

**THE AUTHORITY FOR ADVANCE RULING
IN KARNATAKA
GOODS AND SERVICES TAX
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD
GANDHINAGAR, BENGALURU – 560 009.**

F. No. KAR. AAR 07/2026

Order No. KAR.ADRG 07/2026

Date: 11.02.2026

Present:

1. Shri. Kalyanam Rajesh Rama Rao

Additional Commissioner of Customs & Indirect Taxes . . . Member (**Central**)

2. Shri. Sivakumar S Itagi

Additional Commissioner of Commercial Taxes . . . Member (**State**)

1	Name and address of the applicant	M/s Hemanth Kumar B S (M/s Hanuman Fashion), # No.41. 2 nd and 3 rd Floor, 8 th Cross, 1 st main Road, Prakruthi Layout, Thotadaguddahalli, Nagasandra, Bangalore-560073.
2	GSTIN or User ID	29AEEPH1574G1ZJ
3	Date of filing of Form GST ARA-01	18.12.2024
4	Represented by	Shri Shyam Sundar M.S, Authorised Representative, vide Authorisation letter dated 18.12.2025
5	Jurisdictional Authority – Centre	The Principal Commissioner of Central Tax, Bengaluru North West Commissionerate
6	Jurisdictional Authority – State	ACCT, LGSTO-065A, Bengaluru
7	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of Rs.5,000/- under CGST Act & Rs.5,000/- under KGST Act through debit from Electronic Cash Ledger vide reference No. DC2912240139121 dated 18.12.2024.

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017
& UNDER SECTION 98(4) OF THE KGST ACT, 2017**

M/s Hanuman Fashion, (herein after referred to as 'the Applicant), No.41. 2nd and 3rd Floor, 8th Cross, 1st main Road, Prakruthi Layout, Thotadaguddahalli, Nagasandra, Bangalore-560073, having GSTIN 29AEEPH1574G1ZJ, have filed an application for Advance Ruling under Section 97 of CGST Act, 2017 read with Rule 104 of CGST Rules, 2017 and Section 97 of KGST Act, 2017 read with Rule 104 of KGST Rules, 2017.



2. The applicant is engaged in the business of readymade garments manufacturing. The applicant sells majority of the products through E-commerce Operators i.e. Myntra, Flipkart, Meesho etc. The applicant pays 30% of selling price as E-Commerce Operating charges and receives Input tax credit for the same. The applicant declares that their 95% Output tax rate is 5% and remaining is 12%.

3. In view of the above, the applicant has sought advance ruling in respect of the following questions:

- a) ***Due to application of the formula, we can claim GST refund of only Rs.20,43,082/- under Inverted Duty Structure category, hence please suggest us how can we claim refund of total ITC (Including ITC on Input Services) i.e. Rs.55,24,971 (1,45,40,464- 90,15,493) or***
- b) ***Can we claim GST Refund under "Refund on Any other Ground" category, since without any formula application we can claim full refund amount under this category.***
- c) ***Please suggest us the best possible solution to our concern.***

4. **ADMISSIBILITY OF THE APPLICATION**: The applicant, under column 13 of the application ARA-01, selected the following issue "Determination of the liability to pay tax on any goods or services or both". However, it is observed that the applicant raises the issue regarding Refund claim issue under Inverted Duty Structure. Hence, the instant application is **not admissible** under Section 97(2) (e) of the CGST Act 2017.

5. **BRIEF FACTS OF THE CASE**: - The applicant submits the Application for Advance Ruling for refund related issue on Inverted duty structure. The applicant is engaged in manufacturing of readymade garments and accumulated input tax credit on account of rate of tax on inputs being higher than the rate of tax on output supplies.

6. **APPLICANT'S INTERPRETATION OF LAW**: - The Applicant has not submitted any interpretation of law and facts relevant to the issue.

7. **PERSONAL HEARING PROCEEDINGS HELD ON 18.12.2025**

Shri Shyam Sundar M.S, Authorised Representative of the applicant appeared for personal hearing proceedings held on 18.12.2025, before this authority and reiterated the submissions already made along with the application.

FINDINGS & DISCUSSION

8. *At the outset we would like to make it clear that the provisions of the CGST Act, 2017 and the KGST Act, 2017 are in pari materia and have the same provisions in like matters and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the KGST Act.*



9. We have considered the submissions made by the applicant in their application for advance ruling. We have also considered the issues involved on which advance ruling is sought by the applicant, relevant facts, and the arguments made by the applicant and the submissions made by their learned representative during the time of hearing.

10.1 We have carefully examined the application made by the applicant M/s Hanuman Fashion, the submissions provided therein, the arguments advanced during the personal hearing. The issue for consideration is "Determination of the liability to pay tax on any goods or services or both". The application for advance ruling is liable to be rejected for the following reasons.

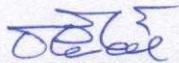
10.2 The applicant seeks clarifications on the manner of claiming refund of accumulated input tax credit under the Inverted Duty Structure and on the possibility of claiming refund under the category "refund on any other ground". These questions relate to refund administration and are not in the nature of determining liability to pay tax, classification of goods or services, admissibility of input tax credit, or any other matter enumerated under section 97(2) of the CGST Act, 2017.

10.3 Section 95(a) read with section 97(2) of the CGST Act, 2017 restricts the jurisdiction of this Authority to questions specified by the applicant. The applicant seeks Advance Ruling relating to the quantification or sanction of refund of accumulated input tax credit fall within the domain of refund provisions under section 54 of the CGST Act, 2017 and the rules made thereunder, which lie outside the ambit of matters specified in section 97(2) and hence beyond the jurisdiction of this Authority.

11. In view of the foregoing, we pass the following.

R U L I N G

The application filed by the applicant for advance ruling is rejected under Section 98(2) of the CGST Act, 2017.

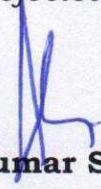


(Kalyanam Rajesh Rama Rao)

Member

MEMBER

Place: Bengaluru, Karnataka Advance Ruling Authority
Date: 11.02.2026 Bengaluru - 560 009



(Sivakumar S Itagi)

Member

MEMBER

Karnataka Advance Ruling Authority
Bengaluru - 560 009

To,
The applicant

Copy to:

1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
3. The Principal Commissioner of Central Tax, Bengaluru North West Commissionerate
4. The Assistant Commissioner of Commercial Taxes, LGSTO-065A, Bengaluru.
5. Office Folder.

