

Punit Prajapati
& Co.

GST PROPOSALS

BUDGET 2021

CA Punit Prajapati

CA Bansari Sheth

CA Prakash Prajapati

CA Raksha Prajapati

CA Mahima Shah

CA Viral Patel

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NO GST AUDIT BY CA

- GST audit done away, not reconciliation statement.
- Reconciliation Statement is still applicable, but self-certified.
- Time limit for submission is shifted from the Act to the rules or notification so that no need to wait for GST council decision or amendment in the Act for extension.
- No annual return to Government Organisations which are subject to audit by C&AG.



NO ITC UNLESS REFLECTED IN GSTR 2A/2B

Input tax credit shall not be available unless details of invoice or debit note have been uploaded by supplier in Form GSTR 1 and the same is communicated (i.e. reflected in GSTR 2A/2B) to the recipient.

DIRECT RECOVERY OF TAX DECLARED IN GSTR 1 BUT NOT DECLARED IN GSTR 3B

A measure to restrict assessee who declare outward tax liability in GSTR 1 but does not include the same in GSTR 3B. Section 75(12) is being amended to provide that “Self Assessed Tax” shall include such tax.



INTEREST ON NET TAX PAYABLE WEF 1/7/17

Interest is to be payable on net liability and not on gross liability. Such clarificatory amendment was made in Section 50 through the Finance Act, 2019 prospectively. Now, it is proposed that such amendment will have retrospective effect from 01/07/17.

CONCEPT OF MUTUALITY - OVERRULED?

- Supply of goods or services by club, association, non-profit entities to their members (and vice versa) will be considered as supply and will be taxable.
- Such supply of goods is already covered under Schedule II, now, supply of services are also to be covered.
- It is proposed to have retrospective effect from 01/07/17.
- It is also proposed that such supply would be taxable irrespective of any law, judgement, decree or order or any Court.

PROVISIONAL ATTACHMENT SCOPE WIDENED

Properties of the mastermind behind the bogus billing will also be subject to provisional attachment.



NEW PROVISIONS FOR E-WAY BILL VIOLATIONS

- Penalty to get the goods released increased from 100% to 200%.
- No need to pay tax to get good released.
- Proceeding for recovery of tax will initiated seperately.
- Present dilema of showing tax, which is paid to get goods released, in GSTR-3B & GSTR 1, to avoid double payment of tax, will be solved.
- To prefer an appeal against E-Way bill violation order, pre-deposit of 25% of penlty imposed for violaiton of E-Way Bill related provisions will be made mandatory.
- Where proceedings against main person have been concluded, proceedings against co-noticees are also deemed to be concluded as provided under Explanation 1(ii) to Section 74. However, now it is proposed that such benefit will not be available to co-noticee for for violation of E-way bill and other provisions under Section 129 & 130.

RESTRICTIONS ON EXPORT REFUNDS

- Supply of goods or services or both to SEZ developer or unit will be considered as zero-rated only if it is for “authorised operations”.
- Facility of refund of tax through payment of IGST on export will be restricted to notified persons and for notified goods and services only and not to all exports as it is available today.