

COMPOSITION SCHEME UNDER GST – A DETAILED ANALYSIS

1. The composition scheme is optional and alternative method specially designed for the small taxpayers whose turnover is up to **Rs. 1.5 Crore (Increased from Rs. 1 Crore) & (Rs. 75 Lacs in case of few states)** and the main reason is to reduce the compliance cost (less returns, maintaining books of account & no issuance of tax invoices), tedious formalities under law & limited tax liability under this scheme. The eligible taxpayer opting this scheme shall be required to pay tax quarterly at a defined percentage of his turnover.

2. Defined Rate under Composition Scheme

S.No.	Eligible Taxpayers	Rate of Tax
(i)	Manufacturers, other than manufacturers of such goods as may be notified by the Government (Ice cream, Pan Masala, Tobacco products etc.)	1% (0.5% CGST + 0.5% SGST) of the turnover earlier the rate is 2% as per Notification No. 01/2018 dated 1st Jan, 2018
(ii)	Restaurant Services (only this service is covered under this scheme)	5% (2.5% CGST + 2.5% SGST) of the turnover
(iii)	Traders or any other supplier eligible for composition levy	1% (0.5% CGST + 0.5% SGST) of the turnover
(iv)	Goods & Services (As composite supply)	1% (0.5% CGST + 0.5% SGST) of the turnover *Provided that turnover of services doesn't exceeds 10% of total turnover in previous year or Rs. 5 Lacs, whichever is higher. (Detailed Analysis in Point No. 18) *This is as per CGST Amendment Act, 2018.
(v)	Goods or Services (As mixed supplies)	6% (3% CGST + 3% SGST) of the turnover *This is as per Notification No. 2/2019 – Central tax (Rate), dated 7th March, 2019 – Presumptive Scheme under GST *Applicable from 1st April, 2019

3. Special Category States where limit of turnover is Rs. 75 Lacs to opt for Composition Scheme

- Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura & Himachal Pradesh

4. Taxpayers not eligible for Composition Scheme

- A casual taxable person or a non-resident taxable person;
- suppliers whose aggregate turnover in the preceding financial year crossed Rs. 1.5 Crores/ 75 lakhs as applicable;
- supplier who has purchased any goods or services from unregistered supplier unless he has paid GST on such goods or services on reverse charge basis;
- supplier of services, other than restaurant service;
- persons supplying goods which are not taxable under GST law;

- persons making any **Inter-State** outward supplies of goods; (***As such there is no restrictions on purchase of goods from Inter-State Suppliers by taxpayers opting for this scheme***) & (*inter-state outward supplies shall also include stock transfers to own branches outside of the state as it is also a supply as per the GST law.*) & (*even the taxpayer registered under composition scheme shall not be eligible to make supplies of goods to special economic zones as such supplies shall be treated as inter-state supply*)
- suppliers making any supply of goods through an electronic commerce operator who is required to collect tax at source under section 52; and
- a manufacturer of following goods:

S.No.	Particulars
1	Ice Cream and other edible ice, whether or not containing cocoa
2	Pan Masala
3	Tobacco and manufactured tobacco substitutes
4	Supply goods through an e-commerce operator

***However, the trader of ice cream, edible ice, pan masala or tobacco products shall be eligible to avail this scheme.**

5. Aggregate Turnover as per section 2(6) of the CGST Act, 2017 under Composition Scheme

- Aggregate turnover will be determined on the basis of turnover on an all India level and include value of all taxable supplies, exempt supplies and exports made with same PAN, but would exclude inward supplies under reverse charge as well as its Central, State/Union Territory and Integrated taxes and cess.
- As per CBEC Order No. 01/2017-Central Tax dated 13th October, 2017 has clarified that
 - a) a person supplying any exempt services including services by a way of extending deposits, loans & advances in so far, the consideration is represented by either a way of interest or discount shall not be ineligible for the composition scheme. (*Explanation 1 to Section 10 of CGST Act, 2017 inserted vide Finance (No. 2) Act, 2019*).
 - b) In determining the aggregate turnover in order to determine his eligibility for composition scheme, value of supply of the exempt services including services by a way of extending deposits, loans or advances shall not be considered.

Illustration – Restaurant owner having also interest income from his deposits with post office can opt for this scheme?

