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

ADVANCE RULING NO. GUJ/GAAR/R/2026/15
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2025/AR/41)

Date:08/05/**2026**

Name and address of the applicant	:	M/s. Apar Industries Ltd., Survey No.114-116, 121, 228, Khatalwada-Tumb road, Khatalwada, Valsad, Gujarat-396120.
GSTIN of the applicant	:	24AAACG1840M3ZP
Jurisdiction Office	:	Office of the Assistant Commissioner of State Tax,Unit-74(Vapi),Range-18, Division-8.
Date of application	:	24.10.2025
Clause(s) of Section 97(2) of CGST/GGST Act, 2017, under which the question(s) raised.	:	(d)
Date of Personal Hearing	:	08.04.2026
Present for the applicant	:	Shri Amit Laddha, Advocate and Shri I.C.Thakur, representative of M/s. Apar Industries Ltd.

Brief facts:

M/s. Apar Industries Ltd., Survey No.114-116, 121, 228, Khatalwada-Tumb road, Khatalwada, Valsad, Gujarat-396120 [for short – '*applicant*'], is registered under GST and their GSTIN is 24AAACG1840M3ZP.

2. The applicant is engaged in manufacturing and supplying conductors, cable solutions, telecom solutions, speciality oils, lubricants etc. They are setting up a new factory at Vapi, Gujarat for the manufacturing of high-voltage cross-linked polyethylene (XLPE) insulated electrical cables and conductors. At the new facility, the applicant will set up the following production units which are integral to the manufacture of insulated electrical cables: (i) a Conductor manufacturing unit. (ii) a continuous Catenary Vulcanization Tower ('CCV Tower'). (iii) CCV Cable unit, and (iv) a High-tension/Low-tension unit which will house heavy duty machinery, including extruders, take-up-reels, vulcanization tubes and chambers and other

specialized equipment essential for the manufacturing and testing of high-quality, insulated electrical cables.

3. The CCV tower is a vertical steel structure specially designed to suit the technical elevation needed for the machinery and equipment utilized in the vulcanization process and these machines are to be necessarily installed at a catenary angle (a natural hanging curve) with strict dimensional tolerances which is essential during the vulcanization process for applying and distributing uniform heat and pressure to cross-link the polymer molecules on receiving the conductors from the Conductor Manufacturing unit. In the CCV towers, the cross-linking is conducted in extruders hung at a catenary angle by injecting nitrogen or steam/inert atmospheres at pressures upto 12 bar and temperatures between 250 degrees centigrade and 400 degrees centigrade. On successful cross-linking, the take up reels at the end of the line collect the insulated conductor for further processing. The gravitational path of the cable set up in a catenary angle enables precise control of line tension, minimizes elongation or sag, and maintains insulation concentricity within acceptable tolerances, which are essential to ensure the production of high quality insulated cables. A layout plan of the CCV tower is as under:

