GUJARAT AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX D/5, RAJYA KAR BHAVAN, ASHRAM ROAD, AHMEDABAD – 380 009.	NATION TAX MARKET

ADVANCE RULING NO. GUJ/GAAR/R/2026/10
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2025/AR/34

Date:07 /04/**2026**

Name and address of the applicant	:	M/s. Cadila Pharmaceuticals Limited Plot No.1389, Trasad Road, Dholka, Ahmedabad, Gujarat, 382225
GSTIN of the applicant	:	24AAACC6251E1Z5
Jurisdiction Office	:	Center Commissionerate -Ahmedabad-North Division - Division-V - Dholka Range - Range II
Date of application	:	21.08.2025
Clause(s) of Section 97(2) of CGST/GGST Act, 2017, under which the question(s) raised.	:	(d)
Date of Personal Hearing	:	06.02.2026
Present for the applicant	:	Ms Priyanka Kalwani and Ms Aanchal Trivedi, Advocates.

Brief facts:

M/s. Cadila Pharmaceuticals Limited, 3203, GIDC Estate, Bharuch, Ankleshwar, Gujarat -393002 [for short – '*applicant*'] is registered under GST and their GSTIN is 24AAACC6251E1Z5.

2. The Applicant is a public limited company incorporated under the provisions of the Companies Act, 1956 and is inter alia engaged in the manufacture and supply of Active Pharmaceutical Ingredients (API). In order to enhance their operational efficiency and cost optimization, they are setting up a Solvent Recovery Plant ("SRP") for recycling solvents and a Mobile Effluent Treatment Plant ("METP") for treatment and disposal of wastewater used in various stages of API production. In order to carry out the construction work of the SRP & METP plant, the Applicant has issued various Purchase Orders to three suppliers namely Uma Infra Project Co., Parth Construction and Kirti Infrastructure Ltd.

3. The SRP typically utilizes distillation, adsorption or 2.5 membrane separation processes to reclaim solvents from waste streams, enabling reuse and reducing environmental impact. The detailed process is as under: -

- **During production**: The Applicant uses multiple solvents and upon completion of these processes, a resultant Spent Solution is generated which comprises of residual solvent mixed with other chemical substances.
- **Spent Solution**: The spent solution can neither be reused directly due to the presence of impurities that may compromise product quality, nor can it be disposed of directly as it contains valuable recoverable material and may pose environmental and regulatory concerns.
- **Recovery of usable solvent**: The spent solution is subjected to a controlled distillation process within the SRP. The solution is heated to temperatures close to the solvent's boiling point, causing the solvent to vaporize. The vaporized solvent is passed through a condenser where it is cooled and converted back into liquid form.
- **Outcome**: The recovered solvent is free from contaminants and suitable for re-use in production and the separated impurities are handled and disposed of as per environmental regulations.
- **Recovered Solvent**: It is collected in designated storage tanks and transferred through pumps to the manufacturing units as per production requirements.

4. As the solvent recovery process involves a highly controlled and regulated process to ensure quality, efficacy, and safety, the following equipment will be installed inside the SRP plant, namely: -

- **Reactor:** It is used for flash distillation of spent solvent. The reactor rapidly heats the spent solvent mixture, causing the volatile solvent component to vaporize quickly while the heavier residues remain.
- **Kettles/Reboiler/Distillation columns**: These equipments are used for fractional distillation of spent solvents. The Kettles/Reboilers provide the heat source for distillation, ensuring consistent vapor generation whereas distillation columns facilitate the separation of solvent mixtures based on differing boiling points.
- **Phase separators**: It is used to separate immiscible liquid phases based on density differences, such as solvent-water or solvent-organic impurities. Often

used after condensation and before distillation to ensure efficient separation. It clears separation of solvent for recovery and water/effluent for treatment.

