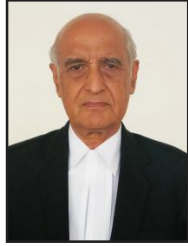


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## **PREFACE**

8<sup>th</sup> of September 2016 is an important day in the Indian history as on this date the Parliament passed 101<sup>st</sup> Constitution Amendment Act which paved the way for ushering Goods and Services Tax (GST) regime in India.

7<sup>th</sup> July, 2017 is historic day for the State of Jammu and Kashmir as on this day the Legislature of J & K passed the Goods and Services Tax Act, 2017 which integrated the State of Jammu and Kashmir Financially by with the rest of India and those who were advocating fiscal freedom of the State of Jammu and Kashmir have been silenced.

GST is a self assessed destination based tax, as the tax belongs to consuming State and not to the producing/Trading State. Every person who is required to get registration under the Act is a taxable person and tax has to be paid on self assessment basis. The tax is imposed on supply. Section 7 defines by way of inclusive definition, the term supply which is the subject matter of levy under Section 9. The limit of the word “supply” is very exhaustive and it may cover every thing unless otherwise excluded. The Schedule-I, and Schedule-II provide the activities which are also to be included as supply, and Schedule III provides for activities or transactions which shall be treated as neither a supply of goods nor a supply of services. The old concept of imposing tax on sale or services are no longer relevant. Number of returns have been provided which are to be filed by the persons who are not covered under the thresh hold limit of Rs.20.00 Lakhs or under the limit of Rs.75.00 Lakhs regarding composition. Scheme The provisions of so many returns practically create lot of difficulties for the tax payers and bound to create great hue and cry.

For the purposes of imposing tax on goods, the Schedule of goods is so voluminous that its interpretation is bound to create lot of confusion and litigation. Another provision which is bound to generate great controversy is Sub Clause-C

of Sub Section (2) of Section 174 of the Act which relates to repeal and saving clause which provides, that the repeal of Act to the extent mentioned in Sub Clause-I of Section 174 or Section 173 shall not, “effect any right privilege application, or liability acquired, accrued, incur under the amended Act or repeal Acts or orders under such repealed or amended Acts; provided that any tax exemption granted as an incentive against investment through a notification shall not continue as privilege if the said notification is rescinded on or after the appointed date”.

There are many doubts in the minds of public at large, trading community, shopkeepers and small traders regarding procedures, old stock in hand, composite schemes and incentives to industries. It shall be good for the State to have positive , curative and sympathetic approach and remove the doubts and difficulties and make the provisions easily understandable and workable taking into consideration the fact that ours is a small State, Traders are living at far flung places, little they know regarding computers and e-filing and the net-working; not to speak of far flung places even in the cities of Jammu and Srinagar net services also remain cut off or mostly disturbed. The way by which GST Act has been implemented can not be approved. No time has been given to the general public to understand and prepare for change of the regime. Here it shall be relevant to mention that in Malaysia almost 1.5 years was given for pre-preparedness. The application of multiple rates is a cause of concern as it is bound to create difficulties for the Traders and general public.

I personally know the great efforts put by Shri Parvez Iqbal Khateeb, the Present Commissioner of Commercial Taxes, Shri Bashir Ahmed, advisor to Chairman Empowered Committee, Shri P.K. Bhat Additional Commissioner Commercial Taxes, Dr. Shamim Ahmed Wani, Additional Commissioner Commercial Taxes Srinagar, and Smt. Anu Malhotra, Additional Commissioner, Commercial Taxes (Adm) Jammu in the preparation of GST Act and making the Act implementable and for fiscally integrating the J & K State with the rest of India.

In the end I convey my thanks to Mr. Sunil Gupta M.D, Jay Kay Law Reporter Pvt. Ltd. & Mr. Suraj Singh Wazir Advocate, Kanav Gupta Advocate, Er. Suniya Gupta [B.E. (IT.)] & Er. Kashyap Gupta [B.E. (IT.)] Technical Editors of Jay Kay Law Reporter Pvt. Ltd. for their outstanding contribution to successful bringing out this Book.

A Guide to GST Rates in jammu & Kashmir an goods and Services (Alphabetical with categories) also compiled separately

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