

TAMIL NADU STATE APPELLATE AUTHORITY FOR ADVANCE RULING
(Constituted under Section 99 of Tamil Nadu Goods and Services Tax Act 2017)

A.R.Appeal No.07/2025 AAAR

Date: 18.12.2025

BEFORE THE BENCH OF

Shri. Madan Mohan Singh, I.R.S., Principal Chief Commissioner of GST & Central Excise, Member, Appellate Authority for Advance Ruling, Tamil Nadu. Nungambakkam, Chennai - 600 034	Shri. S. Nagarajan, I.A.S., Commissioner of Commercial Taxes, Member, Appellate Authority for Advance Ruling, Tamil Nadu. Chepauk, Chennai - 600 005.
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Order No. AAAR/08/2025 (AR)

(Passed by Tamil Nadu State Appellate Authority for Advance Ruling under Section
101(1) of the Tamil Nadu Goods and Services Tax Act, 2017)

Preamble

1. In terms of Section 102 of the Central Goods & Services Tax Act 2017/Tamil Nadu Goods & Services Tax Act 2017 ("the Act", in Short), this Order may be amended by the Appellate authority so as to rectify any error apparent on the face of the record, if such error is noticed by the Appellate authority on its own accord, or is brought to its notice by the concerned officer, the jurisdictional officer or the Appellant within a period of six months from the date of the Order. Provided that no rectification which has the effect of enhancing the tax liability or reducing the amount of admissible input tax credit shall be made, unless the appellant has been given an opportunity of being heard.
2. Under Section 103(1) of the Act, this Advance ruling pronounced by the Appellate Authority under Chapter XVII of the Act shall be binding only
 - (a) on the Appellant who had sought it in respect of any matter referred to in sub-section (2) of Section 97 for advance ruling;
 - (b) on the concerned officer or the jurisdictional officer in respect of the Appellant.
3. Under Section 103 (2) of the Act, this advance ruling shall be binding unless the law, facts or circumstances supporting the said advance ruling have changed.
4. Under Section 104(1) of the Act, where the Appellate Authority finds that advance ruling pronounced by it under sub-section (1) of Section 101 has been obtained by the appellant by fraud or suppression of material facts or misrepresentation of facts, it may, by order, declare such ruling to be void ab-initio and thereupon all the provisions of this Act or the rules made thereunder shall apply to the appellant as if such advance ruling has never been made.

Name and address of the Appellant	M/s. Shibaura Machine India Private Limited, No.65, P.O. Box No. 5, Chennai-Bangalore Highway, Chembarambakkam, Poonamallee Taluk, Tiruvallur-600 123.
GSTIN or User ID	33AAACL6155E1ZU
Advance Ruling Order against which appeal is filed	Advance Ruling No.32/ARA/2025 dated 18.08.2025
Date of filing appeal	20.09.2025
Represented by	Mr. Ranjit V Jolly, Mr. Gowtham T, and Mr. Sathish V, the Authorised Representatives
Jurisdictional Authority - State	Sriperumbudur Assessment Circle Kancheepuram Division
Jurisdictional Authority - Center	Poonamallee Division, Chennai Outer Commissionerate
Whether payment of fees for filing appeal is discharged. If yes, the amount and challan details	Yes. Payment of Rs.20,000/- (CGST-10,000/- and SGST-10,000/-) made vide Challan CPIN 25093300372086 dated 19.09.2025.

At the outset, we would like to make it clear that the provisions of both the Central Goods and Services Tax Act and the Tamil Nadu Goods and Services Tax Act are in *pari materia* and have the same provisions in like matter and differ from each other only on few specific provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Services Tax Act, 2017 would also mean a reference to the same provisions under the Tamil Nadu Goods and Service Tax Act, 2017.

2 The subject appeal was filed under Section 100(1) of the Tamil Nadu Goods & Services Tax Act 2017/Central Goods & Services Tax Act 2017 (hereinafter referred to 'the Act') by M/s. Shibaura Machine India Private Limited, (hereinafter referred to as 'Appellant'). The Appellant is registered under the GST Act vide GSTIN 33AAACL6155E1ZU. The appeal was filed against the Advance Ruling No.32/ARA/2025 dated 18.08.2025 passed by the Authority for Advance ruling, Tamil Nadu ('AAR') on the Application for Advance ruling filed by the Appellant.

2.1 The Appellant had applied for Advance Ruling vide application ARA-01 dated 04.10.2024, seeking a ruling on the following queries, viz.,

- 1) *Whether Input Tax Credit (ITC) is eligible on electrical works carried out for expansion of factory for manufacturing activity?*
- 2) *What should be the basis to arrive the timeline to avail ITC on tax invoice raised by Supplier to bill "Advance Component" of the Contract and Subsequent Adjustment of Advance in the Service Bills showing both Gross and Net amount.*

2.2 The AAR vide Ruling No.32/ARA/2025 dated 18.08.2025, ruled as follows :-

- 1) The taxes under GST paid on the electrical installation work carried out for expansion of factory for manufacturing activity is not eligible for availment of Input

Tax Credit (ITC) by the Appellant, as it is blocked under Sections 17(5)(c) and 17(5)(d) of the CGST/TNGST Acts, 2017.

2) The question of answering the second query on the timeline to avail ITC on the 'Advance component' involved in the instant contract, does not arise, as the main query on availment of ITC on the said contract is answered in negative.

3. Aggrieved over the said ruling pronounced by the AAR, the Appellant has filed the instant appeal. Under the grounds of appeal as submitted by the Appellant, they have put forth the following points in support of their defence, viz.,

3.1 The Appellant had entered into an agreement for erection of electrical works for new factory (hereinafter referred to as 'Contract') with M/s. SMCC Construction India Limited. The original Contract sum is INR 24,15,00,000/- (exclusive of GST). The Contract is attached and broadly classified into six categories as given below:

S No	Particulars	Amount (exclusive of GST)	Remarks
1	LT Panels	3,93,11,861	Design, supply and installation of LT switchgear panels
2	Busduct	3,91,85,553	Design, supply and installation of Aluminium busduct
3	LT Electrical Works	11,09,38,208	Supply and installation of MCB distribution boards, power receptacles, circuit mains & points, cable trays, earth electrodes and etc.
4	Lightning Protection Works	87,95,062	Supply and installation of external lightning protection system
5	Light fixtures	1,73,21,086	Supply, installation, testing and commissioning of complete light fixtures
6	Civil Works	62,83,369	Associated miscellaneous civil works excavation & back filling and laying heavy duty pipes

3.2 The images of the above-said works have been attached as Exhibit-3 to the application for appeal, and that the Appellant is of the bonafide intention that input tax credit (ITC) arising out of invoices being raised on them for the above-mentioned supply is available to them.