- **Heat Exchangers**: It facilitates temperature control during various stages of the SRP process and ensures optimal energy usage. It is used to pre-heat spent solvents before distillation and to cool recovered solvent vapors post-distillation.
- **Storage Tanks/ Intermediate Receivers**: These tanks help to segregate solvents by grade, batch or recovery stage and provide temporary or long-term storage of solvents at various stages. Its essential function is to store spent insolvents before processing, hold intermediate solvent fractions post-distillation and collect recovered solvents ready for reuse in API manufacturing.
- **Centrifugal Pumps**: It handles the transfer of liquid throughout the plant and facilitates seamless, closed-loop solvent handling to avoid manual exposure and contamination.
- **Brine Chiller**: It provides deep chilling for low temperature solvent consideration. It uses brine solution as a coolant to achieve temperatures lower than water-based chilling systems.
- **Water Chiller:** It cools down process solvents or effluent before phase separation or storage and is generally used for standard chilling requirements in the SRP system.
- **Cooling Towers:** These cooling towers act as a support system for distillation and heat exchange operations as it provides general purpose cooling for utilities in the SRP system by circulating cooling water used in heat exchangers and condensers.

5. These equipments cannot be placed directly on the land or its surface without adequate structures to support them. Due to the operational load, torque, and vibrations generated during use, a specifically engineered foundation is essential prior to the installation of such equipments. The foundation serves critical purposes, including providing structural stability, preventing overturning, absorbing vibrations, and ensuring proper alignment and positioning of the equipment. In the absence of such a foundation, the machinery is susceptible to operational damage, misalignment, and potential hazards due to instability. Therefore, the aforementioned equipment is installed and supported on Reinforced Cement

Concrete (RCC) foundation coupled with steel structural support. This robust foundation is critical to ensure inherent stability and strength required for these precision machines and equipment during operation. Similar equipments are also installed for the purpose of Mobile Effluent Treatment Plant (METP). The construction is done as per IS 456:2000 (Code of practice for plain and reinforced concrete) and IS 800: 2007 (General construction in steel Code of Practice). The foundations are constructed as per IS 2974 (Code of practice for design and construction of machine foundations).

6. As per the applicant, the following construction has been undertaken for the foundation and steel structures on which the various machinery and equipment are installed in the SRP and METP:-

Sr. No.	Description of work as per PO	Nature of work
1.	Civil work for SRP Building in Unit-2	The SRP is comprised of various equipment viz. reactors, kettles/reboiler/distillation columns, phase separators, heat exchangers, storage tanks/intermediate receivers, centrifugal pumps, brine chiller, water chiller. In order to install such machinery and equipment, the Applicant is required to construct RCC structures including key load-bearing components such as beams, slabs, pedestals, etc. which are specifically designed to support the load of all installed equipment and ultimately transfer these loads to the ground through pile foundation which is also integral part of building. Similarly, all the MS steel structural members are taking the load and transferring the load to the RCC footings and beams. Such RCC foundation and

		steel structures are essential for installing the equipment in the SRP.
2	Tank Farm Area	These tank farms comprise of process tanks and raw material storage tanks. In order to install such tanks, a robust foundation is essential to ensure the structural stability and operational safety of these tanks. This includes the required combination of proper foundation, steel reinforcement, and concrete etc. designed to support the load and process requirements.
3	Civil work and fire pedestal work	In order to set up the fire hydrant system, which comprises various large tanks and pumps, the Applicant is required to construct RCC structures which include key load-bearing elements such as slabs, pedestals, etc. which are specifically designed to support the load of all installed equipment and ultimately transfer these loads to the ground.
4	Civil work for MPP-5 Unit-1	The MPP-5 is a building which houses a number of process and utility equipments. In order to install such equipments, the Applicant is required to construct RCC structures which include key load-bearing elements such as slabs, pedestals, columns, beams, etc. which are designed to support the load of all installed equipment and ultimately transfer these loads to the ground.
5	Civil work for METP work Unit-2	In order to install the machinery and equipment for the METP, the Applicant is required to construct RCC structures

		including key loadbearing components such as beams, slabs. pedestals, etc. which are specifically designed to support the load of all installed equipment and ultimately transfer these loads to the ground.
6	Civil work at Unit-2-RO MEE area	In order to install the machinery and equipment for the METP, the Applicant is required to construct RCC structures including key loadbearing components such as beams, slabs, pedestals, ete. which are specifically designed to support the load of all installed equipment and ultimately transfer these loads to the ground.
7	Civil work for intermediate building	The intermediate building houses a number of process and utility equipments. In order to install such equipments, the Applicant is required to construct RCC structures which include key loadbearing elements such as slabs, pedestals, columns, beams, etc. which are designed to support the load of all installed equipment and ultimately transfer these loads to the ground.
8	Civil work for piling	The pile foundations are constructed for the pipe rack within the API plant, which is essential for supporting the various machinery and associated utilities installed in the API plant. The pile foundation ensures structural stability and strength which is necessary for installing various machinery in the API plant.

