

# FAQs> Form GST ITC-03

## 1. What is Form GST ITC-03?

Form GST ITC-03 is to be filled up by those taxpayers who opt for composition scheme or where goods or services or both supplied by taxpayer becomes wholly exempt. This form is to be filed by taxpayers, to pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to credit availed in respect of:

- Inputs held in stock, and
- Inputs contained in semi-finished goods or finished goods held in stock, and
- Capital goods or plant and machinery

## 2. When filing of Form GST ITC-03 is needed for a taxpayer?

In following conditions taxpayer must file Form GST ITC-03:

- Taxpayer has opted for composition scheme or goods or services or both supplied by a taxpayer becomes wholly exempt.
- Taxpayer has availed ITC in respect of input held in stock and input contained in semi-finished goods or finished goods held in stock and on capital goods or plant and machinery.

## 3. From where can I as taxpayer file Form GST ITC-03?

Form GST ITC-03 can be accessed on the GST Portal, post login by the taxpayer.

The path is **Services > Returns > ITC Forms**.

## 4. What is the frequency for filing Form GST ITC-03?

Registered person can file 'Form GST ITC-03' only once in a financial year for opting for composition scheme. For reversal/payment of tax in case of exemption of supplies it can be filed multiple times, as and when notifications exempting such supplies are issued by Government.

## 5. Can I preview the Form GST ITC-03 before filing?

Yes, you can preview the Form GST ITC-03 before filing it on the GST Portal.

## 6. What is MAKE PAYMENT button for? What happens when MAKE PAYMENT button is clicked?

**MAKE PAYMENT** button is clicked to pay off the liabilities, computed based on details declared by the taxpayer. Once you click the **MAKE PAYMENT** button, liabilities are payed off and you cannot make any changes to Form GST ITC-03.

## 7. Why do I need to create a Challan?

If available cash balance in Electronic Cash Ledger is less than the amount required to offset the liabilities; additional cash is required for paying the liabilities. You need to create the challan for that additional cash required, to offset the liabilities.

## 8. GST Portal has auto-populated the "Tax to be paid through ITC" fields. Can I edit the amount for ITC utilization?

“Tax to be paid through ITC” fields show optimum credit utilization amounts by the GST Portal, based on provisions of the law/rules relating to credit utilization. However, you may edit the ITC utilization. As you change ITC utilization, the cash to be paid by you will also change.

## 9. What are the modes of signing Form GST ITC-03?

You can file Form GST ITC-03 using DSC, or EVC.

### Digital Signature Certificate (DSC)

Digital Signature Certificates (DSC) are the digital equivalent (that is electronic format) of physical or paper certificates. A digital certificate can be presented electronically to prove one's identity, to access information or services on the Internet or to sign certain documents digitally. In India, DSC are issued by authorized Certifying Authorities. The GST Portal accepts only PAN based Class II and III DSC.

### Electronic Verification Code (EVC)

The Electronic Verification Code (EVC) authenticates the identity of the user at the GST Portal by generating an OTP. The OTP is sent to the mobile phone number of the registered mobile phone of Authorized Signatory filled in part A of the Registration Application.

## 10. What happens after Form GST ITC-03 is filed?

After Form GST ITC-03 is filed:

- ARN will be generated in the GST portal and the same will be communicated to Taxpayer by SMS and E-mail, on their registered mobile number and e-mail id respectively.
- Balance of credit lying in Electronic Credit Ledger will lapse on filing of this form, after ITC reversal /payment of tax, in case of Opt-in for composition scheme.

## Filing Nil Form GST ITC-03

### 11. Can I file Nil Form GST ITC-03?

Yes, you can file Nil Form GST ITC-03.

### 12. When can I file Nil Form GST ITC-03?

You can file Nil Form GST ITC-03, if you have -

- (a) No stock of inputs or inputs contained in semi-finished and finished goods or capital goods on the day immediately preceding the day on which composition scheme has commenced; or
- (b) The stock of inputs or inputs contained in semi-finished and finished goods or capital goods on the day immediately preceding the day on which composition scheme has commenced but you have not claimed input tax credit (ITC) on the same.

### 13. From where can I as taxpayer file Nil Form GST ITC-03?

You can preview and file Nil Form GST ITC-03 by navigating to **Services > Returns > ITC Forms** option.

**Note:** You can preview Nil Form GST ITC-03 before filing.

### 14. What are the modes of signing Nil Form GST ITC-03?

You can file Nil Form GST ITC-03 using DSC or EVC.

**Note:** Filling using DSC is mandatory for the class of taxpayers (Companies etc.) as specified in the rules.

## 15. What happens after Nil Form GST ITC-03 is filed?

After Nil Form GST ITC-03 is filed, ARN will be generated in the GST Portal and the same will be communicated to taxpayer by SMS and E-mail, on their registered mobile number and e-mail id respectively.