3.3 As per Section 16 of Central Goods and Services Act, 2017 ('CGST Act') & Tamil Nadu Goods and Services Act, 2017 ('TNGST Act'), goods or services or both should be used or intended to be used in the course or furtherance of the business. In the light of above-mentioned provisions, it shall be noticed that in order to 'avail ITC on any inward supply', the supply should be used in the course or furtherance of business.

3.4 The term 'business' has been defined under Section 2(17) of CGST Act & TNGST Act in below mentioned manner: -

“business includes—

- (a) any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit;
- (b) any activity or transaction in connection with or incidental or ancillary to sub-clause (a);
- (c)
- (d) supply or acquisition of **goods including capital goods and services in connection with commencement or closure of business;**
- (e)

Accordingly, the Appellant states that any acquisition of capital goods and services in connection with commencement of business is very much a business activity.

3.5 The Appellant states that, when this definition is read with the provisions of Section 16(1) of the CGST Act, as reproduced below :-

“..... which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person.”

It can be understood that such procurements which are intended to be used in the course of furtherance of ‘business’ is eligible for availment of ITC. Based on the above provisions, the Appellant submitted that the Contract in the instant case entered is for supply, installation, testing and commissioning of the electrical works in the new factory commissioned for expansion of business activity. That the Appellant should hence be eligible for input tax credit on the inputs & input services used in the course or furtherance of business. Further, the Appellant had also satisfied the other conditions for availing ITC as laid down in Section 16(2) of CGST Act such as possession of tax invoice, receipt of goods/services/both, payment to supplier, etc.

3.6 Since, the eligibility and the conditions for taking input tax credit is established in the aforesaid paragraphs, the Appellant wishes to provide its interpretation on how the said credit is not blocked under the provisions of GST law. Section 17(5) of CGST Act & TNGST Act provides the cases where ITC is inadmissible. Relevant text of Section 17(5) was reproduced as below for reference:

“(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:-

(a) motor vehicles for transportation of persons.....

.....

.....

*(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;”

The Appellant states that the impugned supply under question is solely for the purpose of electrical works for the purpose of factory expansion and its associated miscellaneous civil works. The impugned Contract covers the scope of work such as supply, installation, testing and commissioning of all electrical works related to the plant and machinery deployed at the factory premises. The Appellant outlined certain instances of usage of equipment such as cranes, chillers, Lighting, Paint Booth, Pumps Operation, Testing Slots for Machine and Other Manufacturing Purposes inside the Plant.

3.7 Further the Appellant has contended that the procurement vide this Contract (LT panels, busducts, electrical works, light fixtures) are movable in nature since the same can be removed without substantial damage and can be re-installed. Hence, this supply cannot be construed as immovable property to cover it within the ambit of Section 17(5)(c) and (d) of the CGST Act. The Appellant understands that the Immovable property is not defined in GST Law. Section 3(26) of the General Clauses Act, 1897, provides for an expression as below:

“immovable property” shall include land, benefits to arise out of land, and things attached to the earth, or permanently fastened to anything attached to the earth.”

The term “attached to the earth” has not been defined in the General Clauses Act, 1897. Section 3 of the Transfer of Property Act, however, gives the following meaning to the expression:

*(a) rooted in the earth, as in the case of trees and shrubs;
(b) imbedded in the earth, as in the case of walls and buildings;
(c) attached to what is so imbedded for the permanent beneficial enjoyment of that to which it is attached.”*

The contents of the supply such as LT panels, busducts, electrical LT works, lightning protection and light fixtures are not imbedded in the earth and is movable.

3.8 The Appellant drew attention to the images attached with this application, wherein it could be seen that the electrical apparatus, cable works, panels, busducts are placed on the overhead racks and are not rooted in the ground/ floor rendering it immovable or not possible to be maintained. That in the instant case, all the electrical components and apparatus supplied vide the Contract are movable, customizable to add more equipment and maintainable in case of any repairs. Accordingly, the Appellant submits this Contract for erection of these electrical components does not fall under the ambit of immovable property as mentioned in Section 17(5)(c) and (d) of the CGST Act. Thereby, the Appellant states that they are eligible to ITC on supply of all electrical apparatus/works covered under this Contract.

3.9 Under this context, the Appellant has brought to note that the AAR interpreted the phrase “deliver the **permanent work** to the owner” in the Contract as indicative

of immovable property. However, the AAR overlooked that the Contract supplements a main Contract that pertains to the construction of an entire factory building. In general usage, "permanent work" typically refers to civil structures that are inherently immovable, such as the factory building itself. The elements covered under this Contract such as bus ducts, light fixtures, and low-tension panels are movable apparatuses or machinery that can be relocated with minimal effort or damage. The Appellant had also submitted a photocopy of the same. Therefore, the Appellant has submitted that a blanket interpretation of "permanent work" to cover the entire contract into a immovable property undermines the purpose of the advance ruling process.

3.10 Without prejudice to the above, even in a case where those are argued to be immovable property, these will eventually satisfy the conditions laid down in the definition of *Plant and Machinery* for the purpose of GST Law. As per the explanation of the term 'Plant and Machinery' with reference to Section 17(5)(c) & (d) shall mean:

- i. Apparatus fixed to earth by foundation or structural support;
- ii. Equipment fixed to earth by foundation or structural support;
- iii. Machinery fixed to earth by foundation or structural support;
- iv. Foundation and Structural Support to Apparatus, Equipment and Machinery.

3.11 The GST Law specifically excludes plant and machinery from the ambit of works contract services/construction related to immovable property, providing an eligibility to avail ITC on such supplies. The contents of the supply such as LT panels, busducts, electrical LT works, lightning protection and light fixtures are apparatus and equipment which supports of smooth functioning to the main and other ancillary machineries deployed at the new factory premise.

3.12 The Appellant has also submitted that Apparatus, Equipment, Machinery are not defined under the GST Law. Hence, the inference is drawn to Mc-Graw Hills dictionary which defines these items as follows:

Apparatus - A compound instrument designed to carry out a specific function.

Equipment - One or more assemblies capable of performing a complete function.

Machine - A mechanical, electric, or electronic device, such as a computer, tabulator, sorter or collator.

Machinery - A group of parts or machines arranged to perform a useful function."

