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GOVERNMENT OF PAKISTAN  
MINISTRY OF FINANCE, ECONOMIC AFFAIRS,  
STATISTICS AND REVENUE  
(REVENUE DIVISION)  
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Islamabad, the 1<sup>st</sup> April, 2011.

**NOTIFICATION  
(SALES TAX AND EXCISE)**

S.R.O. 283 (I)/2011.- In exercise of the powers conferred by clause (c) of section 4 read with clause (b) of sub-section (2) and sub-section (6) of section 3, clause (b) of sub-section (1) of section 8, clause (a) of sub-section (2) of section 13 and section 71 of the Sales Tax Act, 1990, and sub-section (2) of section 16 read with section 3A of the Federal Excise Act, 2005 and in supersession of its Notification No.S.R.O.509(I)/2007, dated the 9<sup>th</sup> June, 2007, the Federal Government is pleased to notify the goods specified in column (2) of the Table below under the PCT heading numbers mentioned in column (3) of the said Table, to be the goods on which sales tax shall, subject to the conditions stated in this notification, be charged at the rate of zero percent on the supply and import thereof, or at reduced rate of sales tax of six percent or, as the case may be, at four percent as specified in the said conditions, namely:-

**TABLE**

| S # | Description of goods                                                                                        | PCT heading No.                                                                  |
|-----|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| (1) | (2)                                                                                                         | (3)                                                                              |
| 01. | Leather and articles thereof including artificial leather footwear                                          | 41.01 to 41.15, 64.03, 64.04, 6405.1000, 6405.2000 and other respective headings |
| 02. | Textile and articles thereof                                                                                | Chapter 50 to Chapter 63 and other respective headings.                          |
| 03. | Carpets                                                                                                     | 57.01 to 57.05                                                                   |
| 04. | Maize (corn) starch                                                                                         | 1108.1200                                                                        |
| 05. | Mucilages and thickness, whether or not modified, derived from locust beans locust bean seeds or guar seeds | 1302.3210, 1302.3290, 1302.3900                                                  |
| 06. | Rattans                                                                                                     | 1401.2000                                                                        |
| 07. | Sports goods                                                                                                | 9504.2000, 9506 and other respective headings                                    |
| 08. | Surgical goods                                                                                              | Respective headings                                                              |

|     |                                                             |                         |
|-----|-------------------------------------------------------------|-------------------------|
| 09. | Emery powder/grains                                         | 2513.2010               |
| 10. | Magnesium oxide                                             | 2519.9010               |
| 11. | Coning oil                                                  | 2710.1991               |
| 12. | Spin finish Oil                                             | 2710.1998               |
| 13. | Silicon dioxide                                             | 2811.2200               |
| 14. | Titanium dioxide                                            | 2823.0010               |
| 15. | Antimony oxide                                              | 2825.8000               |
| 16. | Sodium bromate                                              | 2829.1100               |
| 17. | Sodium sulphide and sodium hydrogen sulphide                | 2830.1010,<br>2830.1090 |
| 18. | Sodium dithionite                                           | 2831.1010               |
| 19. | Sodium sulphite and sodium hydrosulphide                    | 2832.1010,<br>2832.1090 |
| 20. | Disodium sulphate                                           | 2833.1100               |
| 21. | Phosphinates (hypophosphites) and phosphonates( phosphates) | 2835.1000               |
| 22. | Sodium dichromate                                           | 2841.3000               |
| 23. | Hydrogen per oxide                                          | 2847.0000               |
| 24. | p-Xylene                                                    | 2902.4300               |
| 25. | Trichloroethylene                                           | 2903.2200               |
| 26. | Ethylene Glycol (MEG)                                       | 2905.3100               |
| 27. | 4-chloro 3-methyl phenol and chloro hydro quinone           | 2908.1910               |
| 28. | Di-ethylene glycol                                          | 2909.4100               |
| 29. | Ethyl glycol                                                | 2909.4490               |
| 30. | Tri-ethylene Glycol                                         | 2909.4490               |
| 31. | Glutar aldehyde                                             | 2912.1900               |
| 32. | Formic acid                                                 | 2915.1100               |
| 33. | Sodium formate                                              | 2915.1210               |
| 34. | Acetic acid                                                 | 2915.2100               |
| 35. | Sodium acetate                                              | 2915.2930               |
| 36. | Cobalt acetate                                              | 2915.2940               |
| 37. | Acrylic acid and its salts                                  | 2916.1100               |
| 38. | Esters of Methacrylic acid                                  | 2916.1400               |
| 39. | Oxalic acid                                                 | 2917.1110               |

