



COMPOSITION SCHEME UNDER GST

COVERAGE OF SESSION

- 1) Background
- 2) Benefit & Relaxation
- 3) Composition Scheme for suppliers of Goods
- 4) Composition Scheme for suppliers of Services
- 5) Registration – Switch in / Switch Out
- 6) Returns & Payment
- 7) Decision Making / Cost Benefit Analysis



BACKGROUND

- ❑ “Composition” has been defined under the Oxford Dictionary to mean “a legal agreement to pay a sum in lieu of a larger debt or other obligation.”
- ❑ In cases of small dealers, sometimes it becomes **cumbersome for them to maintain such records in such detail**. They suffer both on account of lack of infrastructure, manpower and financial resources.
- ❑ Initial phase supplier of goods -latter small service providers



BENEFIT & RELAXATION



- ❑ Small dealers having turnover up to a particular threshold, Government brought in the composition scheme whereby they -
 - a) Allowed those users **to pay a fix % amount (say @1%)** on gross turnover without availing benefit of input tax credit,
 - b) Gave relaxation in the matter of **maintenance of accounts and records,**
 - c) Provided a **return Form with simple** information to be filled,
 - d) Provided **one single return with payment** of tax on quarterly basis as against 16 returns to be filled in a year.

COMPOSITION SCHEME FOR GOODS & SERVICES

A)Composition Scheme for suppliers of Goods



B)Composition Scheme for Suppliers of Services

COMPOSITION SCHEME FOR GOODS & SERVICES - PHASES

PARTICULARS	Period- 1st July 2017 to 12th October 2017	Period- 13th October 2017 to 31 st January 2019	Period- 1st February 2019 to 31 st December 2019	Period- 1st January 2020 to till date
		Removal of Difficulty Order No. 01/2017- Central Tax Dated 13th October 2017	Removal of Difficulty Order No. 01/2019 Dated 1st February 2019 issued in supersession of the Removal of Difficulty order No. 01/2017 dated 13th October 2017	Finance (No. 2) Act, (2019) read with Removal of Difficulty Order No. 01/2019 Dated 1st February 2019
Eligibility Criteria -	NA	interest or discount, Shall not be ineligible for scheme	Value of supply of exempt services shall not be taken into account	Second Proviso to Section 10(1) of CGST Act-(Effective from 1st February 2019) <i>Value not exceeding ten per cent of turnover in a State or Union territory in the preceding financial year or five lakh rupees, whichever is higher.</i>

COMPOSITION SCHEME FOR SUPPLIERS OF GOODS



10. (1) *Notwithstanding anything to the contrary contained in this Act but subject to the provisions of sub-sections (3) and (4) of section 9, a registered person, whose aggregate turnover in the preceding financial year* did not exceed **fifty lakh rupees**, may opt to pay, in lieu of the tax payable by him, an amount calculated at such rate as may be prescribed, **but not exceeding,—**

Provided that the Government may, by notification, increase the said limit of fifty lakh rupees to such higher amount, not exceeding **2[one crore and fifty lakh rupees]**, as may be recommended by the Council:

RCM PAYABLE UNDER - COMPOSITION SCHEME ?

Question: Ajay opted for composition scheme for the year 2019-20. He availed service of goods transport agency. He wants to know whether he is required to pay tax under reverse charge under Section 9(3) of CGST Act, 2017 since he would not be getting any input tax credit of the taxes paid.



TURNOVER LIMIT & ITS CALCULATION



Aggregate turnover Section 2(6) = All Taxable Supply + Exempt Supply + Export Supply + Interstate Supply (Same PAN + all India Basis) – GST charged - Inward Supply (Reverse Charge Applicable)

Exempt Supply 2(47) = Not Taxable under this act + Nil Rate of Tax + Exempt U/s 11

Agg Turnover also include – On own account + on Principal behalf - Supply made by Registered job worker will be included in the turnover of the principal not in Job worker.

THRESHOLD LIMIT AND TAX PAYABLE – GOODS



Assume that a person has applied for registration when his turnover was Rs 19 Lakh.

Additional turnover of Rs 131 lakh

❑ Explanation-1 to section 10 - eligibility to pay tax under this section, the expression “aggregate turnover” **shall include the value of supplies made by such person from the 1st day of April of a financial year upto the date** when he becomes liable for registration under this Act.

