aliyar Dam in Tamil Nadu is empty.

*Billion cubic metres Source: Central Water Commission

Unfolding El Nino may be the strongest since 1950s, says WMO

GAINING STRENGTH. Record rise in Central, eastern tropical Pacific temperatures likely by late 2026; IOD could offer a twist

Srikrishnan PC
Chennai

A rapidly strengthening and drought-bearing El Nino could push central and eastern tropical Pacific temperatures to record levels by late 2026, according to the World Meteorological Organization's Global Seasonal Climate Update.

It is expected to persist into February 2027 and could raise global heat and shift rainfall patterns, increasing risks of drought, flooding and broader climate impacts across the globe.

"El Nino is firmly established and strengthening rapidly. WMO forecasts indicate a near-100 per cent likelihood that it will persist through February 2027, potentially being one of the



ARID FORECAST. Drier-than-average conditions are forecast over India, southern Central America and parts of the Caribbean and north-western South America

strongest since at least 1950," said WMO Secretary-General Celeste Saulo.

HISTORIC HIGH

The Nino 3.4 index anomalies over the central-eastern equatorial Pacific jumped

from an average of +1.6°C above normal in June 2026 to +2.5°C above normal in August. The seasonal average Nino 3.4 sea surface temperature anomaly is predicted to peak about +3.7°C for October-November-December,

around December. This is the highest since observations began and is more intense than the previous record of +2.6°C from November 2015 to January 2016.

IOD TWIST

Other ocean basins are also playing a role in the seasonal outlook. The forecast indicates that the positive Indian Ocean Dipole, a climate pattern that can strongly influence rainfall around the Indian Ocean, will peak in October and then weaken.

The October-December seasonal anomaly is predicted to be around +0.5°C.

SURFACE TEMP

August was the hottest month on Earth since records began, according to monthly reports from the European Union's Coperni-

cus Climate Service, the US National Oceanic and Atmospheric Administration and NASA. Record high global sea surface temperature was observed in August.

The Global Seasonal Climate Update said large parts of the world are very likely to experience above-average (1993-2009) temperatures in October-December.

This doesn't mean every place will be warmer than average every day, but it does mean there is a strong seasonal signal that increases the probability of heat extremes and heat-related impact.

Drier-than-average conditions are forecast over the Indian subcontinent, southern Central America and parts of the Caribbean and north-western South America.



Rain for TN, Kerala, Lakshadweep this weekend

Vinson Kurian

Thiruvananthapuram

After a lull of nearly a week, the South-West monsoon resumed its retreat on Thursday, withdrawing from the remaining parts of Maharashtra, as well as parts of Goa, Karnataka, Telangana and Odisha, and further areas of Jharkhand and Chhattisgarh.

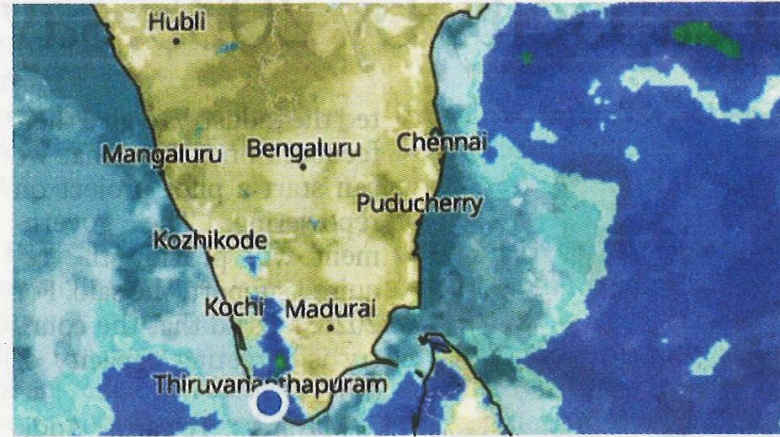
The India Meteorological Department (IMD) said the withdrawal line now runs through Supaul, Ranchi, Sundargarh, Bargarh, Bijapur, Hyderabad, Belagavi and Panjim. This marks another decisive step in the four-month monsoon's seasonal retreat and arrival of the North-East monsoon.

The conditions are now becoming favourable for the monsoon to pull back from more parts of East India and the northern Peninsula, as well as many parts of the North-East, during the next three to four days.

While the monsoon footprint contracts across the country, the seasonal transition is simultaneously opening the door to a more convective pattern over the South Peninsula.

RAIN, THUNDERSTORMS

Thus, even as the monsoon steadily retreats, the atmosphere remains primed for widespread pockets of rain and thunderstorms, a characteristic feature of the transitional season when the monsoon's withdrawal from



WET DAYS AHEAD. The European Centre for Medium-Range Weather Forecasts sees a wave of rain approaching south coastal Andhra Pradesh and north coastal Tamil Nadu by mid-week

the north coincides with renewed convective activity over the South Peninsula and the adjoining regions.

The pattern is expected to persist for much of the coming week. Isolated to

scattered rainfall is likely over coastal Andhra Pradesh, Yanam, coastal Karnataka, Rayalaseema, south interior Karnataka, Tamil Nadu, Puducherry and Karaikal for next seven days.

Kerala and Mahe may see a similar unsettled spell for three days from Sunday.

KERALA & MAHE

Isolated thunderstorms, lightning and gusty winds, with speeds of 40-50 km/hr and gusting to 60 km/hr, are likely over Tamil Nadu, Puducherry and Karaikal for five days. Kerala, Mahe and Lakshadweep could see similar conditions for three days through Saturday.

Coastal Andhra Pradesh, Yanam and Rayalaseema are also likely to experience thunderstorms, lightning and gusty winds for three days through Saturday.

South interior Karnataka could see isolated thunderstorms and lightning on Friday and Saturday.