

PREMLATA RAKESH JAIN [Trade Name:- M/s Sambhav Warehousing]

Authority for Advance Ruling — Gujarat

GUJ/GAAR/R/2025/62

Dated **23.12.2025**

Q Questions Before the Authority

- Whether ITC is admissible for the goods or services utilized for the construction of warehouse or shed from which storage and warehousing services are provided as furtherance of business or provided on rent.

F Facts

The applicant is engaged in the business of providing storage and warehousing services and is constructing a warehouse. They sought an advance ruling on the admissibility of Input Tax Credit (ITC) for goods and services used in the construction of this warehouse, specifically in light of the Supreme Court judgment in the Safari Retreats case.

H Ruling

Admissibility of ITC for warehouse construction

No

The applicant is not eligible to avail ITC on construction materials and services used for the warehouse.

The Authority ruled that the applicant is not eligible to avail ITC on the goods and services used for the construction of the warehouse. It concluded that the recent legislative amendments have nullified the effect of the Safari Retreats judgment regarding the interpretation of Section 17(5)(d).

R Reasoning

The Authority noted that Section 17(5)(d) of the CGST Act was amended by the Finance Act, 2025, to substitute the term 'Plant or Machinery' with a definition that explicitly excludes land, building, or any other civil structures. This amendment, effective from 01.10.2025, was specifically designed to override the functional test interpretation established in the Safari Retreats case. Consequently, the construction of a warehouse falls under the blocked credit category as it constitutes a civil structure.

P Provisions Relied On

Section 17(5)(c) of the CGST Act, 2017

Section 17(5)(d) of the CGST Act, 2017

Section 124 of the Finance Act, 2025

Notification No. 16/2025-CT dated 17.09.2025



For the Practitioner

This ruling confirms that the **legislative amendment** to Section 17(5)(d) has effectively closed the window for claiming ITC on construction expenses for warehouses, even if used for business purposes. It clarifies that the **functional test** approach from the Safari Retreats case is no longer applicable for such construction. Practitioners should advise clients that ITC on civil structures for warehousing is now **strictly blocked**.

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-premlata_rakesh_jain.pdf

Prepared 12-10-2026.

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