❑ Further, in computing the aggregate turnover in order to determine eligibility of a registered person to pay tax under section 10(2A), **the value of supply of exempt services by way of extending deposits**, loans or advances in so far as the consideration is represented by way of interest or discount, **shall not be taken into account.**

TURNOVER LIMIT & ITS CALCULATION



Notification No.	Limit prescribed for States other than those specifically mentioned	Limit prescribed for States specifically mentioned
Notification No. 8/2017-Central Tax, dated 27th June 2017	75 Lakh	50 Lakh
Notification No. 46/2017-Central Tax, dated 13th October 2017	100 Lakh	75 Lakh
Notification No. 14/2019 - Central Tax, dated 7th March 2019	150 Lakh	75 Lakh

TURNOVER LIMIT & ITS CALCULATION



Notification No. 14/2019-Central Tax dated 7th March 2019

States Remained Unchanged	States deleted from List and thus opted for Higher Threshold Limit	States added to the List and thus opted for Lower Threshold Limit
I. Arunachal Pradesh, II. Manipur, III. Meghalaya, IV. Mizoram, V. Nagaland, VI. Sikkim, VII. Tripura	(i) Assam (ii) Himachal pradesh	(i) Uttarakhand

SUPPLY OF SERVICE – UNDER 10(1)- ALONG WITH GOODS

[**Provided** further that a person who opts to pay tax under clause (a) or clause (b) or clause (c) may supply services (other than those referred to in clause (b) of paragraph 6 of Schedule II), of value not exceeding ten per cent. of turnover in a State or Union territory in the preceding financial year or five lakh rupees, whichever is higher]. - w.e.f. 1-2-2019

[**Explanation.-** For the purposes of second proviso, the value of exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount shall not be taken into account for determining the value of turnover in a State or Union territory]. - w.e.f. 1-1-2020.



COMPOSITION SCHEME FOR GOODS & SERVICES - PHASES

PARTICULARS	Period- 1st July 2017 to 12th October 2017	Period- 13th October 2017 to 31 st January 2019	Period- 1st February 2019 to 31 st December 2019	Period- 1st January 2020 to till date
Eligibility Criteria for composition scheme - (other than services referred to in clause (b) of Paragraph 6 of Schedule II)	NA	If a person supplies any exempt services including services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount, Shall not be ineligible for scheme	Value of supply of exempt services shall not be taken into account for determining eligibility for composition scheme under second proviso to sub-section (1) of section 10;	Second Proviso to Section 10(1) of CGST Act-(Effective from 1st February 2019) Provided further that a person who opts to pay tax under clause (a) or clause (b) or clause (c) may supply services (other than those referred to in clause (b) of paragraph 6 of Schedule II), of value not exceeding ten per cent of turnover in a State or Union territory in the preceding financial year or five lakh rupees, whichever is higher.

CASE STUDY - TURNOVER LIMIT- ELIGIBILITY

(Supply of Services)

- In the table below, we have tried to analyse the applicable scenarios for calculation of eligibility of a Registered Person located in State of Madhya Pradesh to opt for Composition Scheme .

Particulars	Case -I	Case-II
	Registered Taxable Person	Registered Taxable Person
Example	Previous Year Aggregate Turnover- 55 Lakh Taxable Turnover (Goods)- 60 Lakh Exempt Turnover (Services)-8 Lakh Interest Income-2 Lakh	Previous Year Aggregate Turnover- 55 Lakh Taxable Turnover (Goods)- 60 Lakh Exempt Turnover (Services)-4 Lakh Interest Income-2 Lakh
Eligible or not ?		

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Example	Previous Year Aggregate Turnover- 55 Lakh Taxable Turnover (Goods)- 60 Lakh Exempt Turnover (Services)-8 Lakh Interest Income-2 Lakh	Previous Year Aggregate Turnover- 55 Lakh Taxable Turnover (Goods)- 60 Lakh Exempt Turnover (Services)-4 Lakh Interest Income-2 Lakh
Eligible or not ?	No	Yes

CASE STUDY - TURNOVER LIMIT- ELIGIBILITY

(Supplier of Services)

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Particulars	Case -I	Case-II
	Registered Taxable Person	Registered Taxable Person
Example	Previous Year Aggregate Turnover- 1 2 5 Lakh Taxable Turnover (Goods)- 130 Lakh Taxable Turnover (Services)-12 Lakh Interest Income-5 Lakh	Previous Year Aggregate Turnover- 1 2 5 Lakh Taxable Turnover (Goods)- 50 Lakh Exempt Turnover (Services)-6 Lakh Interest Income-5 Lakh
Eligible or not ?		

