

Composition Scheme for Gems and Stones, 2006

RAJASTHAN

India

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Rule COMPOSITION-SCHEME-FOR-GEMS-AND-STONES-2006 of 2006

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Composition Scheme for Gems and Stones, 2006 Published vide Notification No. F. 12(63) FD/Tax/2005-37, dated 6-5-2006, Published in Rajasthan Gazette, Extraordinary, Part 4(C)(2), dated 8-5-2006, page 63(2)S.O. 85. - In exercise of the powers conferred by section 5 of the Rajasthan Value Added Tax Act, 2003 (Act No. 4 of 2003), the State Government being of the opinion that it is expedient in the public interest so to do, hereby notifies the "Composition Scheme for Gems and Stones, 2006" (hereinafter referred to as 'the scheme'), and permits such dealer to opt for composition amount in lieu of their tax liability in respect of their sales of all kinds of synthetic gems and stones and all kinds of precious and semi-precious gems and stones (including kharad), pearls (whether real or cultured) and diamonds, within the State of payment of composition amount determined on the basis of their gross turnover of the relevant year as per their books of accounts.

1.

0. Date of commencement.

- This scheme shall be deemed to have come into force with effect from April 1, 2006.2.0Applicability.-2.1The scheme shall be applicable to the dealer registered under the Act and dealing in all kinds of synthetic gems and stones and all kinds of precious and semi-precious gems and stones (including kharad), pearls (whether real or cultured) and diamonds:Provided that registered dealers against whom cases of avoidance or evasion of tax are pending, shall not be eligible for composition of tax under this Scheme.3.0Composition Amount.-3.1The composition amount to be paid per annum per dealer in lieu of tax shall be for the composition period of two year's and shall be determined for the first year as follows:-

S. No.	Annual Gross turnover of the relevant year	Annual Composition amount (in Rs.)
1.	Upto Rs. 2.00 lac	Nil

2.	More than Rs. 2.00 lac and upto Rs. 10.00 lac	3,000/-
3.	More than Rs. 10.00 lac and upto Rs. 50.00 lac	9,600/-
4.	More than Rs. 50.00 lac and upto Rs. 100.00 lac	15,000/-
5.	More than Rs. 100.00 lac and upto Rs. 200.00 lac	21,600/-
6.	Above Rs. 200.00 lac	30,000/-

3.2 Notwithstanding anything contained in clause 3.1, for dealers availing benefit under the old composition scheme dated 12-7-04, the composition amount for the year 2006-07 shall not be less than 120% of the composition amount payable by him in year 2005-06 under the said old scheme.

3.3 Where a dealer commences new business during the financial year, the composition amount shall be equal to the proportionate of the composition amount calculated by annualizing the turnover for the relevant year.

3.4 The composition amount for the year 2007-2008 and thereafter, shall be determined by an increase of 10% in the composition amount of the immediately preceding year. However, if the applicant dealer is covered in the higher tax slab in the year, his composition amount shall be higher of these two amounts.

3.5 If the dealer has deposited the composition amount for the financial year 2006-2007, under the old composition scheme dated 30-04-1999, the amount so paid shall be adjusted against the composition amount payable under this scheme.

3.6 The composition amount determined under clauses 3.1, 3.2 & 3.4 shall be proportionately revised when the rate of tax on jewellery, ornaments, articles made of gold, silver and other precious metals and alloys thereof with or without precious or semi-precious stones including diamonds, is revised under section 4 of the Rajasthan Value Added Tax Act, 2003.

4.0 Manner of payment of Composition Amount.

4.1 The composition amount shall be paid in four quarterly installments. The installment for the period April 1 to June 30, shall be paid by 7th April; for the period July 1 to September 30 by 7th July; for the period of October 1 to December 31 by 7th October; and for the period January 1 to 31 March by the 7th January. The difference, if any, as per the actual turnover of whole of the year shall be calculated and the balance of the composition amount, if any, shall be deposited by April 30th, of the immediately succeeding year.

4.2 For the composition period of the year 2006-2007, the installments of the composition amount already fallen due shall be deposited within 30 days of the publication of this notification in the Official Gazette and the tax, if any, collected/charged prior to the issuance of the scheme shall be deposited immediately and if the amount of tax so deposited is less than or equal to the amount of installments due till date, such deposited tax shall be adjusted against due installments. However, if such tax is in excess of the amount of installments due, it shall stand forfeited in favour of the State Government, and the remaining installments shall have to be paid by the dealer in accordance with the scheme.

4.3 Where a dealer commences new business during the financial year, the installments of the composition amount already fallen due, shall be deposited and proof thereof shall be enclosed along with his application for exercising option for this scheme. The subsequent installments shall be deposited in accordance with clause 4.1 and 4.2 of the Scheme as may be applicable to such dealer.

5.0 Composition Certificate.

5.1 A registered dealer opting for this Scheme shall submit an application on a plain paper to his assessing authority within sixty days of the commencement of the year or within thirty days of the issuance of registration certificate, whichever is later, stating therein the name, address, status, registration numbers, gross annual turnover of immediately preceding year, if any, tax paid in the immediately preceding year if any and such other information as may be relevant for the implementation of this scheme. Such application shall be submitted along with the proof of deposit of minimum composition amount i.e.