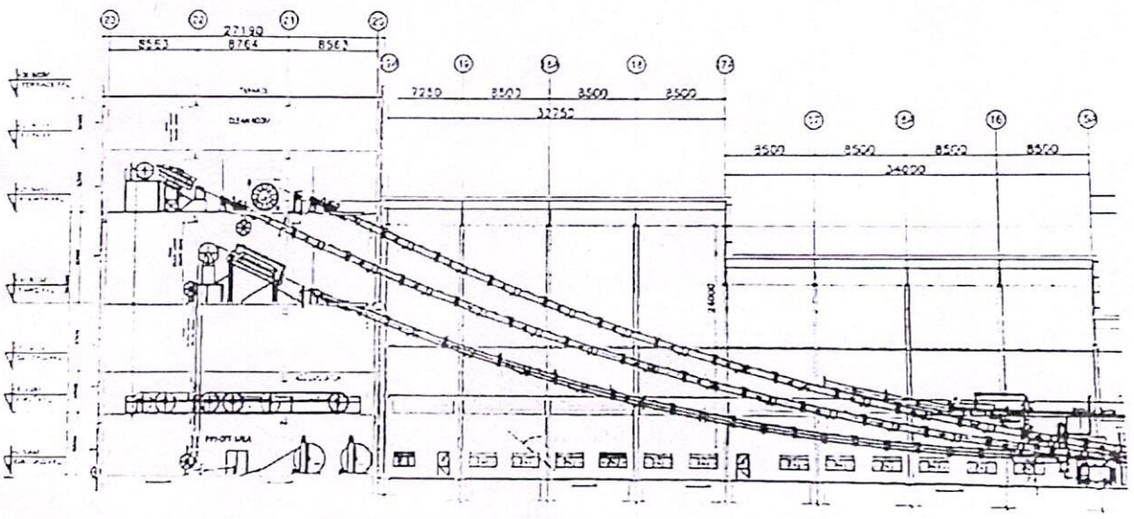

Fig.1: An Illustrative cross-section of the CCV Tower

4. The CCV tower has primarily two sections i.e. (i) the machinery section, wherein controlled functional segregation of processes such as extrusion, cooling and take-up, are carried out in designated zones ensuring thermal stability, process integrity and safe operational access for monitoring and maintaining a high precision, continuous manufacturing line and (ii) the raw material section, wherein raw materials and auxiliary inputs essential for cable production are kept for

continuous supply to the machineries set at different levels. The key machines and their functions on each level of the CCV tower are as follows:

CCV Tower	**Key Machines**	**Functions**
Ground level (+ 0.300 mtrs.)	Pay-off stands, cooling systems and associated equipment	It houses the core and heavy machinery in the production process. The pay-off stands are used to feed the conductor reels into the cable-making line and are designed to unwind the cables in a controlled fashion so as to maintain consistent tension and prevent deformation or breakage of the conductors. The cooling systems and associated equipment (such as water troughs, closed-loop water chillers and forced air coolers) are responsible for rapidly cooling the extruded and vulcanized insulation material. The Take up stands located at the output end, are to wind the finished, insulated cables into reels after they have passed through the extrusion and cooling stages without damaging the freshly insulated cable surface. The ground level also accommodates auxiliary systems such as vacuum pumps (for degassing the extruder feed), hydraulic power units, control cabinets for process monitoring and material feed hoppers for the extrusion system.
Level (+ 6.000m)	Accumulator.	The conductor received from the Conductor Manufacturing Unit on the ground floor is fed upward to level 1 where it enters the accumulator. The accumulator is a temporary storage loop, which helps to change the conductor drum in the payoff stands when it becomes empty and replaces it with a drum filled with conductor without stopping the operations. The accumulator holds a small amount of conductor, keeps the tension steady, and allows the line to run continuously without any breaks or jerks in the process. This helps ensure that the extrusion and vulcanization of the cable are more even and efficient.
Level-2 (+10.500m)	CCV conductor guiding system	The conductor exits the accumulator at level 1, then travels upward through level 2, and finally reaches levels 3 or 4, where it enters the extruder for the insulation process. This upward movement allows the conductor to gain the height needed for proper tension and alignment before extrusion begins.
Levels-3 & 4 (+16.500m and +25.200m):	Caterpillar, extruders.	These are the main areas wherein the essential activity of vulcanization is carried out. This section houses the extruders where insulation material is applied to the conductor. There are 3 extruders arranged in sequence, each responsible for layering and processing the insulation uniformly around the conductor. From this level, the catenary tube begins and extends toward the factory, inside this tube,

		nitrogen gas is injected and heated to a precise temperature to create the ideal conditions for vulcanization. The elevation of this level allows the cable to sag naturally into a catenary curve, which is crucial for maintaining consistent tension, shape and insulation quality during the process. A caterpillar unit at this level continuously pulls the cable through the extrusion and vulcanization stages, ensuring smooth and uniform movement along the line. This setup ensures precise alignment, stable processing, and high-quality insulation of the final product. The areas also contain designated space for raw materials.
Level-5 (+31.800m):	RM and cleanroom area	This section serves as the raw material area and cleanroom area, where insulation materials are kept and maintained under controlled conditions to ensure safety. From this level, the insulation material flows down through dedicated pipelines or chutes to levels 3 and 4, where it is fed directly into the extruders for application onto the conductors.

5. The levels of CCV tower are solely determined by the functional requirements of the vulcanization process, allowing for a seamless and continuous manufacturing process from raw conductors to the insulated products, hence the overall design and layout of a CCV tower is highly optimized for productivity, efficiency and safety.