3.13 The Appellant also draws inference for the term 'Apparatus' from Webster's Encyclopedic Unabridged Dictionary of the English Language which reads as under:

"a group or aggregate of instruments, machinery, tools, materials etc., having a particular function or intended for a specific use. 2. any complex instrument or machine for a particular purpose. 3. any system or systematic organization of

activities, functions, processes, etc., directed toward a specific goal; the apparatus of government; espionage apparatus. 4. Physiology, a group of structurally different organs working together in the performance of a particular function: the digestive apparatus”

Accordingly, a group of instruments, tools, materials etc., having a particular function or intended for a specific use at the Plant. Therefore, the electrical works rightly gets covered under the definition of plant and machinery.

3.14 In addition to the above contentions, the Appellant also stated that the Contract would cover a meagre portion of civil works which are related to the installation and commissioning of electrical works as mentioned in the table annexed to this application. The said civil work includes the scope of excavation & back filling and laying out heavy duty pipes in the factory premises to assist the operations of plant and machinery deployed. This would qualify as foundation and structural support to the apparatus and equipment; hence ITC would be eligible on the same. Accordingly, the Appellant submits that Input Tax Credit on the transaction under question does not fall under any of the categories of Section 17(5), and hence not blocked.

3.15 Further, the Appellant submits that a review of the impugned ruling reveals that the AAR has taken the position that electrical installations do not qualify as apparatus, equipment, or machinery capable of performing a specific, complete, or useful function. However, it is to be noted that the AAR appears to have overlooked a critical aspect, namely, that electrical installations form the foundational infrastructure necessary for the operation of plant and machinery. Without such installations, the machinery cannot perform its intended functions, thereby underscoring their integral role in the overall functionality of the system.

3.16 Additionally, it was observed by the Appellant that the AAR has interpreted the phrase “used for making outward supply of goods or services or both” without emphasizing the requirement of direct usage. This nuanced yet significant distinction appears to have been insufficiently considered in the assessment. Electrical installations are not merely supportive in nature; rather, they constitute essential and mandatory infrastructure required to ensure uninterrupted operations of the plant and machinery installed at the factory premises. These installations directly facilitate the functioning of plant and machinery, thereby **forming an integral part of the process of making outward supplies**. Their indispensable role substantiates the positions that such apparatus is indeed “used for making outward supply” within the broader statutory framework, thereby reinforcing their classification as eligible plant and machinery for the purposes of ITC under GST.

3.17 In addition to the above, the Appellant relies on the Circular No.219/13/2024-GST dated 26.06.2024, wherein it is clarified that ducts and manhole pipes laid down on the earth is not a blocked credit under Section 17(5) of the CGST Act. It is evident from the contents of the aforesaid Circular, that the legislative intent is to permit ITC on ducts and manholes. In the present case, the Appellant has installed busducts to facilitate the efficient wiring of plant and machinery, as well as to enable any possible

maintenance activities. It is also important to highlight that, in this instance, the busducts have been laid above ground level and not underground, which further supports their classification as eligible to ITC.

3.18 The Appellant has referred to the ruling of Authority for Advance Ruling, Maharashtra in the case of *M/s. Nipro India Corporation Private Limited [2018 (10) TMI 745]*, wherein, it has been held that ITC on all the electrical related works of its extension project is eligible to be availed except for civil works. Seeking inference from the above ruling and in comparison, with the Contract, the current supply under question covers the sub-station electrical works, lighting system works and lightning protection system, and accordingly, the Appellant has stated that ITC shall be eligible on the same.

3.19 The Appellant also places its reliance on the very recent ruling of Authority for Advance Ruling, Gujarat in the case of *M/s. Elixir Industries Private Limited [2024 (7) TMI 982]*, wherein, it has been held that ITC with respect to installation of electrical cable/wires. Extract of relevant ruling was re-produced as below for ease of reference.

"The Appellant's averment is that they are not hit by 17(5)(c), ibid. The Appellant further states that they have capitalized the basic value as capital goods and the tax portion is being availed as ITC. Therefore, it is not hit even by the explanation. As far as 17 (5) (d) is concerned, the Appellant states that they are covered by the explanation which defines plant and machinery and that they are also not hit by the three exclusions listed in the explanation, The ITC that the Appellant wishes to avail is on capital goods viz cables/wires, equipment viz 750 meters new 66 KV S/ Cable (3+1), 630 mm square aluminium corrugated sheath/G cable line for installation of 66 KV feeder bay at sub-station of GETCO. On a specific query raised during the course of personal hearing, it was stated by the representative of the Appellant that though these are underground cables, they are not fixed to earth; that they are kept in a duct and can be removed/opened as and when any maintenance is required to be done on these goods. Even on this count, the ITC sought by the Appellant is not blocked by sub-sections 17(5)(c) & (d), ibid."

The Appellant has highlighted that the same is applicable in its case as the electrical cables are being installed in the busducts that are laid in the factory premises for power supply to the machineries. Further, those busducts can be removed or opened for any kind of maintenance work that are required to be carried out and placed back. Accordingly, the Appellant submits that ITC is not blocked by limitations placed under Section 17(5)(c)/(d) and is eventually eligible to be availed.

3.20 The Appellant has placed reliance on the judgment by the Hon'ble Supreme Court of India that impacts the eligibility of ITC under the GST regime, on the telecommunication towers. In the case of SLP filed by Revenue vide "Commissioner, CGST Appeal-I, Delhi Vs M/s.Bharti Airtel Limited" [2025-VIL-62-SC], the Hon'ble Supreme Court has conclusively ruled on the classification of telecommunication towers. The Hon'ble Delhi High Court has held that telecommunication towers are not immovable property. The Court noted that these towers can be dismantled and moved without substantial damage, thereby negating the permanency test and, their attachment to land/buildings is solely for operational functionality of the antenna.

Consequently, telecommunication towers were classified as “plant and machinery”. And thus ITC on these towers is eligible under the GST law. Aggrieved, the Revenue filed a SLP before the Hon’ble Supreme Court which upheld the decision of the High Court, dismissing the appeal, thereby providing clarity to the matter.

3.21 The Appellant also draws attention to a recent ruling issued by the Gujarat Appellate Authority for Advance Ruling concerning the eligibility of ITC on construction-related items, which bears direct relevance to the present appeal. In the case involving M/s.KEI Industries Limited, while the Gujarat AAR accepted that the VCV (Vertical Continuous Vulcanisation) manufacturing line qualifies as plant and machinery, the initial ruling denied ITC on the concrete tower, deeming it an immovable civil structure constructed on the company’s own account and thus excluded under Section 17(5)(c) and (d) of the CGST Act. Disagreeing with this interpretation, the company appealed to the Gujarat AAAR, which held that the concrete tower being the foundation and structural support for the VCV line also qualifies as part of plant and machinery, and allowed ITC on the inputs and services used in constructing the tower, stating that such inputs are not barred by the ITC restrictions under the cited provisions.

