

Composition Scheme - GST

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Section 10 - Composition Levy

- Subject to provisions of Section 9(3) and 9(4)
- A registered dealer
- Turnover does not exceed Rs 75 Lacs
- In preceeding financial year
- May opt to pay
- As prescribed but not exceeding
- 1 % in case of manufacturer
- 2.5% of turnover of goods referred in schedule II Para 6 and clause b relating to goods being food or any other article for human consumption or any drink other than ALFHC where such supply is for cash , deferred payment or other valuable consideration.
- 0.5 % in case of other supplies

- Govt , by notification , may increase said limit of Rs 75 Lacs to higher amount not exceeding One Crore as recommended by council.
- **Conditions for Composition Scheme**
- Not engaged in supply of services other than schedule II Para 6 (b)
- Not engaged in supply of non taxable goods
- Not engaged in making any inter state outward supply of goods
- Not engaged in supply of goods through electronic commerce operator
- Not a manufacturer of such goods as notified by Govt on recommendations of council.

- Section 10(5) –
- If proper officer has reasons to believe
- That taxable person has paid tax u/s 10(1)
- But was not eligible for composition scheme
- Such person liable for tax , penalty and provisions of section 73 and 74 shall apply.