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

ADVANCE RULING NO. GUJ/GAAR/R/2026/17
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2025/AR/44

Date:08/05/**2026**

Name and address of the applicant	:	M/s. Polycab India Limited, 335,336,337, 339,353, 354, 355, 67-69. 70/1,71, 75-77, 102, 103, 104/1-2, 105, 106, 116/2, Nurpura, Vadodara Halol Road, Halol, Panchmahals, Gujarat – 389350.
GSTIN of the applicant	:	24AAACP6474E1ZJ
Jurisdiction Office	:	Center Commissionerate - Vadodara-II, (Vadodara Zone),Division-I Halol ,Range-III.
Date of application	:	03.11.2025
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	:	Ms. Priyanka Kalwani & Ms. Aanchal Trivedi. And Mahesh Panwar (Superintendent, Range-III Division I, CGST, Vadodara-II).

Brief facts:

M/s. Polycab India Limited, 335,336,337, 339,353, 354, 355, 67-69. 70/1,71, 75-77, 102, 103, 104/1-2, 105, 106, 116/2, Nurpura, Vadodara Halol Road, Halol, Panchmahals, Gujarat – 389350 [for short – '*applicant*'], is registered under GST and their GSTIN is 24AAACP6474E1ZJ.

2. The applicant is engaged in the manufacture and supply of Extra High Voltage (EHV), Medium Voltage (MV), Low Voltage (LV) power cables, Optical fibre cables and FMEG conductors, cable solutions, telecom solutions, speciality oils, lubricants etc. and is having GSTIN No.24AAACP6474E1ZJ. They have manufacturing facilities in Gujarat, Maharashtra, Karnataka, Uttarakhand, Tamil Nadu and Daman and Diu. The applicant is currently manufacturing EHV cables at

the Halol Plant in Gujarat, wherein continuous catenary vulcanization (CCV) process is being used for insulation of such EHV cables.

3. The applicant is in the process of setting up of a new manufacturing plant in Waghodia, Vadodara for making EHV cables using the Vertical Continous Vulcanization (VCV) process for making EHV cables. The process of insulation of cable cores in CCV lines happens in horizontal heating tubes. In contrast, in VCV lines, the process of insulation of cable cores is done in vertical tubes. The manufacturing line is equipped with pulling capstans, extrusion crosshead and continuous vulcanization tubes (CV tubes) which are laid vertically in the plant. The VCV process is an advanced manufacturing technique used to produce EHV cables with superior reliability and performance. This method is defined by its triple-layer co-extrusion system, which applies three critical layers onto a conductor simultaneously in a meticulously controlled, clean environment and all 3 layers are extruded simultaneously in one step to prevent contamination and ensure perfect bonding.

- Layer 1: Conductor Shield (Inner Semi-Conducting Layer): This is the first layer applied directly to the conductor and it's primary function is to normalize the electric field, mitigating stress points and ensuring a smooth, uniform field distribution around the conductor.
- Layer 2: XLPE Insulation: Following the conductor shield, this layer is the primary insulator, extruded from cross-linked polyethylene (XLPE). Chosen for its high dielectric strength and thermal resistance, XLPE provides the robust insulation necessary to withstand the immense electrical stresses inherent in EHV applications.
- Layer 3: Insulation Shield (Outer Semi-Conducting Layer): The final layer is applied over the XLPE insulation. It ensures a uniform electric field across insulation and establishes a crucial, bonded interface between the XLPE and the metallic screen.

4. The vertical orientation of the CV tube is necessary as it ensures a straight, tensioned path with minimal mechanical stress on the conductor and the isolation layers. This straight path is crucial as it minimizes any deformation of the cable as it moves through the process, which in turn minimizes eccentricity-the off center

placement of the conductor within the insulation. The uniform pull and concentricity guaranteed by gravity ensure that the insulation is applied with a consistent, uniform thickness all around the conductor, which is critical for the long-term electrical performance and reliability of the cable. The VCV manufacturing line is required to be supported by concrete structure in square form on all sides, has a height of 163 meters out of which approximately 146 meters is from the ground and 17 meters underground. The VCV tower comprises 17 floors with each floor having a height of between 6-12 meters. Height of each floor varies as per the requirements of the manufacturing line. It also consists of passenger lifts and material handling lifts installed therein, a staircase with emergency exit and fire hydrants on each floor. The VCV tower will be used exclusively for the purpose of manufacturing EHV cables. The capstan floor level is at 131.5 meters from the ground floor, and the extrusion floor level is at a height of 124 meters from the ground floor. The pressure turn pulley is at the basement level of the VCV tower which is 17 meters underground.

