



An analysis of Union Budget 2019-20



CA. Ujjval Sharma
Pankaj Malik and Co

Proposal for Indirect Tax

Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019



Overview of the Scheme

- It is a **dispute resolution cum amnesty scheme** for resolution of Pending disputes.
- It covers past disputes of **taxes which have got subsumed in GST** namely Central Excise, Service Tax and Cesses.
- **Majority of the disputes are covered in scheme**, except a few exclusions.
- This Scheme shall become **available from a date to be notified.**
(Notification is pending)
- **Relief:**
 - **Relief from payment of tax dues to the extend of 50% to 70% of the tax dues** depending on the amount of tax dues involved.
 - **100% relief from payment of interest and penalty.**
 - If Person discharged under this scheme then no prosecution.

Taxes or Cesses Covered (1/2)

➤ The Central Excise Act, 1944 or the Central Excise Tariff Act, 1985 or Chapter V of the Finance Act, 1994 and the rules made thereunder.

➤ **Other Acts covered are as under.**

(i) the Agricultural Produce Cess Act, 1940	(vii) the Additional Duties of Excise (Goods of Special Importance) Act, 1957
(ii) the Coffee Act, 1942	(viii) the Mineral Products (Additional Duties of Excise and Customs) Act, 1958
(iii) the Mica Mines Labour Welfare Fund Act, 1946	(ix) the Sugar (Special Excise Duty) Act, 1959
(iv) the Rubber Act, 1947	(x) the Textiles Committee Act, 1963
(v) the Salt Cess Act, 1953	(xi) the Produce Cess Act, 1966
(vi) the Medicinal and Toilet Preparations (Excise Duties) Act, 1955	(xii) the Limestone and Dolomite Mines Labour Welfare Fund Act, 1972

Taxes or Cesses Covered (2/2)

➤ Other Acts covered are as under.

(xiii) the Coal Mines (Conservation and Development) Act, 1974	(xx) the Jute Manufacturers Cess Act, 1983
(xiv) the Oil Industry (Development) Act, 1974	(xxi) the Agricultural and Processed Food Products Export Cess Act, 1985
(xv) the Tobacco Cess Act, 1975	(xxii) the Spices Cess Act, 1986
(xvi) the Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976	(xxiii) the Finance Act, 2004
(xvii) the Bidi Workers Welfare Cess Act, 1976	(xxiv) the Finance Act, 2007
(xviii) the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978	(xxv) the Finance Act, 2015
(xix) the Sugar Cess Act, 1982	(xxvi) the Finance Act, 2016

Relief available (1/2)

No interest and penalty

Details	Amount	Relief form Demand Amount
A. Where Tax dues as per <u>SCN Notice or an Order or Statement which is Pending as on 30.06.2019</u> and the amount of Tax is	< 50 lakhs	70% of Tax dues
	> 50 lakhs	50% of Tax dues
B. Where the tax dues are relatable to a <u>show cause notice for late fee or penalty only</u> and the amount of duty has been paid or is nil.	-	Entire amount of late fee or penalty
C. Tax Dues are relatable to amount in <u>arrears and the declarant has indicated an amount of duty as payable</u> but not paid it and the amount of duty involved.	< 50 lakhs	60% of Tax dues
	> 50 lakhs	40% of Tax dues

Relief available (2/2)

No interest and penalty

Details	Amount	Relief form Demand Amount
D. Tax dues are linked to <u>an enquiry, investigation or audit against</u> the declarant and the amount quantified on or before 30 th June	< 50 lakhs	70% of Tax dues
	> 50 lakhs	50% of Tax dues
E. Tax dues are on account of <u>voluntary disclosure</u> by the declarant	-	No relief

✓ Any amount paid as pre-deposit at any stage of appellate proceedings or as deposit during enquiry, investigation or audit will be deducting in computing the amount payable.

✓ No refund if pre-deposit/ deposit exceeds amount payable.

Eligibility and Exclusions

All persons shall be eligible to make a declaration under this scheme except.