9	Civil work for shuttering	Shuttering, commonly known as formwork, is the process wherein wet concrete is poured into a mold and held until it gains sufficient strength to be self-supporting. This essential structural element, prepared from wood, plywood, PVC or steel, is indispensable for all RCC structures. Formwork/shuttering dictates the final shape, size, and surface finish of the concrete, ensuring the structural integrity and precise dimensions required for foundations, columns, beams and slabs.

7. A site inspection dated 17.01.2025 was conducted by the Chartered Engineer, pursuant to which a plant inspection report dated 21.01.2025 has been issued to the Applicant, which certifies that the RCC foundation and steel structural works is being undertaken by the Applicant in order to install various equipment and machinery used in manufacture of APIs.

8. The suppliers viz. Uma Infra Project Co., Kirti Infrastructure Ltd. and Parth Construction have issued tax invoices to the Applicant from time to time to recover the consideration for construction of foundation and structural support for the various equipment installed in the SRP and METP plant within the factory premises of the Applicant and have discharged GST at the rate of 18% by adopting the SAC 995413 having description "*Construction services of industrial buildings such as buildings used for production activities (used for assembly line activities), workshops, storage buildings and other similar industrial buildings*". During the F.Y. 2024-25, Uma Infra Project Co., Kirti Infrastructure Ltd. and Parth Construction had raised tax invoices for total consideration of Rs.1.36,98,569.95/-. Rs.4.57,08,715/- and Rs.23,74,287/- respectively on which GST amounting to Rs.94,24,307/- has been discharged. The Applicant has availed the proportionate ITC amounting to Rs.94,24,307/- on these input services received from Uma Infra Project Co., Kirti Infrastructure Ltd. and Parth

Construction in relation to foundation and structural support for the various equipment installed in the SRP and METP within the factory premises of the Applicant.

9. The Applicant has sought a ruling on the following issue:

Whether the Applicant is eligible to avail ITC on input services used for construction of foundation and structural support for plant and machinery installed within the factory of the Applicant, for recovery of solvents and treatment of wastewater used in the manufacturing of Active Pharmaceutical Ingredients, in terms of Section 17(5)(c) of the CGST Act, 2017 ?

10. The applicant has submitted their interpretation of law as under: -

(a) The inputs and input services procured by the Applicant are in the course or furtherance of business of the Applicant in terms of Section 16 of the CGST Act. The SRP plant is to be used for recovery and reuse of solvents used in manufacturing APIs wherein these manufactured APIs will be supplied by the Applicant to its customers. Thus, the input services procured by the Applicant for construction of foundation and structural support for various equipment at the factory of the Applicant is in the course or furtherance of business of the Applicant.

(b) The input services procured by the Applicant are used for foundation and structural support of the equipment installed for SRP & METP plant, which are 'plant and machinery' in terms of Explanation to Section 17 of the CGST Act. In order to qualify as 'plant and machinery' in terms of Explanation to Section 17 of the CGST Act, two major requirements need to be satisfied - (a)It is an 'apparatus', 'equipment' or 'machinery' fixed to earth by foundation or structural support; (b) It is used for making an outward supply of goods or services or both.

(c) Various equipment which are to be set up in the SRP plant and METP plant will qualify as "apparatus since the system includes setting up of a collection of instruments, tools, parts or other equipment used for a particular well-defined purpose. It can also be said to be 'machinery' as the complete SRP and METP plant is a combination of various things/components and the

harmonious working of all such components results in the desired end of manufacturing APIs.

