

NEWSLETTER

ANAND BRANCH OF WIRC OF ICAI

**BIG CHEERS**



On the Anand  
Branch's Foundation Day

**JUNE 2025**



IN A  
**Nutshell**

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From The Chair

Dear Esteemed Members,

Warm greetings to all of you!

It gives me immense pride and joy to share the recent experience of my interaction with our Hon'ble President of ICAI, CA. Charanjot Singh Nanda, during the National Conference jointly organized by the Vadodara Branch. His powerful vision and passionate leadership truly inspired me. He firmly believes that the Chartered Accountancy profession stands at the threshold of transformation — and he expects active participation and contribution from each one of us to carry the legacy forward with strength, dignity, and innovation.

As we look ahead, the countdown begins for our most awaited celebration — CA Day on 01st July. A day of pride, reflection, and unity. Our committee is planning a series of meaningful and memorable activities to mark the occasion, and I look forward to your enthusiastic presence. Another moment of joy was the house full screening of “Well Done CA Sahab”, which beautifully portrayed the journey of a CA — from the sleepless nights of articleship to the overwhelming moment of achieving the prestigious title. Watching it together with our members and their families was not just entertainment, but a celebration of our shared journey.

Let's continue to learn, evolve, and support each other as proud members of this noble profession.

With warm regards,  
CA. Ronak Goyal  
Chairman, Anand Branch of WIRC of ICAI

From The Editor

Dear Esteemed Members,

Warm greetings!

As we turn the pages of another eventful quarter, I invite you all to be a part of this newsletter — not just as readers, but as contributors. Your articles, experiences, success stories, or technical insights can inspire and enlighten many. Let's make this newsletter a mirror of our professional strength and unity. We also encourage members looking for article clerks, job seekers, or firms with openings to share their requirements — we're happy to publish these opportunities and connect talent with the right platform.

As we look ahead to CA Day on 1st July, a day of pride and reflection for every Chartered Accountant, let's prepare to celebrate the journey that defines our excellence, ethics, and evolution.

Before I close, a gentle reminder — do renew your ICAI Membership and COP fees at the earliest to stay active and continue enjoying all benefits by filling your KYM Form.

Let's continue learning, growing, and supporting each other — together, we move forward.

Warm regards,  
CA. Rajan Anandpara  
Editor, Newsletter – Anand Branch of WIRC of ICAI



# Scheme for Financial Assistance to Integrated Logistics Facilities

Scheme Name: Gujarat Integrated Logistics and Logistics Park policy 2021

Operative period: 2nd August 2021 to 1st August 2026

## Logistics facilities include below-

- a. Logistics parks / multi modal logistics parks
- b. Inland Container Depot
- c. Container Freight station
- d. Air freight station
- e. Private Freight Terminal
- f. Air Cargo Complexes
- g. Cold chain facility
- h. Warehouse
- i. Truck Terminals
- j. Silos

## Quantum of assistance – Eligible new unit / project:

Capital Subsidy	25% of Eligible Fixed Capital Investment (EFCI)
	Maximum Rs. 15.00 Crore
Interest Subsidy	7% on term loan with maximum amount of Rs. 50.00/- Lakhs per annum for a period of 7 years.  Unit / project shall bear minimum 2% interest levied on term loan by bank / Financial institution
Stamp Duty	One time reimbursement of 100% of stamp duty paid to State Govt.
	Maximum :- No Limit
Electric Duty	100% exemption of electricity duty for a period of 5 years
	Maximum :- No Limit
Patent	70% of cost incurred for obtaining patents (domestic and international)
	Maximum :- Rs. 25.00/- Lakhs per unit.



