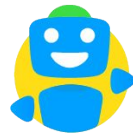




GSTR-3B with



cleartax GST

Claim 10% Provisional
ITC in Form GSTR-3B

What is the new rule relating to Provisional ITC in Form GSTR-3B?

As per the new sub-rule (4) inserted in rule 36 of the Central Goods and Service Tax Rules, 2017, a taxpayer filing GSTR-3B can claim provisional Input Tax Credit (ITC) only to the extent of **10% of the eligible credit*** available, in respect of invoices or debit notes, the details of which have been uploaded by the suppliers in the GSTR-2A. The ITC claim will not be allowed in full for any recipient if their suppliers have not furnished the details of their outward supplies.

**Note: 20% provisional ITC was applicable from 9th Oct 2019 till 31st Dec 2019 but the same is changed to 10% provisional ITC with effect from 1 Jan 2020.*

How to calculate Provisional ITC ?

Example: Let's decode the new rule on provisional ITC limit with an example. If a taxpayer is filing his GSTR-3B for the month of January 2020, here is how he would claim input tax credit in his GSTR-3B before and after the implementation of the rule.

*[*Eligible ITC is the ITC relating to a taxpayer's business activities such as purchases made, services received, capital assets bought, etc. which is eligible to be claimed to set-off GST liabilities. The GSTR-2A could also contain ineligible ITC reflecting that relates to expenses such as food, club memberships, personal expenditure, etc or even ITC mistakenly reflecting due to the wrong GSTIN entered by a supplier. Hence, only eligible ITC will be considered while calculating the limit for 10% provisional credit.]*

S no.	Particulars	Before (Rs)	After (Rs)
A	Eligible ITC* available in the Purchase Register	100000	100000
B	Eligible ITC* in GSTR-2A	60000	60000
C	ITC that can be claimed as provisional credit	40000	6000 (60000 *10%)
D = B + C	Total ITC that can be claimed in GSTR-3B	100000	66000
E = A - D	ITC not allowed in GSTR-3B of January 2020	Nil	34000

Follow these steps to compute Provisional ITC
using ClearTax

‘Login’ to [ClearTax GST](#) → Select a ‘Business’ → Under the ‘Returns’ tab → Select ‘GSTR-3B’

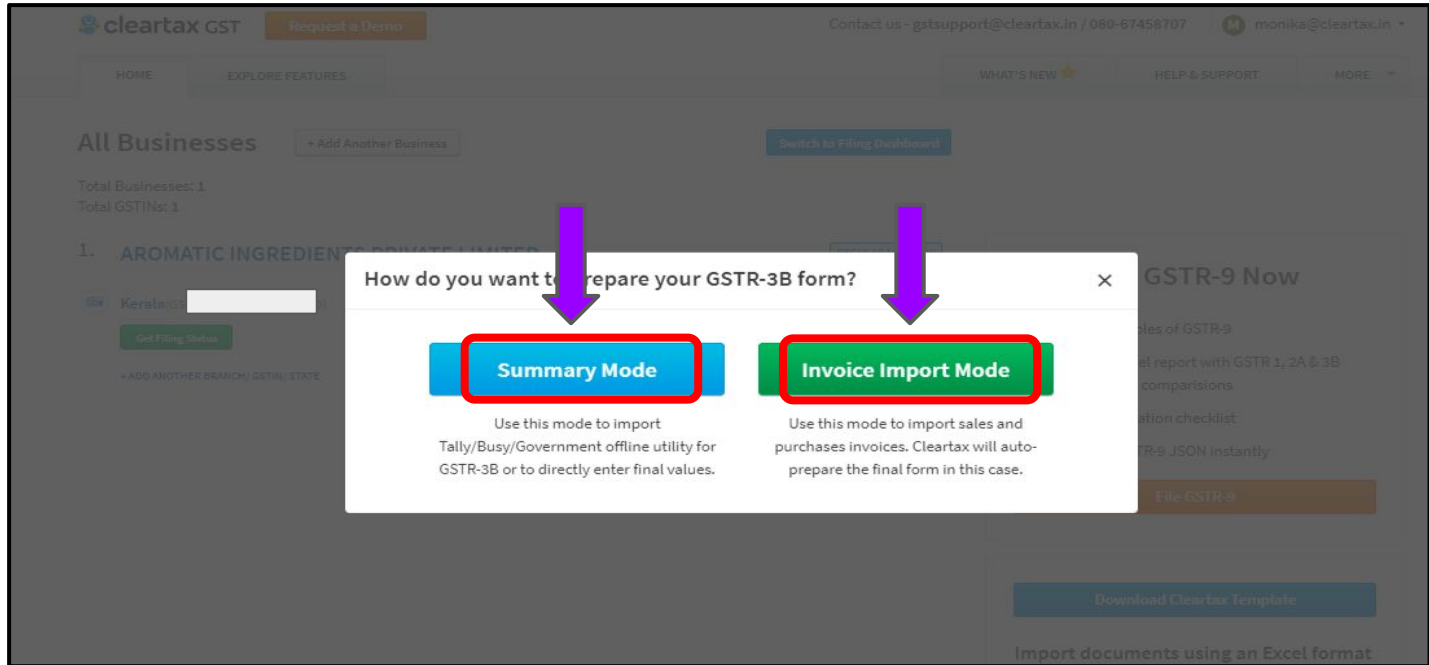
The screenshot displays the ClearTax GST desktop application interface. At the top, there is a navigation bar with the ClearTax GST logo, a 'Request a Demo' button, a 'Filing Dashboard' button, and contact information. Below this is a secondary navigation bar with 'HOME', 'EXPLORE FEATURES', 'WHAT'S NEW', and 'HELP & SUPPORT'.