6. The applicant has engaged a third party M/s. Suraj Buildcon Pvt. Ltd. for the engineering, procurement and construction (EPC) of the CCV tower. The EPC vendor will raise invoices on the applicant for the supply of goods and services, along with the applicable GST. The expenses incurred towards such goods and services are capitalized by the applicant in its books of account, except the GST amount which should be available as ITC. Besides, there are other plant and machinery that are fixed through strong foundations inside the Conductor Manufacturing area, CCV Cable area, HT/LT area for which the applicant would be availing ITC. Given the technical and operational requirements of setting up a vertical CCV tower for manufacture of insulated electrical cables, the applicant is of the opinion that the CCV tower is an integral structural support for various machines used in the manufacturing of insulated cables, hence qualifies as 'apparatus' and therefore to be covered in the term "plant and machinery". Hence, ITC of such GST is not blocked in terms of Section 17(5)(c) and 17(5)(d) of the CGST Act, 2017.

7. The applicant has put forward the following question for Advance Ruling:

Whether the applicant is eligible to avail input tax credit on inputs and input services used in the setting up of the continuous catenary vulcanization tower at the factory of the applicant for the manufacture of insulated cables, and not restricted in terms of Section 17(5)(c) and 17(5)(d) of the CGST Act, 2017?

8. Applicant's interpretation of law is as under:

- Applicant's question is covered under Section 97(d) of the CGST Act, 2017.
- Section 16(1) of the CGST Act entitles a taxpayer to avail credit of input tax charged on any supply of goods and/or services made to him and used by him in furtherance of his business subject to certain restrictions and conditions as specified in Section 16(2) and Section 17(5) of the CGST Act. Section 17(5) of the CGST Act stipulates the situation wherein ITC shall not be available, notwithstanding anything contained in Section 16(1) of the said Act. In terms of Section 17(5)(c) and 17(5)(d) of the CGST Act, ITC cannot be availed on Works Contract and goods and services utilized for the construction of immovable property (other than plant and machinery), including when such goods or services are used in the course or furtherance of business. Sections 17(5)(c) and 17(5)(d) read as under:

  "17. Apportionment of credit and blocked credits.

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  (5) Notwithstanding anything contained in sub-section (1) of section 16 and subsection (1) of section 18, input tax credit shall not be available in respect of the following namely:

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  (c) works contract services when supplied for construction of an immovable property (other than plant and machinery) except where it is an input service for further supply of works contract service.

  (d) goods or services or both received by a taxable person for construction of an immovable property (other than plant and machinery) on his own account including when such goods or services or both are used in the course or furtherance of his business."

- As per above provision, GST paid on works contract, goods and services received by a taxpayer for the construction of an immovable property is not eligible for ITC. An important exception is when the immovable property is in the nature of plant and machinery, then the works contract and /or goods and services received for construction of such immovable plant and machinery will be eligible for ITC and will not be hit by the restriction under Section 17(5)(c) or Section 17(5)(d) of the CGST Act.

- The term "plant and machinery" for the purposes of interpretation of the said provision is as under:

  " For the purpose 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;

- CCV tower made of specialised steel is an integral structural support necessary for the vulcanization process in the manufacturing of insulated cables and thus covered under the term "plant and machinery" as defined above.

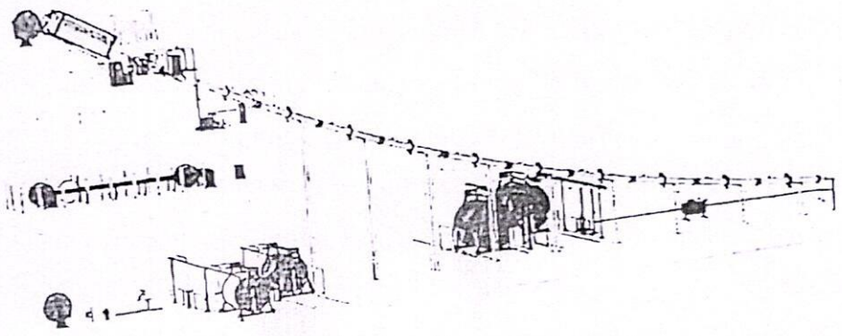

Fig.2: An indicative image of a typical CCV line having multiple vertical levels for machinery involved in cable extrusion, curing, a long tubular section at a catenary angle (vulcanizing tube). There are pay-offs (where conductor wires come from reels), extruders/crossheads (to extrude insulation & semiconducting layers), and downstream cooling/tension/take-up machinery.