|     |                                                                                                                                                                                        |                                                                                         |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 40. | Adipic acid, its salts and esters                                                                                                                                                      | 2917.1200                                                                               |
| 41. | Maleic Acid                                                                                                                                                                            | 2917.1900                                                                               |
| 42. | Pure terephthalic acid (PTA)                                                                                                                                                           | 2917.3610                                                                               |
| 43. | Tartaric acid                                                                                                                                                                          | 2918.1200                                                                               |
| 44. | Gluconic acid and its salts                                                                                                                                                            | 2918.1600                                                                               |
| 45. | Glycolic acid and their esters                                                                                                                                                         | 2918.1800                                                                               |
| 46. | Other phosphoric esters and their salts                                                                                                                                                | 2919.9090                                                                               |
| 47. | Dyes intermediates                                                                                                                                                                     | 2921.0000<br>2922.0000<br>2923.0000<br>2924.0000<br>2927.0000<br>2933.0000<br>2934.0000 |
| 48. | DMF (Dimethyl Formamide)                                                                                                                                                               | 2924.1990                                                                               |
| 49. | Acrylonitrile                                                                                                                                                                          | 2926.1000                                                                               |
| 50. | Other organic derivatives of hydrazine or of hydroxylamine                                                                                                                             | 2928.0090                                                                               |
| 51. | Tanning extracts of vegetable origin; tannins and their salts, ethers, esters & other derivatives                                                                                      | 3201.1000<br>3201.2000<br>3201.9020<br>3201.9090                                        |
| 52. | Synthetic organic tanning substances, inorganic tanning substances, tanning preparations, whether or not containing natural tanning substances; enzymatic preparations for pre-tanning | 3202.1000<br>3202.9010<br>3202.9090                                                     |
| 53. | Disperse dyes and preparations based thereon.                                                                                                                                          | 3204.1100                                                                               |
| 54. | Acid dyes & preparations based thereon                                                                                                                                                 | 3204.1200                                                                               |
| 55. | Basic dyes & preparations based thereon                                                                                                                                                | 3204.1300                                                                               |
| 56. | Direct dyes & preparations based thereon                                                                                                                                               | 3204.1400                                                                               |
| 57. | Indigo Blue                                                                                                                                                                            | 3204.1510                                                                               |
| 58. | Vat dyes & preparations based thereon                                                                                                                                                  | 3204.1590                                                                               |
| 59. | Reactive dyes and preparations based thereon                                                                                                                                           | 3204.1600                                                                               |
| 60. | Pigments and preparations based thereon                                                                                                                                                | 3204.1700                                                                               |
| 61. | Dyes, sulphur                                                                                                                                                                          | 3204.1910                                                                               |
| 62. | Dyes, synthetic                                                                                                                                                                        | 3204.1990                                                                               |

