

Sub : Clarification as to whether the following items fall under textile fabric or textile made up :-

**Extract of the order**

- 1) Raised blankets with border interlocking manufactured mostly in Painipat and Amritsar.
- 2) Embroidered fabric eg, sarees and salwar suit pieces with embroidery.
- 3) Bed sheets.

Textile made ups are made taxable as per entry at Sl. 88 of the Second Schedule to the Act w.e.f. 3.12.05 and have been defined in the entry itself as fabric that has undergone a stitching process but excluding bleaching, dyeing, water/shrink proofing, organdie process.

Hence, when fabrics are stitched and sold as blanket, bed sheets, handkerchiefs, sarees and salwar suit pieces etc are liable to be taxed as per entry 88 of Part - 'A' of second Schedule. Hence the contention of the applicant is not acceptable.

Moreover, these items are not subjected to Additional Excise Duty. Under Additional Duties of Excise (goods of special Importance) Act, 1957 First Schedule only fabrics not subjected to any process are subject to ADE. Since Govt. of India is not imposing any ADE on textile made ups like bed sheets, blankets etc. these are all subject to local Sales Tax or VAT as the case may be.

In view of the above, textile made ups in question are taxable @ 4% as per entry at Sl. 88 of Part 'A' of Second Schedule to the AVAT Act, 2003.

Sd/-(Sanjay Lohiya),  
Commissioner of Taxes, Assam,  
Dispur, Guwahati-6.

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