CASE STUDY - TURNOVER LIMIT- ELIGIBILITY

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Example	Previous Year Aggregate Turnover- 1 2 5 Lakh Taxable Turnover (Goods)- 130 Lakh Taxable Turnover (Services)-12 Lakh Interest Income-5 Lakh	Previous Year Aggregate Turnover- 1 2 5 Lakh Taxable Turnover (Goods)- 50 Lakh Exempt Turnover (Services)-6 Lakh Interest Income-5 Lakh
Eligible or not ?	Yes	Not

OTHER CONDITION- ELIGIBILITY

2) *The registered person shall be eligible to opt under sub-section (1), if—*

[(a) save as provided in sub-section (1), **he is not engaged in the supply of services;**]

(b) he is not engaged in making any supply of goods [or services] which are **not leviable to tax** under this Act;



The list of goods which are not leviable to tax under this Act are as follows:

- Petroleum crude
- High Speed Diesel
- Motor Spirit
- Natural Gas
- Aviation Turbine Fuel
- Alcohol for Human Consumption

Ex. Persons who are having retail outlets of petrol are not allowed to opt for Composition Scheme.

OTHER CONDITION- ELIGIBILITY



- ☐ The scope of the clause has been widened by Finance Act, 2020 by providing that person making inter-state supply of services would also not be eligible to opt for composition scheme.
- ☐ Taxpayer can make intra state supply of goods through e-commerce operator from 01-10-2023.

2) *The registered person shall be eligible to opt under sub-section (1), if—*

(c) he is not engaged in making any **inter-State outward supplies** of goods ⁷[or services];

(d) he is not engaged in making **any supply of goods** ⁸**[or services]** **through an electronic commerce operator** who is required to collect tax at source under section 52; ⁹**[****]** **w.e.f. 1-10-2023.**

OTHER CONDITION- ELIGIBILITY

2) *The registered person shall be eligible to opt under sub-section (1), if—*

(e) *he is **not a manufacturer of such goods** as may be notified by the Government on the recommendations of the Council:*

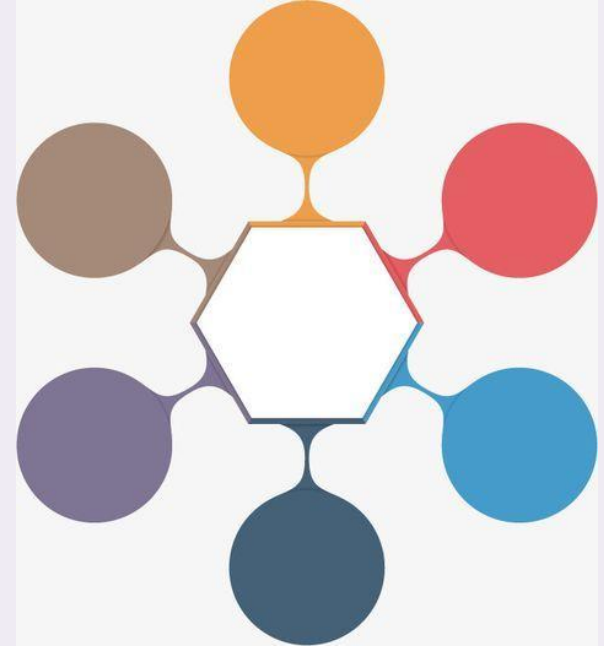
(f) *he is neither a **casual taxable person** nor a non-resident taxable person:]*

NOTIFICATION NO. 14/2019-CENTRAL TAX, DATED 7-3-2019

Sl. No.	Tariff item, sub-heading, heading or Chapter	Description
(1)	(2)	(3)
1.	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa.
2.	2106 90 20	Pan masala.
¹ [2A	2202 10 10	Aerated Water]
3.	24	All goods, i.e. Tobacco and manufactured tobacco substitutes.
² [4.	6815	³ [Fly ash bricks; Fly ash aggregates; Fly ash blocks]
5.	6901 00 10	Bricks of fossil meals or similar siliceous earths
6.	6904 10 00	Building bricks
7.	6905 10 00	Earthen or roofing tiles]

DIFFERENT GSTIN –DIFFERENT SCHEME ?

Provided that where more than one registered persons are having the same Permanent Account Number (issued under the Income-tax Act, 1961), the registered person shall not be eligible to opt for the scheme under sub-section (1) ***unless all such registered persons opt to pay tax under that sub-section***



RATES OF TAX ?