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|-----|------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| 63. | Synthetic organic products of a kind used as fluorescent brightening agents.             | 3204.2000                                                     |
| 64. | Other synthetic organic colouring matter                                                 | 3204.9000                                                     |
| 65. | Pigments and preparations based on titanium dioxide.                                     | 3206.1900                                                     |
| 66. | Other colouring matter and other preparations                                            | 3206.4900                                                     |
| 67. | Granules, flakes, powder of glass (others)                                               | 3207.4090                                                     |
| 68. | Prepared water pigments of a kind used for finishing leather                             | 3210.0020                                                     |
| 69. | Anionic surface active agents                                                            | 3402.1110                                                     |
| 70. | Anionic surface active agents                                                            | 3402.1190                                                     |
| 71. | Cationic surface active agents                                                           | 3402.1210<br>3402.1220<br>3402.1290                           |
| 72. | Non-ionic surface active agents                                                          | 3402.1300                                                     |
| 73. | Surface active preparations and cleaning preparations excluding detergents               | 3402.9000                                                     |
| 74. | Preparations for the treatment of textile material, leather, fur skins or other material | 3403.1110<br>3403.1120<br>3403.1990<br>3403.9110<br>3403.9190 |
| 75. | Spin finish oil                                                                          | 3403.9131                                                     |
| 76. | Artificial waxes and prepared waxes                                                      | 3404.9010                                                     |
| 77. | Other artificial waxes                                                                   | 3404.9090                                                     |
| 78. | Electro polishing chemicals                                                              | 3405.9000                                                     |
| 79. | Other glues (printing gum)                                                               | 3505.2090                                                     |
| 80. | Shoe adhesives                                                                           | 3506.9110                                                     |
| 81. | Hot melt adhesive                                                                        | 3506.9990                                                     |
| 82. | Enzymes                                                                                  | 3507.9000                                                     |
| 83. | Photographic film, with silver halide emulsion (for textile use)                         | 3702.3900                                                     |
| 84. | Sensitizing emulsions (for textile use)                                                  | 3707.1000                                                     |
| 85. | Lignin sulphonates                                                                       | 3804.0000                                                     |
| 86. | Gum rosin                                                                                | 3806.1010                                                     |
| 87. | Fungicides for leather industry                                                          | 3808.9200                                                     |
| 88. | Preparation of a kind used in textile or like industry                                   | 3809.9100                                                     |

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|------|----------------------------------------------------------|------------------------|
| 89.  | Preparation of a kind used in leather or like industries | 3809.9300              |
| 90.  | Compound plasticizers for rubber or plastics             | 3812.2000              |
| 91.  | Antimony triacetate                                      | 3815.1910              |
| 92.  | Palladium catalyst                                       | 3815.9000              |
| 93.  | Electrolyte salt                                         | 3824.9060              |
| 94.  | Polymers of vinyl acetate (in aqueous dispersion)        | 3905.1200              |
| 95.  | Vinyl acetate copolymers: in aqueous dispersion          | 3905.2100              |
| 96.  | Polymers of vinyl alcohol                                | 3905.3000              |
| 97.  | Other vinyl polymers                                     | 3905.9990              |
| 98.  | Other acrylic polymers                                   | 3906.9000              |
| 99.  | Acrylic polymers in primary forms                        | 3906.9080              |
| 100. | Polyethylene terephthalate-Yarn grade, and its waste     | 3907.6010              |
| 101. | Nylon Chips (PA6)                                        | 3908.9000              |
| 102. | Polyurethanes                                            | 3909.5000              |
| 103. | Silicones in primary form                                | 3910.0000              |
| 104. | Cellulose nitrates nonplsticised                         | 3912.2010              |
| 105. | Other cellulose nitrates                                 | 3912.2090              |
| 106. | Carboxymethyl cellulose and its salts                    | 3912.3100              |
| 107. | Alginic acids, its salts and esters                      | 3913.1000              |
| 108. | Nylon tubes                                              | 3917.3910              |
| 109. | Artificial leather                                       | 3921.1300              |
| 110. | Synthetic leather grip                                   | 3926.9099              |
| 111. | Natural rubber latex                                     | 4001.1000              |
| 112. | Technical specialized natural rubber                     | 4001.2200              |
| 113. | Rubber latex                                             | 4002.1100              |
| 114. | Synthetic rubber SBR 1502 latex                          | 4002.1900              |
| 115. | Butadiene rubber                                         | 4002.2000              |
| 116. | Thermo-plastic rubber (T.P.R.)                           | 4002.9900              |
| 117. | Vulcanized rubber thread and cord                        | 4007.0010<br>4007.0090 |
| 118. | Leather shearing-finish leather with wool                | 4302.1910              |
| 119. | Articles of apparel and clothing accessories of fur skin | 4303.9000              |
| 120. | Artificial fur and articles thereof                      | 4304.0000              |

