**SILVER LINING IN THE GST AMENDMENTS**



Kamal: Hey Rajini. Are you immersed in reading the Newspaper?

Rajini: Hello, Kamal!!! Welcome. Welcome. What a surprise visit. Really, I am engrossed in the article appeared in today’s Newspaper about the GST amendment made in the Budget.

Kamal: No kidding Rajini. What is there about it? Nothing.

Rajini: Oh come on. If you read it, you will understand.

Kamal: It would be better, if you explain the article as I have no time to read this kind of lengthy article.

Rajini: Ok. I will explain. You know that there is a time limit for taking Input Tax Credit of GST paid on purchases made by a businessman.

Kamal: Yes I know. My auditor told about this. It has to be taken within a year from the date of purchase. So what?

Rajini: One year?? Exactly not like that. For example, if you purchase any goods during April 2018, the last date for taking ITC is 20th Oct 2019. For purchases made in March 2019 also, the last date for taking ITC is 20th Oct 2019.

Kamal: Do you mean to say that for all the purchases made during 2018-19, the last date is 20th Oct 2019.

Rajini: Yes. Yes.

Kamal: What is great about it?

Rajini: Wait. Wait. What about ITC on debit note? As per the existing law, if the debit note is raised by the supplier during Dec 2019 for the purchases made during March 2019, then you cannot take ITC as the due date is 20.10.2019.

Kamal: Is it so? Then it is really bad.

Rajini: Now, the law has been set right.

Kamal: How?

Rajini: Now the time limit for debit note is delinked from the original invoice and the date of debit note would be taken into account for taking ITC.

Kamal: Do you mean to say that as per the amendment, the due date for ITC on the debit note is 20th Oct of 2020?

Rajini: Superb!! You are very sharp. That is the essence of the amendment made to Section 16(4) of GST Act.

Kamal: Then, it is a Silver Lining in the GST Amendment. Ok good bye. I have to rush to the protest meeting against budget. 

Sanjana Sri SG & Pallavi Ganesh

Advocates