(a) **one per cent. of the turnover in State or turnover in Union territory** in case of a manufacturer,

(b) **two and a half per cent. of the turnover in State or turnover in Union territory** in case of persons engaged in making supplies referred to in clause (b) of paragraph 6 of Schedule II, and

(c) **half per cent. of the turnover in State or turnover in Union territory** in case of other suppliers, subject to such conditions and restrictions as may be prescribed

subject to **such conditions and restrictions as may be prescribed:**



RATES OF TAX ?

- ✓ Till 31st January 2019, both Rules and relevant Notification
- ✓ 1st February 2019, the rate chart was omitted -“an amount of tax calculated at the rate specified in rule 7.
- ✓ Central Goods and Services Tax (Seventh Amendment) Rules, 2020, w.e.f. 1st April 2020, the above table was substituted in Rule 7 to provide as

Sl. No.	Section under which composition levy is opted	Category of registered persons	Rate of tax
1	Sub-sections (1) and (2) of section 10	Manufacturers, other than manufacturers of such goods as may be notified by the Government	<u>Half percent.</u> of the turnover in the State or Union territory
2	Sub-sections (1) and (2) of section 10	Suppliers making supplies referred to in clause (b) of paragraph 6 of Schedule II	<u>Two and a half percent.</u> of the turnover in the State or Union territory
3	Sub-sections (1) and (2) of section 10	Any other supplier eligible for composition levy under sub- sections (1) and (2) of section 10	<u>Half percent.</u> of the turnover of taxable supplies of goods and services in the State or Union territory

Since, it is a rate chart provided in CGST Rules, an equivalent percentage of composition tax for SGST component has to be added for determining the total composition tax payable.

RATES OF TAX ?

- ❑ *Turnover in the State vs Turnover of Taxable supplies*
- ❑ *Manufacturer and Service providers*
- ❑ *What will be the rate of tax for services provided under composition scheme under 10(1) read with 10(2) .*



CALCULATION OF TAX PAYABLE –CASE STUDY?

Particulars	Manufacturer	Persons engaged in supplies referred to in clause (b) of paragraph 6 of Schedule II	Any Other Supplier
Example	Previous Year Turnover-55 Lakh Taxable Turnover (Goods)-60 Lakh Taxable Turnover (Goods)-60 Lakh Turnover (Exempt Services)-3 Lakh Interest Income-2 Lakh	Previous Year Turnover-55 Lakh Taxable Turnover - 60 Lakh Turnover (Exempt Services)-3 Lakh Interest Income-2 Lakh	Previous Year Turnover-55 Lakh Taxable Turnover (Goods)-60 Lakh Turnover (Exempt Services)-3 Lakh Interest Income-2 Lakh
1st January 2020 to till date	1% of Turnover in State	5% of Turnover in State	1% of Turnover of taxable supplies in State
Amount of Tax Payable			

CALCULATION OF TAX PAYABLE –CASE STUDY?

Particulars	Manufacturer	Persons engaged in supplies referred to in clause (b) of paragraph 6 of Schedule II	Any Other Supplier
Example	Previous Year Turnover-55 Lakh Taxable Turnover (Goods)-60 Lakh Taxable Turnover (Exempt Services)-3 Lakh Interest Income-2 Lakh	Previous Year Turnover-55 Lakh Taxable Turnover - 60 Lakh Turnover (Exempt Services)-3 Lakh Interest Income-2 Lakh	Previous Year Turnover-55 Lakh Taxable Turnover (Goods)-60 Lakh Turnover (Exempt Services)-3 Lakh Interest Income-2 Lakh
1st January 2020 to till date	1% of Turnover in State	5% of Turnover in State	1% of Turnover of taxable supplies in State
Amount of Tax Payable	0.63	3.15	0.60

COMPOSITION SCHEME FOR GOODS & SERVICES



B) COMPOSITION SCHEME FOR SUPPLIERS OF SERVICES

COMPOSITION SCHEME FOR SERVICES

(2A) Notwithstanding anything to the contrary contained in this Act, but subject to the provisions of sub-sections (3) and (4) of section 9,

a registered person, **not eligible** to opt to pay tax under sub-section (1) and sub-section (2),

whose aggregate turnover in the preceding financial year did not exceed fifty lakh rupees,

may opt to pay, in lieu of the tax payable by him under sub-section (1) of section 9, an amount of tax calculated at such rate as may be prescribed, but **not exceeding three per cent.** of the turnover in State or turnover in Union territory, if he is not-



WHEN CAN A REGISTERED PERSON OPT FOR COMPOSITION SCHEME?

