

Ashit Shah

4 Eligibility of Input Tax Credits (ITC) on Share Buyback expenses: Facts of the matter: Gujarat Narmada Valley Fertilizers & Chemicals Limited sought an advance ruling on whether they could claim Input Tax Credit (ITC) on expenses incurred for buyback of shares as Government of Gujarat passed a Resolution dated 24.4.2023, directing all SPSUs [State public sector undertaking] to strengthen their financial management in the form of capital restructuring to realize potential for market capitalization. Contention of the applicant: The buyback was undertaken in the “course or furtherance of business”; It improved financial standing, created shareholder value, reduced capital costs; It was initiated following a Government Resolution directing SPSUs to strengthen financial management Expenses like pr.....