

UTTAR PRADESH SHASAN
SANSTHAGAT VITTA, KAR EVAM NIBANDHAN ANUBHAG-2

In pursuance of the provisions of clause (3) of Article 348 of the Constitution, the Governor is pleased to order the publication of following English translation of notification no. KA.NI.-2-420 /XI-9(2)/08-U.P.Act.-5-2011-Order-(70)-2011 dated March 31, 2011:

NOTIFICATION

No.-KA.NI.-2-420 /XI-9(2)/08-U.P.Act.-5-2008-Order-(70)-2011

Lucknow::Dated:: March 31, 2011

In exercise of powers under first proviso to sub-section (1) of section 6 of the Uttar Pradesh Value Added Tax Act, 2008 (UP Act no. 5 of 2008) read with section 21 of the Uttar Pradesh General Clauses Act, 1904 (UP Act no. 1 of 1904) and in supersession of notification no. KA.NI.-2-1533/XI-9(2)/08- U.P.Act-5-2008-order-(23)-2008 dated 30th May 2008, the Governor is pleased to declare that with effect from April 01, 2011, in the case of a dealer not being a dealer executing works contract, who carries on exclusive business of re-sale of goods within the State after their purchase from a registered dealer within the State and whose turnover of sale of such goods, for any assessment year, does not exceed fifty lakh rupees or his turnover, for the assessment year preceding that assessment year, has not exceeded fifty lakh rupees, may, subject to following conditions, opt for payment of composition money in lieu of tax payable, at the rate of half percent on the sale of goods mentioned in Schedules II,III and V annexed with the Act :

- (1) Except the reconstituted firm, new dealer who applied for registration and got registered on or after 1st April, 2011, opting composition scheme shall be entitled to avail the following benefit in the remaining part of assessment year 2011-12,-
 - (a) rebate of ten percent of the composition money if such dealer is registered upto 30th June, 2011;
 - (b) rebate of five percent of the composition money if such dealer is registered between 1st July, 2011 and 30th September, 2011 ;
- (2) No rebate in composition money shall be available to new dealers registered on or after 1st October, 2011 ;
- (3) Such new dealer shall not be assessed or penalized for any business done before the effective date of registration.
- (4) Any eligible registered dealer may apply for payment of composition money at any time to the Assessing authority provided no adverse material leading to tax evasion is found on the record before submission of application. Such dealer shall be entitled for payment of composition money from the commencement of tax period in which he applied for composition ;

- (5) Application for opting composition money submitted for any assessment year shall also be valid for succeeding two consecutive assessment years provided the dealer is eligible for payment of composition money otherwise ;
- (6) Any dealer, who opts for payment of composition money shall not,-
- be entitled to claim credit of input tax under section 13 in respect of purchase of goods which are re-sold by him during the period in which he is liable to pay composition money and where the dealer has claimed credit of input tax in respect of any such goods, the same shall stand reversed and the dealer shall pay such amount of reverse input tax credit in accordance with the provisions of section 14 ;
 - issue any tax invoice and realize any amount from the purchaser by way of tax or by giving it a different name or colour.
- (7) Where the turnover of sales, in case of a dealer who has opted to pay composition money exceeds Rs. fifty lakh, he shall be liable to pay tax at the rate provided under section 4 on and from the day the turnover exceeds Rs. fifty lakh ;
- (8) Except in case of serious complaints resulting tax evasion against the dealer no scrutiny or investigation shall be done in respect of such dealer ;
- (9) A dealer opting composition scheme shall deposit composition money quarterly and shall submit the treasury challan of such deposit to the assessing authority within 20 days from the date of the end of such quarter ;
- (10) The dealer opting above composition scheme shall not be required to file quarterly return and shall file only annual return signed by the person authorized under sub-rule (6) of rule 32 of the Uttar Pradesh Value Added Tax Rules, 2008 in following format;

Opening stock	Gross Purchase	Gross sale	Closing stock	Amount of composition money payable	Detail of deposit of composition money
1	2	3	4	5	6

Such annual return shall accompany either a list of purchases made from registered dealer in following format or serial numbered self certified photo copy of such tax /sale invoice.


Name and address of seller	TIN no. of seller	Tax/sale invoice no. and date	Name of the commodity	Gross amount as per sale/tax invoice
1	2	3	4	5

- (11) In case of discontinuation of business on account of death of any partner or proprietor or otherwise if the successor (executor, administrator or other legal representative) continues the same business after getting registration, he shall be entitled to avail the benefit of composition money deposited earlier ;

- (12) The dealer opting for composition money shall apply to the assessing authority on an application in the Form determined by the Commissioner duly signed by the person authorized under sub rule (6) of rule 32 of the Uttar Pradesh Value Added Tax Rules, 2008. Such application shall be irrevocable and the dealer submitting such application shall not be entitled to withdraw the same ;
- (13) If any particular or information given in the application referred to in clause (13) found to be false, incorrect or bogus, the assessing authority may, after giving the dealer a reasonable opportunity of being heard, reject the application.

Explanation;- For the purposes of this notification ,-

- (1) The turnover of sales of such goods means the aggregate of turnover of sales of goods mentioned in Schedule I, II, III, IV and V annexed to the Uttar Pradesh Value Added Tax Act, 2008 ;
- (2) Where such dealer carries on business during a part of an assessment year, annual turnover shall be partial amount of fifty lakh rupees which shall be computed on pro rata basis and for this purpose part of a calendar month shall be counted as a full month.

By Order,

(Durga Shanker Mishra)
Principal Secretary.