# Scheme for Financial Assistance to Integrated Logistics Facilities

Scheme Name: Gujarat Integrated Logistics and Logistics Park policy 2021

Operative period: 2nd August 2021 to 1st August 2026

Quality Certification	50% of the amount spent on quality certification
	Maximum :- Rs. 10.00 Lakhs
Assistance for skill development	Reimbursement of Rs. 15000 / Rs. 10,000 / Rs. 5,000/- per trainee for more than 120 Hrs / 61 to 80 Hrs / 40 to 60 Hrs of Training
	Maximum :- 30 Employees p.a
Technology Assistance	50% of expenditure incurred for technology acquisition including royalty payments for first 2 years
	Maximum :- 50.00 Lakhs



The author is member & Past Chairman of Anand Branch and can be reached out at .....

Author :- CA Ketan Samdani  
Mobile :- 95865 87717  
Email - cakgs3010@gmail.com

# ITC Refund on Closure of Business

## Introduction

The Goods and Services Tax (GST) regime in India has been under constant evolution, with various judicial pronouncements shaping its interpretation and application. One recurring issue concerns the treatment of unutilised Input Tax Credit (ITC) in exceptional situations, particularly when a business is discontinued or its registration is cancelled. While the Central Goods and Services Tax (CGST) Act, 2017 lays down clear rules for refund of ITC under specified conditions, it remains silent on the issue of refund in cases of business closure. In a recent judgment, the Hon'ble High Court of Sikkim allowed the refund of accumulated Input Tax Credit (ITC) lying in the Electronic Credit Ledger of the petitioner upon the discontinuance of its business. The Court placed reliance on the decision of the Hon'ble Karnataka High Court in the case of Slovak India Trading Co. Pvt. Ltd., rendered under the erstwhile CENVAT regime, wherein it was held that refund of unutilised credit cannot be denied solely on account of business closure in the absence of an express prohibition in the law. Applying similar reasoning, the Sikkim High Court observed that there is no express bar under Section 49(6), read with Section 54 of the Central Goods and Services Tax Act, 2017, to claim refund of unutilised ITC upon cessation of business operations. While Section 54(3) specifically enumerates two scenarios for claiming refund of unutilised ITC, the Court clarified that the statute does not authorise retention of tax or credit by the State without a clear statutory mandate.

SICPA India Private Limited Vs Union of India and Others (WP(C) No.54 of 2023), DATED: 10th June, 2025

## Outline of the Case Facts

The petitioner was engaged in the business of manufacturing security inks and solution with GST registration in the state of Sikkim.

The petitioners in January, 2019, decided to discontinue its operation in the State of Sikkim, and sold all the machineries and manufacturing facilities from April, 2019 to March, 2020.

At the time of sale of assets, the Petitioners had appropriately reversed the ITC as per the applicable provisions under the GST law.

The Petitioners had accumulated balance of ITC amounting to Rs. 4,37,61,402/- only, on account of the closure of its business and accordingly claimed refund of such unutilized ITC balance, in terms of Section 49(6) of the CGST Act, 2017 read with Section 54 of the CGST Act, 2017.

The Assistant Commissioner of CGST and Central Excise, Gangtok Division, rejected the petitioners' refund application for unutilized Input Tax Credit (ITC) lying in the Electronic Credit Ledger, following the discontinuance of their business, via an order dated 08.02.2022.

The Appellate Authority, vide its order dated 22.03.2023, upheld the earlier order dated 08.02.2022 passed by the Assistant Commissioner.

It observed that, based on a combined reading of Sections 54(3) and 29 of the CGST Act, 2017, the current legal provisions do not allow refund of unutilised Input Tax Credit (ITC) in cases where a business is discontinued or closed. The authority further noted that Section 54(3) specifically limits the refund of unutilised ITC to only two situations, and business closure is not one of the permitted grounds for such a refund.

## Legal Issue before the court

Whether the refund of ITC under Section 49(6) of the CGST Act is only limited to companies carved out under Section 54(3) of the CGST Act or does every registered company have a right to refund of ITC in case of discontinuance of business?

## Relevant Legislative Provision

### a. Section 49(6) of Act:

“49. Payment of tax, interest, penalty, and other amounts.— ..... (6) The balance in the electronic cash ledger or electronic credit ledger after payment of tax, interest, penalty, fee, or any other amount payable under this Act or the rules made thereunder may be refunded under the provisions of section 54.

