

M/s. Texmo Industries

Authority for Advance Ruling — Gujarat

ORDER No. 11 /AAR/2019 DATED 27.02.2019

Q Questions Before the Authority

- Whether it is admissible to take input tax credit in respect of an input (invoice) at any time within the limitation prescribed under Section 16(4) i.e., before the due date of furnishing of return under Section 39 of the TNSGST/CGST Act, for the month September following the end of the financial year to which such return relates or furnishing annual return whichever is earlier.
- Whether, in cases of inverted duty structure as that of the applicant, it is admissible to avail input tax credit on an input (invoice) before the period prescribed for taking credit under Section 16(4) of GST Act.
- Whether, in cases of inverted duty structure as that of the applicant, it is admissible to claim refund of the accumulated credit availed before the period prescribed for taking credit under Section 16(4) of GST Act.

F Facts

The applicant is a partnership firm engaged in the manufacture of power-driven water pumps. They operate under an inverted duty structure where the tax rate on inputs (18%-28%) is higher than the tax rate on their output (12%), leading to a perennial accumulation of unutilized input tax credit. The applicant sought an advance ruling regarding the timing of availing input tax credit and the subsequent eligibility to claim a refund of the accumulated credit.

H Ruling

Admissibility of ITC and refund under inverted duty structure

Dismissed as withdrawn

The applicant requested withdrawal of the application before a ruling was issued.

The authority did not provide a ruling on the merits of the questions presented. The application was dismissed as withdrawn at the request of the applicant.

R Reasoning

The applicant initially sought clarification on the timing of input tax credit and refund eligibility under an inverted duty structure. During the proceedings, the applicant was granted multiple opportunities to be heard and was asked to submit specific invoices and documentation to support their request. Subsequently, the applicant filed a letter dated 15.02.2019 requesting the withdrawal of their application. Consequently, the authority dismissed the application as withdrawn without addressing the legal questions.

P Provisions Relied On

Section 98 of the Goods and Services Tax Act, 2017

Section 16(4) of the CGST Act

Section 54(3)(ii) of the SGST and CGST Act

Rule 104 of CGST Rules 2017 and SGST Rules 2017



For the Practitioner

This order is **procedural only** and does not provide any legal interpretation regarding the timing of input tax credit or refund claims under an inverted duty structure. It serves as a record that the applicant chose not to pursue their request for an advance ruling. Practitioners should note that this document **does not establish a precedent** on the substantive issues raised.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> [tn-11-aar-2019-texmo_industries_0.pdf](#)

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