- In order to gauge the significance of the vertical CCV tower as structural support to the equipment engaged in the production of high voltage insulated electrical cables, the following points should be noted:
    - A specific height is required for the long continuous path for the vulcanization process. The cables need a long run for curing tube, cooling etc. A vertical/higher structure provides space, allowing long lengths of cable to sag in a controlled manner (catenary angle) and move under tension without excessive bending.
    - The "catenary" vulcanization method uses the natural gravity of the earth to sag the cable under tension to help ensure uniform tension, avoid deformations or marks, and maintain insulation quality. The vertical tower, with its machines placed at different levels, allows the cable to hand and sag between supports.
    - The CCV tower supports the CCV line machines: the curing tubes, extruders, take-ups, payoffs, maybe cooling sections, moving caterpillars, etc. The structure must carry these loads, support access to floors, and maintain platforms etc.
    - Some parts (cure tubes) operate under high temperature and often pressure (or inert atmosphere, e.g. nitrogen) to vulcanize the insulation. The CCV Tower (support structure) must maintain alignment, shape, sealing etc. This helps in achieving proper insulation cross-section.

- In view of the foregoing, it is evident that the equipment inside the CCV Tower must be placed at specific heights to maintain a catenary angle. It is a technological necessity without which the production of high voltage insulated electrical cables cannot take place.

- "Structural support" has not been defined in the CGST Act. The said word has been commonly understood as :
  1. As per Cambridge, 'structural' means 'relating to the structure of a building or similar object' whereas 'support' means 'something that holds something firmly or carries its weight, especially from below to stop it from falling'.
  2. As per Oxford (Learner's), 'structural' means 'connected with the way in which something is built or organized' whereas 'support' means 'thing that holds something and prevents it from falling'.
  3. As per Merriam Webster, 'structural' means 'of, relating to, or affecting structure whereas 'support' means 'to hold up or serve as a foundation or prop for'.

- From the above meanings, it arises that 'structural support' refers to a physical or foundational element that forms part of a larger structure and serves the purpose of holding, bearing, or stabilizing loads and it ensures that the structure or equipment it supports remains secure from external forces. A 'structural support' is a component designed and constructed to hold up or strengthen a building, machine or installation, ensuring it remains stable and functional.
- Therefore, the CCV tower provides structural support with the necessary height and infrastructure to hang the vulcanization tube securely while maintaining the structural integrity (correct curvature, alignment, and tension), stability, precision and overall efficiency for the insulation of the cables. The technical brochure provided by the Equipment Manufacturer of the CCV machinery also supports this understanding by providing guidance on the specific manner in which the CCV tower is to be set up. Thus, CCV tower is an essential structural support to the entire CCV machine line, which is squarely covered within the definition of 'plant and machinery' under Section 17(5).
- Reliance is placed on the ruling of the Hon'ble Gujarat Appellate Authority of Advance Ruling in M/s. KEI Industries ltd. [2025(8) TMI 551] wherein it was held that the appellant was eligible to avail ITC on the inputs and input services used for the construction of a concrete tower to support and erect the vertical continuous vulcanization (VCV) lines. Any contrary finding would be inconsistent as the higher authority has already ruled favourably in such facts involving the same EPC vendor i.e. Suraj Buildcon Private Limited.
- Reliance is placed on the Circular No.219/13/2024-GST dated 26.06.2024 wherein the CBIC provided clarification on the availability of ITC on ducts and manholes used in a network of optical fiber cables (OFCs) in terms of Section 17(5) of the CGST Act.
- They have also relied on the judgement in the case of Atriwal Amusement Park [2020 (40) GSTL 80 (AAR-GST-MP)] wherein the ITC paid on the input goods and input services used in the construction of the steel support structure to install the water slides was allowed.