5. The process inside the VCV tower undertaken and equipment on each floor is summarized below for reference:

Sr.No.	Equipment	Floor No.	Function
1	Pressure turn pulley	Basement	It diverts the cable core from basement to 7th floor.
2	Take-up	Ground floor	The take-up unit is the final component in the production process. Its function is to collect the finished insulated cable core and wind it precisely onto large drums or reels.
3	Payoff	Ground floor	Its sole purpose it to unwind the conductor wire from a large supply drum and feed it into the line in a controlled and precise manner.
4	Dancer	Ground floor	The dancer is a critical component for tension control and speed regulation and is a moveable pulley or roller system that helps to maintain consistent tension on the cable as it moves from one section of the line to another.
5	Accumulator	First floor	The accumulator is used to keep the line continuously running during payoff change time by accumulating sufficient conductor.
6	End seal	Fifth floor	This is the end of the vulcanization tube and maintains water pressure inside the cooling tube.
7	Vertical caterpillar	Sixth floor	The vertical caterpillar is used to pull the cable core from end seal to 7th floor.

8	Turn pulley	Seventh floor	It is used to divert the cable core from the 7th floor to the ground floor.
9	CV Heating tube	Tenth floor	It's primary function is to cross link or cure the extruded XLPE insulation on the cable. This process transforms the polyethylene from a thermoplastic to a thermoset material, giving it the crucial properties required for high-voltage cables.
10	Cooling tube	10th to basement	The cooling tube is used to cool the cured cable with the help of water/nitrogen.
11	Extruder floor	15th floor	This floor houses the 3 separate extruders in a single specialized triple crosshead. This setup allows conductor shield, XLPE insulation and insulated shield to be extruded onto the conductor in one seamless, high precision manner. In essence, there are 3 extruders and the X head to insulate 3 layers of semi-conductor and XLPE over the bare tapped conductor.
12	Capstan	16th floor	The capstan is used to pull the conductor from the accumulator upto X head. It also maintains the core in the center of the tube between the exit caterpillar and the capstan.
13	Gravity Feed Room	16th and 17th floor	This room is used to provide the XLPE as well as semi-conducting compound through steel pipe, directly from the box in the extruders by gravity force in closed and super clean environment.

6. The weight of the significantly heavy components to be placed on each floor to run the VCV line is enumerated below:

Sr.No.	Item Quantity	Description of Machinery	Floor No.	Total weight (kgs.)
1	2	Pressurized turn pulley	Basement	53000
2	2	SS Tank 70 KL	Basement	20000
3	1	Chiller and pumps	Service floor	1500
4	2	Guide roller for conductor and cable	Ground	1000
5	2	Accumulator	1st	10200
6	2	Tube guide roller	1st	200
7	2	Guide roller for conductor and cable	1st	100
8	2	Tube guide roller	2nd	200
9	2	Guide roller for conductor and cable	2nd	100

10	2	Tube guide roller	3rd	200
11	2	Guide roller for conductor and cable	3rd	100
12	2	Tube guide roller	4th	200
13	2	Guide roller for conductor and cable	4th	100
14	2	End seal	5th	2800
15	2	Tube guide roller	5th	200
16	2	Guide roller for conductor and cable	5th	100
17	2	Belt caterpillar (BCA42)	6th	11600
18	2	Topography Scanner	6th	900
19	2	Guide roller for conductor and cable	6th	100
20	2	Turn pulley (TPU 4000)	7th	5300
21	2	Guide roller for conductor	7th	50
22	2	Tube guide roller	7th	200
23	2	Guide roller for conductor	8th	50
24	2	Tube guide roller	8th	200
25	2	Guide roller for conductor	9th	50
26	2	Tube guide roller	9th	200
27	2	Nitrogen Circulation System	10th	3160
28	2	Guide roller for conductor	10th	50
29	2	Tube guide roller	10th	200
30	1	Chiller and pumps	10th	2000
31	2	Guide roller for conductor	11th	50
32	2	Tube guide roller	11th	200
33	2	Guide roller for conductor	12th	50
34	2	Tube guide roller	12th	200
35	2	Guide roller for conductor	13th	50
36	2	Tube guide roller	14th	200
37	2	Belt caterpillar (BCA30)	14th	10000
38	2	BPS	14th	640
39	1	Chiller and pumps	15th	2000
40	2	80mm Extruder	15th	3200
41	2	100 mm Extruder	15th	5400
42	2	200 mm Extruder	15th	23000
43	2	Splice box	15th	6600
44	2	Electrical panel for machine	15th	4600
45	2	Conductor preheater	15th	100
46	2	Extruder cooling system	15th	1000
47	2	Tube heating system	15th	100
48	2	IWT Unit	15th	1540
49	2	Tripple crosshead	15th	2400
50	2	Crosshead handling table	15th	940
51	2	Wheel Capston HSC 4000	16th	26000
52	4	Polymer discharge isolator	16th	8000
53	2	Clean room	16th	3000
54	2	Semicon drying system	17th	7572
55	2	Clean room	17th	3000
56	2	Curing tube	10th to 14th	10600

