



# GAZIANI & ASSOCIATES

Tax Practitioners & Maharashtra Govt. Certified Panel Auditors for Co-Op. Societies & Trusts

29 AUG 2017

To,  
GST Council,  
Government of India,  
New Delhi,

## BY SPEED POST

Sirs,

- Sub: **1. Difficulties of small Dealers having Turn over below Threshold Limit.**  
**2. Difficulties of Composition dealers.**

With reference to **Item No.1**, at the time of launching GST the Government has proudly announced and made much publicity and highlighted its friendly approach for small business persons of keeping them out from the burden of GST by fixing the threshold limit in major states Rs.20,00,000/-. Which at a glance seems to be a great benefit for the business persons of this category. But while coming into actual realities this benefit has become a liability for them and practically many of them will be out of their business. The difficulties they are facing are given here below;

**1. Refusal to sale goods to them:**

Many big suppliers are refusing to sell /supply of goods/service to the business persons of this category as they do not have GSTIN.

**2. Refusal to purchase from them:**

When the small business persons dealing with the large business persons/Companies, they refuse to purchase because they do not have GSTIN. Some are ready to purchase but in an unauthorized way deduct tax amount from the value of goods/services they supply

**3. Refusal by transporters:**

The transport operators refuse to carry goods because the invoice issued does not have GSTIN and police department and GST official harass such transporters who carry goods without GST paid invoices.







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From above situations this type of business persons became **UNTOUCHABLE**, they cannot sale or purchase their goods/services and result of which their business came down many a case came to **ZERO** too!

Though there is a Reverse Charge Mechanism provision which is a purchase tax to be paid by purchaser and which can also be taken back as ITC, even then purchasers are not ready to purchase goods/service from unregistered business persons of this category. In service tax there was a provision that the registered persons whose turnover remained under threshold limit, he/she can sell services without service tax, a declaration was to be filed and there was also no tax on purchaser, refer Principal Notification No.6/2005-Service Tax, dated 01/03/2005 and latest Notification No.33/2012-Service Tax Dated 20/06/2012.

Our humble suggestion that it may be very helpful for these business persons if concern provision be modified in the GST Act, such persons also allowed to get themselves registered, no tax can be collected on their supply and reverse charges may also not be payable by the purchasers (which is finally deductible as ITC, this may not effect on revenue). There should be an annual simple return for them because CA's/Consultants' fees would be heavy expense on them. Since all of them will be registered and details will be remains with authority, misusing of it can be penalized. This may effect on their business progress and day will come when they cross the threshold limit and start paying tax.

With reference to **Item No.2**, the Turn over limit of Rs.75,00,000/- which comes to about 20,000/- per day which is very low in the big cities like Mumbai, Delhi etc. and due to which small traders, restaurants etc. can not avail this scheme. Secondly since there is no ITC allowed to the dealer the tax paid on purchase will be added in their cost result of which they cannot stay in the market of competition. In addition there is restriction to collect tax on supply! This is another burden for them.

Our humble suggestion that the Turn over limit may be increased to at least 2 crore. In income tax the same limit is allowed for the assessee who choose presumptive tax u/s 44AD and tax collection on supply may also be allowed to them and recipient would be allowed to get ITC too.







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After GST made applicable the small business persons of above two categories feel that Government's move is to keep them out of main stream and to help large scale business because such a complicated tax matters they cannot afford salary of an accountant with professional fees of CA /consultant and infrastructural arrangement like computer with internet facilities etc.

We hope you will consider our suggestion and the same may please be submitted before honorable council members for their views.

Thanking you

Yours Faithfully



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