

# FAQs > Withdrawal from Composition Levy (FORM GST CMP- 04)

## 1. Can I withdraw from the Composition Levy?

Yes, you can withdraw from the Composition Levy at any time of the financial year for the following reasons:

1. Voluntary withdrawal
2. Exceeding Threshold Limit as specified in Section 10 of the CGST Act
3. Engaged in making any supply of goods which are not liable to tax under this Act.
4. Engaged in making Inter-State supplies.
5. Supplying of goods through E-Commerce Operator, who is required to collect tax at source under section 52
6. Manufacturing Notified Goods (e.g. Pan Masala)
7. Others

## 2. How can I withdraw from the Composition Levy on the GST Portal?

Navigate to **Services > Registration > Application for Withdrawal from Composition Levy**

## 3. When do I need to withdraw from the Composition levy?

The application to withdraw from the Composition levy is required to be filed within 7 days from the date when taxpayer fails to satisfy any condition of Section 10 of CGST/ SGST Act or rules made thereunder or a taxpayer may also voluntarily opt out of the Composition levy by filing an application.

## 4. Which form needs to be filled by me to withdraw from Composition levy?

To withdraw from Composition levy, you are required to fill the Form GST CMP-04.

## 5. Do I need any approval from Tax authorities to withdraw from the Composition levy?

You do not need any approval from State or Centre Tax Authorities to withdraw from the Composition levy. Once the application to withdraw from the Composition levy is filed, application is auto approved immediately and you are opted out of the Composition levy.

## 6. Is it mandatory to file Intimation of Stock Details after withdrawal from the Composition levy?

Yes, it is mandatory to file a Stock Intimation. After filing the application to withdraw from the Composition levy, you are required to file statement in FORM GST ITC-01 containing details of the stock of inputs and inputs contained in semi-finished or finished goods held in stock by you on the date on which the option is withdrawn or denied, within a period of thirty days from the date from which the option is withdraw.

## 7. How is the application for Withdrawal from the Composition Levy authenticated?

The application for Withdrawal from the Composition Levy can be signed using DSC or authenticated using Electronic Verification Code (EVC).

## **8. How will I know if my application for Withdrawal from the Composition Levy is successfully filed?**

On successfully signing the application, the success message is displayed. You will receive an acknowledgement with an **Application Reference Number (ARN)**, within 15 minutes of successful submission of your application, on your registered e-mail address and mobile phone number.

## **9. I have more than one GSTIN linked to the same PAN and all my GSTINs are currently under the composition scheme. What will happen if I opt out of Composition Levy in one of these GSTINs?**

It is important to note that if you withdraw from Composition Levy for any of your GSTINs, you will automatically be removed from Composition Levy for all the GSTINs linked to the same PAN.

## **10. Can I withdraw from Composition Levy retrospectively (from a past date)?**

Yes, based on your reason for withdrawal, you can withdraw from the Composition Levy on a past (or future date).

1. If reason for withdrawal selected is "Voluntary": Date from which withdrawal from composition Levy is sought can't be previous date, whereas current and future dates can be selected.
2. If reason for withdrawal is other than "Voluntary": Date from which withdrawal from composition Levy is sought can't be future date and cannot be prior to the "Effective date of composition levy".

In case of withdrawal from composition levy, you will have to file Form GST ITC-01 for intimation of stock details.