(d) As per CBIC Circular No. 219/13/2024- GST dated 26.06.2024, ducts and manholes used in the network of OFCs are falling within the scope of plant and machinery' in terms of Explanation to Section 17 of the CGST Act, 2017. An inference can be drawn that since various equipment installed are essential and necessary for SRP and METP plant which is in furtherance of manufacturing of APIs, accordingly, the equipment installed for the said purpose will be covered under the definition of plant & machinery' as they will be integral part used for making outward supply.

(e) The Applicant will recover solvent and treat wastewater, which is part of the process of manufacturing APIs, by using the equipment installed within SRP and METP plant. Thus, the said plant and machinery are used for making outward supply of goods/services.

(f) The expression "plant and machinery" under the Explanation to Section 17 of the CGST Act includes the foundation or structural support for such plant and machinery. 'Foundation and structural support' has not been defined in the CGST Act. Further, there exists no exclusion from the scope of 'foundation and structural support' when such work is undertaken for the installation and erection of the plant and machinery. Therefore, all such foundational works undertaken for the installation of plant and machinery shall be deemed to be part of plant and machinery in accordance with the Explanation under Section 17 of the CGST Act.

(g) The various equipments used for recovery of solvent and treatment of wastewater during the production of APIs are installed either on Reinforced Cement Concrete ("RCC") structures or on structural steel framework. The RCC structure provides a strong and stable foundation to support equipments, ensure proper alignment and are specifically designed to distribute load of heavy equipments. It includes key load-bearing elements such as columns, beams, slabs, pedestals, etc. In the present case, tank farms were installed on RCC circular platforms and machinery are installed on structural steel tied with steel beams connected to RCC beams to give structural support, strength and stability.

(h) Structural steel plays a crucial role in the installation and support of equipment due to its high strength-to-weight ratio and ability to withstand heavy loads. In the present case, pipe racks are designed to support the routing of pipelines that carry raw materials, finished products, and utility lines. These pipelines enable the transfer of materials between storage tanks and various process units including SRP and METP and other connected facilities. Therefore, cantilever RCC beams are used to provide primary support and stability to pipe racks, bearing both the self-load of the pipe rack and the dynamic load of the materials being transported.

(i) Detailed functions of various equipments installed with RCC and structural steel are as follows:-

Foundational and structural support to equipments in SRP plant: During recovery of solvent, recovered solvents are produced and the key equipments includes reactors, kettles, reboiler, distillation columns, phase separators, heat exchangers, storage tanks, centrifugal pumps, brine chiller, water chiller, cooling towers and analytical instruments for quality control. In order to ensure stability and structural support, RCC structure was created around them including key loadbearing elements such as columns, beams, slabs, pedestals, etc.

RCC structural support to tank farm area, fire pedestal: In SRP and METP plant, fire plants utilize specific equipments for fire protection such as fire pumps typically centrifugal or submersible (essential for delivering water at the necessary pressure and flow rate) and fire hydrant pipes. Due to variant pressure and vibrations, unanchored pumps may be misaligned causing various safety hazards. Moreover, the tank farm area contains process tanks and raw material storage tanks, and not civil water tanks or utility tanks, which need structural support. Thus, it was essential to mount these equipments on a concrete pedestal or RCC foundation.

Structural support to equipments in intermediate building and MPP building: Equipments such as reactors, centrifuges, filtration systems and high-speed dispersers are used in sub-station. These components are heavy, sensitive, and essential for the manufacturing plant and emergency systems. Improper or absent structural support can lead to equipment

failure, safety hazards, and regulatory noncompliance. Thus, structural support was critically important for these equipments.

Foundational RCC and Structural steel support to equipments in METP: METP uses similar equipments as used in SRP plant and thus needs similar structural and foundational support. Without proper structural support, they may collapse, misalign or rupture. Thus, RCC and structural support are essential for equipments in METP.

Structural support by piling and shuttering: Herein, piling is a critical structural activity undertaken to transfer the load of plant and machinery to deeper strata. ensuring long-term stability and operational integrity. Shuttering, on the other hand, is a necessary formwork used during the RCC casting process to shape and support the structural base during curing.