Rs. 7,200/-. However, for the year 2006-2007, such application may be submitted within thirty days of the date of publication of this notification.

5.2 On receipt of the application, the assessing authority shall issue the composition certificate in Form CS-2006 appended to this notification. The composition certificate shall initially valid for two years subject to further renewal or cancellation or the scheme is rescinded by the State Government.

5.3 Where a dealer has failed to opt for the scheme within the stipulated period, he shall be allowed to avail the benefits of the Scheme on fulfillment of the following conditions, namely:-(i) he shall deposit the whole of the amount which has become due under the Scheme along with the interest thereon at the rate notified under the said Act; (ii) he shall also deposit a late fee, amounting to twenty five percent of the due composition amount required to be deposited under the Scheme where he exercise this option after December 31st, and this late fee shall be fifty percent of due amount if he exercises this option after December 31 but before March 31, of the relevant financial year; and (iii) he shall deposit the tax charged or collected, if any, to the State Government before making application under the scheme.

5.4 Where a dealer has failed to deposit the composition amount in the period specified under the Scheme, he shall be allowed to continue to avail the benefits of the Scheme on fulfillment of the following conditions, namely:-(i) he shall deposit the whole of the amount which has become due under the Scheme along with the interest thereon at the rate notified under the said Act; and (ii) he shall also deposit a late fee, amounting to twenty five percent of the due composition amount required to be deposited under the Scheme where he deposits the due installments by December 31st, and this late fee shall be fifty percent of due amount if he deposits the due installments after December 31 but before March 31, of the relevant financial year.

5.5 The composition certificate may be renewed for a further period of two years at a time by submitting an application to the assessing authority on plain paper before thirty days of the expiry of the composition period. The composition certificate shall be enclosed with application along with the details of the turnover of the preceding year. On receipt of the application the assessing authority shall determine the composition amount in accordance with clause 3.0 and renew the composition certificate accordingly.

6.0 Assessments.- The dealer shall file his annual turnover details of synthetic gems and stones and all kinds of precious and semi-precious gems and stones (including kharad), pearls (whether real or cultured) and diamonds, alongwith the copy of the challan in support of the payment of composition amount within sixty days of the close of the relevant year.

7.0 Conditions.-

7.1 Save as provided in the scheme, the dealer opting for composition of tax under this scheme shall be subject to all the provisions of the Rajasthan Value Added Tax Act, 2003 and rules made thereunder.

7.2 The dealer shall not charge or collect any tax from a purchaser on the sale of goods during the composition period, however, tax charged or collected by the dealer shall have to be deposited forthwith and the tax already deposited shall not be refunded.

7.3 The dealer shall not be entitled to claim any input tax credit or refund in respect of purchases made by him.

7.4 If any dealer voluntarily withdraws from the scheme during the year, he shall be required to deposit the whole of the composition amount, if not already paid for the year forthwith.

7.5 In cases where a dealer availing of the benefit of the Scheme opts out of it, and at any time thereafter opts for the scheme again, the composition amount payable shall not be less than what was payable in the last year as per the composition certificate.

7.6 The composition amount and any other levy under the scheme shall be recoverable as arrears of land revenue under the Rajasthan Value Added Tax Act, 2003.

7.7 Where during composition period, the dealer violates any of the conditions of the scheme or aids or abets the evasion of tax, the assessing authority, after affording reasonable opportunity of being heard, may cancel the composition certificate. This will be without prejudice to the action,

penal or otherwise, for which such dealer shall be liable under the provisions of the Rajasthan Value Added Tax Act, 2003 and rules made there under.7.8The State Government may review the scheme at any time and may amend, any or all the provisions of the scheme as it may deem fit. On such amendment, the dealer shall pay the revised composition amount and any other charges from the beginning of the calendar month following the month in which such amendment takes place.7.9The State Government may review the scheme and on being satisfied that it is not in the public interest to continue the scheme, it may revoke the scheme forthwith or from such date as it may notify. Form CS-2006Composition Certificate[Under Composition Scheme for registered, dealers dealing in all kinds of synthetic gems and stones of all kinds of precious and semi-precious gems and stones (including kharad), pearls whether real or cultured) and diamonds-2006]

Book No. Circle

Serial No. Ward

Under the "Composition Scheme for Gems and Stone Dealers- 2006", I hereby permit M/s..... (address) R.C. No..... to deposit composition amount in lieu of tax for the years (i)..... & (ii).....on the purchase and sale of all kinds of synthetic gems and stones and all kinds of precious and semi-precious gems and stones (including kharad), pearls (whether real or cultured) and diamonds, in accordance with the provision of the said scheme. The quarterly installments are to be paid in accordance with the Scheme. This certificate shall be initially valid for two years subject to further renewal or cancellation or the scheme is revoked.

Place: Signature

Date: Designation

This certificate is renewed for the year:

1..... Amount.....

Signature of the
Assessing

Authority Designation

2..... Amount.....

Signature of the
Assessing

Authority Designation

3.....

4.....