# Composition scheme under GST

Presented by

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# Conditions & Restrictions for Composition Scheme

→The person exercising the option to pay tax under section 10 shall comply with the following conditions, namely:-

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

b. **The goods held in stock by him on the appointed date have not been purchased in the course of inter-state** or commerce or imported from place outside India or received from his branch situated outside the state of from his agent or principal outside the sate.

c. **The goods held in stock by him have not been purchased from unregistered supplier and where purchased**, he pays the taxes.

d. He was not engaged in the manufacture of goods.

e. He shall mention the words "composition taxable person", not eligible to collect taxes on supplies.

f. He shall mention the words "composition taxable person" on every notice or signboard displayed at prominent place at his principal place of business.

# <u>Intimation for Composition levy</u>

- Any person who has been registered on a provisional basis, who opt to pay taxes under this levy, shall electronically file an intimation:-
  →in **Form GST CMP-01**
- Intimation should be filed after the appointed date in **Form GST CMP-01**
- A intimation in electronic **Form GST CMP-02,** prior to the commencement of the financial year for which the option to pay tax under aforesaid section.
- A intimation under **Form GST ITC-03,**within a period of sixty days from the commencement of the relevant financial year.
- A intimation under **Form GST CMP-03,** furnishes the details of **STOCK,** including the inward supply received from unregistered persons.

# Rate of tax of the Composition levy

- Manufacturers, other than manufacturers of such goods as may be notified by the Govt→ 1% on Turnover.
- A Supplier making supplies → 2.5% on total value of supplies.
- Any other supplier eligible for composition levy→ .5% of total value of supplies made.

- ------**THANK YOU**-------