

# Textile, RMG Exports Get Major Hit Amid Recessionary Trend: Centre



Like

*In the Textile sector, Cotton yarn exports declined because there was a continuous price rise of raw materials throughout 2022*

The central government on Monday said that exports of Indian textile apparels and RMG textiles got a major hit due to recessionary trends in major economies.

In the textile sector, Cotton yarn exports declined because there was a continuous price rise of raw materials throughout 2022, as per the data released by the Ministry of Commerce and Industry.

The ministry added that the resilient growth of the Indian economy during the first half of the current financial year, the fastest among major economies, bespeaks strengthening macroeconomic stability.

However, global growth forecasts indicate a downturn in global economic activity and trade.

As per the Global Composite PMI report (January 2023), new export orders have been contracting for the tenth successive month in December.

The report also indicated that India and Ireland were the only nations to register a growth of economic activity in December 2022.

"Given the cumulative growth until December 2022 and the indicators of the slowdown in global economic activity, there is cautious optimism on international trade in the last quarter of the current financial year," the ministry said.

Vijay Kalantri, Chairman, MVIRDC World Trade Center Mumbai said, "The double-digit decline in exports during December 2022 is on expected lines because of high base effect during the same month last year. The slowdown in overseas demand is clearly visible across all sectors, except ceramics and electronics."

Kalantri said that six out of 13 agro product exports witnessed contraction in December 2022. But the good thing is that import has fallen for the first time in 24 months and this has helped in controlling trade deficit.

"The trade deficit in December 2022 is the second lowest in the current financial year 2022-23 and it is showing signs of moderation in the last two months," he said.

Meanwhile, India's overall export declined by 5.26 per cent to USD 61.82 Billion in December 2022, as per the data released by the Ministry of Commerce and Industry on Monday.

The ministry's data showed that overall imports in December 2022 stood at USD 73.80 billion, a negative growth of 1.95 per cent over the same period last year.

Talking about merchandise exports in December 2022, it stood at USD 34.48 billion, as compared to USD 39.27 billion in December 2021.

## Experts advise govt to reconsider penalty on inconsistent E-way bill



Experts advise govt to reconsider penalty on inconsistent E-way bill

**Mumbai, January 16 (KNN)** To remove the undue financial burden off MSME tax payers, experts have suggested the government to think about issues that tax payers have to pay two times their tax liability as penalty if they have not filed E-way bill or if there is discrepancy in the E-way bill.



Anindita Chatterjee - Partner - TCN Global and Economic Advisory Services LLP raised this concern stating tax payers have to pay two times even if the

tax payer has raised a valid Tax Invoice/Paid Taxes on the Same/Reported the Supply.

In order to reduce audit and litigation in GST (Good and Service Tax) procedures, experts have suggested three policy measures including reduction or exemption of penalty for any procedural lapses by taxpayers.

"Procedural lapses by taxpayers or by their vendors lead to audit, scrutiny, show cause notice and subsequently to litigation, which increases the compliance cost and time for assesses, thereby defeating the goal of 'Ease of Doing Business'," said CA Pritam Mahure, CEO & Founder, Pritam Mahure & Associates at a workshop on Practical Insights to Handle GST Litigation and Audit organised by MVRDC World Trade Center Mumbai.

The other two measures are immunity for MSME taxpayers for non-compliance or cancellation of registration of their vendors and issuance of detailed guidelines for claiming input tax credit against payment made for intermediary services such as investment banking.

Over 1.39 crore registered GST assesses, approximately 55,000 taxpayers have received audit notice under section 65 of CGST Act on various grounds such as non-payment or inadequate payment of tax liability, wrongful claim of input tax credit or mismatch of data in tax returns and audited books of accounts.

"After five years of GST regime, we are seeing an increase in the number of tax audits, departmental scrutiny and litigation between assesses and tax departments. A lot of tax payers are denied input tax credit or they are asked to reverse the already claimed input tax credit because of negligence or non-compliance by their vendors," Mahure said.

The event was attended by finance and tax professionals, corporate executives and MSME entrepreneurs.  
**(KNN Bureau)**