

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

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LOK SABHA

UNSTARRED QUESTION No.41

TO BE ANSWERED ON FRIDAY, FEBRUARY 02, 2018/MAGHA 13, 1939 (SAKA)

GST COMPOSITION SCHEME

41. SHRI Y.S. AVINASH REDDY:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has introduced composition scheme to give relief to the small traders from GST;
- (b) if so, the details thereof; and
- (c) the details of the other incentives being given to the small traders under GST?

MINISTER OF STATE FOR FINANCE

(SHRI SHIV PRATAP SHUKLA)

- (a) Yes Sir.
- (b) Small businessmen with an aggregate turnover of less than Rs. 1 crore in the preceding financial year can opt for the composition scheme wherein they can pay an amount in lieu of tax based on the turnover in a State or Union territory.
- (c) Various incentives have been provided to the small traders as detailed below:
 - i. Increase in the aggregate annual turnover threshold for eligibility under the composition scheme from Rs. 75 lakh to Rs. one crore for 27 States (including Jammu & Kashmir and Uttarakhand).
 - ii. Increase in the aggregate annual turnover threshold for eligibility under the Composition scheme from Rs. 50 lakh to Rs. 75 lakh for Special Category States (as specified in sub-clause (g) of clause (4) of article 279A of the Constitution) other than Jammu & Kashmir and Uttarakhand.
 - iii. Taxpayers having annual turnover of up to Rs.1.5 crore in the previous year provided with an option to file quarterly Returns.
 - iv. Registered persons making supply of goods to make payment of tax on issuance of invoice and not at the time when advances are received.

- v. Suspension of the application of reverse charge mechanism under Section 9(4) of the CGST/SGST Acts, 2017 and Section 5(4) of the IGST Act, 2017 till 31 March, 2018 for all categories of registered persons.
- vi. Uniform rate of tax @1% under Composition scheme for manufacturers and traders. The turnover of taxable goods to be considered for eligibility for the Composition scheme for traders.
- vii. Supply of exempted services by Composition taxpayer will be allowed and the same will not be taken into account while computing the aggregate turnover.
- viii. Amount of late fee payable for delayed filing of return in Form GSTR-3B by a taxpayer whose tax liability for the month was 'Nil' reduced to Rs.20/- per day (Rs.10/- per day each under CGST & SGST Acts) subject to maximum Rs.5000/- under each Act from October, 2017.
- ix. The amount of late fee payable for delayed filing of return in Form GSTR-3B by other taxpayers reduced to Rs. 50/- per day (Rs. 25/- per day each under CGST & SGST Acts) subject to maximum Rs.5000/- under each Act from October, 2017.
- x. The filing of returns by the taxpayers has been simplified by continuing the GSTR-3B return up to March, 2018. The filing of FORM GSTR-2 and GSTR-3 has been kept in abeyance till further notice.