## b. Section 54(3)

"54. .... (3) Subject to the provisions of sub-section (10), a registered person may claim refund of any unutilized input tax credit at the end of any tax period: Provided that no refund of unutilized input tax credit shall be allowed in cases other than— (i) zero rated supplies made without payment of tax; (ii) where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies), except supplies of goods or services or both as may be notified by the Government on the recommendations of the Council: Provided further that no refund of unutilized input tax credit shall be allowed in cases where the goods exported out of India are subjected to export duty:

Provided also that no refund of input tax credit shall be allowed, if the supplier of goods or services or both avails of drawback in respect of central tax or claims refund of the integrated tax paid on such supplies."

### Petitioner's Contention

Section 49(6) of the CGST Act provides for refund of the balance in Electronic Cash Ledger and Electronic Credit Ledger after payment of tax in accordance with the provisions of Section 54 of the CGST Act which lays down the procedure for refund.

Section 54(3) of the CGST Act is the exception carved out in the provision, which requires that a registered company may claim refund of unutilized ITC at the end of any tax period, provided that, no refund of unutilized ITC shall be allowed except as provided in Section 54(3)(i) and (ii) of the CGST Act.

It contended that the said provision cannot take away the vested right of ITC accrued to the petitioners and refund thereof under section 49(6) of the CGST Act.

### Department's Contention

Closure or discontinuance of business is not recognised under the CGST Act as a valid ground for claiming refund of unutilised Input Tax Credit (ITC).

Section 49(6) of the CGST Act does not operate independently to grant refunds but merely refers to the procedure laid down in Section 54, which prescribes specific conditions under which refund of unutilised ITC may be claimed.

Moreover, Section 29(5) of the CGST Act provides for reversal of ITC upon cancellation of registration but not a refund.

The Petitioners attempt to seek refund of unutilized ITC on account of business closure is devoid of support in the statute. Consequently, the Petition deserves a dismissal.

### Judicial Analysis and Findings by the Hon'ble High Court

Section 49(6) provides the refund of balance after payment of tax, interest and penalty and other amounts, fees etc. will be made under the provisions of Section 54 of the Act.

Although refund will be made under the provisions of Section 54 of the Act only with two circumstances where refund can be made, and would not extend to the refund of unutilized input tax on account of closure of the business.

By taking the reference of case Law The Union of India vs. Slovak India Trading Company Private Limited (MANU/KA/0709/2006), the company had applied for refund for unutilized input credit which was

available, at the time of closure of unit. The Customs, Excise and Service Tax Appellate Tribunal (CESTAT) allowed the refund stating inter alia that it cannot be rejected on closure of the company. The High Court agreed and opined that there is no express prohibition in Rule 5 of the CENVAT Credit Rules, 2002.

Similarly, in the instant matter there is no express prohibition in Section 49(6) read with Section 54 and 54(3) of the CGST Act, for claiming a refund of ITC on closure of unit. Although, Section 54(3) of the CGST Act deals only with two circumstances where refunds can be made, however the statute also does not provide for retention of tax without the authority of law.

## Final Judgement



Hon'ble High Court of Sikkim held the Petitioners are entitled to the refund of unutilized ITC claimed by them and it is ordered so. The impugned Order dated 22-03-2023, in of the Appellate Authority is set aside. Writ Petition is accordingly allowed and disposed of.

## Conclusion



This judgment by the Hon'ble High Court of Sikkim is a significant milestone in GST jurisprudence, particularly for businesses undergoing closure. It upholds the principle that ITC is a vested right, and unless explicitly barred by the statute, refund cannot be denied.

The High Court reinforced the principle that tax authorities cannot retain taxes or credit without clear legal authority. While the legal reasoning adopted by the Court may be reviewed or challenged in the future, the decision offers significant relief to businesses that are shutting down their operations.



