

ICAI/IDTC/2020-21/Rep/4

3rd March, 2020

Shri M Ajit Kumar

Chairman,
Central Board of Indirect Taxes & Customs,
Government of India,
North Block,
New Delhi - 110001

Esteemed Sir,

Reg: Request for permitting availment of input tax credit under GST pertaining to Financial Year 2018-19

Greetings.

The Institute of Chartered Accountants of India (ICAI) has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge of GST among various stakeholders.

We are writing this letter considering the practical difficulties being faced by the taxpayer in claiming input tax credit under the GST. In terms of provision of Section 16(4) of the CGST Act, 2017 the time limit for claiming the input tax credit by a registered person is restricted. The said provision is reproduced below:

"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."

Considering the difficulties being faced by the trade in the year 2017-18, the Government had extended the time limit for claiming the input tax credit by a registered person till March, 2019. Further, the due date of filing Annual Return and Reconciliation Statement for the year 2017-18 was also extended.

With the much-needed clarity that has now become available, trade and industry has welcomed all new initiatives by the Government to ease the process of filing Annual Returns. Your goodself would appreciate that it is only at the time of preparation of annual return along with the reconciliation statement that the tax

payer will become aware about the input tax credit which has not yet been taken pertaining to Financial Year 2018-19. Hence, we request you to kindly consider extending the due date for taking the input tax credit for invoices pertaining to Financial Year 2018-19 and same may be kept in line with due date of filing of Annual Return by registered person.

Hope you will consider the request in view of interest of trade and industry. We shall be glad to provide any further input as may be required and your office may reach us at gst@icai.in or 0120-3045954.

Thanking you.

Yours faithfully,

CA. Rajendra Kumar P
Chairman
GST & Indirect Taxes Committee
The Institute of Chartered Accountants of India