Situation-1: Eligible to pay tax under section 10(1) and 10(2) of CGST Act, 2017 but *not opted* to pay tax therein (as discussed earlier).

Situation-2: Not eligible to pay tax under section 10(1) of CGST Act, 2017 and therefore did not opt to pay tax therein

Want to opt for composition scheme for supplier of services or mixed suppliers under Section 10(2A) – Yes

Whether 'Eligible to pay tax under section 10(1) and 10(2) of CGST Act, 2017'- If yes then either opt for composition scheme under section 10(1) and 10(2) of CGST Act, 2017 or wait till the person becomes ineligible.

Whether 'Ineligible to pay tax under section 10(1) and 10(2) of CGST Act, 2017'- If yes, then opt for the composition scheme as provided under section 10(2A) of CGST Act, 2017.

WHEN CAN A REGISTERED PERSON OPT FOR COMPOSITION SCHEME?

Empathic Trading Center [2020] 116 taxmann.com 868 (AAR – KAR.)

Decided about eligibility to opt for Composition Scheme under *Notification No. 2/ 2019 – Central Tax (Rate) dated 07.03.2019*.

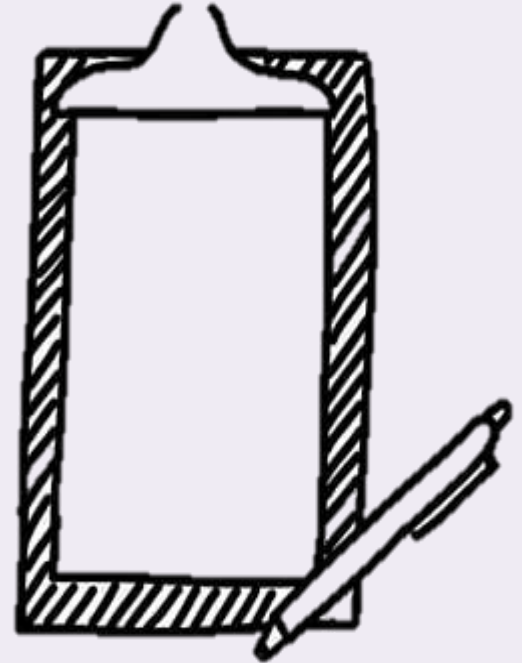
Only if he/it is not eligible to pay tax under section 10(1) of the CGST Act and the applicant does not satisfy the above condition as he/it is registered under Section 10 of CGST Act, 2017. Since, the applicant is eligible to pay tax under section 10 of CGST Act, 2017, he/it would not be eligible to opt for composition scheme under Notification No. 2/ 2019 – Central Tax (Rate) dated 7th March 2019.



Although the decision is in respect of *Notification No. 02/2019-Central Tax (Rate) dated 7th March 2019* it is equally applicable for Section 10(2A).

OTHER CONDITIONS – 10(2A)

- (a) engaged in making any supply of goods or services which are **not leviable to tax** under this Act;
- (b) engaged in making any **inter-State outward** supplies of goods or services;
- (c) engaged in making any supply of ~~goods or~~ services through an **electronic commerce operator** who is required to collect tax at source under section 52;
- (d) a **manufacturer** of such goods or supplier of such services as may **be notified** by the Government on the recommendations of the Council; and



THRESHOLD LIMIT AND TAX PAYABLE – GOODS / SERVICES



Assume that a person has applied for registration when his turnover was Rs 19 Lakh.

Additional turnover of Rs 31 lakh

❑ Explanation-1 to section 10 - eligibility to pay tax under this section, the expression “aggregate turnover” **shall include the value of supplies made by such person from the 1st day of April of a financial year upto the date** when he becomes liable for registration under this Act.

❑ Further, in computing the aggregate turnover in order to determine eligibility of a registered person to pay tax under section 10(2A), **the value of supply of exempt services by way of extending deposits**, loans or advances in so far as the consideration is represented by way of interest or discount, **shall not be taken into account.**

THRESHOLD LIMIT AND TAX PAYABLE – GOODS / SERVICES

Explanation 2 to Section 10 provides that for the purpose of determination of tax payable, “Turnover in State or Turnover in Union Territory” **shall not include supplies from first day of April of a financial year to the date from which he becomes liable for registration** under the Act

and

value of supply of exempt services by way of extending deposits, loans or advances in so far as the consideration is represented **by way of interest or discount**, shall not be taken into account.