3.22 The Appellant also places reliance on the ruling of Hon’ble CESTAT Delhi in the case of *M/s. Steel Authority of India Ltd. v. CCE & ST Raipur, [2016 (343) E.L.T. 805 (Tri. - Del.)]*, wherein Tribunal allowed credit of taxes paid on light fittings/structures lamps, high mast light, tubes/glasses and allied fixtures as they are necessary for illumination and enable round the clock operation of the assessee’s factory. According to the Tribunal, since the light structures are classifiable under Chapters 84, 85 and 9405 of the Central Excise Tariff, the fact that these fixtures become part of the civil structure/immovable property was no basis to deny credit of taxes paid. Considering the above, it is the submission of the Appellant that the ITC must be eligible for the Appellant on the subject transaction.

4. Personal Hearing

4.1 Mr. Ranjit V Jolly, Mr. Gowtham T, and Mr. Sathish V of M/s.Ernst & Young LLP, appeared for the personal hearing on 26.11.2025 as the authorized representatives (AR) of M/s.Shibaura Machine India (P) Ltd. The AR reiterated the submissions made in the ‘grounds of Appeal’ enclosed along with the appeal application. They also furnished additional submissions during the personal hearing. As against the findings in the original ruling dated 18.08.2025 of the Authority for Advance Ruling, Tamil Nadu, that the electrical installation work has no nexus with output activity, the AR stated that the panels, boards, etc., are directly relatable to the machinery. In this regard, the AR drew the attention of the Members to the images enclosed in the original application for advance ruling.

4.2 They further stated that these electrical installations are not part and parcel of the building, but are kept suspended based on the day to day requirements, and are therefore movable in nature. Further, the AR added that the upcoming facility is fully mechanized that requires frequent operation of cranes for movement of goods

within the factory, whereby these installations are to be considered more akin to machinery, because without power, such functionality cannot happen. The AR added that the bus-ducts involved in the instant case are placed above the ground and not kept underground, and that the CBIC Circular No.219 issued in the year 2024, clarifies that ITC on such items is not barred.

4.3 In fine, the AR stated that the electrical installation involved in the instant case is detachable and movable, and therefore they are of the opinion that except for the civil portion of the work, ITC is available on the installation of such items. In the end, the AR stated that there is nothing more to add.

4.4 Under the additional submissions filed during the personal hearing, apart from reiterating the grounds already made out, the Appellant stressed on the following points, viz.,

(i) The Appellant has referred to the procurements made through the Contract of electrical installations, which are widely movable in nature, and that the necessary images of the same have been attached in Page 105 of Form GST ARA-02.

(ii) Even in an alternate course of stand, the procurements made vide the Contract would be qualified as "Plant and Machinery" for the purposes of GST, thus being an eligible supply for availing ITC.

(iii) As per the definition of "plant and machinery", any apparatus and equipment which may be fixed to earth for the purpose of making outward supply of goods qualifies to be a plant and machinery. Accordingly, the same would carve out from the immovable property.

(iv) The AAR in its ruling has stated that the electrical procurement does not qualify for plant and machinery since the same is not used for making outward supply of goods and services. The Appellant states that the electrical installations are not merely supportive in nature, rather they constitute essential mandatory infrastructure required to ensure uninterrupted operations of the plant and machinery installed at the factory premises. Therefore, their indispensable role substantiates the position that such apparatus is indeed "used for making outward supply" within the broader statutory framework, thereby reinforcing their classification as eligible plant and machinery for the purposes of ITC under GST.

(v) Reference was made to CBIC Circular No.219/13/2024-GST dated 26.06.2024, wherein it was clarified that ducts and manhole pipes laid down on the earth is not blocked credit under Section 17(5) of the CGST Act.

(vi) Apart from the rulings already referenced by the Appellant, they have also cited the rulings from other forum, as below :-

(a) The Hon'ble Supreme Court in the case of M/s.Bando India Limited Vs The State of Karnataka wherein it was held that ITC is available under the KVAT, 2003, on the purchase of electrical goods.

(b) The Hon'ble Madras High Court (in the context of Income Tax) in the case of Geetha Hotels (P) Ltd., Vs Commissioner of Income Tax [2001 (9) TMI 58] has held that electrical installations and sanitary fittings which by themselves are "plant" for the purpose of depreciation in the scheme of section 32, cannot be regarded as "building" when such fittings are fitted to the building.

(vii) While negating the intent of other Advance Rulings by TN AAR, the Authority has relied upon the rulings of Gujarat AAAR in the case of M/s.Varachha Co-op Bank Limited (Service Sector) and the Karnataka AAR in the case of M/s.Embassy Industrial Parks Limited (Leasing constructed spaces), and the Authority has incorrectly interpreted the aforementioned rulings. Conversely, the Appellant's core business involves manufacture of injection moulding machinery, whereby the underlying intent behind the procurement has been disregarded by the Authority.

(viii) The Appellant also submits that the GST framework constitutes a unified legislation applicable the entire territory of India, without any state-wise differentiation, whereby it becomes imperative that all State authorities interpret and apply the provisions of GST Law uniformly, without any deviation, so as to ensure consistency and eliminate interpretational ambiguities.

(ix) The Appellant refers to the provisions of ITC under GST, which are in beneficial nature to the taxpayers. It is a well settled principle of law, that when an ambiguity arises in law, benefit must necessarily go in favour of subject/assessee other than for the exemption notification, as held by the Hon'ble Supreme Court in the case of Commssioner of Customs (Import), Mumbai Vs M/s.Dilip Kumar and Company & Ors. [2018 (7) TMI 1826].

5. Discussions and Findings

5.1 We have carefully examined the submissions made by the Appellant in their appeal for advance ruling application and the submissions made during the personal hearing. We have also considered the issue involved, the relevant facts and the Appellant's submission / interpretation of law in respect of the questions on which the advance ruling is sought.

5.2 From the facts of the case, we note that the Appellant is engaged in the manufacture of injection moulding machinery and accessories. Since they are expanding their business operation, they have constructed a new factory adjacent to their existing factory, and that they have incurred capital expenditure towards procurements in relation to setting up of this factory. We further take note of the fact that in the instant case, they have entered into a separate contract with the Supplier for "Supply, installation, testing & commissioning of Electrical Works" for the new factory.