CA. Mona Vishal Darji

The author is member of Anand Branch and can be reached out at .....  
Mobile - 9558944845  
Email - [ravishah\\_ca@yahoo.co.in](mailto:ravishah_ca@yahoo.co.in)  
Website - [www.rsco.in](http://www.rsco.in)

# GST & Warehouses:

## No ITC on Construction After 'Plant and Machinery' Amendment

### Why This Matters

Warehouses are at the core of India's logistics growth. Many businesses invest in constructing warehouses specifically for renting, expecting that since rental income is taxable under GST, they should be entitled to Input Tax Credit (ITC) on the construction costs.

But Section 17(5)(d) of the CGST Act creates a blockade—and the 2025 amendment has made that blockade tighter and more permanent.

### Before vs. After: The Legal Shift

Here's how the law looked before and after the Finance Act, 2025:

Element	Before Amendment	After Amendment (2025)
Language in Section 17(5)(d)	...other than plant or machinery	...other than plant and machinery
Loophole used by taxpayers	Buildings could be argued as "plant" based on usage/functionality	Buildings strictly excluded from "plant and machinery"
Result	ITC sometimes allowed through court rulings (Safari Retreats)	ITC clearly disallowed on warehouse construction
Retrospective Effect	Not applicable	Yes – backdated to 1 July 2017

### What the Courts Said vs. What the Law Now Says

Chief Commissioner of Central Goods and Service Tax vs. Safari Retreats (P.) Ltd. [2024] 167 taxmann.com 73 (SC)/[2024] 90 GSTL 3 (SC)/[2024] 106 GST 250 (SC)[03-10-2024]

- Held that if a building is essential for providing taxable services, it could be treated as "plant".
- Introduced the functionality test: Use over form.

Amendment via Finance Act, 2025:

- 17(5)(d) Added Explanation 2 — For the purposes of clause (d), it is hereby clarified that notwithstanding anything to the contrary contained in any judgment, decree or order of any court, tribunal, or other authority, any reference to "plant or machinery" shall be construed and shall always be deemed to have been construed as a reference to "plant and machinery".]

"Plant and machinery" shall not include buildings or civil structures, overriding any contrary court ruling. This applies irrespective of usage.

 Verdict: You cannot claim ITC on constructing a warehouse, even if you're renting it and charging GST.

 When ITC is Allowed vs. Disallowed

Scenario	ITC Available?	Notes
Constructing a warehouse to rent out	✗ No	Blocked under Section 17(5)(d)
Renovation/repair (not capitalized)	✓ Yes	If not capitalized as asset
Post-construction inputs (cleaning, security)	✓ Yes	Operational, not construction
Construction for further supply of works contract service	✓ Yes	Exception under clause (c)
Renting a warehouse (paying GST on rent)	✓ Yes	Can claim ITC on rent paid
Constructing a warehouse for own exempt supply	✗ No	Not used for taxable output

 What "Plant and Machinery" Means

Explanation.— For the purposes of this Chapter and Chapter VI, the expression "plant and machinery" means apparatus, equipment, and machinery fixed to earth by foundation or structural support that are used for making outward supply of goods or services or both and includes such foundation and structural supports but excludes—

- (i) Land, building or any other civil structures;
- (ii) Telecommunication towers; and
- (iii) Pipelines laid outside the factory premises.

✓ So even if your warehouse is used purely for generating taxable rental income, it doesn't count as "plant and machinery".

📌 Conclusion: If you construct a warehouse on your own account—even for renting—you cannot claim ITC on its construction inputs.

