



Ministry of Finance

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

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