

**GOVERNMENT OF WEST BENGAL**  
**DIRECTORATE OF COMMERCIAL TAXES**

14 BELIAGHATA ROAD, KOLKATA-700015

**Trade Circular No. 10 /2013      Dated : 10.06.2013.**

Sub: Composition Registration Scheme

In the budget speech of 2013-14, Hon'ble Finance Minister has announced introduction of a system of simplified registration with the minimal documentation for small reselling dealers who have had difficulty in complying with all provisions of VAT laws. The basic features of such new registration scheme are detailed below:

1. The Composition Registration Scheme is intended for RESELLERS (NOT FOR MANUFACTURER OF IMPORTER OR WORKS CONTRACTOR) whose turnover of sales in the previous year did not exceed Rs. 50 lakh, subject to the provisions of section 16 (3) of the West Bengal Value Added Tax Act, 2003 and rule 38 of the West Bengal Value Added Tax Rules, 2005. Dealers who have started business in the current year are also eligible to obtain registration under the new scheme.
2. Dealers registered under the Composition Registration Scheme will COMPULSORILY be required to pay the fixed amount per year under the composition scheme in terms of the newly introduced sub-rule (3A) of rule 38 of the West Bengal Value Added Tax Rules, 2005. Such dealers are not entitled to pay tax under the normal composition scheme of payment of 0.25% of turnover of sales.
3. If a dealer who has obtained registration under the Composition Registration Scheme intends to come out of such composition scheme, or becomes ineligible to pay tax under such composition scheme, he shall have to obtain VAT registration afresh through the normal online registration process.
4. The fixed yearly amount to be paid, depending upon the turnover of sale of the dealer in the previous year, is as follows:

Amount payable in terms of rule 38 (3A)		
Sl. No.	Turnover of sales in the preceding year	Amount payable (Rs)
1.	Not exceeding rupees thirty lakh	Seven thousand
2.	Exceeding rupees thirty lakh but not exceeding rupees fifty lakh	Twelve thousand

5. The fixed yearly amount as above shall be payable in respect of part of a year also.
6. Application Form: The application under the Composition Registration Scheme shall be in Form 1-CR which shall be submitted MANUALLY to the appropriate assessing authority. The format of such application may be downloaded from the Directorate's website <http://www.wbcomtax.gov.in>. Such application may be submitted through Vat Return Preparers also.
7. Documents to be submitted with registration application:
  - A. Copy of ANY ONE of the following as proof of identity of the applicant—
    - a) PAN Card;
    - b) Voter's ID Card;
    - c) Driving Licence;
    - d) Aadhar Card.
  - B. Copy of ANY ONE of the following as proof of occupancy of the business place—
    - a) Trade License;
    - b) Telephone bill;
    - c) Electric bill;
    - d) Rent Receipt;

- e) Certificate from Councilor of Municipal Corporation/Ward Commissioner of Municipality/Panchayat Pradhan/MLA/MP [format of certificate attached];
- f) Bank pass book.

C. Copy of ANY ONE of the following as proof of residence of the signatory —

- a) Telephone bill;
- b) Electric bill;
- c) Property Tax Receipt/Rent Receipt;
- d) Bank passbook;
- e) Driving Licence;
- f) Aadhar Card.

- 8. The registration certificate under the Composition Registration Scheme shall be in Form -3CR which shall be issued MANUALLY by the appropriate assessing authority within ten working days from the date of receipt of a complete application Form – 1CR along with supporting documents, or the date of submission of proof of payment of the fixed amount in terms of rule 38(3A) for the year or part of the year, whichever is later. The application shall be disposed of on the basis of the information and documents furnished and NO HEARING by the authority will normally be required.
- 9. After granting such registration the Composition Registration Certificate in Form -3CR shall be sent immediately by post to the dealer. If a dealer does not receive the certificate within 15 days from the date of submission of the application for registration along with the documents and proof of payment of yearly fixed amount as above, he may contact concerned Charge Officer about such non-receipt.
- 10. A dealer paying the yearly fixed amount in terms of rule 38 (3A) is not required to submit any further return [in Form 15 R] for that year.
- 11. Furnishing of proof of payment of the yearly fixed amount within the time prescribed u/r 38(4) shall be treated as due compliance with the provisions for exercising option under section 16(3) and also for submission of return for that year. Failure to make payment of the yearly fixed amount may be considered as failure to submit return and in that case the dealer shall be liable to penal proceeding as is applicable to any return defaulter.
- 12. Upon payment of fixed amount the dealers having Composition Registration Certificate—
  - (a) does not have to maintain accounts specified for VAT;
  - (b) does not have to furnish any return;
  - (c) will not be selected for audit;
  - (d) normally will not be assessed; and
  - (e) normally no Officer will visit his place of business.

Sd/- 10.06.2013  
[BINOD KUMAR]  
Commissioner, Sales Tax  
West Bengal

Memo No. 559CT?PRO  
3C/PRO/2012

Date : 11.06.2013

Copy e-mailed to Addl.CCT/ISD for information and for taking necessary action in connection with placing this Trade Circular in our Directorate's website for general information.

Sd/ 11.06.2013  
(K.C.Chowdhury)  
Addl.CCT/WB

**Format of Certificate: Applicable only for the dealer who has no Trade License**

**TO WHOM IT MAY CONCERN**

I do hereby certify that Sri/Smt/Mr./Ms. ....  
S/D/of..... carrying on business –

(a) under the trade name of M/s .....,

(b) dealing in ..... (class/classes of goods),

(c) in the nature of business ..... (retailer, whole seller / contractor / etc)

(d) at .....(room no. / shop no.) ..... (premises no.) ..... (floor no.)

..... (street/road/lane name) ..... (ward no., if

applicable), PO ....., PIN ....., District ....., is

known to me for the last ..... years ..... months.

This Certificate is issued only for obtaining Registration Certificate under the West Bengal Value Added Tax Rules, 2005.

Date

Signature .....

Seal

Councillor/Ward Commissioner/Panchayat Pradhan/MLA/MP