(j) It is submitted that ITC has been availed solely in relation to the foundational and structural support provided to plant and machinery as iterated above through RCC and structural steel components. It is further submitted that no ITC has been claimed in respect of civil works such as brickwork, plastering. flooring, or any other construction activity not directly attributable to the installation or support of equipment.

(k) It is further submitted that all the components of the equipments are capable of being dismantled and sold without being destroyed and embedded into the earth because of operational efficiency; it is not an immovable property.

(l) Reliance is placed on the ruling issued by the Appellate Authority for Advance Rulings, Gujarat in the case of In Re: KEI Industries Limited reported at 2025-VIL-37-AAAR. The issue was regarding ITC eligibility on inputs and input services used for construction of a concrete tower to act as foundation and structural support for VCV manufacturing line. It was held that the VCV manufacturing line qualifies as plant and machinery' and accordingly, the concrete tower is an essential foundation and structural support for such VCV manufacturing line. It was further observed that the concrete structure is not a general building but a specialized support system that is integral to the functioning of the machinery, providing stability and absorbing vibrations. It was held that ITC on inputs and input services used

for construction of concrete tower to support and erect the VCV lines at the factory of the applicant for manufacture of EHV cables is eligible to the applicant as it constitutes foundation and structural support for 'plant and machinery' in terms of Explanation to Section 17 of the CGST Act, 2017.

(m) Reliance in this regard is also placed on the decision of Sirpur Paper Mills Ltd. [1998 (97) E.L.T. 3 (S.C.), wherein the Hon'ble Supreme Court has held that where Plant & Machinery are capable of being dismantled and sold without being destroyed and are only embedded to the earth because of operational efficiency, it is not an immovable property. Applying this ratio, the ITC on input services procured for construction of RCC and structural steel for installing and structurally supporting equipments is eligible to the Applicant in terms of Section 17 of the CGST Act.

11. Personal hearing was granted on 06.02.2026 wherein Ms Priyanka Kalwani and Ms Aanchal Trivedi, Advocates appeared for the applicant and reiterated the facts & grounds as stated in the application.

Discussion and findings

12. At the outset, we would like to state that the provisions of both the CGST Act and the GGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provisions under the GGST Act.

13. We have considered the submissions made by the applicant in their application for advance ruling as well as the submissions made both oral and written during the course of personal hearing. We have also considered the issue involved, the relevant facts & the applicant's submission/interpretation of law in respect of question on which the advance ruling is sought.

14. The short issue to be decided is whether the applicant can avail ITC on the input services used for the construction of foundation and structural support for the equipments installed inside the SRP and METP plant. The equipments which are installed in these plants are Reactors, Kettles/Reboiler/Distillation columns, Phase separators, Heat Exchangers, Storage Tanks/ Intermediate Receivers, Centrifugal

Pumps, Brine Chiller, Water Chiller and Cooling Towers, whose functions has already been mentioned in Para 4 supra. As per the applicant, these equipments cannot be placed directly on land without adequate supporting structures or foundations to support them. The applicant's view is that they are eligible for ITC on input services which are used in the construction of these supporting structures/ foundations under Section 16 of the CGST Act, 2017. They are also of the view that these input services are not hit by the bar provided in Section 17, ibid.

15. As per Section 16 of the Act, ibid, a registered person is entitled to take credit of ITC charged on any supply of goods or services or both to him, which are used or intended to be used in the course or furtherance of his business. The applicant is in the business of manufacture and supply of Active Pharmaceutical Ingredients. To enhance their operational efficiency and cost optimization, they have set up a Solvent Recovery Plant ("SRP") for recycling solvents and a Mobile Effluent Treatment Plant ("METP") for treatment and disposal of wastewater used in various stages of API production. The functions of SRP and METP are detailed in Para 3. There are many equipments, as detailed in para 4 supra, which are installed in the SRP, which are used in recycling solvents. Similar equipments are also installed in the METP for the treatment and disposal of waste water. Further, these equipments have to be installed on foundations or supported by structures to provide structural stability, preventing overturning, absorbing vibrations, and ensuring proper alignment and positioning of the equipment. Since, the SRP and METP are used for enhancing the operational efficiency and cost optimisation in the manufacture of API, and the foundations and structural support are used for the various equipments used in SRP and METP, the input services used in the construction of foundations and structural support are used in the course or furtherance of the applicant's business.

