Value Added Tax Act, 2003

Section 15 - Composition of Tax

(1) Subject to such conditions and in such circumstances as may be prescribed, any dealer other than a dealer who purchases or obtains goods from outside the State or from outside the territory of India, liable to pay tax as specified in Section 4 and,

(a) whose total turnover in a period of four consecutive quarters does not exceed fifteen lakh rupees; or

(b) who is a dealer executing works contracts; or

(c) who is a hotelier, restaurateur, caterer; or

(d) who is a mechanised crushing unit producing granite metals;

may elect to pay in lieu of the net amount of tax payable by him under this Act by way of composition, an amount at such rate not exceeding five per cent on his total turnover or on the total consideration for the works contracts executed or not exceeding two lakh rupees for each crushing machine per annum as may be prescribed.

(2) For the purposes of sub-section (1) a quarter shall mean any period ending on final day of the months of March, June, September and December.

(3) Any dealer eligible for composition of tax under sub-section (1) may report, to the prescribed authority, the exercise of his option and he shall pay such amount due and furnish a return in such manner as may be prescribed.

(4) Any dealer opting for composition of tax under sub-section (1) shall not be permitted to claim any input tax on any purchases made by him.