- An allowing money to be used by other for any consideration like interest shall be supply of service as per Section 2(102) of the CGST Act, 2017. But the interest income has been exempted under this act via notification no. E/N 12/2017 – Central Tax + 9/2017 – Integrated Tax. Therefore, such person shall be eligible to opt for this scheme. (As per CGST (Removal of Difficulties) Order No. 01/2019 dated 01.02.2019 in view of the amendment to Section 10 of the CGST Act, 2017 (regarding allowing registered persons opting for Composition Scheme to supply services up to a limit) coming into force w.e.f. 01.02.2019)
 - c) For a manufacturer or a restaurant services supplier or a caterer, the tax shall be payable at a flat rate of **1%** and **5%** as applicable on the amount of “**turnover in the state**” i.e. tax is payable even on goods which are otherwise exempt from GST.
 - d) **Illustration:** XYZ manufacturer opted for composition scheme manufactures two goods, one attracting a rate of 5% GST (Product X) and the other attracts nil rate of GST (Product Y). Turnover of product X during the quarter being Rs. 12,00,000 and that of Product Y being Rs. 6,00,000.

He shall have to pay a liability of Rs. 18,000 i.e. 1% of Rs. 18,00,000. XYZ shall not be entitled to take the benefit of paying composition tax only on the product which is otherwise taxable.

- e) **In case of traders, the tax has to be paid at the rate of 1% only on the amount of “taxable supplies”. Therefore, if they are supplying any goods/services which are exempted, then no tax has to be paid on these supplies.**

6. Whether taxpayers registered under composition scheme shall issue a tax invoice or bill of supply under GST?

- Taxpayers shall issue a bill of supply.

7. Whether the taxpayer shall have the option to adopt composition scheme at any time during the financial year?

- No, the taxpayer shall have the option to adopt composition scheme before the beginning of the relevant financial year.

8. Procedure for shifting from normal registered taxpayer to pay tax under composition scheme & reversal of input tax credit

- The taxpayer shall be required to file a **Form GST CMP-02** before the beginning of the relevant financial year in which they wish to pay tax under the composition scheme.
- The taxpayer registered under regular scheme shall opt composition scheme **only from the beginning of financial year.**
- The registered taxpayer shall be required to pay an amount equal to the input tax credit related to inputs held in stock, and inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date of exercise of option. The input tax credit on such inputs shall be determined on the basis of invoices on which credit claimed by the registered taxpayers.
- The reversal of input tax credit in respect of capital goods shall be determined on the basis of remaining useful life in months by assuming the useful life of 5 Years.
Example – Capital Goods purchased as on 1st July, 2017 and tax levied on it had been claimed as input tax credit by the taxpayer and later on, an assessee opted for composition scheme as on 1st April, 2020 and it is concluded that the capital assets used for 33 months and remaining life is 27 months assuming useful life for 5 years and the input tax credit belongs to the remaining months shall payable .
- The input tax credit shall be determined separately in respect of integrated, central & state/ union territory tax.
- The computed input tax credit shall be paid either by debiting the electronic credit ledger, if it having sufficient balance and otherwise, balance amount shall be paid through electronic cash ledger.
- It should be noted that the remaining balance in the electronic credit ledger, after debited the input tax credit in respect of stock & capital goods lying shall be lapsed.
- Such taxpayers shall also be required to furnish a statement in **Form GST ITC-03** within 60 days of the commencement of the financial year for which composition scheme has been exercised. **Form GST ITC-03** is a declaration for intimation of ITC reversal/payment of tax on inputs held in stock, inputs contained in semi-finished and finished goods held in stock and capital goods under Section 18(4) of the CGST Act, 2017.

*** Due to COVID - 19, the taxpayer can file Form GST ITC-03 within 31st July, 2020.**

9. Whether the taxpayer can opt for composition scheme in one state and regular scheme in other states?

- The option to pay tax under composition scheme by the taxpayer shall have to opt for all the states in case having registration in multiple states. Therefore, all registrations shall have to be either under composition scheme or as a normal scheme.

10. What are the other conditions applicable to the taxpayer opting for composition scheme?

- As per Section 10 of the CGST Act, 2017, the taxpayer shall be required to follow these conditions: -
 - a) Shall mention “**composition taxable person, not eligible to collect tax on supplies**” on the top of bill of supply issued by him; &
 - b) Also mention “**composition taxable person**” on every notice or signboard displayed at the principal place of business & additional place of business.