- Accordingly, on application of the above understanding of 'structural support' to the applicant's case, they have submitted that the structural support provided by the CCV tower in the vulcanization process ought to be included in the 'plant and machinery' as provided in Section 17 of the CGST Act. Reliance is placed on the decision of Coral Manufacturing Works India Pvt. Ltd. [92023)9 Centax 121 (App-AAR-GST-TN)].
- In light of the scope of 'machinery' as generally understood and interpreted by courts, the applicant submits that the CCV machinery including extruders, caterpillars, take up reels etc. is undoubtedly identifiable as machinery used in the manufacture of insulated cables. In view of the above, CCV tower is an essential and integral structural support in the manufacturing of high voltage insulated electrical cables, that it qualifies as 'apparatus' within the definition of plant and machinery, hence ITC of GST paid for the input and input services in relation to the setting up of CCV tower line is not restricted vide Sections 17(5)(c) & 17(5)(d) of the CGST Act as it is squarely covered within the definition of 'plant and machinery.'
- For the definition of the term 'apparatus', reliance is placed on the dictionary meanings of the term in Modern Malleable Ltd. vs. CCE [2008(225) ELT 460 (Tri.-Kol)].
- The applicant has submitted that the applicability of functional test to determine whether a subject is a 'plant' has been considered by the Hon'ble Apex Court in Chief Commissioner of CGST vs. Safari Retreats [2024(131)GSTR 184 (SC)]wherein in the context of availability of ITC in relation to buildings (in the nature of shopping malls), which were offered on lease (in furtherance of business), the Apex Court analyzed the construct of Section 17(5)(c) & 17(5)(d), including the explanation thereof.
- The applicant has also relied on the following landmark decisions wherein different immovable properties have been held to be a 'plant' based on the functionality test:
  1. CTI vs. B. Venkata Rao [(2000) 243 ITR 81].
  2. IRC vs. Barclay Curle & Co. Ltd. ((1969) 1 WLR 675].
  3. CIT vs. Victory Aqua Farm Ltd. 92016) 16 SCC 553].
  4. Cooke vs. Beach Station Caravans (1974 1 WLR 1398).
  5. Anchor International Ltd. vs. CIR [(2004) Scot CS 281].
- The applicant also submits that the Hon'ble Supreme Court in Bharti Airtel ltd. Vs. Commissioner of Central Excise [(2024) 132 GSTR 404] in determining the claim of Cenvat Credit in the context of telecommunication towers, applied the functionality test (para 11.9.7) to hold that the attachment of tower to the earth/building is not for the benefit of the land or building but for better functioning of the antenna which is fixed on the tower. It was also held that without the tower, the antenna cannot effectively function as the tower hoists the antenna at the requisite height, hence, the tower is to be considered as an 'accessory' of the antenna. Hence, the vertical CCV towers is specifically designed to assist the vulcanization machines and provides structural support to their operation. Therefore, it may be considered as 'plant and machinery.'

- Applicant has also placed reliance in the case of S.K.Tulsi & Sons vs. CIT [(1991) 187 ITR 685 (All)] wherein the Court observed that a building or structure which constitutes an apparatus by means of which business activities were carried out is a plant.
- Reliance is also placed on the Kerala High Court's decision in State of Kerala vs. Ambuja Cements Ltd. [2020 (1) KHC 884] which held that 'silos' (a civil structure for storing cement) cannot be identified as merely a 'civil structure' when it forms an integral part of the plant and machinery, as it gets merged as a 'plant' performing a specific function.
- CCV tower is also not ordinarily meant for civil uses, such as any other civil structure of bridges, roads, dams, tunnels etc. as structures for civil purposes that serve the general public. Another plausible interpretation of the term 'any other civil structure' is based on the legal principle of ejusdem generis, which essentially means that where there are general words following any specific words, then general words must be confined to the things of the same kind as those specified. By following the principle of ejusdem generis, the expression 'any other civil structures' must be read to denote structures similar to 'land' and 'building' which are basically location of production where production activities take place and not something which are 'means of production' essential for the creation of economic activity.
- The provisions of the CGST Act itself provides that when setting up of plant and machinery requires a support structure and/or foundation for installation, without which the machinery and equipment cannot function, such support structures are also included in the definition of 'plant and machinery' and are eligible for ITC as per Section 16 of the CGST Act read with Section 17 of the CGST Act.

9. Personal hearing was granted on 08.04.2026 wherein Shri Amit Laddha, Advocate, appeared on behalf of the applicant and reiterated the facts & grounds as stated in the application. During the course of hearing, the representative of the applicant has submitted a set containing relevant provisions of the Central Goods and Service Tax Act, 2017 and copies of supporting judgements.