CA. Prinsa Prajapati

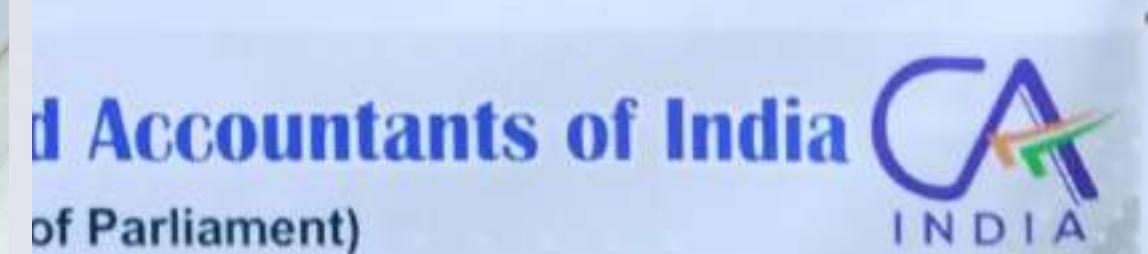
The author is member of Anand Branch and can be reached out at .....  
Mobile - +91 79905 15494  
Email - caprinsa@cahpn.com  
www.cahpn.com



The Anand Branch of WIRC of ICAI joyfully celebrated its Foundation Day on 9th June, marking another milestone in its journey of professional service and community development. The celebration was filled with gratitude, pride, and renewed commitment to excellence. Members fondly reflected on the branch's achievements and the collective efforts that continue to shape its legacy.



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The Anand Branch of WIRC of ICAI had the privilege of being a joint organizer of the prestigious National Conference, graciously hosted by the Vadodara Branch. The event was marked by insightful sessions, impactful discussions, and enthusiastic participation from members across the region. The highlight of the conference was the presence of CA. Charanjot Singh Nanda, Hon'ble President of ICAI, who graced the occasion and felicitated the event with his inspiring address and leadership vision. Anand Branch is proud to have contributed to the success of this national-level initiative.



CA Chintan Patel delivered a focused and insightful session on "Financial Statements for Non-Corporate Entities." He effectively explained the key reporting requirements, disclosure norms, and practical considerations relevant to such entities. Members appreciated his clarity and real-world approach, making the session highly useful and informative.



Date of Event :- 21/06/2025  
Speaker - CA Vipul Pandit

Topic:-  
Understanding ITR Forms

CA Vipul Pandit conducted an insightful session on Understanding ITR Forms, simplifying the recent changes and clarifying common doubts. His clear explanations and practical approach made the session highly beneficial for members during the ongoing return filing season.



