

FAQs > GST ITC-01

1. What is GST ITC-01?

Registered person who is entitled to claim credit of input tax under section 18 (1) is required to file a declaration in Form 'GST ITC-01'. The credit may be availed for inputs held in stock, inputs contained in semi-finished or finished goods held in stock or capital goods as mentioned below:

- Filing of Form GST ITC-01 will enable a newly registered taxpayer to take credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date from which he becomes liable to pay tax under GST provisions.
- Filing of Form GST ITC-01 will also benefits the taxpayers who have taken registration on Voluntarily Basis, to take credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date of grant of registration.
- Filing of Form GST ITC-01 will enable the taxpayer who opts out of composition scheme and opts to pay tax as a normal taxpayer, to take credit of input tax in respect of inputs held in stock, inputs contained in semi-finished or finished goods held in stock or on capital goods on the day immediately preceding the date on which he becomes liable to pay tax under Section 9.
- Filing of Form GST ITC-01 will entitle such registered persons whose supply of goods and/or services becomes taxable from exempt, to take credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock relatable to such exempt supply and on capital goods exclusively used for such exempted supply on the day immediately preceding the date from which such supply become taxable.

2. Input Tax Credit can be availed on which goods?

Input tax credit can be availed on following goods:

- Inputs held in stock
- Inputs contained in semi-finished or finished goods held in stock
- Capital goods (Only in case where composition taxpayer opting out of the composition scheme and opts to pay tax as normal taxpayer or where the supply of exempted goods and/or services become taxable supply). Such persons will ensure that the input tax credit on capital goods shall be claimed after reducing the tax paid on such capital goods by 5 percentage points per quarter of a year or part thereof from the date of the invoice or such other document in which capital goods were received by the taxable persons.

3. When can I claim Input Tax Credit?

Registered person can claim credit of the inputs tax in respect of eligible stock of goods within 30 days from the date of becoming eligible to avail ITC under sub-section (1) of section 18 or within such further period as may be extended by the Commissioner:

- Claim under clause (a) or clause (b) of sub-section (1) of section 18 can be made only once.
- Claim under clause (c) of sub-section (1) of section 18 can be made once in a financial year.
- Claim under clause (d) of sub-section (1) of section 18 can be made as and when the exempted supply become taxable.

4. By when do I need to claim Input Tax Credit?

The input tax credit can be claimed for invoices up to one year prior to the date of grant of approval /opting out of composition scheme or exempt supplies becoming taxable and will be counted on or after appointed day. For capital

goods the invoices can be dated 5 years prior to the date of grant of approval /opting out of composition scheme or exempt supplies becoming taxable.

5. What are the pre-conditions to claim Input Tax Credit?

The claim in Form GST ITC-01 should be filed by the registered person within a period of thirty days from the date of becoming eligible to avail the input tax credit in terms of Section 18 of the Act. If the declared amount of ITC is more than Rs. 2 Lakh, then the details given in Form GST ITC-01 should be certified by practicing CA/Cost Accountant.

6. What will happen once the Form GST ITC-01 is filed?

Once the Form GST ITC-01 is successfully filed, the amount of ITC claimed would be posted to your credit ledger; ARN is generated and SMS and Email are sent to the taxpayer.