Discussion and findings

10. 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.

11. 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 submissions/views in respect of question on

which the advance ruling is sought. We also considered the written submission provided by the Assistant Commissioner of the State Tax(1) , Unit-74, Vapi dated 06/03/2026.

12. We find that the applicant is setting up a new factory at Vapi, Gujarat for the manufacturing of high-voltage cross-linked polyethylene (XLPE) insulated electrical cables and conductors and at the new facility, the applicant will set up the production units which are integral to the manufacture of insulated electrical cables like a Conductor manufacturing unit, a continuous Catenary Vulcanization Tower ('CCV Tower'), CCV Cable unit, and a High-tension/Low-tension unit which will house heavy duty machinery, including extruders, take-up-reels, vulcanization tubes and chambers and other specialized equipment essential for the manufacturing and testing of high-quality, insulated electrical cables. The CCV tower is a vertical steel structure specially designed to suit the technical elevation needed for the machinery and equipment utilized in the vulcanization process and these machines are to be necessarily installed at a catenary angle (a natural hanging curve) with strict dimensional tolerances which is essential during the vulcanization process for applying and distributing uniform heat and pressure to cross-link the polymer molecules on receiving the conductors from the Conductor Manufacturing unit. The applicant has submitted that levels of CCV tower are solely determined by the functional requirements of the vulcanization process, allowing for a seamless and continuous manufacturing process from raw conductors to the insulated products, hence the overall design and layout of a CCV tower is highly optimized for productivity, efficiency and safety.

13. The applicant has also submitted that they have engaged a third party M/s. Suraj Buildcon Pvt. Ltd. for the engineering, procurement and construction (EPC) of the CCV tower, that the EPC vendor will raise invoices on the applicant for the supply of goods and services, along with the applicable GST, that the expenses incurred towards such goods and services are capitalized by the applicant in its books of account, except the GST amount which should be available as ITC, that there are other plant and machinery that are fixed through strong foundations inside the Conductor Manufacturing area, CCV Cable area, HT/LT area for which the applicant would be availing ITC. The applicant has further submitted that given the technical and operational requirements of setting up a vertical CCV tower for manufacture of insulated electrical cables, the applicant is of the opinion that the

CCV tower is an integral structural support for various machines used in the manufacturing of insulated cables, hence qualifies as 'apparatus' and therefore to be covered in the term "plant and machinery", Therefore, ITC of such GST is not blocked in terms of Section 17(5)(c) and 17(5)(d) of the CGST Act, 2017.

14. The applicant has asked the following question for Advance Ruling:

Whether the applicant is eligible to avail input tax credit on inputs and input services used in the setting up of the continuous catenary vulcanization tower at the factory of the applicant for the manufacture of insulated cables, and not restricted in terms of Section 17(5)(c) and 17(5)(d) of the CGST Act, 2017?

15. Before referring to the averments raised by the applicant, we find it prudent to refer to the process undertaken at different levels in the CCV tower for manufacturing of high-voltage cross-linked polyethylene (XLPE) insulated electrical cables as submitted by the applicant. The key machines and their functions on each level of the CCV tower are as follows:

CCV Tower	**Key Machines**	**Functions**
Ground level (+ 0.300 mtrs.)	Pay-off stands, cooling systems and associated equipment	It houses the core and heavy machinery in the production process. The pay-off stands are used to feed the conductor reels into the cable-making line and are designed to unwind the cables in a controlled fashion so as to maintain consistent tension and prevent deformation or breakage of the conductors. The cooling systems and associated equipment (such as water troughs, closed-loop water chillers and forced air coolers) are responsible for rapidly cooling the extruded and vulcanized insulation material. The Take up stands located at the output end, are to wind the finished, insulated cables into reels after they have passed through the extrusion and cooling stages without damaging the freshly insulated cable surface. The ground level also accommodates auxiliary systems such as vacuum pumps (for degassing the extruder feed), hydraulic power units, control cabinets for process monitoring and material feed hoppers for the extrusion system.
Level (+ 6.000m)	accumulator.	The conductor received from the Conductor Manufacturing Unit on the ground floor is fed upward to level 1 where it enters the accumulator. The accumulator is a temporary storage loop, which helps to change the conductor drum in the payoff stands when it becomes empty and replaces it with a drum filled with conductor without stopping the operations. The accumulator holds a small amount