57	2	Cooling tube	10^{th} to basement	22782

7. The total load at different floors will be transferred through tower with RCC shear wall to the VCV tower footings, which is the foundation for the VCV tower. The dimension of the tower is 25 by 25 meters. Further, when the machine runs there will be a dynamic load on each floor which will be borne by the floor and subsequently the footing. Hence, VCV tower has to be constructed in a manner so as to withstand such heavy loads along with the self-load of the tower, wind load and seismic load.

8. For construction of the VCV tower, a Purchase order dated 29.05.2024 was issued to Shapoorji Pallonji and Company private limited (the supplier). Total expense is approximately 140.41 crores on which CGST and SGST will be discharged at approximately 12.63 crores under each head. In this case, the supplier is raising invoices by adopting SAC 995413 with the description "General construction services of industrial buildings" and discharging tax at the rate of 18%. The applicant is of the view that the input services received by them for the construction of the concrete structure are used for structural and foundational support of the VCV line, and accordingly, the ITC on such input services is eligible to them in terms of Section 16 and Section 17 of the CGST Act, 2017.

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

Whether the applicant is eligible to avail ITC on inputs and input services used for construction of concrete tower to support and erect the VCV lines at the factory of the applicant, for manufacture of EHV cables, in terms of Section 17(5)(c) and (d) of the CGST Act, 2017?

10. Applicant's statement containing interpretation of law is as under:

- The applicant's question is covered under Section 97(2)(d) of the CGST Act, 2017.
- The inputs and input services procured by the applicant are in the course or furtherance of business of the applicant in terms of Section 16 of the CGST Act.
- As per Section 2(59) of the CGST Act, 'input' means any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business.
- As per Section 2(60) of the CGST Act, the expression 'input service' is defined as any service used or intended to be used by a supplier in the course of furtherance of business.
- Section 16 of the CGST Act states that every registered person shall be entitled to take credit of input tax charged on any supply of goods or services or both by him which are

used or intended to be used in the course or furtherance of his business and said amount will be credited to the electronic ledger of such person.

- The VCV lines are to be used for manufacturing EHV cables which will be supplied by the Applicant to its customers. Thus, the inputs and input services procured by the applicant for construction of concrete tower to support and erect the VCV lines at the factory of the applicant is in the course or furtherance of business of the applicant.
- Thus applicant is eligible to avail the ITC on inputs and input services received for construction of concrete tower to support and erect the VCV lines at the factory of the applicant in terms of Section 16 of the CGST Act.
- Section 17(5) of the CGST Act stipulates the situation wherein ITC shall not be available, notwithstanding anything contained in Sections 16(1) and 18(1) of the said Act. In terms of Section 17(5)(c) and 17(5)(d) of the CGST Act, ITC cannot be availed in respect of the following:

"17. Apportionment of credit and blocked credits.
--
(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:
--
(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, ITC is not restricted where the supply involves construction or works contract services pertaining to plant and machinery.
- The explanation to Section 17 of the CGST Act provides the definition of the expression "plant and machinery" as under:

"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;

- As per the Collins dictionary,(i) 'equipment' as a noun is defined as whatever a person, group or thing is equipped with, the special things needed for some purpose, supplies, furnishings, apparatus etc., goods used in providing service esp. in transportation as the rolling stock of a railroad. (ii) 'apparatus' as a noun is defined as a collection of instruments, machines, tools, parts or other equipment used for a particular purpose.
- As per Merriam Webstar Dictionary, (i) "equipment" is defined as the set of articles or physical resources serving to equip a person or thing such as the implements used in an

operation or activity. (ii) 'Apparatus' is defined as a set of materials or equipment designed for a particular use.

