



October 14, 2019

To,

**Smt. Nirmala Sitharaman.**

Hon'ble Minister of Finance,

Government of India

Ministry of Finance,

North Block, New Delhi-110 001



**Reg: Representation on extension of date to take the Input Tax Credit for the Financial Year 2018 - 2019**

Respected Madam,

At the outset we thank the government for giving due consideration to the problems faced by the taxpayers from time to time. As a result of your rumination of the issues, changes are brought in the system from time to time. We write to your good office to highlight the following practical issue and would seek your kind perusal.

Madam, we would like to draw your attention to one very important provision of law with respect to entitlement of input tax credit:

Section 16 (4) of the Central Goods and Services Tax Act 2017, provides:

*A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under section 39 for the month of September following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier.*

Madam, with respect to above we would like to draw your attention on the following:

- As per the above provision the last date for taking input tax credit for the Financial Year 2018 – 2019 is 20<sup>th</sup> October 2019



- We humbly submit the following practical issues before your good self:
  - Last date for Income Tax Audit under section 44AB is extended till 31<sup>st</sup> October 2019.
  - It is respectfully submitted over and above the tax payers are supposed to comply with the regular returns and other forms such as GSTR 1, GSTR 3B, ITC 04, etc under GST and also compliance of TDS, TCS, Tax Audit, etc under Income Tax.
  - The above mentioned facts are exhibiting how the tax payer is over burdened with the compliances under during the month of October 2019.
  - Therefore, most of the tax payers and the professionals are occupied in the same and hence they have not been able to prepare reconciliation for the year 2018 – 2019 as all the stake holders were occupied with the income tax compliances and audits. The exercise is not limited to mere matching. The buyers have to intimate the suppliers of the missing credits and the suppliers are required to make appropriate amendments by in their GSTR 1. Thus, even though GSTR 1 is not a precondition for availing credit, yet, last year also, government had increased the date of amending the details of FY 2017-18 and availing credit of FY 2017-2018 in FY 2018 - 2019 till March 2018-2019 to increase compliance amongst the taxpayers. It also acted as an assurance for the buyers in respect of genuineness of their credits.
  - This year also, 11<sup>th</sup> October 2019 is the last date for making amendments in GSTR – 1 and 20<sup>th</sup> October 2019 is the last take to take input tax credit on all missed invoices or debit notes for financial year 2018-2019.
  - So as to reduce the loss of eligible and legal input tax credit and to reduce the possible litigations on this count, it is humbly submitted before your good self to kindly consider the practical difficulty faced by all the stake holders and extend the date for availing the input tax credit for the year 2018 – 2019.
  - We would like to humbly mention here that for the year 2017 – 2018, this date was extended till 31<sup>st</sup> March 2019 by way of a Removal of Difficulty Order No 2/2018 dated 31.12.2018. The following was the insertion:  
*“Provided that the registered person shall be entitled to take input tax credit after the due date of furnishing of the return under section 39 for the month of September, 2018 till the due date of furnishing of the return under the said section for the month of March, 2019 in respect of any invoice or invoice relating*



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*to such debit note for supply of goods or services or both made during the financial year 2017-18, the details of which have been uploaded by the supplier under sub-section (1) of section 37 till the due date for furnishing the details under sub-section (1) of said section for the month of March, 2019.”*

Madam, we pray before your good self to kindly consider the practical challenges of tax payers as well as professionals and extend the date up till which the missed input tax credit can be availed up to 31.03.2020. This will help all the stake holders to comply with all the laws without any haste or anxiety. And this will finally be helpful to the officers during assessments.

Madam, we shall be obliged if your good self can consider our representation on behalf of all members of Society for Tax Analysis and Research(“STAR”). Our Society is a ‘not for profit’ Society which aims to disseminate proper information of tax to masses and to act as a catalyst between government and taxpayers and other stakeholders in bringing an efficient, transparent and corruption free nation. We trust our suggestions would find space in your consideration.

Thanking you

Yours faithfully

**For Society for Tax Analysis and Research**

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