

Chhattisgarh Goods & Services Tax Act, 2017

Section 10 : Composition levy

- (1) **Notwithstanding** anything to the contrary contained in this Act but subject to the provisions of sub-sections (3) and (4) of section 9, a registered person, whose aggregate turnover in the preceding financial year did not exceed fifty lakh rupees, may opt to pay, ¹[in lieu of the tax payable by him under sub-section (1) of Section 9, an amount of tax calculated at such rate] as may be prescribed, but not exceeding,--
- (a) one per cent. of the turnover in State in case of a manufacturer,
 - (b) two and a half per cent. of the turnover in State in case of persons engaged in making supplies referred to in clause (b) of paragraph 6 of Schedule II, and
 - (c) half per cent. of the turnover in State in case of other suppliers,
- subject to such conditions and restrictions as may be prescribed:
- Provided** that the Government may, by notification, increase the said limit of fifty lakh rupees to such higher amount, not exceeding ²[one crore and fifty lakh rupees], as may be recommended by the Council³[:]
- ⁴**Provided** further that a person who opts to pay tax under clause (a) or clause (b) or clause (c) may supply services (other than those referred to in clause (b) of paragraph 6 of Schedule II), of value not exceeding ten percent of turnover in the State in the preceding financial year or five lakh rupees, whichever is higher.]
- (2) The registered person shall be eligible to opt under sub-section (1), if--
- ⁵(a) save as provided in sub-section (1), he is not engaged in the supply of services]
 - (b) he is not engaged in making any supply of goods which are not leviable to tax under this Act;

1 Substituted vide The Chhattisgarh Goods and Services Tax (Amendment) Act, 2018 (No. 25 of 2018) dt. 05/10/2018 w.e.f. 01/02/2019. Prior to substitution it read as under: "in lieu of the tax payable by him, an amount calculated at such rate".

2 Substituted vide The Chhattisgarh Goods and Services Tax (Amendment) Act, 2018 (No. 25 of 2018) dt. 05/10/2018 w.e.f. 01/02/2019. Prior to substitution it read as under: "one crore rupees".

3 Substituted with the full stop "." vide The Chhattisgarh Goods and Services Tax (Amendment) Act, 2018 (No. 25 of 2018) dt. 05/10/2018 w.e.f. 01/02/2019.

4 Inserted vide The Chhattisgarh Goods and Services Tax (Amendment) Act, 2018 (No. 25 of 2018) dt. 05/10/2018 w.e.f. 01/02/2019.

5 Substituted vide The Chhattisgarh Goods and Services Tax (Amendment) Act, 2018 (No. 25 of 2018) dt. 05/10/2018 w.e.f. 01/02/2019. Prior to substitution it read as under: "(a) he is not engaged in the supply of services other than supplies referred to in clause (b) of paragraph 6 of Schedule II;"

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- (c) he is not engaged in making any inter-State outward supplies of goods;
- (d) he is not engaged in making any supply of goods through an electronic commerce operator who is required to collect tax at source under section 52; and
- (e) he is not a manufacturer of such goods as may be notified by the Government on the recommendations of the Council:

Provided that where more than one registered persons are having the same Permanent Account Number (issued under the Income-tax Act, 1961), the registered person shall not be eligible to opt for the scheme under sub-section (1) unless all such registered persons opt to pay tax under that sub-section.

- (3) The option availed of by a registered person under sub-section (1) shall lapse with effect from the day on which his aggregate turnover during a financial year exceeds the limit specified under sub-section (1).
- (4) A taxable person to whom the provisions of sub-section (1) apply shall not collect any tax from the recipient on supplies made by him nor shall he be entitled to any credit of input tax.
- (5) If the proper officer has reasons to believe that a taxable person has paid tax under sub-section (1) despite not being eligible, such person shall, in addition to any tax that may be payable by him under any other provisions of this Act, be liable to a penalty and the provisions of Section 73 or Section 74 shall, *mutatis mutandis*, apply for determination of tax and penalty.