The main content area is titled 'All Businesses' and shows a list of businesses. The first business listed is 'Chandigarh'. For this business, the 'Returns' tab is highlighted with a red box, and a purple arrow points down to it. A dropdown menu is open under the 'Returns' tab, showing options for 'All GST Returns', 'GSTR-1', and 'GSTR-3B'. The 'GSTR-3B' option is highlighted with a red box, and a purple arrow points to it from the left.

On the right side of the interface, there are two promotional banners. The top one is for 'ClearTax GST Desktop A' and the bottom one is for 'Match & Claim ITC for F 2018 - 19'.

There are **2 ways** to prepare your GSTR-3B through ClearTax:

1. Summary Mode
2. Invoice Import Mode



Select a mode to file **GSTR-3B** → Under the ‘**Review GSTR-3B**’ tab → Scroll down

The screenshot shows the ClearTax GST dashboard for user HARI PAN:AC. The navigation menu includes DASHBOARD, BILLING, RETURNS, IMPORTS, REPORTS, MATCHING, and MORE. The ' RETURNS ' tab is active, and the '5. Review GSTR-3B' option is highlighted with a red box and a purple arrow. The main content area displays the 'GSTR-3B Summary | Oct 2019' section, which includes instructions on how to file the return and a prominent 'Autofill Now' button. Below the instructions, there are sections for '3.1 Details of outward supplies and inward supplies liable to reverse charge' and '3.1 Details of outward supplies and inward supplies liable to reverse charge', with a table header visible for the latter.

GSTR-3B Summary | Oct 2019 [Explain this](#)


- To file GSTR-3B, you need to prepare the below form.
- If you have imported Sales & Purchase invoices or created them using ClearTax Invoicing, click on “Autofill Now” You can also directly enter the values in the forms, instead of auto-filling from invoice data.

Autofill Now
Auto-fill GSTR-3B form based on Sales & Purchase Invoices

[Print](#) [Edit](#) [Compare Tax With GSTR-1](#)


Nature Of Supplies	Total Taxable Value	Integrated Tax	Central Tax	State/UT Tax	Cess
(a) Outward taxable supplies * (other than zero rated, nil					

Under **'Table 4. Eligible ITC'** → Click on **'Get GSTR-2A data'** to download the GSTR-2A data

4. Eligible ITC 

[Compare ITC With GSTR-2A](#)

New Update: ITC Claim for all registered suppliers shall not exceed eligible ITC in GSTR-2A by more than 10%.
[Read more about this new rule 36\(4\)](#)

Get GSTR-2A data 

Eligible ITC	Integrated Tax	Central Tax	State/UT Tax	Cess
(A) ITC Available (whether in full or part)				
(1) Import of goods Explain this	--	--	--	--
(2) Import of services Explain this	--	--	--	--
(3) Inward supplies liable to reverse charge (other than 1 & 2 above) Explain this	--	--	--	--
(4) Inward supplies from ISD Explain this	--	--	--	--
(5) All other ITC Explain this	63,420.02	62,008.88	62,008.88	--
(B) ITC Reversed				
(1) As per rules 42 & 43 of CGST Rules Explain this	--	--	--	--
(2) Others Explain this	--	--	--	--
(C) Net ITC Available (A) - (B)				
Total Explain this	63,420.02	62,008.88	62,008.88	--
(D) Ineligible ITC				
(1) As per section 17(5) Explain this	--	--	--	--
(2) Others Explain this	--	--	--	--
Total Net ITC Available (A) - (B) Explain this	63,420.02	62,008.88	62,008.88	--

Click on **'Download Data From GSTN'** to initiate the download of GSTR-2A data

Download request has been initiated with GSTN

Download GSTR-2A data

1. GSTR-2A 2. GSTR-3B

To download latest data click on "Download data from GSTN". Download available once a day.
For download of large number of Invoices click on "Check Status" to know updated status.

Download Data From GSTN Cancel Download Data From GSTN Retry For Failed Return Periods

Data computation in progress

Month	Document Type	Status	Last Updated
October 2019	Sales Invoice	Your request is currently processing.	January 22nd 2020, 1:54 pm
	Sales Invoice (Amended)	Your request is currently processing.	January 22nd 2020, 1:54 pm
	Credit/Debit Note (Amended)	Your request is currently processing.	January 22nd 2020, 1:54 pm
	Credit/Debit Note	✔ Data as of January 22nd 2020 is available.	January 22nd 2020, 1:54 pm
November 2019	Sales Invoice	Your request is currently processing.	January 22nd 2020, 1:54 pm
	Credit/Debit Note (Amended)	Your request is currently processing.	January 22nd 2020, 1:54 pm
	Credit/Debit Note	✔ Data as of January 22nd 2020 is available.	January 22nd 2020, 1:54 pm

You will be informed once the data is downloaded.

