AVAILMENT OF ITC CREDIT
FOR THE MONTH OF JUNE-2021

(B.Venakteswaran, IRS., Asst. Commissioner CGST Retired)

Rule 36(4) restricts the availment of input tax credit beyond 5% of the ITC reflected in Form GSTR 2A/2B. However, as per Notification No. 13/2021-CT dated 1st May 2021 as amended by Notification No: 27/2021 dated 01/06/2021the said restriction will not apply in individual months of April & May 2021, but will apply cumulatively for the period April & May, 2021 and the return in FORM GSTR-3B for the month of June, 2021 is to be furnished with the cumulative adjustment of input tax credit for those months.

For the month of April-21 and May-2021 and June-2021 the GSTR-2B was generated on 29/05/2021 and 29/06/2021 and 14/07/2021 respectively and is available for download from GSTN portal.

Illustration for the availment of ITC for June-2021 as per the said legal provisions.

Return	**GSTR-2B**	**As Per 3B/Books Situation I**	**As Per 3B/Books Situation II**	**As Per 3B/Books Situation III**	**Rule 36 (4)**
Apr-21	100	125	90	95	Not Applicable
May-21	100	125	80	90	Not Applicable
Already availed	**200**	**250**	**170**	**185**	
Jun-21	100	125	105	110	Not Applicable
Total	**300**	**375**	**275**	**295**	**Cumulative application**
Cumulative GSTR-2B	300	300	300	300	
Cumulative GSTR-3B		375	275	295	
Cumulative Difference		75	-25	-5	
Cumulative Difference		Diff more than 5%	Diff more than 5%	Diff. Less 5%	
Eligible amount Maximum (		300	288.75	309.75	

Return	GSTR-2B	As Per 3B/Books Situation I	As Per 3B/Books Situation II	As Per 3B/Books Situation III	Rule 36 (4)
2B or Book X1.05)					
As per Book		375	275	295	
Already availed		250	170	185	
Balance as per Book		125	105	110	
Maximum Amount to be availed in June 3B		50	118.75	124.75	
Actual amount to be availed whichever is less Book or 1.05%		**50**	**105**	**110**	

Please Note:
GSTN system the ITC for the Month of June 2021 as per the system generated GSTR3B, if amount is entered more than Maximum amount is entered alert in red font will appear. In the above maximum the eligibility, the GSTN System bas eligibility of ITC as per Section 16 and 17(5) has not been considered.

Don't follow the System generated ITC, it is only a facilitation measure.

Taxable person has to ensure that his availment of ITC reported in GSTR-3B is as per legal provisions of GST Act/Rules governing availment of ITC.

For those who wish to avail as per the legal provisions after due verfiecation, the calculation is as under:

Sl. No	Details	As per Books of Amount	As per GSTN System & Remarks	
1	Eligible amount as per details uploaded in GSTR-2A/2B during 2020-21 but not availed in 2021-22 (QTR-1) -**A**	250	0	(System will populate the return filed during the Q1 only)

Sl. No	Details	As per Books of Amount	As per GSTN System & Remarks	
2	Eligible amount as per details uploaded in GSTR-2A/2B during in 2021-22 (QTR-1) **(B)**	1000	1200	System will populate the return filed during the Q1 only and does not verify the eligibility)
3	Total eligible for 2021-22-Q1 **(C)**	1250	1200	
4	ITC availed during April 21 and May 21 as per GSTR-3B **(D)**	800	800	
5	Balance to be availed. in June-21 –**(E=C-D)**	450	400	

In the above situation, as you are availing credit only as per the legal provisions, you can ignore the alert, if any is indicated.