

Composition Scheme

Q. Which category of taxpayers are eligible to opt for Composition Scheme?

A registered person whose aggregate turnover in the preceding financial year did not exceed Rupees one crore fifty lakh (for goods) and Rupees fifty lakh (for services or mixed supply for goods and services), may opt to pay tax under composition scheme.

Q. When can I opt for the Composition Levy?

In order to avail this scheme, you need to file an online application to Opt for Composition Levy with the tax authorities. Taxpayers who can opt for this scheme can be categorized as below:

1. **New Taxpayers:** Any person who becomes liable to register under GST Act, after the appointed day, needs to file his option to pay composition amount in the Application for New Registration in Form GST REG-01.
2. **Existing Taxpayers:** Any taxpayer who is registered as normal taxpayer under GST needs to file an application to opt for Composition Levy in Form GST-CMP-02 at GST Portal prior to the commencement of financial year for which the option to pay tax under the aforesaid section is exercised.

Q. At what rate is tax payable by those opting for Composition Scheme?

Taxpayers opting for Composition Scheme are required to pay an amount of tax calculated at such rates, as given below-

Sl. No.	Category of registered persons	Rate of tax
(1)	(2)	(3)
1	Manufacturers, other than manufacturers of such goods as may be notified by the Government	half per cent of the turnover in the State or Union Territory
2	Suppliers making supplies referred to in clause (b) of paragraph 6 of schedule II	two and a half per cent of the turnover in the State or Union Territory
3	Any other supplier eligible for composition levy under section 10 and the provisions of this Chapter	half per cent of turnover of taxable supplies of goods in the State or Union Territory
4	For services or mix supplies of services and goods	3% of the turnover within the State or Union Territory

Q. Which conditions apply if a registered person wishes to opt for Composition Scheme?

The registered person shall be eligible to opt for this scheme if:

He/ She is not making any inter-state outward supplies of goods and/or services.

He/ She is not engaged in making any supply of goods and/or services through an electronic commerce operator who is required to collect tax at source under section 52.

For taxpayers covered under Sl No 1 & 4 in the above Table, manufacture/ trade in ice cream, aerated water, pan masala, tobacco & its products and Fly ash bricks or fly ash aggregate with 90 percent or more fly ash content; Fly ash blocks, Bricks of fossil meals or similar siliceous earths, Building bricks, Earthen or roofing tiles are not permitted.

He/ She is neither a casual taxable person nor a non-resident taxable person.

He/ She shall pay tax under sub-section (3) and (4) of section 9 on inward supply of goods or services or both.

Where more than one registered persons are having the same Permanent Account Number, the registered person shall not be eligible to opt for the scheme unless all such registered persons opt to pay tax under composition scheme.

Q. Under what conditions would a person registered under Composition Scheme would become ineligible for it?

The composition scheme opted by a registered person shall lapse with effect from the day on which his/ her aggregate turnover during a financial year exceeds Rs 1.5 Crore (for goods) and Rs 50 Lakh (for services/ mixed supplies). In addition, if the taxpayer breaches any of the 06 conditions listed above, he/she will become ineligible for Composition Scheme.

Q. I am a registered taxpayer availing the composition scheme under GST Portal. Do I need to file fresh application to opt for composition scheme?

For those taxpayers, who are already availing the composition scheme, there is no requirement to file fresh application opting for composition scheme, subject to compliance of relevant conditions/restrictions in this regard.

Q. What are the obligations of a person opting for Composition Scheme?

A composition taxable person can neither collect the tax from the recipient nor is entitled to any credit of input tax.

A registered person who opts for composition scheme is required to electronically file an intimation to this effect on common portal prior to commencement of the financial year.

