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Opting-in for Composition Scheme for Financial year 2021-22

24/03/2021

1. **How to opt-in for Composition Scheme:**

- The eligible registered taxpayers, who want to opt-in for composition scheme for the FY 2021-22, need to file FORM GST CMP-02 application, on or before 31st March, 2021, post login on GST portal. The taxpayers may navigate as follows:

Log-in>Services > Registration > Application to opt for Composition Levy>Filing form GST CMP-02>File application under DSC/EVC

- Once Form GST CMP-02 application is filed, the composition scheme will be available to the taxpayer, w.e.f. 1st April 2021.
- The taxpayers already opted in for composition scheme earlier are not required to opt in again for FY 2021-2022.
- Taxpayers who were regular taxpayers in previous FY, but are opting-in for composition scheme for 2021-22, must file Form GST ITC-03 for reversal of ITC on stocks of inputs, semi-finished goods and finished goods available with them, within 60 days from the effective date of opting in.

2. **Who is eligible for opting-in for Composition Scheme:-** Following Normal taxpayers, who don't want to avail ITC facility, may opt for this scheme:

- having aggregate turnover (at PAN level) upto Rs. 1.5 Crore in the previous FY.
- having aggregate turnover (at PAN level) upto Rs. 75 lakh in the previous FY and who are registered in Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura & Uttarakhand.
- supplying services and/or mixed supplies having aggregate turnover of previous FY upto Rs. 50 lakhs.

3. **Who is not eligible for opting in composition scheme:**

- Suppliers of the goods/services who are not liable to pay tax under GST
- Inter-State outward suppliers of goods/services
- Taxpayers supplying goods through e-commerce operators who are required to collect tax under sec 52
- The manufacturers of notified goods like Ice cream and other edible ice, whether or not containing cocoa, tobacco and manufactured tobacco substitutes, Pan Masala & Aerated water

4. For more details click on:

- User Manual:
<https://tutorial.gst.gov.in/userguide/compositionpoc/compositionscheme.htm>
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