11. Whether the taxpayer opted for composition scheme can withdraw from the scheme voluntarily?

- Yes, the taxpayer can withdraw voluntarily from the scheme in the following manner: -
 - a) Shall file a duly signed application in **Form GST CMP – 04**
As per Circular No. 77/51/2018 dated 31st Dec, 2018, it has been clarified that this option can be from any date but shall not be before the beginning of the financial year in which opting out of such option has been exercised. i.e. the date to opt out shall be any date but not before the 1st April, 2020.
 - b) Shall furnish electronically a statement in **Form GST ITC – 01** having details of the stock of inputs as raw material, in semi-finished or finished goods held by the taxpayer in stocks on the date of opting out of the composition scheme, within a period of 30 days of opting out.

Note: As per **Rule 40 of CGST Rules 2017**, the declaration in **Form GST ITC-01** need to be certified by **Chartered Accountant or Cost Accountant** where input tax credit shall be more than **Rs. 2.00 Lacs**.

As per the **Section 18(1)(C) of CGST Act 2017**, at the time of shifting from Composite Scheme to regular taxpayer scheme, Input Tax Credit on capital goods shall be allowed but the ITC shall be reduced by **5.00 %** per quarter where **the part of part of quarter** shall be treated as **full quarter**. Therefore, the ITC on capital goods allowed shall be GST paid less amount which shall be equal to 5 % multiply by number of quarters in which such capital goods used till continued in composition scheme.

Example: Ram Ltd purchased Plant & Machinery on 1st July, 2018 of Rs. 5,00,000/- + GST of Rs. 90,000/- by composition dealer. Now from 15th May, 2019 Ram Ltd. shifting from Composite Scheme to Normal taxpayer. Here number of quarters are 3 +1 = 4, ITC shall be allowed is $90,000 - (90,000 * 5\% * 4) = 90,000 - 18,000 = 72,000/-$

12. In case the taxpayer ceases to fulfil the conditions and restrictions as are required to be followed under a composition scheme -

Where the aggregated turnover exceeds the threshold limit or makes an inter-state supply etc. he shall file an intimation in order to opt out of the scheme in **FORM GST CMP-04** within **7 days** from such date on which specified threshold limit has been crossed and **shall issue tax invoice** with respect to each supply he made after ceases to fulfil the required conditions and restrictions.

13. Consequences where the taxpayer contravenes any provision of law

- In case proper officer observed any contravention where the taxpayer was not eligible to opt for composition scheme or contravened any provisions of the CGST Act, 2017 or Chapter II of the CGST rules, 2017, then he may issue a notice to such taxpayer in **Form GST CMP-05** to show cause **within 15 Days** of the receipt of such notice as to why the option to pay tax under the composition scheme shall not be denied.
- On receipt of the reply in relation to the notice issued in **Form GST CMP-06**, the proper officer may issue an order in **Form GST CMP-07 within period of 30 days** of the receipt of the reply from the taxpayer either may accept the reply or deny the option to pay tax under the composition scheme from the date of the taxpayer contravenes the provision.
- In case, the taxpayer who was ineligible to opt for the scheme had opted for the same, then, in addition to tax payable by him as per normal provisions, he shall also be liable to pay a penalty **u/s 73 (SCN & Demand Order in Bonafide Cases) or 74 (SCN & Demand Order in Malafide Cases) of the Act.**
- In case, the proper officer may deny the option to pay tax under composition scheme, the taxpayer can avail input tax credit in respect of stock lying after denial by filing a statement in **Form GST ITC-01** within a period of 30 days from the date of cancellation order issued by the proper officer.

14. Whether opting out of the composition scheme at one business place shall be applicable to all other all places?

- Yes, opting out of the composition scheme at one business place by the taxpayer in any state/ union territory, shall applicable to all other business places registered under the same permanent account number.