16. While Section 16 entitles a registered person to take credit of ITC charged on any supply of goods or services or both to him, which are used or intended to be used in the course or furtherance of his business, Section 17(5) of the Act, ibid restricts the ITC in certain cases, even if they are used in the course or furtherance of business. The applicant is seeking ITC of the services used in the construction of foundations and support structures. These services are provided by M/s Uma Infra Project Co., M/s Parth Construction and M/s Kirti Infrastructure Ltd.. The details of work undertaken for the foundation and steel structures by the service providers, on

which the various machinery and equipment are to be installed in the SRP and METP, have been mentioned in Para 6 supra. The foundations are mostly MS Steel Structures and RCC, which comes under the ambit of works contract service. Section 17(5)(c) of the Act, ibid restricts the ITC of works contract services when supplied for construction of an immovable property. However, if the said works contract services are used in the construction of plant and machinery, then the ITC of the same can be availed by the service recipient.

17. Thus, the issue for determination is whether the foundation and structural support fall under the definition of '*plant and machinery*' as mentioned in Section 17 of the Act. Explanation to Section 17, defines what comes under the ambit of 'plant and machinery', which we reproduce below: -

> *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.*
>
> [Emphasis supplied]

As per the above explanation, '*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. The definition also includes foundation and structural support of the apparatus, equipment, and machinery but excludes land, building or any other civil structures, telecommunication towers and the pipelines laid outside the factory.

18. Thus, what qualifies as '*plant and machinery*' is an apparatus, equipment, and machinery which is fixed to earth by foundation. Apparatus, equipment and machinery are not defined in the Act. The dictionary meaning of an apparatus and an equipment is a collection of instruments, machines, tools, parts, or other equipment used for a particular purpose and that of machinery is a collection of items designed to perform a mechanical function. The various equipments which are set up in the SRP and METP would therefore qualify as an apparatus/machinery which are used to get the desired result. Since, the equipments qualify as an apparatus, they

as well as their foundation and structural support would fall under the ambit of '*plant and machinery*' in view of the Explanation appended to Section 17.

19. We have also gone through the Plant Inspection report dated 21.01.2025 issued by Shri Mihir V. Kamani, Chartered Engineer, which has been issued after the site inspection on 17.01.2025. The scope of the work as per the report is reproduced below: -

> *"Visual Inspection of machineries in plants were supported or installed on which structure. Describe structure on which machines installed, and also describe why is it necessary to make RCC/Steel structure to rest machineries on it."*

Subsequent to the site inspection, the Chartered Engineer has summarised that the majority of machinery is mounted on RCC and steel frameworks, with dedicated steel structures provided for pipe racks, high-rise equipment, and vessels. Supporting photographic evidence has also been provided. He has also emphasized that many machineries cannot be installed directly on open ground; rather, specialized civil structures are essential to manage dead loads, torque, vibrations, Dynamic load etc. Adherence to the relevant IS Codes is mandatory to ensure operational stability, prevent overturning, and reduce vibrations. In conclusion, he has submitted that the machineries were supported on RCC and Steel structures and these structures were made only to support the machines.

20. We find that CBIC in Circular No. 219/13/2024-GST dated. 26.06.2024 has clarified that ITC on ducts and manholes used in network of Optical Fiber Cables (OFC) are eligible, as they are the basic components for the OFC network used in providing telecommunication services. These ducts are necessary for not only laying of OFC but also their upkeep and maintenance. It was further observed in the Circular that ducts and manholes are covered under the definition of "*plant and machinery*" as they are used as part of the OFC network for making outward supply of transmission of telecommunication signals from one point to another. Moreover, ducts and manholes used in network of optical fibre cables (OFCs) have not been specifically excluded from the definition of "plant and machinery" in the Explanation to Section 17 of CGST Act, as they are neither in nature of land, building or civil structures nor are in nature of telecommunication towers or pipelines laid outside the factory premises. In the instant case, as per the applicant,