Assume that a person has applied for registration when his turnover was Rs 19 Lakh.

Additional turnover of Rs 25 lakh

Tax payable on TO – Rs 25 Lakh or 19 +25 Lakh

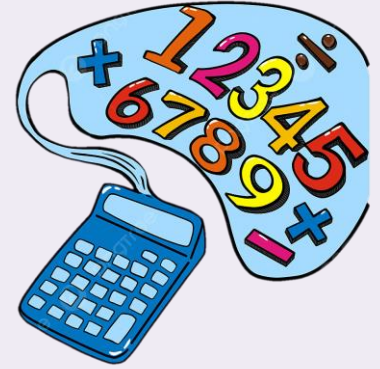
RATES OF TAX ?

- ✓ Till 31st January 2019, both Rules and relevant Notification
- ✓ 1st February 2019, the rate chart was omitted -“an amount of tax calculated at the rate specified in rule 7.
- ✓ Central Goods and Services Tax (Seventh Amendment) Rules, 2020, w.e.f. 1st April 2020, the above table was substituted in Rule 7 to provide as

Sl. No.	Section under which composition levy is opted	Category of registered persons	Rate of tax
(1)	(1A)	(2)	(3)
4	Sub-section (2A) of section 10	Registered persons not eligible under the composition levy under sub-sections (1) and (2), but eligible to opt to pay tax under sub-section (2A), of section 10	<u>Three percent.</u> of the turnover of supplies of goods and services in the State or Union territory.

Since, it is a rate chart provided in CGST Rules, an equivalent percentage of composition tax for SGST component has to be added for determining the total composition tax payable.

CALCULATION OF TAX ?



Scenario	Particulars	Tax Liability
Scenario-1:	Taxable Supplies of Goods: INR 15 Lakh Exempt Supplies of Services: INR 10 Lakh	INR 1.5 Lakh
Scenario-2:	Taxable Supplies of Goods: INR 25 Lakh	INR 1.5 Lakh
Scenario-3:	Exempt Supplies of Services: INR 25 Lakh	INR 1.5 Lakh

RESTRICTION ON COLLECTION OF TAX AND INPUT TAX CREDIT

- ❑ ***Supplier cannot collect any tax from recipient:*** Section 10(4) casts a restriction on the supplier to collect tax from the recipient.
- ❑ ***Supplier not eligible to any credit of input tax:*** Section 10(4) casts a restriction on the entitlement of input tax credit of supplier.



DISCLOSURE BY COMPOSITION TAXABLE PERSON

- **Billing :**

The composition taxable person shall mention the words “composition taxable person, not eligible to collect tax on supplies” at the top of the bill of supply issued by him.

- **Sign Board / Notice :**

He shall also mention the words “composition taxable person” on every notice or signboard displayed at a prominent place at his principal place of business and at every additional place or places of business.



SOME IMPORTANT FAQ



- 1) Can a composition dealer supply goods to any registered person who has also opted for composition Scheme?
- 2) Can a person opting for composition scheme purchase goods from outside the State?
- 3) Can a person who is supplying goods permitted to make inter-State supply?
- 4) Can person opting under the composition scheme have multiple registrations in other States as well?

REGISTRATION

CASE 1 - WHERE A PERSON APPLIES FOR REGISTRATION UNDER RULE 8(1) OF THE CGST RULES, 2017-(RULE 3(2) OF CGST RULES, 2017)

Rule 8(1) provides details of information required to make an application for registration on the common portal. Out of the persons specified in the above sub-rule, any person seeking registration has the option to choose composition scheme in Part-B of the registration application in Form GST REG-01.

Are you applying for registration as a casual taxable person? ⓘ



Option For Composition ⓘ



 I hereby declare that the aforesaid business shall abide by the conditions and restrictions specified in the Act or Rules for opting to pay tax under the composition Levy.

REGISTRATION

CASE 2 – WHERE A PERSON ALREADY REGISTERED AS A NORMAL TAXPAYER, WANTS TO OPT IN TO THE COMPOSITION SCHEME (RULE 3(3) OF CGST RULES, 2017)



- Where a registered person opts to pay tax under Section 10 of the CGST Act, 2017, he is required to file intimation electronically in **Form GST CMP-02**.
- This intimation is required to be given by the registered person *prior to the commencement of the financial year*, for which option to pay tax under composition scheme is exercised. That is to say, the **last date to file such form is 31st day of March of the previous financial year.**

REGISTRATION – INTIMATION FOR REVERSAL OF INPUT TAX CREDIT

- Form **GST ITC-03**, within a **period of sixty days** from the commencement of the financial year for which composition scheme is opted.
- Form **GST ITC- 03** is an intimation for reversal of input tax credit/payment of tax on inputs held in stock, inputs contained in semi-finished or finished goods held in stock and capital goods (Sub-section (4) to Section 18).
- Balance of input tax credit after reversal, if any, lying in his electronic credit ledger **shall lapse**.