Download GSTR-2A data

1. GSTR-2A 2. GSTR-3B

To download latest data click on "Download data from GSTN". Download available once a day.
For download of large number of Invoices click on "Check Status" to know updated status.

[Download Data From GSTN](#) [Cancel Download Data From GSTN](#) [Retry For Failed Return Periods](#)

Data computation completed [Re-compute](#)

Month	Document Type	Status	Last Updated
October 2019	Sales Invoice (Amended)	✔ Data as of January 22nd 2020 is available.	January 22nd 2020, 1:52 pm
	Credit/Debit Note (Amended)	✔ Data as of January 22nd 2020 is available.	January 22nd 2020, 1:52 pm
	Sales Invoice	✔ Data as of January 22nd 2020 is available.	January 22nd 2020, 1:52 pm
	Credit/Debit Note	✔ Data as of January 22nd 2020 is available.	January 22nd 2020, 1:52 pm
November 2019	Credit/Debit Note (Amended)	✔ Data as of January 22nd 2020 is available.	January 22nd 2020, 1:52 pm
	Sales Invoice (Amended)	✔ Data as of January 22nd 2020 is available.	January 22nd 2020, 1:52 pm
	Credit/Debit Note	✔ Data as of January 22nd 2020 is available.	January 22nd 2020, 1:52 pm

Once the GSTR-2A data is downloaded, ClearTax will compute the ITC Claim as per the [new rule](#) → Click on '**Download Report**' to download the **provisional 10% ITC** excel report.

4. Eligible ITC Compare ITC With GSTR-2A

Please download report to view detailed calculations

ITC Claim in Section 4(A)(5): ₹1,87,437.78 Maximum Limit of ITC as per new rule: ₹2,21,713.25

[Read more about this new rule 36\(4\)](#)

Download report

2A downloaded on Jan 22nd 2020
[Refresh GSTR-2A data](#)

Eligible ITC	Integrated Tax	Central Tax	State/UT Tax	Cess
(A) ITC Available (whether in full or part)				
(1) Import of goods Explain this	--	--	--	--
(2) Import of services Explain this	--	--	--	--
(3) Inward supplies liable to reverse charge (other than 1 & 2 above) Explain this	--	--	--	--
(4) Inward supplies from ISD Explain this	--	--	--	--
(5) All other ITC Explain this	63,420.02	62,008.88	62,008.88	--
(B) ITC Reversed				
(1) As per rules 42 & 43 of CGST Rules Explain this	--	--	--	--
(2) Others Explain this	--	--	--	--
(C) Net ITC Available (A) – (B)				
Total Explain this	63,420.02	62,008.88	62,008.88	--
(D) Ineligible ITC				
(1) As per section 17(5) Explain this	--	--	--	--

Note: Consider the **Maximum ITC** that can be claimed in GSTR-3B and use the same in GSTR-3B Table 4A(5) in order to comply with the new rule.

10% ITC Rule report - 3B Compliance						
Business Name	Sai					
GSTIN Name	Kerala					
GSTIN						
Period	122019					
% additional ITC allowed beyond GSTR-2A as per latest notification	10%					
% additional ITC allowed for Oct and Nov 2019 as per previous notification	20%					
Calculations	Description	IGST	CGST	SGST	CESS	Total ITC
A	Total as per GSTR-2A (Invoice + CDNs) (Reverse Charge Excluded)	60387.52	62186.76	62186.76	0.00	184761.04
B(1)	Ineligible credit in GSTR-2A (Enter manually in relevant cells)	0.00	0.00	0.00	0.00	0.00
B(2)	Ineligible credit due to Place of supply different from Receiver State in GSTR-2A	0.00	0.00	0.00	0.00	0.00
C = A - B(1)-B(2)	Total Eligible credit in GSTR-2A	60387.52	62186.76	62186.76	0.00	184761.04
D = 110% x C	Maximum credit that can be availed based on extra 10% rule 36(4)	66426.27	68405.44	68405.44	0.00	203577.14
E	ITC entered in Section 4A(5) of GSTR-3B (usually entered from books)	63420.02	62008.88	62008.88	0.00	187437.78
F = if E>D then E-D else 0	ITC claimed above permissible limit as per 10% rule	0.00	0.00	0.00	0.00	0.00
G = Minimum of D or E	ITC that should claimed as per rules	63420.02	62008.88	62008.88		187437.78
H = X in below table	ITC to be adjusted in current month based on cumulative difference for previous filed months as per 10% rule 36(4) , (positive value means upward adjustment)	1992.69	-3211.46	-3211.46	0.00	-4430.23
I = G + H	Final value of ITC to be entered for current month in Table	65412.71	58797.42	58797.42	0.00	183007.55

Thank You!

[Login](#) | [Follow](#)

For any queries, contact us:

Write to: gstsupport@cleartax.in or Call us on: 080-67458707

We are happy to assist!