the RCC structures for foundations are an integral part of the machineries as without them the machinery cannot properly function. Further, structural steel plays a crucial role in the installation and support of equipment due to its ability to withstand heavy loads. The pipe racks are designed to support the routing of pipelines that carry raw materials, finished products, and utility lines. These pipelines enable the transfer of materials between storage tanks and various process units including SRP and METP and other connected facilities. Therefore, cantilever RCC beams are used to provide primary support and stability to pipe racks, bearing both the self-load of the pipe rack and the dynamic load of the materials being transported. Thus, when ITC on ducts and manholes used in network of optical fibre cables (OFCs) have been allowed, we are of the opinion that ITC is also available on foundation and structural supports. Moreover, they are also specifically included in the definition of "*plant and machinery*" in the Explanation to section 17 of CGST Act.

21. We now come to the exclusions to the definition of '*Plant and Machinery*', mentioned in the Explanation to Section 17, which are: -

(i) land, building or any other civil structures;

(ii) telecommunication towers; and

(iii) pipelines laid outside the factory premises.

While the foundations and structural supports are not specifically excluded from the definition of '*plant and machinery*,' a counter-argument may be made that their composition—primarily concrete and steel—places them within the ambit of '*other civil structures*'. We, however, find that the Gujarat Appellate Authority for Advance Ruling in the case of *Re: M/s KEI Industries Limited* [2025-VIL-37-AAAR], while holding that ITC on foundation and structural support relating to plant and machinery is allowed, has held that *'other civil structures'* means civil structures other than foundation and structural support to plant and machinery. The relevant portion of the order is reproduced below: -

> *"16. On going through the layout of the VCV line which is reproduced in the impugned ruling, the process inside VCV tower undertaken at each floor and the weight of the significantly heavy components to be placed on each floor [reproduced supra], we are in agreement with the appellant's averment that the concrete structure is essential to support and erect the VCV lines. It is more so since the appellant has stated that the concrete structure in the form of VCV tower serves as a critical foundation and support system for the manufacturing process; that it provides stable base for tower components;*

that it absorbs vibrations & ensures accurate positioning of extruder, cross head and other elements. Given these facts, we find that plant and machinery in terms of the second explanation, placed beneath section 17, ibid, specifically includes foundation and structural support. The exclusions from plant and machinery are also listed viz. (i) land, building or any other civil structures; (ii) telecommunication towers; and (iii) pipelines laid outside the factory premises. ***Further, 'other civil structures' means civil structures other than foundation and structural support to plant and machinery.***

17. Thus, the moment it is held that the ITC sought is on construction of foundation and structural support relating to plant and machinery, it moves out of the ambit of section 17(5)(c) and (d) even if it is on their own account. This being the case, we find that the applicant is eligible for availing the ITC on inputs and input services used for construction of concrete tower to support and erect the VCV lines at the factory of the appellant for manufacture of EHV cables.

18. The appellant, has also relied upon the clarification issued by CBIC vide its Circular No.219/13/2024-GST , dated 26.6.2024, viz……
…… Drawing the analogy from the aforementioned clarification, we find that when ITC is not restricted even in respect of ducts and manhole used in OFCs under section 17(5) of the CGST Act, 2017, the ITC, on inputs and input services used for construction of concrete tower to support and erect the VCV lines, for manufacture of EHV cables also, similarly, cannot be restricted."

22. In view of the foregoing, we rule as under: -

RULING

Ques.1. Whether the Applicant is eligible to avail ITC on input services used for construction of foundation and structural support for plant and machinery installed within the factory of the Applicant, for recovery of solvents and treatment of wastewater used in the manufacturing of Active Pharmaceutical Ingredients, in terms of Section 17(5)(c) of the CGST Act, 2017 ?

Ans 1: Yes, the Applicant is eligible to avail ITC on input services used for construction of foundation and structural support for plant and machinery installed within the factory of the Applicant, for recovery of solvents and treatment of wastewater used in the manufacturing of Active Pharmaceutical Ingredients, in terms of Section 17(5)(c) of the CGST Act, 2017.

(Sushma Vora)
Member (SGST)

(Vishal Malani)
Member (CGST)

Place: Ahmedabad
Date: 01/04/2026