REGISTRATION – INTIMATION OF STOCK



- ❑ Form **GST CMP- 03** is only an intimation of stock details, not leading to any reversal of input tax credit, because the registered person opts for **composition** scheme since the inception itself and consequently, no input tax credit is availed by him.
- ❑ Intimation has to be filed **within 90 days** on which option for composition is exercised.

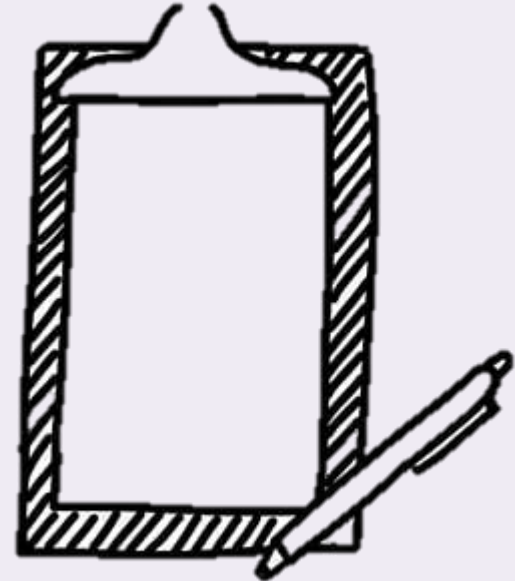
REGISTRATION – OTHERS

EFFECTIVE DATE FOR COMPOSITION LEVY

New Registration - Effective from the date fixed under sub-rule (2) or (3) of rule 10. Applied within 30 days / Date of crossing of threshold

Regular to Composition - The beginning of the financial year, in which the intimation is filed under sub-rule (3) of rule 3.

OPTION ONCE FILED NEED NOT BE FILED FOR EVERY YEAR



WITHDRAWAL FROM SCHEME –RULE 6

- ❑ He ceases to satisfy any of the conditions mentioned in section 10 or the provisions of this Chapter and shall issue tax invoice for every taxable supply made thereafter and he shall also file an intimation for withdrawal from the scheme in **FORM GST CMP-04 within seven days of the occurrence of such event.**
- ❑ Sec.18(1) (c) where any registered person ceases to pay tax under section 10, he shall be **entitled to take credit of input tax in respect of inputs held in stock, inputs contained in semi-finished or finished goods held in stock and on capital goods** on the day immediately preceding the date from which he becomes liable to pay tax under section 9: Provided that the credit on ***capital goods shall be reduced by such percentage points as*** may be prescribed.



RETURNS – COMPOSITION SCHEME

Form	Particulars	Periodicity	Due Date
CMP-08	Statement containing the details of payment of self-assessed tax	Period for which he has paid tax under the composition scheme	<u>18th day of the month succeeding the quarter</u> in which the date of withdrawal falls
GSTR-4	Return	Period for which he has paid tax under the composition scheme	<u>30th day of April following the end of the financial year</u> during which such withdrawal falls**



**** From financial year 2024-25 onwards - the due date** for filing of return in FORM GSTR-4 for composition taxpayers will be **30th June (2 months Extn.)** following the end of the financial year.

