

M/s. Konkan LNG Private Limited

Authority for Advance Ruling — Maharashtra

NO.GST-ARA-123/18-19/2024-25/B- 640, Mumbai, dt. 18/12/2025

Dated **18.12.2025**

Q Questions Before the Authority

- Whether on the facts and circumstances of the case and as per the law, the applicant is not eligible to avail/utilize the input tax credit of the taxes paid in terms of section 16 read with section 17 of the MGST ACT / CGST ACT (CGST/ SGST / IGST) to the supplier of goods/ services on the construction of the break water wall, which is an important and integral part of the existing jetty and very much required for the purpose of safety and longevity of the jetty and it imperative for making the existing jetty as fully workable as an all-weather jetty and hence improves the operational efficiency of the applicant.
- Whether on the facts and circumstances of the case and as per the law and scope of work, the works contract services which the KLPL intends to procure is not predominantly earth work (that is, constituting more than 75 percent. of the value of the works contract) and the services of the works contract by the contractor is covered under item (vii) of serial No.3 of Table of the Notification No. 11/2017-Central Tax (Rate) dated 28th June, 2017 as amended by Notification No. 31/2017 - Central Tax (Rate) dated 13th October, 2017.

F Facts

The applicant operates an LNG regasification plant and constructed a breakwater wall to protect its jetty from rough sea conditions, enabling year-round operations. They sought an advance ruling on whether they could claim Input Tax Credit (ITC) on the goods and services procured for this construction. The project involved a works contract with M/s. Larsen & Toubro Ltd.

H Ruling

Eligibility for ITC on breakwater wall construction	No, the applicant is not eligible to avail the ITC.	The breakwater is classified as an immovable structure and not plant and machinery.
Classification of works contract services	No ruling is given.	The Authority stated it cannot rule on matters affecting the rights of a non-party contractor.

The Authority ruled that the applicant is not eligible to avail ITC on the services used for the construction of the breakwater wall. Regarding the second question, the Authority declined to provide a ruling, citing that the applicant is not the service provider and that such a ruling would affect the rights of the contractor who is not a party to the application.

R Reasoning

The Authority determined that the breakwater wall is a **civil structure** and does not qualify as 'plant and machinery' under the explanation to Section 17 of the CGST Act. It held that the construction is blocked under **Section 17(5)(c)** and **Section 17(5)(d)** of the CGST Act, which restricts ITC for works contract services used for

the construction of immovable property. The Authority further noted that recent amendments via the Finance Act, 2025, and the insertion of Explanation 2 to Section 17, clarify that references to 'plant and machinery' must be construed strictly, rendering the applicant's reliance on the functionality test and the Safari Retreats judgment inapplicable.

P Provisions Relied On

Section 16 of the CGST Act	Section 17 of the CGST Act
Section 17(5)(c) of the CGST Act	Section 17(5)(d) of the CGST Act
Section 95 of the CGST Act	Section 100 of the CGST Act
Notification No. 11/2017-Central Tax (Rate)	Notification No. 31/2017-Central Tax (Rate)

! For the Practitioner

This ruling reinforces the **strict interpretation** of the exclusion of civil structures from the definition of 'plant and machinery' for ITC purposes. It highlights the Authority's refusal to rule on tax classifications that primarily impact the service provider's obligations when the provider is not a party to the proceedings. Practitioners should note the impact of the 2025 legislative amendments in narrowing the scope for claiming ITC on immovable property construction.

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 -> 3-konkan lng private limited 0.pdf

Prepared 12-10-2026.

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Pune (HQ)

RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Delhi

3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Ahmedabad

Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp...

Mumbai

104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Gurugram

Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram...

Talk to us: **+91 94594 56700** | sales@patronaccounting.com | patronaccounting.com