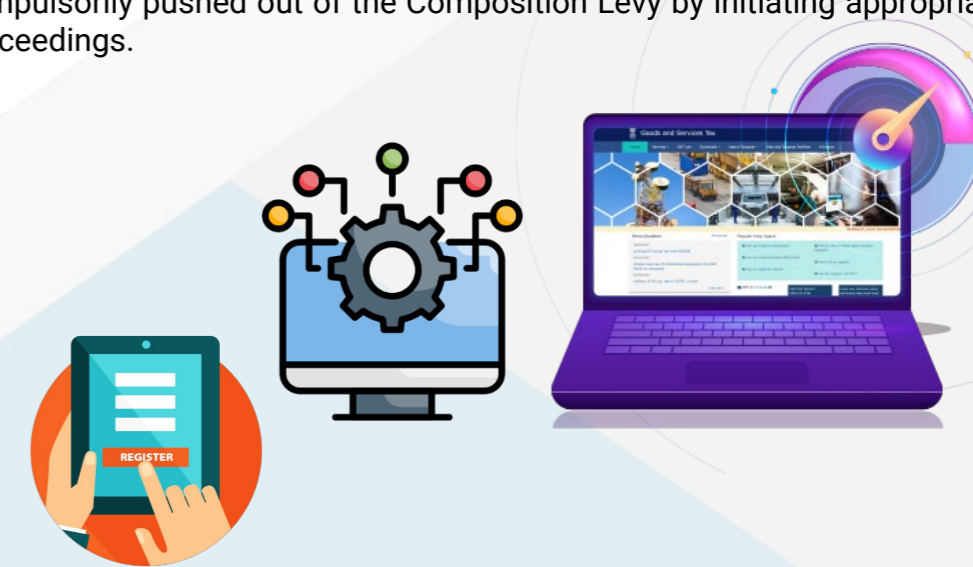
A composition taxable person is required to pay tax on quarterly basis and also file one return annually.

Q. Is it mandatory to file a Stock Intimation? How do I file a Stock Intimation?

Yes, it is mandatory to file a Stock Intimation.

In addition to filing the application to opt for Composition Levy, you would also require to file a Stock Intimation to furnish the details of stock including inward supply of goods from unregistered persons, held by you on the day preceding the date from which you opt to pay the composition amount. You are required to file Stock Intimation details within 30 days of the date from which Composition Levy is sought.

The application to opt for Composition Levy is not subject to approval by the tax authorities. On filing of the application, you are marked as a composition taxpayer in the system and consequential changes are made in the system. However, in case it is found that you were not eligible for the Composition Levy or have not filed Stock Intimation, you would be compulsorily pushed out of the Composition Levy by initiating appropriate proceedings.



Help

Q. Where can I access Help related to registration or return filing?

For more details help section of GST portal may be accessed at

https://tutorial.gst.gov.in/userguide/registration/index.htm#t=Apply_for_Registration_Normal_Taxpayer.htm for registration,

https://tutorial.gst.gov.in/userguide/returns/index.htm#t=Create_and_Submit_GSTR3B.htm for GSTR 3B return filing and



https://tutorial.gst.gov.in/userguide/returns/index.htm#t=Creation_of_Outward_Supplies_Return_in_GSTR-1.htm for GSTR 1 Return filing.



https://tutorial.gst.gov.in/userguide/returns/index.htm#t=Creation_of_Outward_Supplies_Return_in_GSTR-1.htm for GSTR 1 Return filing.



Logging Complaint

Q. Where can I log a complaint related to GST Portal?

For any assistance, please contact GST Helpdesk on 1800-103-4786 or click on the log/Track Your Issue link (Grievance Redressal Portal for GST

<https://selfservice.gstsystem.in/>) at the bottom of GST Portal home page.

Grievance Redressal Portal (GRP)

(<https://selfservice.gstsystem.in/>)

Advantages of GRP

1
Provides all required information through relevant FAQs/User Manuals

2
Reduces 'to and fro communication' with the help desk

3
Enables you to lodge complaint at any time as per your convenience

4
Enables you to check the progress in resolution of complaint through unique reference number

Steps to Lodge Complaint

1
Access GRP from www.gst.gov.in or directly at <https://selfservice.gstsystem.in/>

2
Find out the functionality with which you are facing the issue from the Drop Down List

3
Get the User Manual / FAQ most relevant to your query

4
In case you do not find the answer, lodge a grievance with screenshot

For any assistance, please contact :

Toll free Helpdesk Number: 1800-103-4786

www.gst.gov.in

<https://selfservice.gstsystem.in/>

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A Handbook by GSTN