		of conductor, keeps the tension steady, and allows the line to run continuously without any breaks or jerks in the process. This helps ensure that the extrusion and vulcanization of the cable are more even and efficient.
Level-2 (+10.500m)	CCV conductor guiding system	The conductor exits the accumulator at level 1, then travels upward through level 2, and finally reaches levels 3 or 4, where it enters the extruder for the insulation process. This upward movement allows the conductor to gain the height needed for proper tension and alignment before extrusion begins.
Levels-3 & 4 (+16.500m and +25.200m):	Caterpillar, extruders.	These are the main areas wherein the essential activity of vulcanization is carried out. This section houses the extruders where insulation material is applied to the conductor. There are 3 extruders arranged in sequence, each responsible for layering and processing the insulation uniformly around the conductor. From this level, the catenary tube begins and extends toward the factory, inside this tube, nitrogen gas is injected and heated to a precise temperature to create the ideal conditions for vulcanization. The elevation of this level allows the cable to sag naturally into a catenary curve, which is crucial for maintaining consistent tension, shape and insulation quality during the process. A caterpillar unit at this level continuously pulls the cable through the extrusion and vulcanization stages, ensuring smooth and uniform movement along the line. This setup ensures precise alignment, stable processing, and high-quality insulation of the final product. The areas also contain designated space for raw materials.
Level-5 (+31.800m):	RM and cleanroom area	This section serves as the raw material area and cleanroom area, where insulation materials are kept and maintained under controlled conditions to ensure safety. From this level, the insulation material flows down through dedicated pipelines or chutes to levels 3 and 4, where it is fed directly into the extruders for application onto the conductors.

In short, the applicant has upgraded their technology to manufacture high-voltage cross-linked polyethylene (XLPE) insulated electrical cables by using CCV process. For the same, the CCV manufacturing line is required to be supported by a steel structure. Thus, the primary issue is about the eligibility of ITC on inputs and input services used in the construction of vertical steel tower i.e. CCV tower.

16. The gist of the averments raised is that the contract for construction of CCV tower was awarded to M/s. Suraj Buildcon, which was in the nature of the works contract; that the inputs and input services received for the construction of the steel

structure are used for foundational & structural support of the CCV line; that the CCV line will qualify as apparatus, that the CCV tower is an essential structural support to the entire CCV machine line, hence is squarely covered within the definition of 'plant and machinery' in terms of explanation to section 17(5) and that even if the expenses incurred towards such goods and services are capitalized by the applicant in its books of accounts except the GST amount (which should be available as ITC as per the applicant's view), it qualifies for plant and machinery.

17. Since the issue revolves around the interpretation of section 17, ibid, it is obligatory to refer to the said section for ease of reference:

Section 17. Apportionment of credit and blocked credits-

(5) Notwithstanding anything contained in sub-section (1) of section 16 and sub-section (1) of section 18, input tax credit shall not be available in respect of the following, namely:-

(c) works contract services when supplied for construction of an immovable property (other than plant and machinery) except where it is an input service for further supply of works contract service;
(d) goods or services or both received by a taxable person for construction of an immovable property (other than plant or machinery) on his own account including when such goods or services or both are used in the course or furtherance of business.

Explanation.-For the purposes of clauses (c) and (d) the expression "construction" includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalisation, to the said immovable property;

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.

18. We find that irrespective of the fact that whether the event of construction of the CCV tower is a works contract or otherwise, in terms of section 17(5) (c) and (d), plant and machinery stand excluded from the apportionment of credit and blocked credits. Further, although "Structural support" has not been defined in the CGST Act, it is evident from the meanings given in renowned dictionaries such as Cambridge, Oxford and Merriam Webstar that 'structural support' refers to a physical or foundational element that forms part of a larger structure and serves the

purpose of holding, bearing, or stabilizing loads which ensures that the structure or equipment it supports remains secure from external forces. Thus, the CCV tower provides structural support with the necessary height and infrastructure while maintaining the structural integrity, stability, precision and overall efficiency of the support system for manufacture of insulated cables and is thus an essential structural support to the entire CCV machine line in the manufacture of insulated cables.