- ✓ Where appeal filed before the appellate forum AND final hearing has taken place on or before 30.06.2019
- ✓ Where SCN has been issued AND final hearing has taken place on or before 30.06.2019
- ✓ Who have been convicted for any offence under any provision for the matter for which he intends to file a declaration
- ✓ Who have been subjected to any enquiry or investigation or audit AND amount of duty involved has not been quantified on or before 30.06.2019

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Proposal for Amendments in GST

Amendments in Goods and Service Tax



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New Return System

Turnover	Return (New Form)	Form Name- Filing Frequency	Determination of Turnover
Turnover Above Rs. 5 Cr.	Form GST RET-1	Normal Monthly	<ol style="list-style-type: none"> For Newly Registered Taxpayer Turnover Will Be Decided On The Basis Of Self Declaration Made By Them On Estimated Turnover For already registered Taxpayer it will be decided on the basis of Last year's Turnover
Turnover Up to Rs 5 Cr.	Form GST RET-1	Normal – Monthly	Frequency of filing i.e., Monthly or Quarterly can be chose as per your convenience.
	Form GST RET-1	Normal –Quarterly	
	FORM GST RET-2	Sahaj – Quarterly	
	FORM GST RET-3	Sugam – Quarterly	

New Return System

Sahaj

Form GST
RET-2

B2B Purchase & B2C Supply: – If your organisation is making purchase locally from B2B market and simultaneously making B2C Outward Supply than you have to use **SAHAJ**

Sugam

Form GST
RET-3

B2B Purchase & B2B + B2C Supply: – If your organisation is making purchase locally from B2B market and simultaneously making B2B + B2C Outward Supply than you have to use **SUGAM**

Normal

Form GST
RET-1

Any other combination of Purchase & Supply: – For rest all cases you have to use **NORMAL** form (GST RET – 1)

New Return System

- Irrespective of Form you have selected, you **need to pay tax on monthly basis** by using payment declaration form.
- Under this new system you will be filling Single return only (As Government Says) but activity of filing this single return is divided into following three parts
 - **FORM GST RET (1 / 2 / 3) : Main return with summary of Liability and ITC.**
 - **GST ANX 1 : Annexure of Outward Supplies, which also includes Inward Supplies under RCM,**
 - **GST ANX 2 : Annexure of Inward Supplies (Auto populated through your suppliers GST ANX 1)**

Interest on tax Payable

Interest for late payment of tax shall be levied only on that portion of tax

which has been paid **by debiting the electronic cash ledger**

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& Infrastructure Ltd.
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Other miscellaneous Amendments



New facility given to the tax payer under section 49 for **transfer of amount of Tax, Interest, Penalty, Fee, or other amount** under any head of electronic cash ledger :- **PMT09**



A fully automated GST Refund module shall be Implemented



Multiple tax ledger for a taxpayer shall be replaced by one

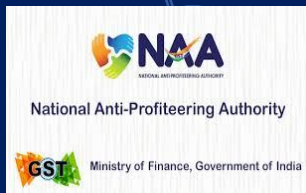


To move to an electronic invoice system There will be no need for a separate e-way bill. Its roll out would begin from January, 2020.

Other miscellaneous Amendments



Free accounting software for return preparation will be made available to small businesses.



National Anti-profitsteering Authority has been empowered to impose penalty up to 10% of the amount which has been profiteered.



National Appellate Authority ("NAA") has been constituted



Amendments in Composition Scheme.

The value of exempt supply of services provided by way of extending deposits, loans or advances (where consideration is received in form of interest or discount) shall not be considered for determining turnover under Composition Scheme.

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Clarification on post-sales discounts under GST

Supply

Additional discount is given by the supplier of goods in lieu of **consideration for any additional activity / promotional campaign** to be undertaken by the dealer.

Tax at full value

- Special reduced price by the **dealer to the customer** to augment the sales volume and same was reimbursed by supplier of goods

No Reversal

- **Financial credit notes** issued can ITC to be Reversed

AAP & Co. Vs. UOI - Judgment of Gujrat Hight court, dated 24.06.2019.

Issue decided in the judgment

- ✓ The return in Form GSTR-3B is only a **temporary stop gap arrangement** till due date of filing the return in Form GSTR-3 is notified
- ✓ The said clarification could be said to be contrary to Section 16(4) of the CGST Act/GGST Act read with Section 39(1) of the CGST Act/GGST Act read with Rule 61 of the CGST Rules/GGST Rules

Repercussion's of this judgment

Credit of 2017-18 can be availed till now

Levy of interest

Levy of late and penalties



*Thank
you*



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