5.3 In the instant case, we note that the Appellant has entered into a Contract Agreement with M/s.SMCC Construction India Limited, New Delhi for execution of 'Electrical LT works for New Factory Project', to come up alongside the existing facility at Chembarambakkam, Chennai, wherein the 'Scope of Work' has been specified as "Supply, Installation, Testing and Commissioning of Electrical Works". We also note that the Appellant has stated that the impugned supply is solely for the purpose of electrical works for the purpose of factory expansion and its associated miscellaneous civil works. Accordingly, the Appellant has contended that a group of instruments, tools, materials etc., having a particular function or intended for a specific use at the Plant, is to be considered as an apparatus, whereby the electrical installation work rightly gets covered under the definition of plant and machinery. They have also stated that the Contract would cover a meagre portion of civil works

which are related to the installation and commissioning of electrical works as mentioned in the table annexed to this application. The said civil work includes the scope of excavation & back filling and laying out heavy duty pipes in the factory premises to assist the operations of plant and machinery deployed. This would qualify as foundation and structural support to the apparatus and equipment; hence ITC would be eligible on the same.

5.4 Further, during the personal hearing held on 26.11.2025, the authorized representatives (AR) of appellant, stated that these electrical installations are not part and parcel of the building, but are kept suspended based on the day to day requirements, and are therefore movable in nature. Further, the AR added that the upcoming facility is fully mechanized that requires frequent operation of cranes for movement of goods within the factory, whereby these installations are to be considered more akin to machinery, because without power, such functionality cannot happen. The AR added that the bus-ducts involved in the instant case are placed above the ground and not kept underground, and that the CBIC Circular No.219 issued in the year 2024, clarifies that ITC on such items is not barred. In fine, the AR stated that the electrical installation involved in the instant case is detachable and movable, and therefore they are of the opinion that the erection of these electrical component does not fall under the ambit of immovable property as mentioned in Section 17(5)(c) and (d) of the CGST Act, whereby the ITC on the installation of such items is available to the Appellant.

5.5 From the aforesaid contentions of the appellant, we come to understand that the appellant most specifically emphasises the following aspects, viz.,

- (i) that the electrical installations having a particular function or intended for a specific use at the Plant, is to be considered as an 'Apparatus', whereby the electrical installation work gets covered under the definition of 'Plant and Machinery'.
- (ii) that the electrical installations are movable in nature, whereby it falls outside the ambit of 'immovable property', and as a result, ITC on the same is not blocked under Section 17(5)(c) and (d) of the CGST Act, 2017.

5.6 In this regard, we observe that Section 16(1) of the CGST Act, 2017, prescribes the eligibility and conditions for taking ITC, and it states,

"(1) Every registered person shall, subject to such conditions and restrictions as may be prescribed and in the manner specified in section 49, be entitled to take credit of input tax 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 and the said amount shall be credited to the electronic credit ledger of such person."

From the above, it could be seen that subject to such conditions and restrictions as may be prescribed, the said legal provision provides for entitlement of credit of input tax charged on any supply of goods or services or both which are used or intended to be used in the course or furtherance of his business.

5.7 Section 17 of the CGST Act, 2017 discusses about the ITC that is blocked, and the relevant provisions of sub-section (5) to Section 17, which impacts the issue in the instant case, is as given below :-

*"(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;*

(a) motor vehicles -----

(b) -----

*(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 capitalization, to the said immovable property.'*

Accordingly, it becomes clear that the restriction relating to availment of ITC in the instant case is spelt out under clauses (c) and (d) of Section 17(5) of the Act, *ibid*, and both the clauses restricts ITC availment on receipt of Works Contract service, or on receipt of any goods or service or both, when made for 'construction of an immovable property'.

5.8 Further, the expression "plant and machinery" as defined in the explanation under Section 17 of the CGST Act, 2017, is extracted as 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.

Whereby it becomes clear that the expression 'plant and machinery' talks about an apparatus, equipment and machinery fixed to earth, either by foundation or by structural support, where we observe that the crucial aspect of the said definition is "**used for making outward supply of goods of services or both**".

5.9 However, it could be seen from the provisions of section 17(5)(c) of the Act, that the phrase, viz., 'other than plant and machinery', finds a place under the said clause, from which it gets conveyed that availment of ITC on 'plant and machinery' is not blocked under the said provision. It is to be noted here that even the phrase 'other than plant or machinery' that was part of clause (d) of Section 17(5), now stands amended as 'other than plant and machinery', retrospectively with effect from

1.07.2017 onwards, through Sl.No.124 of the Finance Act, 2025 (No.7 of 2025), which reads as below :-

"124. In Section 17 of the Central Goods and Services Tax Act, in sub-section (5), in clause (d), -

(i) for the words "plant or machinery", the words "plant and machinery" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2017;

(ii) the Explanation shall be numbered as Explanation 1 thereof, and after Explanation 1 as so numbered, the following Explanation shall be inserted, namely:-

'Explanation 2. - For the purpose of clause (d), it is hereby clarified that notwithstanding anything to the contrary contained in any judgement, decree or order of any court, tribunal, or other authority, any reference to "plant or machinery" shall be construed and shall always be deemed to have been construed as a reference to "plant and machinery";.'"

5.10 Therefore, it becomes crystal clear that unless the commodity or an installation gets covered under the expression "plant and machinery" as defined in the explanation under Section 17 of the CGST Act, 2017, the input tax credit of the GST paid on the said commodity or installation stands blocked in view of clause (c) as well as clause (d) of Section 17(5) of the Act, *ibid*. In this regard, we find that the Appellant has contended that a group of instruments, tools, materials etc., having a particular function or intended for a specific use at the Plant, is to be considered as an 'Apparatus', and thereby the electrical installation work gets covered under the definition of 'Plant and Machinery'.

5.11 At this juncture, it becomes necessary to emphasize the fact that the expression 'Plant and Machinery' is to be considered in toto per se, and that the same cannot be treated as a 'Plant' as such, or as a 'Machinery' as such, or as 'Plant or Machinery'. Accordingly, the expression "plant and machinery" as defined in the explanation under Section 17 of the CGST Act, 2017, is taken to mean an -

- (a) apparatus, equipment or a machinery;
- (b) which are fixed to earth either by foundation or by structural support;
- (c) which are used for making outward supply of goods or services or both;

It could be seen that the electrical installation as discussed in the instant case involving the supply and installation of LT Panels, Busducts, LT Electrical Works, Lightning Protection Works, Light fixtures, its associated civil works, etc., cannot be considered as an 'equipment' or a 'machinery' by any means whatsoever. Therefore, the only option before us is to explore whether the same falls within the category of 'Apparatus', or not. Admittedly, the Appellant is of the opinion that the same gets categorized as an 'Apparatus' and has drawn inference for the term 'Apparatus' from Webster's Encyclopedic Unabridged Dictionary of the English Language which reads as under:

"a group or aggregate of instruments, machinery, tools, materials etc., having a particular function or intended for a specific use. 2. any complex instrument or machine for a particular purpose. 3. any system or systematic organization of activities, functions, processes, etc., directed toward a specific goal; the

apparatus of government; espionage apparatus. 4. Physiology, a group of structurally different organs working together in the performance of a particular function: the digestive apparatus"

Accordingly, the Appellant contends that a group of instruments, tools, materials etc., having a particular function or intended for a specific use at the Plant, as in the instant case, rightly gets covered under the definition of plant and machinery.

