

Stock management strategy under GST for Textile/Garments industry

What can the textile industry do to [optimise their GST positions right now?](#)

Lets talk about it:

The GST rates have been pending for council meeting to be held on 3rd June,2017 where it is widely expected that most garments and textiles are going to be brought into the tax net.

A large amount of textiles and garments products are tax free right now. This video is for those in the textile sub-group who are exempted right now but would be brought into the GST tax bracket.

Under GST, credit of pending CENVAT shall not be allowed on the manufacture of exempted goods under current excise law. This would imply that any old textile stock being sold from 1st July (under GST regime) [shall be sold without any benefit of input credit.](#)

any pending credit on input goods and services on old stock would lapse from 1st July, 2017.

Therefore, textile businesses which are exempt right now must attempt to sell as much old stock before 1st July as possible. We suggest that the [stock position](#) as on 30th June, 2017 for such businesses be kept to a minimum to optimize position.

We will continue bringing more updates for the textile industry after the Council meeting on 3rd June.

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@ tulsian_tax@hotmail.com

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