

From	Karvy Data Management Services Ltd.
Date	April 10, 2019
Subject	Clarification regarding exercise of option to pay tax under Composition levy (Mixed Supply)
Category	Circular
Reference	Circular No. 97/16/2019-GST dated 05.04.2019
Series	Karvy/GST/111

Representations were made to the Government, requesting to clarify the issues with respect to procedure to be followed for exercising option to pay tax under notification no. 2/2019-CT(R) dt 07.03.2019 i.e. Composition Scheme under GST extended to the supplier of services (or mixed suppliers).

**Gist of the clarifications given by CBIC has been presented below:**

**Composition Scheme under GST extended to the supplier of services (or mixed suppliers) - Notification No. 02/2019-CT (Rate) dt. 07.03.2019**

**Composition Scheme for mixed supplier's w.e.f 01.04.2019** - Effective from 1<sup>st</sup> April 2019, service providers (except restaurant service providers) or mixed suppliers, engaged into supply of goods or services or both, shall be eligible to opt for the Composition Scheme under the GST.

**Threshold limit for mixed suppliers to opt for composition Scheme** - Registered person being supplier of goods or services or both having an aggregate turnover of up to Rs. 50 Lakhs from 1st day of April of a financial year, may opt for Composition Scheme.

**Procedure to be complied by the registered person who wants to avail the benefit of composition scheme under notification no 02/2019 – CT (Rate):**

## FORM GST CMP - 02

- Such person shall intimate to pay tax under section 10 (Composition Levy) by selecting the category of registered person as "Any other supplier eligible for composition levy" as listed at Sl.No.5 (iii) in FORM GST CMP-02.

## FORM GST ITC - 03

- 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 is to be made by such person in FORM GST ITC-03.

## FORM GST REG-01

- Indication in Sl.No.5 i.e. "Option for Composition" and Sl.No.6.1(iii) as "Any other supplier eligible for composition levy" is to be made in FORM GST REG-01.

### Note:

- ✚ The option of payment of tax will be deemed to be applicable in respect of all other places of business registered on the same Permanent Account Number.
- ✚ Above option would be effective from the beginning of the financial year or from the date of registration in cases where new registration has been obtained during the financial year.

Link to download the Circular No. 97/16/2019-GST dated 05.04.2019 - <http://cbic.gov.in/resources//htdocs-cbec/gst/circular-cgst-97.pdf;jsessionid=423EA5877F3CCB6A87ED5444144416B0>

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Karvy Data Management Services Limited (KDMSL), a GST Suvidha Provider which has developed ASP Solution for easing GST compliance for tax payers. Easy to use interfaces are made available at the disposal of the tax payers to simplify their compliances in terms of dashboards, MIS, returns, payments, refunds and other compliance process. So, 'HELP US HELP YOU' we offer following services for GST - GSP & ASP Services (on cloud or on premises) with ERP Integration and Vendor Management Solution. We also offer managed services for Outsourced GST Compliance which will take care of end to end compliances.

In India, GST Team of KDMSL are located in following cities: Hyderabad, Mumbai, Bangalore, New Delhi, Chennai, Pune and Kolkata. For more information about KDMSL service offerings, visit [www.karvygst.com](http://www.karvygst.com)

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