5.12 As far as the contract involved in the instant case is concerned, we note that it provides for the supply and installation of a comprehensive electrical work for the new factory set-up. Under the 'Cost Abstract' of the Contract, a detailed break-up leading to arrival of total cost for the Electrical works has been specified, wherein the cost involved for the supply of materials and that of installation have been furnished separately, as in the table below :-

SI No	Description	Amount (INR)	
		Supply	Installation
1	Section I - LT Panels	38,971,770	340,091
2	Section II - Busduct	34,241,141	4,944,412
3	Section III - LT Electrical Works	96,618,564	14,319,644
4	Section IV - Lightning Protection System	5,847,110	2,947,952
5	Section V - Light fixtures	14,812,190	2,508,896
6	Section VI - Civil Works	3,846,259	2,437,110
	Subtotal Cost for Electrical Works	194,337,034	27,498,105
	Total Cost for Electrical Works		221,835,139

We are of the opinion that the neither the overall electrical installation, nor the component of the electrical installation work, viz., LT Panels, Bus-ducts, LT Electrical works, Lightning Protection System, Light Fixtures and its associated civil work, for an upcoming facility is capable of being categorized as an 'Apparatus', as defined and specified in the above para. Because, it is not just for a specific use or for a particular purpose/function, but highly generic in nature and is intended for a variety of purposes like distribution of power supply, providing adequate lighting to the premises, protect the building/facility from lightning, operation of cranes, etc. Accordingly, once it is clear that the said electrical installation do not qualify as an 'Apparatus' and once it is ruled out that they do not get categorized either as a 'Machinery' or as an 'Equipment' as well, it is evident that such electrical installation work do not get covered within the ambit of "Plant and Machinery".

5.13 At this juncture, we take note of the Appellant's contention that the AAR has interpreted the phrase "used for making outward supply of goods or services or both" without emphasizing the requirement of direct usage; that this nuanced yet significant distinction appears to have been insufficiently considered in the assessment; that the Electrical installations are not merely supportive in nature; rather, they constitute essential and mandatory infrastructure required to ensure uninterrupted operations of the plant and machinery installed at the factory premises; That these installations directly facilitate the functioning of plant and machinery, thereby forming an integral part of the process of making outward supplies. In this regard, we bring to note that once it is clear that the electrical

installation do not get covered under the expression "plant and machinery", the question of ascertaining the aspect as to whether they are used for making outward supply of goods or services or both, either directly or indirectly, does not arise at all.

5.14 We now move on to the other contention of the appellant that the electrical installations are movable in nature, whereby it falls outside the ambit of 'immovable property', and as a result, ITC on the same is not blocked under Section 17(5)(c) and (d) of the CGST Act, 2017. They have contended that the contents of the supply such as LT panels, bus-ducts, electrical LT works, lightning protection and light fixtures are not embedded in the earth and are detachable, movable, customizable to add more equipment and maintainable in case of any repairs. Accordingly, the Appellant submits this Contract for erection of these electrical components does not fall under the ambit of 'immovable property' as mentioned in Section 17(5)(c) and (d) of the CGST Act.

5.15 At this juncture, it becomes imperative to emphasise that the 'movable nature' or 'movability' is not the only criteria which would enable an installation or a work to fall outside the ambit of 'immovable property'. Rather the 'object', 'intendment', 'marketability' of the said work or installation are also to be taken into account to determine the movable nature of the said work. In this regard, we find that in the case of M/s. Bharti Airtel Ltd., Vs. Commissioner of Central Excise, Pune, as reported in 2025 (391) E.L.T. 3 (S.C.), the Hon'ble Supreme Court has discussed and analysed the said aspect in great depth in para 11.8, as follows :-

"11.8 In view of the above decisions, we are of the opinion that merely because certain articles are attached to the earth, it does not ipso facto render these immovable properties. If such attachment to earth is not intended to be permanent but for providing support to the goods concerned and make their functioning more effective, and if such items can still be dismantled without any damage or without bringing any change in the nature of the goods and can be moved to market and sold, such goods cannot be considered immovable.

11.8.1 We may summarise some of the principles applied by the Courts in the decisions referred to above to determine the nature of the property as follows :

(1) Nature of annexation : This test ascertains how firmly a property is attached to the earth. If the property is so attached that it cannot be removed or relocated without causing damage to it, it is an indication that it is immovable.

(2) Object of annexation : If the attachment is for the permanent beneficial enjoyment of the land, the property is to be classified as immovable. Conversely, if the attachment is merely to facilitate the use of the item itself, it is to be treated as movable, even if the attachment is to an immovable property.

(3) Intendment of the parties : The intention behind the attachment, whether express or implied, can be determinative of the nature of the property. If the parties intend that the property in issue is for permanent addition to the immovable property, it will be treated as immovable. If the attachment is not meant to be permanent, it indicates that it is movable.

(4) Functionality Test : If the article is fixed to the ground to enhance the operational efficacy of the article and for making it stable and wobble free, it is an indication that such fixation is for the benefit of the article, such the property is movable.

(5) Permanency Test : If the property can be dismantled and relocated without any damage, the attachment cannot be said to be permanent but temporary and it can be considered to be movable.

(6) Marketability Test : If the property, even if attached to the earth or to an immovable property, can be removed and sold in the market, it can be said to be movable."

5.16 From the above, we note that under clause (2) of para 11.8.1, wherein the 'Object of annexation' has been discussed, it clarifies that if the attachment is for the permanent beneficial enjoyment of the land, the property is to be treated as immovable. We find that in the instant case, even in the event of considering the fact that the panels, bus-ducts, and other electrical installations are detachable and movable, the object behind their installation is clearly to assist and enable the operation of cranes and other machinery, and as a result, these installations are basically meant for the permanent beneficial enjoyment of the land, and is to be considered as immovable. In this regard, we find that under clause (3) to 'Article 1. General Principles' of the General Conditions of Contract entered to in the instant case, the following remarks are in-built, viz.,

"(3) The Contractor shall complete the Work and deliver the Permanent Work to the owner in accordance with the Contract, and the Owner shall make the payments of the Contract Sum as described in the Contract Agreement to the Contractor as per the terms of the Contract Agreement."