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|------|-------------------------------------------------------------------------------------------------------------------------------|------------------------|
| 121. | English willow cleft (wood)                                                                                                   | 4404.1010              |
| 122. | Cork Granules                                                                                                                 | 4501.9000              |
| 123. | Cork sheet                                                                                                                    | 4504.1010              |
| 124. | Satin Finishing Wheels                                                                                                        | 6804.2100              |
| 125. | Carbon Fiber                                                                                                                  | 6815.1000              |
| 126. | Glass fiber sleeves                                                                                                           | 7019.3200              |
| 127. | Shoe tacks                                                                                                                    | 7317.0020              |
| 128. | Forging of surgical and dental instruments                                                                                    | 7326.1920              |
| 129. | Nickel not alloyed                                                                                                            | 7502.1000              |
| 130. | Nickel rotary printing screens                                                                                                | 7508.9010              |
| 131. | Hooks for footwear                                                                                                            | 8308.1010              |
| 132. | Eyes and eyelets for footwear                                                                                                 | 8308.1020              |
| 133. | Tubular or bifurcated rivets                                                                                                  | 8308.2000              |
| 134. | Strings                                                                                                                       | 8308.9090              |
| 135. | Bladders and covers of inflatable balls                                                                                       | 9506.9919              |
| 136. | Press-fasteners, snap fasteners and press studs                                                                               | 9606.1000              |
| 137. | Buttons of plastics not covered with textile material                                                                         | 9606.2100              |
| 138. | Buttons of base metal not covered with textile materials                                                                      | 9606.2200              |
| 139. | Studs                                                                                                                         | 9606.2910              |
| 140. | Buttons                                                                                                                       | 9606.2920              |
| 141. | Slide fasteners fitted with chain scoops of base metal                                                                        | 9607.1100<br>9607.1900 |
| 142. | Tallow                                                                                                                        | 1502.0000              |
| 143. | Caustic Soda (liquid)                                                                                                         | 2815.1200<br>2815.1100 |
| 144. | Zinc Chloride                                                                                                                 | 2827.3900              |
| 145. | Soda Ash                                                                                                                      | 2836.2000              |
| 146. | Sodium Silicate                                                                                                               | 2839.1910              |
| 147. | ..... Others (Assorted Chemicals for Leather Industry) [XR-2508, P-13436-AC (Stahi)]                                          | 2929.9090              |
| 148. | Urea reactive                                                                                                                 | 3102.1000              |
| 149. | ..... Others (Assorted Varnishes for Leather Industry) [LP- 28-415, SD-51-783 (Stahi), Cross Linker, Permuthane]              | 3208.9090              |
| 150. | Shoe Finshes                                                                                                                  | 3404.9090              |
| 151. | Polishes, Creams and similar preparations for leather [Leather polish, can spray, instant spray cans, EX-6883/D Antique past] | 3405.1020              |

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|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| 152. | Casein, caseinates and other casein derivatives, others [C 51, Lm Wax 85.Lm Pig Nero Cs&K, PR Lucido 901/E, PR Lucido 865, Lm Pig Ca Nero, Pr Lucido 973 (vandoni)] | 3501.9000              |
| 153. | ..... Others (Assorted chemicals for leather industry [Busan 30 L (Buckman)])                                                                                       | 3803.9199              |
| 154. | Isocynate                                                                                                                                                           | 3824.9091              |
| 155. | ..... Others (Assorted chemicals for leather industry [Aqualen Aku Liq, Adhasive & Hardener])                                                                       | 3824.9099              |
| 156. | Isocynate                                                                                                                                                           | 3824.9099              |
| 157. | Polyol                                                                                                                                                              | 3907.2000              |
| 158. | ..... Insulation tape double sided [PVC tape]                                                                                                                       | 3919.1010              |
| 159. | ..... Others [Plastic sheets for leather cutting]                                                                                                                   | 3920.4900              |
| 160. | ..... Polyvinyl Chloride (PVC) rigid film [Plastic boards for leather cutting]                                                                                      | 3920.4910              |
| 161. | Toe Puff and Counter material                                                                                                                                       | 3921.9090              |
| 162. | ..... Plastic belts [Plastic gloves clips]                                                                                                                          | 3926.2000              |
| 163. | ..... Others [plastic hangers]                                                                                                                                      | 3926.2090              |
| 164. | ..... Design patterns, cards for leather garments                                                                                                                   | 3926.9070              |
| 165. | ..... Plastic tags and staples for leather garments [100% PVC price tickets]                                                                                        | 3926.9091              |
| 166. | ..... Latex (for leather industry) [Euderm resin (Lanxess)]                                                                                                         | 4002.9100              |
| 167. | Thermoplastic Rubber (TPR)                                                                                                                                          | 4005.9900              |
| 168. | ..... Others [protectors]                                                                                                                                           | 4016.1090              |
| 169. | Fibre Board                                                                                                                                                         | 4411.9400              |
| 170. | Insole Board                                                                                                                                                        | 4811.5990              |
| 171. | Corrugated paper/paper board boxes                                                                                                                                  | 4819.1000              |
| 172. | ..... Printed labels of paper [paper hang tags, price tags]                                                                                                         | 4821.9000              |
| 173. | Paper cone                                                                                                                                                          | 4822.1000              |
| 174. | Microfur lining                                                                                                                                                     | 6001.9200              |
| 175. | Accessories for leather garments [labels 100% polymade]                                                                                                             | 6217.1000              |
| 176. | Polythene bags                                                                                                                                                      | 6305.3300<br>3923.2100 |
| 177. | ..... Millstone and grindstones for milling, grinding or pulping                                                                                                    | 6804.2200              |
| 178. | Accessories for leather garments [Metal chains etc.]                                                                                                                | 7419.9099              |
| 179. | ..... Others [shaving blades]                                                                                                                                       | 8208.9090              |
| 180. | ..... Blades [cutter/blades for leather]                                                                                                                            | 8211.9400              |
| 181. | ..... Eyes and eyelets [Eyelets for leather made ups]                                                                                                               | 8308.1020              |
| 182. | ..... Buckles [buckles]                                                                                                                                             | 8308.9020              |
| 183. | ..... Others [stopper & pins]                                                                                                                                       | 8309.9000              |