- As per Macmillan dictionary, 'equipment' is defined as the tools, machines, or other things that you need for a particular job or activity.
- Webstar's Encyclopaedic Unabridged Dictionary of English language defines 'apparatus' as:
  a. A group or aggregate of instruments, machinery, tools, materials etc. having a particular function or intended for a specific use.
  b. Any complex instrument or machine for a particular purpose.
  c. Any system or systematic organization of activities, functions, processes etc. directed towards a specific goal.
- The Concise Oxford Dictionary defines the terms: (i) 'machine' as an apparatus using or applying mechanical power and having several parts, each with a definite function and together performing a particular task. Any device that transmits a force or directs its application(ii) 'machinery' is machines collectively or components of machinery.
- Reliance is placed on the decision of **I.C.B.(P) Ltd. Vs. Collector of Central Excise, Baroda, 1997 (95) ELT 239 (Tribunal),** wherein the term 'apparatus' was defined.
- Reliance is also placed on the case of **Siemens India ltd. Vs. Commissioner of Income Tax [1996]217 ITR622 (Bom),** wherein reference was made to the common parlance test and functional test as applied in the Hon'ble Apex Court's judgement in the case of **Scientific Engineering House Private Limited vs. Commissioner of Income Tax, Andhra Pradesh 1986 (1) SCC (11)** while deciding whether a particular thing was plant or not.
- Reliance is also placed on the decision of **Inland Revenue Commissioner vs. Barclay, Curle & Co. Ltd. [1970] 76 ITR 62 (HL),** wherein it was held that a dry dock, since it fulfilled the functions of a plant, must be held as a plant.
- Reliance is also placed on the case of **Ambica Wood Works vs. The State of Gujarat 1979 43 STC 338 (Guj.)** which analysed the scope of machinery.
- Relying on the definitions of the term 'apparatus', it can be said that the VCV lines which are to be set up for manufacturing EHV cables will qualify as 'apparatus' since the system includes setting up of a collection of instruments, tools, parts or other equipment used for a particular well-defined purpose.
- It can also be said to be 'machinery' as the complete VCV line is a combination of various things/components and the harmonious working of all such components results in the desired end of manufacturing EHV cables.
- The applicant has submitted that tests such as common parlance test, functional test, durability test and close nexus test are required to be conducted to determine whether the particular product qualifies as plant and machinery.
- In order to qualify as plant and machinery, in terms of Explanation to Section 17 of the CGST Act, two major requirements need to be satisfied:

- It is an 'apparatus, equipment or machinery fixed to earth by foundation or structural support and
- It is used for making an outward supply of goods or services or both.
- Relying upon the definitions of the term 'apparatus', it can be said that VCV lines which are to be set up for manufacturing EHV cables will qualify as 'apparatus' since the system includes setting up of a collection of instruments, tools, parts or other equipment used for a particular well defined purpose.
- It can also be said to be machinery as the complete VCV line is a combination of various things/components and the harmonious working of all such components results in the desired end of manufacturing EHV cables.
- Further, (i) in common parlance test: the complete VCV line can be understood as 'apparatus' or 'equipment' (ii) in functional test: the VCV line has a well defined function to manufacture EHV cables. (iii) in durability test: the VCV line is expected to last for several years and hence it also satisfies this test. (iv) in close nexus test: the VCV line has a close nexus with the manufacturing of EHV cables in as much as having VCV line is a pre-requisite for manufacture of EHV cables and without such VCV line, the applicant will not be able to manufacture their end products viz. EHV cables.
- In present case, the applicant will provide the outward supply of EHV cables manufactured using the VCV lines, thus the second condition stands fulfilled as well. Therefore, the VCV lines qualify as 'plant and machinery' in terms of explanation to Section 17 of the CGST Act.
- VCV line comprised of pulling capstans, extrusion cross head and CV tubes laid vertically is a manufacturing line for making EHV cables. It is a triple layer co extrusion system which applies three critical layers into conductors simultaneously in a meticulously controlled and clean environment. The triple layer extrusion process in a VCV line is a method for manufacturing high-voltage cables where the inner semiconductor, XLPE insulation and outer semiconductor layers are applied simultaneously in a single, continuous operation.
- The vertical orientation of the CV tube is necessary as it ensures a straight, tensioned path with minimal mechanical stress on the conductor and the insulation layers. This straight path is crucial as it minimizes any deformation of the cable as it moves through the process, which in turn minimizes eccentricity – the off center placement of the conductor within the insulation.
- The machinery inside the VCV line is at a height of 146 meters from ground level and 17 meters underground and is in the nature of a system of various components functioning together connected through pipelines, ducts, etc. and functions as a manufacturing line for EHV cables. Therefore, the VCV lines qualify as 'plant and machinery' in terms of Explanation to Chapter V of the CGST Act.
- The construction of concrete RCC shear wall and concrete foundation are for foundation and structural support for VCV lines, which are plant and machinery in terms of Explanation to Section 17 of the CGST Act.