19. On going through the layout of the CCV tower and the process undertaken at different levels in the CCV tower as detailed in para 15 above, we are in agreement with the applicant's averment that the CCV tower made of specialised steel structure is essential to support and erect the CCV lines. It is more so since the applicant has stated that the specialised steel structure in the form of CCV tower serves as a critical and essential structural support system to the entire CCV machine line for manufacture of insulated cables while maintaining the structural integrity, stability, precision and overall efficiency of the support system for the manufacture of insulated cables. 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.

20. 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 specialised steel CCV tower to support and erect the CCV lines at the factory of the applicant for manufacture of high-voltage cross-linked polyethylene (XLPE) insulated electrical cables.

21. The applicant, has also relied upon the clarification issued by CBIC vide its Circular No.219/13/2024-GST, dated 26.06.2024 which reads as under:

Issue	**Clarification**
Whether the input tax credit on the ducts and manholes used in	1. Sub-section (5) to Section 17 of the CGST Act provides that input tax credit shall not be available inter alia, in respect of the following:

network of optical fiber cables (OFCs) for providing tele communication services is barred in terms of clauses (c) and (d) of sub-section (5) of section 17 of the CGST Act read with Explanation to section 17 of CGSL	i. works contract services when supplied for construction of an immovable properly (other than plant and machinery) except where it is an input service for further supply of works contract service; or ii. goods or services or both received by a taxable person for construction of an immovable property (other than plant or machinery) on his own account including when such goods or services or both are used in the course or furtherance of business. 2 - Explanation in section 17 of CGST Act provides that 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 land building or any other civil structure' telecommunication towers and pipelines laid outside the factory premises. 3. Ducts and manholes are basic components for the optical fiber cable (OFC) network used in providing telecommunication services. The OFC network is generally laid with the use of PVC ducts/sheaths in which OFCs are housed and service/connectivity manholes which serve as nodes of the network and are necessary for not only laying of optical fiber cable but also their upkeep and maintenance. In view of the Explanation in section 17 of the CGST Act it appears 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 fiber 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. 4. Accordingly, it is clarified that availment of input tax credit is not restricted in respect of such ducts and manhole used in network of optical fiber cables (OFCs) either under clause (c) or under clause (d) of subsection (5) of section 17 of CGST Act.

22. 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 steel CCV tower to support and erect the CCV lines, for manufacture of insulated electrical cables also, similarly, cannot be restricted.

23. We also find that the Hon'ble Gujarat Appellate Authority of Advance Ruling in a similar case of M/s. KEI Industries ltd. [2025(8) TMI 551] (in Advance Ruling

(Appeal) No. GUJ/GAAAR /APPEAL/2025/114 dated 31.07.2025(in Application No. Advance Ruling/SGST & CGST/ 2025/AR/02) had held that the appellant was eligible to avail ITC on the inputs and input services used for the construction of a concrete tower to support and erect the vertical continuous vulcanization (VCV) lines. The applicant is also found to have relied upon this decision to support their cause.

24. For the reasons mentioned above, we find and conclude that the applicant is eligible to avail input tax credit on inputs and input services used in the setting up of the continuous catenary vulcanization tower (CCV tower) at the factory of the applicant for the manufacture of insulated cables. Further, since the ruling is being made in the favour of the applicant, we do not find the need to discuss the averments as well as the cases relied upon by the applicant as the same would at best only be of academic interest.

25. In view of the above, we rule as under: -

RULING

1. Whether the applicant is eligible to avail input tax credit on inputs and input services used in the setting up of the continuous catenary vulcanization tower at the factory of the applicant for the manufacture of insulated cables, and not restricted in terms of Section 17(5)(c) and 17(5)(d) of the CGST Act, 2017?

A.1 Yes, the applicant is eligible to avail input tax credit on inputs and input services used in the setting up of the continuous catenary vulcanization tower at the factory of the applicant for the manufacture of insulated cables, and is not restricted in terms of Section 17(5)(c) and 17(5)(d) of the CGST Act, 2017.

(Sushma Vora)
Member (SGST)

GUJARAT AUTHORITY FOR ADVANCE RULING
CGST-CGST, AHMEDABAD

(Vishal Malani)
Member (CGST)

Place: Ahmedabad
Date:08/05/2026