15. Procedure of return filing under composition scheme

- Shall have to **pay tax on quarterly** basis before the 18th of the month succeeding the quarter during which the supplies were made.
- Shall have to file electronically quarterly returns in **Form GST CMP-08** by the 18th of the month succeeding the quarter.
- CMP-08 is a statement as well as challan which requires information about outward supplies and inward supplies (inward supplies liable to reverse charge) including the taxes paid on such outward supplies and imports along with interest payable. CMP-08 was initiated in April 2019 so that it can be used beginning from the financial year 2019-2020.
Apr-Jun: 18th July
Jul-Sep: 18th Oct
Oct-Dec: 18th Jan
Jan-Mar: 18th Apr
- **GSTR-4** shall contain details of **purchases/ inward supplies** as well as **sales/ outward supplies & shall be required**
 - a) **Inward Supplies** – the supplies made by the registered person to such composition supplier is auto-populated from GSTR-1 of the registered supplier to the composition supplier in **Form GSTR-4A**.
Based on the above details, the taxpayer shall delete, modify or validate details from GSTR-4A and file GSTR 4 accordingly.
 - b) **Outward Supplies** – As recipient is not entitled to any input tax credit on purchases made from composition supplier, the consolidated detail of outward supply file in the return accordingly.

(Penalty for late filing shall be Rs. 100 per day or up to Rs. 5,000 in respect of CGST & SGST respectively **whichever is lower**) (Section 47 (1) of the CGST Act, 2017).

- Annual Return is to be filed by 30th April of the succeeding year in **Form GSTR-4**. Earlier **Form GSTR-4** was required to be filed on a quarterly basis but to ease the compliance, this requirement has been shifted from quarterly to annual basis.
- The **Form GSTR 9A** is another annual return that must be filed by the taxpayers once a year for the financial year. **Form GSTR 9A** can be used to reflect any additional tax liability which is not disclosed in **Form GSTR 4**. Fees to be paid in case of late filing of annual return Rs. **100** for every day subject to maximum amount calculated at **0.25% of his turnover** in a State/ UT (Section 47 (2) of the CGST Act, 2017).

*** Due to COVID - 19, the taxpayer can file Form GST CMP-08 till 7th July, 2020 and Form GSTR-4 within 15th July, 2020.**

16. GST Presumptive Scheme - Notification No. 2/2019 – Central tax (Rate), dated 7th March, 2019 - A new sub-section (2A) has been inserted in section 10 of the CGST Act, 2017

- The taxpayer shall be required to pay tax @ **6%** on all supplies made by him, irrespective of the fact is that whether such supplies are **exempt** from tax or have different tax rates.
- No credit of inputs, input services or capital goods shall be allowed for the payment of output tax by the taxpayer.
- The limit of supply shall be of Rs. 50 Lacs under this scheme however, if limit exceeds Rs. 50 Lacs in the financial year then the taxpayer shall pay @6% for the first Rs. 50 Lacs and on balance at the normal applicable rates.
- who is not eligible to pay tax under sub-section (1) of section 10 of the CGST Act, 2017 i.e. if the taxpayer is not eligible to pay tax as per serial number **(i) to (iv) in Point No. 2 mentioned above.**
- Conditions specified under point no. 4 shall also applicable under this scheme to the taxpayer.
- If the service turnover of the taxpayer registered under composition scheme is as per the threshold limit of **(Rs. 5,00,000 or 10% of turnover in the PFY, whichever is higher)**, then the threshold limit for providing supplies of goods and services will be **Rs. 1.5 Cr/ 75 Lacs** (as the case may be) and liable to pay **1%** tax on all supplies.

However, in case where service turnover is more than the aforementioned threshold limit, then the taxpayer will get covered under presumptive scheme as per **Section 10(2A)** and threshold limit for composition scheme will be reduced to **Rs. 50,00,000** and required to pay tax @**6%** on all the supplies.

17. Registration under Composition Scheme & its effective date

Registration Situations	Intimation of Scheme Availment	Effective date of levy of composition scheme
a) Fresh Registration by the taxpayer	Rule 3(2) of CGST Rules, 2017 Intimation itself by the taxpayer through Part B of Form GST Reg-01	Rule 4(2) of CGST Rules, 2017 It shall be considered only after the grant of registration and the effective date shall be date of registration.
b) Shifting from Normal Registration by the taxpayer to Composition Scheme	Rule 3(3) of CGST Rules, 2017 Intimation itself by the taxpayer through	Rule 4(1) of CGST Rules, 2017 Shall be from the beginning of the financial

	Part B of Form GST CMP-02	year.
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*** Due to COVID - 19, the taxpayer can file Form GST CMP-02 till the last week of June, 2020 for the financial year 2020-21.**