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|------|------------------------------------------------------------------|-----------|
| 184. | ..... Parts [zip slider, pullers & slope parts]                  | 9607.2000 |
| 185. | Any other goods as may be specified by Federal Board of Revenue. | --        |

## CONDITIONS

### (a) Textile Sector:-

- (i) The facility of zero-rating shall be available to every such person engaged in manufacturing or trading in textile sector (including carpets and jute) who is registered for the purpose of sales tax other than retailer. No tax shall be payable at any stage of the supply chain if goods are sold by a registered person to a registered person till the stage of processing where sales tax shall be charged as specified hereunder;
- (ii) the benefit of this notification shall be available to registered importers, traders, manufactures and exporters. In case where a commercial importer sells any imported goods to unregistered person, he shall charge and pay sale tax @ 6% of value of supply, if the goods are usable in textile sector up to the stage of spinning including the product of spinning such as yarn and its by-products, whereafter such importer shall charge and pay sales tax @ 4% of value of supply;
- (iii) no sales tax shall be payable at ginning or man-made and synthetic fiber manufacturing stage;
- (iv) in case of registered manufacturers importing their inputs or acquiring their inputs from commercial importers or registered manufacturers, such manufacturers shall charge and pay sales tax @ 6% of value of supply only at the spinning stage, i.e. yarn and its by-products if these goods are supplied to any unregistered person provided that if such goods relate to the stages after spinning, sales tax shall be charged and paid @ 4% of the value of supply;
- (v) in case of yarn purchases on payment of sales tax @ 6% of value of supply from spinning mills by unregistered persons i.e. traders or persons engaged in activities like sizing, warping, weaving, intermediary and other ancillary processes etc. before processing of finished fabric, no further amount of sales tax shall be charged or demanded;

- (vi) in case of registered persons engaged in providing processing services of any kind in respect of textile goods, such person shall charge from the person who owns the goods but is not a registered person, sales tax @ 4% of service charges;
- (vii) in case of stages after weaving, if the fabric is sold by a registered manufacturer to an unregistered person, sales tax shall be charged @ 4% of value of supply, if such manufacturer has availed zero-rate facility at previous stages of the production chain;
- (viii) at the stage of processing or finishing of any kind of fabric or stitching of such fabric, if any registered person supplies the goods including finished products like finished, dyed/processed/printed fabric, textile apparel, home textile and clothing including garments and all non-woven products etc. to an unregistered buyer, he shall charge and pay sales tax @ 4% of the value of supply; and
- (ix) the registered persons who have acquired goods at zero-rate under this notification shall pay sales tax @ 4% of value of supply on their supplies of all kinds of finished products to retailers, regardless of the registration of such retailers.

