

Composition Scheme

Why need for Composition Scheme?



- ◆ Small Businesses
- ◆ Not high turnover

- ◆ GST Compliances
- ◆ Only Intrastate Supply



What Is Composition Scheme?



Manufacturer



Trader



Restaurant Service



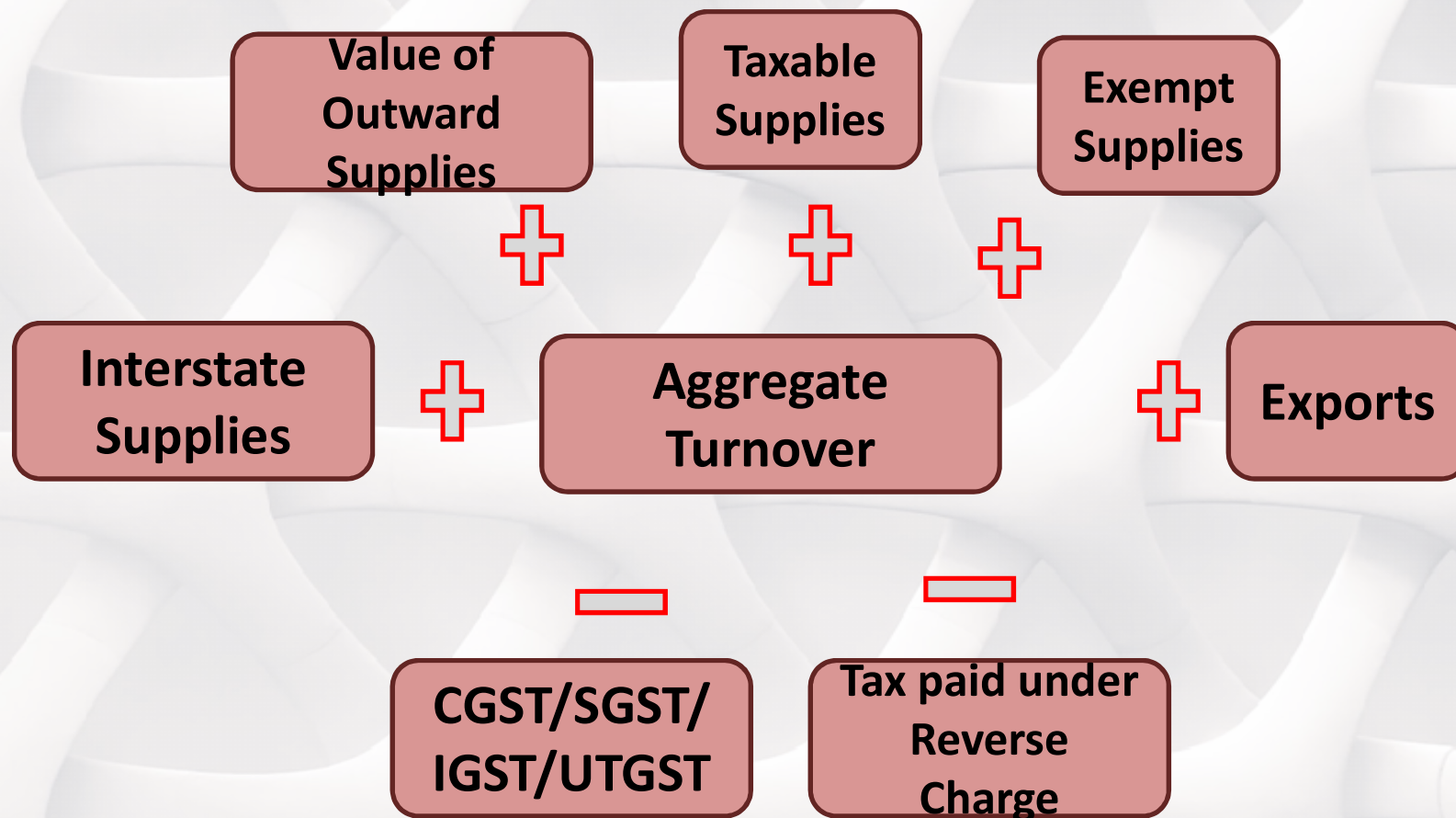
Other Service Provider

Eligible taxpayers to pay tax at fixed rate of turnover

Turnover Limit In Case Of Composition Scheme (w. e. f. 01.04.2019)

Business Type	Turnover(Goods)		Turnover(Services)
	Normal States	Special category states	
Traders	₹ 1.5 Crores	₹ 75 lacs	Can provide services upto 10% of Turnover or ₹ 5 Lakhs (w.e.f 01.02.2019)
Manufacturers	₹ 1.5 Crores	₹ 75 lacs	
Restaurant Services	₹ 1.5 Crores	₹ 75 lacs	
Other Service Providers			₹ 50 Lacs

Aggregate Turnover



Special Category States

1. Arunachal Pradesh

2. Manipur

3. Meghalaya

4. Mizoram

5. Nagaland

6. Sikkim

7. Tripura

8. Uttarakhand

- Note: Assam, Himachal Pradesh and Jammu & Kashmir does not figure lower limit. Hence limit is ₹ 1.5 corers for these 3 states.

Rates of Composition Tax (w. e. f. 01.04.2019)

BUSINESS TYPE	RATES
Traders	1%
Manufacturers	1%
Restaurant Services	5%
Other Service Providers	6%

Who Cannot Opt For Composition Scheme?

- ~~Supplier of Service (Other than Restaurant service)~~
- Now service providers can opt w. e. f. 01.04.2019.
- Interstate sale of goods (However dealer can procure goods from inter state supplies).
- Not engaged in supply through E-Commerce operator who is required to collect tax u/s 52.
- Neither a Casual taxable Person nor a Non resident Taxable Person.
- Not engaged in supply of Notified goods*

* Notified Goods

- Ice cream and other edible Ice, whether or not Containing Cocoa
- Pan Masala
- Tobacco and manufactured Tobacco Substitutes
- Manufacturer of Aerated WATER
- ◆ Option to pay composition tax lapses if aggregate turnover exceeds ₹ 1.5 Crore/ ₹ 75 lakh/ ₹ 50 lakh.

Can Input Be Availed By Composition Dealer?

Input tax credit cannot be availed by
Com



Input~~X~~

Composition tax rates nor applicable for tax payable under Reverse Charge

Rate of Tax payable on Supplies taxable under RCM will be regular rates and not the Composition rate.

Difference between Normal Dealer and Composition Dealer

NORMAL DEALER	COMPOSITION DEALER
Input Available	Input Not Available
Interstate sales + Local Sales	Only Local Sales
Higher Tax rates Applicable (5%,12%,18%,28%)	Lower Tax rates Applicable(1%,5%,6%)
Any person can opt for Normal Scheme	Only if Turnover Criteria satisfied then only apply for Composition Scheme
Monthly Two returns GSTR 3B and GSTR 1 + One Annual return GSTR 9	They file GSTR 4 And GSTR 9A Annually and pay tax quaterly

Payment of Tax (CMP-08)

A statement cum challan to declare the details of summary of self assessed tax payable for a given quarter.

- ◆ Due date 18th of next month succeeding the quarter

Returns To Be Filed By Composition Dealer

Return	Due Date
GSTR 4	30 th April of Next Year
GSTR 9A	31 st December of Next Year