18. Other Important Considerations

- The taxpayer registered under composition scheme shall also required to pay tax at normal rates for transactions covered under reverse charge mechanism. Section reads with a non-obstante clause i.e. it overrides other applicable provisions of the act but is subject to sub-section (3) and (4) of Section 9 i.e. he shall pay tax under reverse charge mechanism on **inward supplies (that the benefit of a flat rate of tax is only applicable on outward supplies but not on inward supplies liable to reverse charge mechanism)**
- Rule 5:** It clearly provides that “Composition Scheme is allowed with a clear condition that the taxpayer agrees to pay normal tax on any inward supplies received by him on which reverse charge mechanism is applicable.”
- In case the taxpayer having business place at Himachal Pradesh as well as Punjab i.e. in special category state as well as non-special category state and now the what is the applicable threshold turnover whether it would be Rs. 75 Lacs or 1.5 Crores?
As interpreted, it shall be ensured to satisfy both the conditions, the applicable threshold shall be of Rs. 75 Lacs.
- According to our interpretation, the scheme is intended to benefit the small taxpayers who generally makes **B2C supplies**.
- **Supplier of Restaurants serving alcoholic liquor:** then such type of restaurants shall not be eligible to opt for composition scheme as there is **non-taxable supply**.
- **Restaurants serving food/ drinks through Zomato/ Swiggy etc.**
 - a) Person supplying goods through Zomato/ Swiggy who is liable to deduct TCS – ineligible for this scheme
 - b) Person supplying services through Zomato/ Swiggy who is liable to deduct TCS – ineligible for this scheme
- **The taxpayer registered under this scheme is not liable to pay cess on supply of aerated beverages/ soft drinks.**
- *As per the amendment under CGST Act, 2018 the taxpayer can now also supply services to an extent of 10% of turnover or Rs. 5,00,000 whichever is higher and this shall be applicable from 1st Feb, 2019.*
- Under the normal provisions of the law, the applicable rate of tax for restaurants services is 5% too. Therefore, as such there is no point to opt for this scheme except the payment of taxes are on quarterly basis.
- This scheme is applicable for all persons and include all categories.
- Another important point to be considered in respect to the maximum amount up to which the services can be provided by a manufacturer or trader opting composition scheme is **10% total turnover in previous year or Rs. 5,00,000 (whichever is higher)** has to be seen with respect to turnover in each state/UT and not the aggregated turnover.
- Let’s take an example:**
- The aggregated turnover of Mr. Rahul in the previous year was Rs. 95,00,000. (Rs. 35,00,000 in Chandigarh and Rs. 60,00,000 in Punjab). Now, If the 10% threshold was considered on the basis of aggregated turnover, then he would be eligible to provide services up to the maximum of Rs. 9,50,000 (higher of 10% or 5,00,000).
- Whereas, if we consider the turnover in the state/UT, then he will be allowed to provide services amounting to Rs. 5,00,000 (higher of 10% or 5,00,000) in Chandigarh and Rs.

6,00,000 (higher of 10% or 5,00,000) in Punjab as well. Therefore, he will be allowed to provide services amounting to Rs. 11,00,000 which is Rs. 1,50,000 more than what he would've been allowed to provide if we consider aggregate turnover.

- **Illustration for opting out the composition scheme based on the aggregated turnover**

<u>Aggregated Turnover in previous financial year (in Rs.)</u>	<u>Aggregated Turnover in current financial year (in Rs.)</u>	<u>Whether eligible for the composition scheme</u>	<u>Composition Scheme Lapse</u>	<u>Turnover in the State/ Union Territory (in Rs.)</u>	<u>Tax Payable (in Rs.)</u>
19,00,000	32,00,000 (Registered in current year when crossed the threshold limit of Rs. 20 Lacs)	✓	✗	12,00,000	12,000/-
18,00,000	28,00,000 (Voluntarily Registered in current year when crossed the limit of Rs. 5 Lacs)	✓	✗	23,00,000	23,000/-
21,00,000	30,00,000 (Registered in previous year when crossed the threshold limit of Rs. 20 Lacs)	✓	✗	30,00,000	30,000/-
1,58,00,000	N/A	✗	N/A	N/A	N/A
1,64,00,000 (Includes interest/ discounts relates to deposits of Rs. 18,00,000)	1,48,00,000 (Includes interest/ discounts relates to deposits of Rs. 15,00,000)	✓ Yes, aggregated turnover in previous year is Rs. 1,46,00,000	✗	1,33,00,000 (excludes interest/ discounts relates to deposits)	1,33,000/-

