

C. B. Thakar

Query: GST ACT Whether a GST refund can be claimed under Section 54 on account of accumulation of ITC due to an Inverted Tax Structure in the following case: The dealer is engaged in the manufacture and supply of Corrugated Boxes (HSN 48191010), taxable at 5% GST w.e.f. September 2025. The principal input is Kraft Paper, on which GST is paid at 18%, resulting in substantial accumulation of ITC. Whether refund of such accumulated ITC is admissible under the GST provisions relating to Inverted Duty Structure? Any relevant notification, circular, or judicial pronouncement may kindly be shared. Reply: The refund under inverted tax structure is eligible as per section 54(3)(ii) of CGST Act. The said section is as under: “Section 54. Refund of tax.- ** (3) Subject to the provisions of sub-section (10), a registered perso.....