

Office of the
Commissioner of Sales Tax
(GST), 8th floor, New Building,
GST Bhavan, Mazgaon,
Mumbai-400010.

TRADE CIRCULAR

To,

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No. VAT/AMD-2012/1C/ADM--8

Mumbai, dated 30th March 2019

Trade Circular No. 13 T of 2019.

- Sub.** : Clarification with regards to the taxability of the Fabric and Furnishing Cloth as covered under Entry 101(a) and 101(b) of the Schedule-C appended to the MVAT Act.
- Ref.** : 1. Finance Department Notification No. VAT-1512 /C.R.91(1)/Taxation-1 dated the 27th August 2012.
2. Finance Department Notification No. VAT-1512 /C.R.91(2)/Taxation-1 dated the 27th August 2012.
3. Finance Department Notification No. VAT-1512 /C.R.91(3)/Taxation-1 dated the 27th August 2012.
4. Finance Department Notification No. VAT-1512/ C.R.91(4)/Taxation-1 dated the 27th August 2012.
5. Trade Circular No. 16T of 2012 dated 25th September 2012.

Sir/Gentlemen/Madam,

1. Your attention is invited to the Trade Circular No. 16T of 2012 dated 25th September 2012 cited at Ref. above. The Trade Circular was issued to clarify the taxability of the goods covered under Entry 101(a) and 101(b) of the Schedule-C appended to the MVAT Act. It was clarified that the sales of the notified furnishing fabric are exempted from tax in respect of all sales made other than the last point. The Notification cited at Ref. (1) above specifies the last point of sales as sale made for consumption. In other words, the sales of furnishing fabric as covered under entry 101 made by the registered dealer to another registered dealer is tax free. The queries have been received from the field offices as also the Trade about the taxability of the Fabric covered under First

Schedule to the Additional Duties of Excise (Goods of Special Importance) Act, 1957 as it stood prior to the date on which the Finance Act, 2011 comes into force vis-à-vis Entry A-45, C-101(a) and C-101(b) of the MVAT Act. With regards to this it is clarified as under:

(1) The Para-1(1) and 1(2) of the Trade Circular No. 16T of 2016 dated the 25th September 2012 explains the taxability of the notified Furnishing Fabric. There is no change in the taxability of the notified Furnishing Fabric.

(2) For better understanding the Entry A-45 is reproduced below:

A-45. Sugar and fabrics as described from time to time in column (3) of the First Schedule to the Additional Duties of Excise [Goods of Special Importance], Act, 1957 (58 of 1957) as it stood prior to the date on which the Finance Act, 2011 comes into force, but excluding those specified in schedule 'C'.	Nil %	8.4.2011 to date
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(3) As per the aforesaid entry the Sugar and fabrics as described from time to time in column (3) of the First Schedule to the Additional Duties of Excise [Goods of Special Importance], Act, 1957 (58 of 1957) as it stood prior to the date on which the Finance Act, 2011 comes into force, is **TAX FREE. However, it excludes the Fabric that is notified under Entry C-101(a) and C-101(b).**

(4) It would be worth to re-produce the entry C-101(a) and 101(b). The said entry reads as under:

101(a) Fabrics and Sugar as defined from time to time, in section 14 of the Central Sales Tax Act, 1956;	5%	1.5.2011 to date
(b) Varieties of Textile and Textile Articles; as may be notified from time to time by the State Government in the Official Gazette.	5%	1.4.2010 to 31.3.2016

- (5) It is evident from the aforesaid entry that only the notified Fabric and Varieties of the Textile and Textile Articles are taxable subject to the notification cited at Ref.(1) above.
2. In view of this, it is hereby clarified that the reference to the Central Sales Tax Act, 1956 in sub-entry (a) above does not prohibit the State Government to issue Notification under sub-entry (a) and specify the Fabric that is covered under that sub-entry. Accordingly, the Fabric that falls under said sub-entry (a) is notified vide Notification cited at Ref. (3) above.
 3. It is also clarified that the goods that are **NOT** covered under aforesaid entry C-101 but which are covered under the First Schedule to the Additional Duties of Excise (Goods of Special Importance) Act, 1957 as it stood prior to the date on which the Finance Act, 2011 **do not attract** any tax under the MVAT Act.
 4. This circular cannot be made use of for legal interpretation of provisions of law, as it is clarificatory in nature. If any member of the trade has any doubt, he may refer the matter to this office for further clarification. You are requested to bring the contents of this circular to the notice of all the members of your association.

Yours faithfully,



(Rajiv Jalota)

Commissioner of Sales Tax,
Maharashtra State, Mumbai.


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Copy to the Joint Commissioner of Sales Tax, (MAHAVIKAS) with a request to upload this Trade circular on MGSTD web-site.

Copy forwarded for information to,-

- (1) Deputy Secretary, Finance Department, Mantralaya, Mumbai.
- (2) Accounts Officer, Sales Tax Revenue Audit, Mumbai and Nagpur.


(Shriram H. Umale)
Joint Commissioner of State Tax, (
HQ) 1, Maharashtra State,
Mumbai.