Alternatively, it has been stated that 'if the attachment is merely to facilitate the use of the item itself, it is to be treated as movable, even if the attachment is to an immovable property'. The analogy that could be derived from this corollary is that only those items could be treated as movable, which are attached in order to facilitate the use of the said item itself, as in the case of an air-conditioner, or any other machinery which is attached to earth or to a wall of the building for stability. On the other hand, we notice that in the instant case, the electrical installations like bus-ducts, panels, etc., are not meant to facilitate the use of the item themselves, and they admittedly facilitate the use of other machinery and cranes, whereby they cannot be treated as 'movable'.

5.17 We also note that under clause (3), the 'Intendment of the parties' has been discussed, and it clarifies that if the parties intend that the property in issue is for permanent addition to the immovable property, it will be treated as immovable. In view of the detailed discussions in para 5.16 above, and in view of the fact that a clause in the contract itself, specifies the permanent and immovable nature of the executed project, we are of the opinion that the said electrical installation is part of the immovable property.

5.18 Further, we find that the 'Marketability Test' (clause 6), assumes immense significance in the context of the instant case. We observe that none of the component of the electrical installation work, viz., LT Panels, Bus-ducts, LT Electrical works, Lightning Protection System, Light Fixtures and its associated civil work, as seen from the 'Cost Abstract' of the Contract as furnished above, are capable of being marketed as such, as they are tailor-made to suit the needs of a particular

factory/facility, and that they are not capable of being operated independently on their own as a stand-alone product as in the case of an air-conditioner, or any other machinery. In this connection, we note that the AAR in para 7.8.3 of its original ruling dated 18.08.2025, had observed inter-alia as follows :-

*"----- In this regard, we observe that when a comprehensive electrical installation for a new factory set-up begins, the electrical fittings are mostly concealed into the wall/floor of the building. They are concealed or fitted on to the building through pipes as it serves the dual purpose of safety and aesthetics. **Further, on installation of the electrical fittings meant for the factory/facility, they do not have an independent existence and it becomes part and parcel of the entire building/infrastructure and thereby a part of the immovable property.** This apart, we find under the General Clauses Act, 1897, 'Immovable Property' has been defined under Section 3(26) as "Immovable Property shall include land, benefits arising out of land and things attached to the earth, **or permanently fastened to anything attached to the earth.**" Accordingly, irrespective of the fact whether a particular thing is directly attached to earth, or permanently fastened to anything that is attached to earth like the walls, pillars, etc., it becomes part of such immovable property. **It could be seen that electrical installations are normally fastened to the wall or roof of the building which in turn is attached to earth, thereby becoming part of the immovable property.**-----"*

We are in complete agreement of the above, and such electrical installations when attached to earth, or when fastened to anything attached to earth like wall, roof, etc., become part of immovable property, even if such items can be detached and moved, because they do not have an independent existence. Further, they do not fall under the category of machinery, equipment or an apparatus, in view of the detailed discussions above. We, are therefore, of the considered opinion that ITC is not eligible on the electrical installation/work carried out for expansion of factory for manufacturing activity as it is blocked under Sections 17(5)(c) and 17(5)(d) of the CGST/TNGST Acts, 2017.

5.19 We note that the Appellant relies on the Circular No.219/13/2024-GST dated 26.06.2024, wherein it is clarified that ducts and manhole pipes laid down on the earth is not a blocked credit under Section 17(5) of the CGST Act, and that it is evident from the same, that the legislative intent is to permit ITC on ducts and manholes. On perusal of the aforesaid Circular, we find that the same discusses about the eligibility of ITC on the ducts and manholes used in network of Optical Fibre Cables (OFCs) **for providing telecommunication services.** It has also been explained in the aforesaid Circular as follows :-

*"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.**"*

As could be seen from the above, the facts of the case as discussed in the Circular differ in as much as the outward service in this case relates to 'telecommunication services', whereby the purpose behind the laying of ducts and manholes is to serve as nodes of the network and that they are used as part of the OFC network, which in turn is directly related to the said outward service. Accordingly, the clarification/contents of the aforesaid Circular are not applicable to the instant case of the Appellant, and is of no avail to them.

5.20 At this juncture, we take note of the fact that the Appellant has referred to various case laws in support of their defence. It is to be noted here that under the scheme of advance ruling, any advance ruling pronounced by the Authority is binding only on the applicant concerned who had sought it, as laid down under Section 103(1) of the CGST Act, 2017, which runs as,

"In terms of Section 103(1) of the Act, Advance Ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-

- (a) *on the applicant who had sought it in respect of any matter referred to in sub-section (2) of Section 97 for advance ruling.*
- (b) *on the concerned officer or the jurisdictional officer in respect of the applicant."*

It becomes clear from the above that when an advance ruling pronounced in respect of an applicant who had sought it, cannot be applied in general to any other case, the question of determining the application of any other ruling or case law, to the case of an applicant under the scheme of advance ruling, does not arise at all. Notwithstanding the same, it is to be admitted that in such cases where the facts and circumstances of the case remain identical, the persuasive effect that it brings to the issue, cannot be undermined.

5.21 In this regard, we find that the Appellant has relied on the rulings in respect of (a) the Authority for Advance Ruling, Maharashtra in the case of *M/s. Nipro India Corporation Private Limited [2018 (10) TMI 745]*; and (b) the Authority for Advance Ruling, Gujarat in the case of *M/s. Elixir Industries Private Limited [2024 (7) TMI 982]*. On perusal of the case involving *M/s. Elixir Industries (P) Ltd.*, we note the eligibility of wires/cables used for transmission of electricity from the power station to the factory premises of the Applicant concerned has been discussed, whereby the case becomes distinguishable, as wires and cables are in direct relation to transmission of electricity, and the issue involved is quite different from the instant case. Under the *M/s. Nipro India Corporation (P) Ltd.*, case, it is seen that the admissibility to ITC has been discussed individual system-wise, viz., Sub-station work, DG Set, Main Feeder, Lighting System, Telephone system, LAN system, etc., whereby certain items have been ruled as eligible and others as ineligible, and accordingly becomes distinguishable. Further in this regard, we find that the ruling pronounced later by a higher forum, i.e., the Appellate Order dated 04.10.2023 of the Gujarat Appellate Authority for Advance Ruling in the case of *M/s. The Varachha Co-op Bank Ltd.*, have categorically ruled that ITC in relation to electrical fittings/works is ineligible.

Accordingly, the aforesaid rulings cited by the Appellant do not apply to the instant case and is of no avail to them.

