

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

**TRADE CIRCULAR**

To,  
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No. JC/HQ-II/MVAT/TDS/Section -31/2017-18/B-514 Mumbai, Date 21/7/2017

**Trade Cir. No. 32 T of 2017**

**Subject** : Tax Deduction at Source (TDS) as per section 31 of Maharashtra Value Added Tax Act, 2002 in respect of work contracts executed prior to 30-6-2017 for which payments to be made on or after 1-7-2017 and applicability of TDS.

**Ref.** : (1) Maharashtra Goods and Services Tax Act, 2017,  
(2) The Central Goods and Services Tax Act, 2017. and  
(3) Maharashtra Value Added Tax Act, 2002.

Sir/Gentlemen/Madam

The Maharashtra Value Added Tax Act, 2002, (hereinafter referred to as the "MVAT Act") under section 31 provided provisions related to deduction of tax (hereinafter referred to as "TDS"). The Maharashtra Goods and Services Tax Act, 2017, (hereinafter referred to as the "MGST Act") and the Central Goods and Services Tax Act, 2017, (hereinafter referred to as the "CGST Act") have come in to force with effect from 1<sup>st</sup> July 2017.

2. Representations and queries from trade and employers have been received by this office seeking clarification with regard to applicability of TDS under MGST and CGST Act in respect of works contract executed up to 30-6-2017 for which payments are required to be made on or after 1-7-2017.
3. The issue is examined and as an abundant precaution following clarification is issued.

As provided under section 2(24) of MVAT Act, the sale of goods shall be deemed to have taken place at the time of transfer of property or possession or incorporation of goods in course of execution of any works contract whether or not there is receipt of valuable consideration. Therefore any employer or any other notified person shall deduct TDS as provided under section 31 of MVAT Act out of amount payable by them to contractors in respect of any works contract executed up to 30-6-2017 for which payments are made on or after 1-7-2017.

4. This circular is clarificatory in nature and cannot be made use of for interpretation of provisions of law. If any member of trade has any doubt, he may refer the matter to this office for further clarification.



(Rajiv Jalota)


Commissioner of State Tax (GST)  
Maharashtra State

No. JC/HQ-II/MVAT/TDS/Section -31/2017-18/B-514 Mumbai, Date 21/7/2017

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Copy forwarded for information to,

- (1) The Joint Commissioner of State Tax, (MAHAVIKAS) with a request to upload this Trade circular on MSTD web-site.
- (2) Officer on Special Duty, Finance Department, Mantralaya, Mumbai.
- (3) Under Secretary, Finance Department, Mantralaya, Mumbai.
- (4) Accounts Officer, Sales Tax Revenue Audit, Mumbai and Nagpur.



(Dr. B N Patil)

Joint Commissioner of State Tax (GST)  
HQ-II, Maharashtra State.