- In order to erect the VCV line in a vertical orientation at a height of 146 metres from ground level and 17 meters underground, the machinery has to be supported by concrete RCC shear wall and concrete foundation and the concrete structure in the form of VCV tower serves as a critical foundation and support system for the entire cable manufacturing process. The concrete structure provides a stable base for the tower components, ensuring that the entire system remains steady during cable production. It supports the weight of various equipments, including the extruder, crosshead, capstan and take up stand. The concrete structure absorbs vibrations, minimizing their effects on the cable manufacturing process. Furthermore, the proper alignment of the tower components is crucial for consistent cable insulation. The concrete foundation ensures accurate positioning of the extruder, crosshead and other elements. The concrete structure also defines the cable pathway from the pay-off stand to the take up stand. Thus, the concrete structure in a VCV tower plays a fundamental role in maintaining stability, precision and overall efficiency throughout the manufacturing process of insulated cables.
- The VCV tower is being constructed for the purpose of providing support to the VCV lines. It will help in connecting various equipment of the VCV line together and hold them in vertical position at an elevated height so that the VCV line is able to perform the desired function of manufacturing insulated EHV cables.
- Reliance is placed on the recent ruling issued by the Appellate Authority for Advance Ruling (AAAR), Gujarat in the case of **In Re: KEI Industries Limited reported at 2025-VIL-37-AAAR** wherein the AAAR allowed the credit of inputs and input services used for the construction of a concrete tower which acts as a foundation and structural support for VCV manufacturing line as eligible to the appellant. The applicant has submitted that the ruling of the AAAR is squarely applicable in this case.
- Reliance is placed on the decision in the matter of (i) the ruling passed by **the AAAR, Tamilnadu In Re: M/s. Shibaura Machine India Pvt.ltd. 2025 (9_) TMI 731** wherein the Appellate Authority allowed proportionate ITC in respect of the secondary steel structural support that is relatable exclusively to the overhead crane movement and HVAC machine.
- Reliance is placed on the decision in the case of **Sirpur Paper Mills Ltd. [1998 (97) ELT 3 (SC)** wherein it was held that plant and machinery are capable of being dismantled and sold without being destroyed and are only embedded to the earth because of operational efficiency, it is not immovable property. Applying this ratio, the ITC on inputs and input services procured for construction of concrete tower for erection and support of VCV lines is eligible to the applicant.
- Reliance is also placed on the **Supreme Court of Canada's decision in the case of British Columbia Products Ltd. V Minister of National Revenue1971 CanLII156 (SCC)** which held that chemical recovery units and tanks are structures, not buildings.
- The aforesaid multi-storied VCV tower is constructed only for the purpose of providing structural support to the VCV manufacturing line, without which such VCV line cannot

operate smoothly and therefore, the said VCV tower will get covered under the definition of 'plant and machinery' in terms of Explanation to Chapter V of the CGST Act.