19,00,000	From 01/04 – 25/06 – 20,00,000 From 26/06 – 20/03 – 1,30,00,000 From 21/03 onwards till 31/03 – 16,00,000	✓	✓ Yes, from 21/03	1,30,00,000	1,30,000/-
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- It is important to understand that the lawmaker has used the word **“shall”** in relation to **ITC-03** and the word **“may”** in relation to ITC-01 states that filing of ITC-03 is on compulsory basis whereas filing of ITC-01 is voluntarily. The reason behind may be is that ITC-03 is for the sake of the government as it clears the ITC balance of the taxpayer opting composition scheme whereas ITC-01 is for the sake of the taxpayer as he can claim the ITC on stocks lying with him and therefore, leave the choice for the taxpayer whether he opts to file ITC-01 or not.

For Reference - Every person who has furnished an intimation under sub-rule (2) or filed an application for withdrawal under sub-rule (3) or a person in respect of whom an order of withdrawal of option has been passed in FORM GST CMP-07 under sub-rule (5), Page 5 of 155 may electronically furnish at the common portal, either directly or through a Facilitation Centre notified by the Commissioner, a statement in FORM GST ITC-01 containing details of the stock of inputs and inputs contained in semi-finished or finished goods held in stock by him on the date on which the option is withdrawn or denied, within a period of thirty days from the date from which the option is withdrawn or from the date of the order passed in FORM GST CMP-07, as the case may be.

Any registered person who opts to pay tax under section 10 shall electronically file an intimation in FORM GST CMP-02, duly signed or verified through electronic verification code, on the common portal, either directly or through a Facilitation Centre notified by the Commissioner, prior to the commencement of the financial year for which the option to pay tax under the aforesaid section is exercised and **shall** furnish the statement in FORM GST ITC-03 in accordance with the provisions of sub rule (4) of rule 44 within a period of sixty days from the commencement of the relevant financial year

19. AAR in respect of Composition Scheme

Case Name: **In re Emphatic Trading Centre (GST AAR Karnataka)**

Appeal Number: Advance Ruling No. KAR ADRG 28/2020

Date of Judgement/ Order: 23.04.2020

Courts: AAR Karnataka (203) Advance Rulings (1305)

The applicant engaged in two lines of business, one is supply of goods and other one is renting of immovable property. He also states that he is presently under composition scheme, having shifted to the composition scheme with effect from 01.04.2019 by virtue of **Notification No. 2/2019- Central Tax (Rate) dated 07.03.2019** as his aggregate turnover is less than Rs.50,00,000/- per annum.

The applicant sought AAR to know

- a) Whether he is eligible to be in the composition scheme as his aggregate turnover is less than Rs. 50,00,000? &
- b) Whether the rate of tax under composition scheme is 1% for the turnover of goods (Sales) and 6% for the turnover of service (Rent). The two separate taxes amount to

be totalled and paid or is it 6% as a whole for the aggregate turnover of goods and service turnover that is to be paid?

Findings & Discussions

- a) As observed by us, that there is no dispute that both the activities of the applicant are taxable and also supplied by the same person.
- The applicant shall be eligible to pay tax under the **said notification as specified above**, only if the applicant is not eligible to pay tax under section 10(1) of the CGST Act **(as per serial number (i) to (iv) in Point No. 2 mentioned above)** and the applicant does not satisfy the above condition as he is registered under Section 10 of CGST Act, 2017.
 - The applicant states that his turnover is less than Rs. 50,00,000/- & hence, the applicant is not eligible to pay tax under the registered as Composition Taxpayer.

Conclusion:

- Hence, the applicant is liable to pay tax under **CGST Act at 3% and at 3%** under SGST Act, if he opts to pay tax under the said Notification as discussed above after opting out of Composition Scheme on the entire value of supplies made and he cannot apply different schemes for different types of transactions (Normal Scheme as well as Composition Scheme).
- The applicant is also liable to pay tax @3% each in respect of CGST & SGST as per this specified notification if the turnover of services of the applicant exceeds ten per cent of turnover in a State or Union territory in the preceding financial year or five lakh rupees, whichever is higher.

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