(b) **Leather, Sports & Surgical Goods Sectors:-**

- (i) Zero-rating facility shall cover the whole registered supply chain covering both imports and local supplies except retail;
- (ii) registrations will start from tanneries and manufacturers of surgical and sports goods including the persons engaged in ancillary industrial activities;
- (iii) the jobbers working in informal or un-organized sector for individual and specified industrial or like processes prior to manufacturing of leather, surgical and sports goods in tanneries and other manufacturing units shall not be required to be registered provided their annual turnover from service charges does not exceed Rs. 5 million or their annual utility (electricity, gas and telephone) bills do not exceed seven hundred thousand rupees, and if so exceed, they will be required to be registered; and
- (iv) no sales tax shall be charged at any stage of supply for domestic consumption except that where a tannery supplies its product to any un-registered person other than retailer, it shall charge and pay sales tax @ 6% of the value of supply and where any finished product of leather, sports or surgical goods is supplied to any un-registered person by a manufacturer other than tannery, such manufacturer shall

charge and pay sales tax @ 4% of the value of supply. All supplies of finished goods made to retailers shall, however, be charged to sales tax @ 4% regardless of their registration.

(c) **Miscellaneous:-**

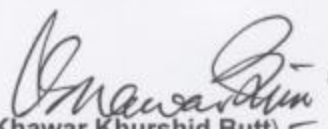
- (i) Benefit of zero-rating or reduced rate shall be admissible only if the goods covered in this notification are usable and are used in the aforesaid sectors for trading and manufacturing purposes. No other sector or industry shall be entitled to the benefit of this notification;
- (ii) no input tax adjustment or refund shall be admissible to any registered person against his liability of sales tax @ 6% of the value of supply, or as the case may be, of @ 4% of value of supply. However, admissible refund in case of capital goods, maintenance parts, lubricants, packing materials or other sector-specific used inputs, not covered under this notification, whether imported or acquired locally, shall be paid to such person against zero-rated supplies in one week of filing of the complete claim;
- (iii) the registered persons of these sectors shall be entitled to acquire electricity and gas at zero-rate in the manner prescribed by Federal Board of Revenue;
- (iv) subject to miscellaneous condition (ii) above, where at any stage of registered supply chain, no liability to charge and pay sales tax accrues under this notification, the supply at such stage shall be deemed to be a supply chargeable to sales tax at the rate of zero percent and reflected on the tax invoice accordingly;
- (v) no special excise duty shall be charged on the goods of the said sectors as mentioned in the aforesaid Table whether these are chargeable to zero-rate or to reduced rate of tax and special excise duty shall be treated as exempt;
- (vi) the persons registered after the issuance of notification but not after 30<sup>th</sup> day of June, 2011 in case of persons already engaged in businesses in the above sectors, shall not be questioned about their past transactions in their businesses for the purpose of the Sales Tax Act, 1990 or as the case may be, the Federal Excise Act, 2005 provided that no refund of any amount of tax or duty already paid or recovered shall be admissible to any person on account of this condition;
- (vii) in case of commercial importers registered after the issuance of this notification, benefit of this notification shall be available only if they satisfy the Collector of

Customs at the time of import of their first consignment about their business and financial soundness on the basis of a certificate from the bank(s) in which they have opened and will operate their business account(s);

- (viii) in case of persons already registered under the Sales Tax Act, 1990, benefit of this notification shall be available only if they are shown as active in active taxpayers list (ATL) on the website of Federal Board of Revenue and have done a declared business activity in any of the tax periods during the last twelve months; and
- (ix) the composite units including wholesalers covering supplies upto retail stage shall pay sales tax @ 4% of value of supply and shall not pay any other amount of upfront tax on their retail sales under any other scheme for retailers under the Sales Tax Act, 1990 or notifications issued or rules made thereunder.

2. This notification shall take effect on and from the 15<sup>th</sup> day of March 2011, provided that any liability accrued under this notification and as a consequence of the said supersession shall take effect with immediate effect.

[C.No.1(140)C(RGST)/Textile/2011]

  
(Khawar Khurshid Butt)  
Additional Secretary