5.22 The Appellant has placed reliance on the judgment by the Hon'ble Supreme Court of India that impacts the eligibility of ITC under the GST regime, on the telecommunication towers. In the case of SLP filed by Revenue vide "Commissioner, CGST Appeal-I, Delhi Vs M/s.Bharti Airtel Limited" [2025-VIL-62-SC], the Hon'ble Supreme Court has conclusively ruled on the classification of telecommunication towers. The Appellant states that the Hon'ble Delhi High Court has held that telecommunication towers are not immovable property, and when the Revenue filed a SLP before the Hon'ble Supreme Court, it upheld the decision of the High Court, thereby providing clarity to the matter. Here again, it is to be stated that the case becomes distinguishable from the instant case, as 'telecommunication towers' are in direct relation to the outward service, viz., 'telecommunication service'.

5.23 The Appellant also draws attention to a recent ruling issued by the Gujarat Appellate Authority for Advance Ruling in the case involving M/s.KEI Industries Limited, wherein it was held that the concrete tower being the foundation and structural support for the VCV line also qualifies as part of plant and machinery, and that the ITC on the inputs and services used in constructing the tower, is eligible and is not barred by the ITC restrictions. On perusal of the said case, we find that it discusses about the eligibility of ITC on Capital goods in the form of Wires/Cables, electrical equipment, etc., used for the transmission of electricity from the power station of DISCOM to the factory premises of the applicant. As Wires/Cables, electrical equipment, etc., are in direct relation to 'transmission of electricity', and as the facts of the case differ absolutely from the case of the Appellant, the said ruling does not apply to the Appellant.

5.24 The Appellant also places reliance on the ruling of Hon'ble CESTAT Delhi in the case of *M/s. Steel Authority of India Ltd. v. CCE & ST Raipur*, [2016 (343) E.L.T. 805 (Tri. - Del.)], wherein Tribunal allowed credit of taxes paid on light fittings/structures lamps, high mast light, tubes/glasses and allied fixtures as they are necessary for illumination and enable round the clock operation of the assessee's factory. We find that this case law relates to the pre-GST era and notwithstanding the same, we are of the opinion that the movable/immovable nature of a commodity/work has been discussed from a different perspective later by the Hon'ble Supreme Court in the case of *M/s.Bharti Airtel Ltd., Vs. Commissioner of Central Excise, Pune*, as reported in 2025 (391) E.L.T. 3 (S.C.), as discussed in para 5.15 above. Accordingly, the said case law do not come to their aid.

5.25 Under the additional submissions furnished by the Appellant during the personal hearing held on 26.11.2025, the Appellant has referred to the following additional points, viz.,

- (a) The Hon'ble Supreme Court in the case of *M/s.Bando India Limited Vs The State of Karnataka* wherein it was held that ITC is available under the KVAT, 2003, on the purchase of electrical goods.

- (b) The Hon'ble Madras High Court (in the context of Income Tax) in the case of Geetha Hotels (P) Ltd., Vs Commissioner of Income Tax [2001 (9) TMI 58] has held that electrical installations and sanitary fittings which by themselves are "plant" for the purpose of depreciation in the scheme of section 32, cannot be regarded as "building" when such fittings are fitted to the building.
- (c) While negating the intent of other Advance Rulings by TN AAR, the Authority has relied upon the rulings of Gujarat AAAR in the case of M/s.Varachha Co-op Bank Limited (Service Sector) and the Karnataka AAR in the case of M/s.Embassy Industrial Parks Limited (Leasing constructed spaces), and the Authority has incorrectly interpreted the aforementioned rulings. Conversely, the Appellant's core business involves manufacture of injection moulding machinery, whereby the underlying intent behind the procurement has been disregarded by the Authority.

In this regard, it is to be stated that any reference made in respect of any other legal enactment like the KVAT, Income Tax Act, etc., do not merit consideration as the dynamics differ basically from that of the enactments under GST. It could be seen that especially in the case of Geetha Hotels (P) Ltd., Vs Commissioner of Income Tax (in the context of Income Tax), the electrical installations and sanitary fittings were reportedly held to be "plant", whereas under the scheme of GST, the expression "plant and machinery" has been defined with an altogether different connotation, specifically under the Explanation to Section 17 of the CGST Act, 2017, and that the said expressions cannot have an impact on one another. Likewise, we are of the opinion that the reference to other case laws by the AAR in its original ruling dated 18.08.2025 appears to have been made only with an intention to negate the other rulings referred to by the Appellant, and that they do not and cannot influence the decision making by any means. Further, as already pointed out we would like to insist that any advance ruling pronounced by the Authority is binding only on the applicant concerned who had sought it, and not in general.

5.26 We, are therefore of the considered opinion that once such electrical installations/fittings are installed, they cease to have an independent existence and becomes part of the immovable property, irrespective of the fact whether they are detachable or movable. We also find that the object of annexation or installation of such work is for the permanent enjoyment of the immovable property. Further, since the installation/work in the instant case do not qualify as an Equipment, a Machinery or an Apparatus, they do not get covered within the ambit of "Plant and Machinery" as defined under the Explanation to Section 17(5) of the CGST Act, 2017.

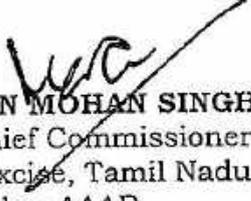
5.27 This apart, once it is held that the ITC related to electrical installation for the new factory is not available to the Appellant in the instant case, the question of answering the other query, viz., "What should be the basis to arrive the timeline to avail ITC on tax invoice raised by Supplier to bill "Advance Component" of the Contract and Subsequent Adjustment of Advance in the Service Bills showing both Gross and Net amount.", does not arise, as the same is directly related to the specific contract involved in the instant case, and is very much dependent on the main query, which has been answered in negative.

5.28 In fine, the Advance Ruling No.32/ARA/2025 dated 18.08.2025 passed by the AAR is upheld, and we find no reasons to interfere with the same.

6. In view of the detailed discussion supra, we pass the following order.

ORDER

The ruling pronounced by the AAR in Advance Ruling No.32/ARA/2025 dated 18.08.2025 is upheld and accordingly, the appeal filed by the Appellant is dismissed.


MADAN MOHAN SINGH
Principal Chief Commissioner of GST
& Central Excise, Tamil Nadu & Puducherry
Zone / Member AAAR

10

S. NAGARAJAN
Commissioner of Commercial Taxes
Tamil Nadu / Member AAAR

To

M/s. Shibaura Machine India Private Limited,
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//RPAD//

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4. The Assistant Commissioner (ST).
Sriperumbudur Assessment Circle,
5. Master File / spare - 1.