- As per the definition of 'plant and machinery' under Explanation V of the CGST Act, it specifically excludes land, building or any civil structure; telecommunication towers and pipelines laid outside the factory from the scope of plant and machinery.
- The term 'civil structures' appearing in the exclusion clause of the definition of 'plant and machinery' is not defined under the CGST Act.
- As per P. Ramanatha Aiyar's Advanced Law Lexicon, 'Structure' is defined to be that which is built or constructed, an edifice or a building of any kind in the wildest sense, any production or piece of work artificially built up or composed of parts and joined together in some definite manner. The word building or structure is not defined in the pre-emption Act but it may be stated that every building is a structure though every structure is not a building and the word structure can be applied to a wall or a shed or any other unsubstantial erection for which the word building cannot be used (AIR 1924 Lah 172). 'Structure' by itself may not be a building but it may be analogous to a building, outhouse, shed, hut or stable. (Municipal Corporation of Greater Bombay vs. Indian Oil Corporation Ltd., AIR 1991 SC 686).
- Black's Law Dictionary defines 'structure' as a 'framework or construction with elements identifiable giving stability and form and able to resist strains and stresses.
- A civil structure will cover only that property in which a business is carried on, and not that property with which such business is carried on. In the instant case, the VCV tower will not be constructed for housing the VCV line but will serve as a support for operating and maintaining the VCV lines and holding it in position.
- Thus, the concrete RCC shear wall and concrete foundation to install and set up the VCV lines at a height of 146 meters from ground level and 17 meters underground are not falling under the scope of the term 'civil structure', as such concrete RCC shear wall and foundation are for structural and functional support of plant and machinery viz. VCV lines in terms of Explanation to Chapter V of the CGST Act.
- In the case of **The Municipal Corporation of Great Bombay and others vs. the Indian Oil Corporation Ltd. AIR 1991 SC 686**, the Hon'ble Apex Court observed that 'structure' must be entity in itself, although not necessarily a building in itself, adopted to the particular purpose it serves. In it's ordinary sense, a structure is something which is constructed by way of being built as is a building. But the method of construction is not conclusive. Structure by itself may not be a building but it may be analogous to a building, outhouse, shed, hut or a stable.
- The applicant submits that placing reliance on the above decision, wherein the meaning of 'structure' was analysed, even if a view is taken that the multi-storied VCV tower will qualify as a structure which will be built and constructed, it will not alter the fact that such structure of multi-storied tower is being built only for supporting the VCV lines. Thus, such a structure will get covered as a structural support under the definition of plant and machinery.

- Reliance has also been placed on **CBIC's circular No.219/13/2024-GST dated 26.06.2024** wherein it is mentioned 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 and are neither in the nature of land, building or civil structures nor in the nature of telecommunication towers or pipelines outside the factory premises.
- The applicant, placing reliance on the above circular submits that an inference can be drawn that since the VCV concrete tower is essential structure for holding the VCV line vertically, it can be said that it is an essential structure for manufacturing of EHV cables i.e. indispensable structure for carrying out the manufacturing operations and not explicitly excluded from the definition of 'plant and machinery' as provided in the Explanation to Section 17 of the CGST Act, 2017. VCV concrete tower will fall within the term 'plant and machinery' in terms of Explanation to Section 17 of the CGST Act, 2017.
- In the light of the submissions the applicant submits that the ITC on inputs and input services procured for construction of concrete tower to erect and support the VCV lines in the factory of the applicant is eligible, as it is for foundation and structural support of plant and machinery in terms of Section 17 of the CGST Act.

11. Personal hearing was granted on 08.04.2026 wherein Ms. Priyanka Kalwani and Ms. Aanchal Trivedi, appeared on behalf of the applicant and reiterated the facts & grounds as stated in the application. During the course of hearing, the representatives of the applicant has submitted a set containing relevant legal provisions of the Central Goods and Service Tax Act, 2017 as well as copy of relevant Circular and supporting judgement.

Discussion and findings

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

13. We have considered the submissions made by the applicant in their application for advance ruling as well as the submissions made both oral and written during the course of personal hearing. We have also considered the issue involved, the relevant facts & the applicant's submissions/views in respect of question on which the advance ruling is sought. We also considered the written submission provided by the Deputy Commissioner(Division-I, Halol, Vadodara-II) dated 06/03/2026.