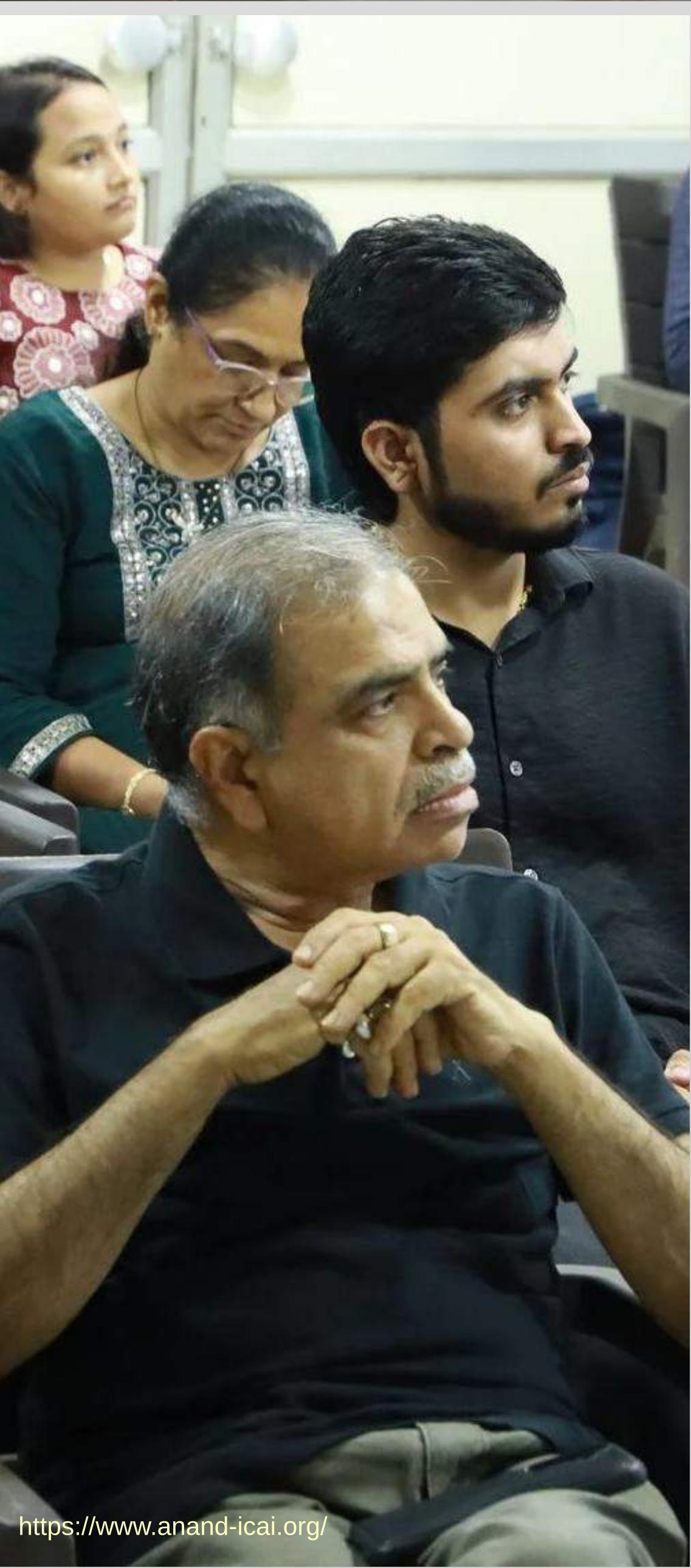
Date of Event :- 21/06/2025

Speaker - CA Suraj Jain

Topic :-

ZOHO Software - Features and Benefits

CA Suraj Jain delivered an engaging session on Zoho Practice Management Software and Zoho Books, highlighting features like automation, import utilities, and integration with accounting tools. His practical insights offered members smarter ways to manage their practice beyond overloaded emails and WhatsApp, making the session truly relevant and impactful.



# CA Meet Organized by Bank Of Baroda – Anand Region

In A Commendable Initiative, The Regional Manager Of Bank Of Baroda, Anand Region, Who Is Also A Chartered Accountant, Organized A C.A Meet To Introduce And Explain The Latest Banking Products And Services. The Session Aimed To Strengthen Professional Collaboration And Create Awareness Among Members About Financial Offerings Relevant To Clients And Practices. Members Appreciated The Informative Interaction And The Proactive Outreach By The Bank.





**C A Sujeet Kumar  
(Regional Head - B O B Anand Region)**

Date of Event :- 27/06/2025

Speaker - CA Ketan Samdani

Topic:-  
International MSME Day

On the occasion of International MSME Day, CA Ketan Samdani delivered an insightful seminar highlighting the vital role of MSMEs in the global economy. He discussed growth opportunities, compliance frameworks, and the expanding scope for Chartered Accountants to support MSMEs in domestic and international markets. The session was highly appreciated for its relevance and practical perspective.



# "CA to Cinema – Time for a Tax-Free Break!"

Anand Branch organized a special movie screening of "Well Done CA Sahab", giving members and their families a nostalgic and emotional journey through the life of a Chartered Accountant.

From the struggles of articleship, demanding classes, and moments of failure — to the ultimate triumph of becoming a CA — the film struck a personal chord with every viewer. It was more than entertainment; it was a celebration of our shared journey.



"Let your family witness the story behind  
every CA title."



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## Open Positions

Articled Assistant **03** (M/F)  
Accountant **02** (M/F)

## Area of Exposure

Accounting, Taxation, Audit, Tax Litigation

## Preferences for Accountant

Basic knowledge of Tally, GST & TDS;  
Qualification: CA-Inter, B.Com & M.Com.  
Long term vision to work.





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Bank of Baroda



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