

GST - Changes from 1.1.2021

Adv. Gaurav Gupta
B.Com(Hons.)-SRCC, FCA., LL.B., ISA (ICAI)

S.No.	Proposed change	Impact	Suggestion
1.	Reduction of provisional credit limit under Rule 36(4) from 10% to 5%	Negative	Limit should not be reduced till the system settles the matching mechanism - Rules should be clear in terms of application of Rules 36(4) in context of GSTR 2A/2B.
2.	Introduction of Quarterly Return Monthly Payment scheme	Positive	No immediate coercive step by officers on MSME in case of low tax payment during quarter when compared to last quarter as sale vary in many cases
3.	Suspension and cancellation of registration by officer in case of difference between GSTR 3B and GSTR 1 (without any limit of such difference)	Negative	The term significant difference in rules is subjective and shall lead to varied results. The limits in terms of %age deviation should be set.
4.	No GSTR 1 incase two last period's GSTR 3B has not been filed	Positive	
5.	Suspension of registration - opportunity of being heard deleted	Negative	This goes against the very principles of natural justice - Audi alteram partem cannot be deleted from any administrative action

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5.	Rule 86B – Restriction of ITC to 99%	Negative	Eligible ITC once availed is a vested right of a taxpayer and such right is useful when its seamless use for payment of output tax is made. The relaxations shall not be of help to newly established new startups / large infra projects which incur losses in their initial years.
6.	Introduction of stricter control in case of new registrations - Biometric based Aadhaar authentication and Photograph	Positive	Would make it tough for establishing fake firms. However, genuine business should not be troubled with lengthy procedural formalities (when physical visit is already done).
7.	Increase in time for grant of new Registration (3 days to 7 days)	Neutral	The increased time limit should atleast be honoured in giving registrations
8.	Validity of E way bill increased to 200 Kms per day (from 100 Kms per day)	Negative	Considering the road infrastructure, it is not right to push travel speed of carriers.