

## Landmark Supreme Court Judgement on ITC for Construction Services under GST

The Hon'ble Supreme Court in the case of M/s. Safari Retreats Private Limited {Diary No. 37367/2019}, upholds the constitutional validity of Section 17(5)(d) of CGST Act, 2017 and allowed ITC on construction services when the immovable property is essential for providing taxable services, aligning with the broader objective of GST to avoid tax cascading.

The Court clarified that the buildings constructed for services like renting or leasing could qualify as an exception under the "plant" provision outlined in Section 17(5)(d) of the CGST Act, 2017, which generally disallows ITC on construction materials used for immovable property, except for plant or machinery.

The Court provided relief to taxpayers that ITC can be claimed for construction activities that meet the criteria of "plant or machinery," determined on a case-by-case basis.

***A detailed judgment is still awaited.***



# INDIRECT TAX

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