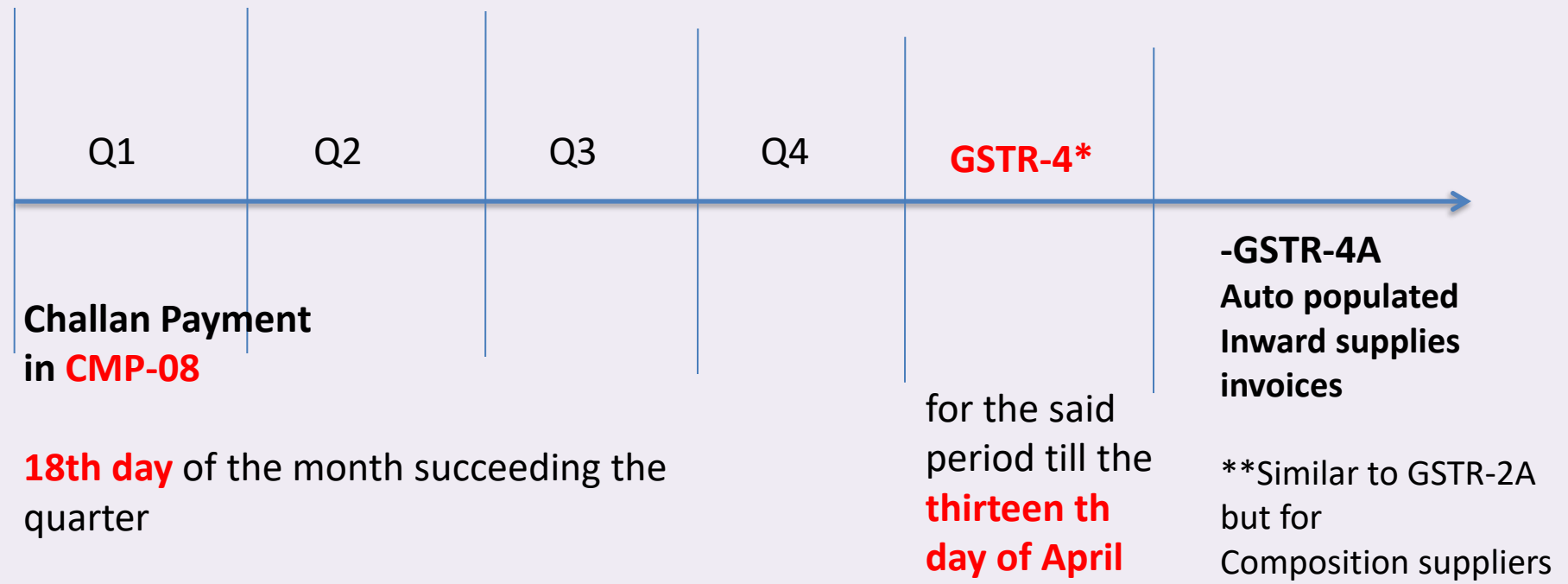
RETURNS – COMPOSITION SCHEME

ANNUAL RETURN

- ☐ A registered person who has opted for composition levy is required to file annual return in GSTR-9A. -
- ☐ Not Required to file if TO does not exceed 2 Crore.



RETURN – PROCESS OF FILLING –PERSON UNDER COMPOSITION SCHEME SUPPLIERS – SECTION 39(2) –RULE 62



RETURN – PROCESS OF FILLING –PERSON UNDER COMPOSITION SCHEME SUPPLIERS – SECTION 39(2) –RULE 62



- ☐ **Liability & Interest Payment :** Discharge his liability towards tax or interest payable under the Act or the provisions of this Chapter by debiting the **electronic cash ledger**.
- ☐ **Details required :** Invoice wise inter-State and intra-State **inward supplies received from registered and un-registered persons**, consolidated details of **outward supplies** made.
- ☐ **Inward supply details :** not required, temporary relief provided clarification given in Finance Ministry issued a press release on 17th October 2018 & CGST Notification no. 60/2018 dated 30th October 2018.

FORM –CMP-08

File Nil GST CMP-08

3.Summary of self-assessed liability

CMP-08

(Net of advances, credit and debit notes and any other adjustment due to amendments etc.)

Sr. No.	Description	Value (₹)	Integrated tax (₹)	Central tax (₹)	State/UT tax (₹)	Cess (₹)
1	Outward supplies (including exempt supplies)	8,22,000.00		2,860.00	2,860.00	
2	Inward supplies attracting reverse charge including import of services	0.00	0.00	0.00	0.00	0.00
3	Tax payable (1 + 2)	8,22,000.00	0.00	2,860.00	2,860.00	0.00
4	Interest payable, if any		0.00	0.00	0.00	0.00

BACK

DOWNLOAD FILED GST CMP-08

PAYMENT MADE

Let's decode the GST

CA RAMANDEEP SINGH BHATIA

DECISION MAKING & COST-BENEFIT ANALYSIS



Turnover Limit



Profit Margin – GP % - Trading Concern – Rate of Tax



Consideration Fixed – inclusive of Taxes – MF Agent



Customer Profile – B2B , B2C , Wholesale / Retail



Type of Supply – Inter State / Intra State



Benefit of Input tax credit



Record Keeping / Maintenance of Account - Compliance



THANKS



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