

Changes recommended in Composition Scheme

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The following changes were recommended in the Composition Scheme on the basis of discussions held in the 23rd meeting of the GST Council held at Guwahati today.

i. Uniform rate of tax @ 1% under composition scheme for manufacturers and traders (for traders, turnover will be counted only for supply of taxable goods). No change for composition scheme for restaurant.

ii. Supply of services by Composition taxpayer upto Rs 5 lakh per annum will be allowed by exempting the same

iii. Annual turnover eligibility for composition scheme will be increased to Rs 2 crore from the present limit of Rupees 1 crore under the law. Thereafter, eligibility for composition will be increased to Rs. 1.5 Crore per annum.

iv. The changes recommended by GST Council at (ii) and (iii) above will be implemented only after the necessary amendment of the CGST Act and SGST Acts.

DsM/SBS

END

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