14. We find that the applicant is in the process of setting up of a new manufacturing plant in Waghodia, Vadodara for making EHV cables using the Vertical Continous Vulcanization (VCV) process for making EHV cables, that the manufacturing line is equipped with pulling capstans, extrusion crosshead and continuous vulcanization tubes (CV tubes) which are laid vertically in the plant. The VCV process is an advanced manufacturing technique used to produce EHV cables with superior reliability and performance and that this method is defined by its triple-layer co-extrusion system, which applies three critical layers onto a conductor simultaneously in a meticulously controlled, clean environment and all 3 layers are extruded simultaneously in one step to prevent contamination and ensure perfect bonding. The VCV manufacturing line is required to be supported by concrete structure in square form on all sides, has a height of 163 meters out of which approximately 146 meters is from the ground and 17 meters underground. The VCV tower comprises 17 floors with each floor having a height of between 6-12 meters. Height of each floor varies as per the requirements of the manufacturing line and it also consists of passenger lifts and material handling lifts installed therein, a staircase with emergency exit and fire hydrants on each floor. The VCV tower will be used exclusively for the purpose of manufacturing EHV cables. The process inside the VCV tower undertaken and equipment on each floor is summarized at para 5 above. The weight of the significantly heavy components to be placed on each floor to run the VCV line is enumerated at para 6 above.

15. The applicant has further submitted that the total load at different floors will be transferred through tower with RCC shear wall to the VCV tower footings, which is the foundation for the VCV tower with the dimension of the tower being 25 by 25 meters, that when the machine runs there will be a dynamic load on each floor which will be borne by the floor and subsequently the footing, hence, VCV tower has to be constructed in a manner so as to withstand such heavy loads along with the self-load of the tower, wind load and seismic load. For construction of the VCV tower, a Purchase order dated 29.05.2024 was issued to Shapoorji Pallonji and Company private limited (the supplier), that total expense is approximately 140.41 crores on which CGST and SGST will be discharged at approximately 12.63 crores under each head and in this case, the supplier is raising invoices by adopting SAC 995413 with the description "General construction services of industrial buildings" and discharging tax at the rate of 18%. The applicant is of the view that the input services

received by them for the construction of the concrete structure are used for structural and foundational support of the VCV line, and accordingly, the ITC on such input services is eligible to them in terms of Section 16 and Section 17 of the CGST Act, 2017.

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

Whether the applicant is eligible to avail ITC on inputs and input services used for construction of concrete tower to support and erect the VCV lines at the factory of the applicant, for manufacture of EHV cables, in terms of Section 17(5)(c) and (d) of the CGST Act, 2017?

17. Before referring to the averments raised by the applicant, we find it prudent to refer to the process undertaken at different levels in the VCV tower for manufacturing of EHV cables and the equipments on each floor of the VCV tower. The same is summarized below for reference.

Sr.No.	Equipment	Floor No.	Function
1	Pressure turn pulley	Basement	It diverts the cable core from basement to 7th floor.
2	Take-up	Ground floor	The take-up unit is the final component in the production process. Its function is to collect the finished insulated cable core and wind it precisely onto large drums or reels.
3	Payoff	Ground floor	Its sole purpose it to unwind the conductor wire from a large supply drum and feed it into the line in a controlled and precise manner.
4	Dancer	Ground floor	The dancer is a critical component for tension control and speed regulation and is a moveable pulley or roller system that helps to maintain consistent tension on the cable as it moves from one section of the line to another.
5	Accumulator	First floor	The accumulator is used to keep the line continuously running during payoff change time by accumulating sufficient conductor.
6	End seal	Fifth floor	This is the end of the vulcanization tube and maintains water pressure inside the cooling tube.
7	Vertical caterpillar	Sixth floor	The vertical caterpillar is used to pull the cable core from end seal to 7th floor.
8	Turn pulley	Seventh floor	It is used to divert the cable core from the 7th floor to the ground floor.
9	CV Heating tube	Tenth floor	It's primary function is to cross link or cure the extruded XLPE insulation on the cable. This process transforms the polyethylene

			from a thermoplastic to a thermoset material, giving it the crucial properties required for high-voltage cables.
10	Cooling tube	10th to basement	The cooling tube is used to cool the cured cable with the help of water/nitrogen.
11	Extruder floor	15th floor	This floor houses the 3 separate extruders in a single specialized triple crosshead. This setup allows conductor shield, XLPE insulation and insulated shield to be extruded onto the conductor in one seamless, high precision manner. In essence, there are 3 extruders and the X head to insulate 3 layers of semi-conductor and XLPE over the bare tapped conductor.
12	Capstan	16th floor	The capstan is used to pull the conductor from the accumulator upto X head. It also maintains the core in the center of the tube between the exit caterpillar and the capstan.
13	Gravity Feed Room	16th and 17th floor	This room is used to provide the XLPE as well as semi-conducting compound through steel pipe, directly from the box in the extruders by gravity force in closed and super clean environment.

18. The weight of the significantly heavy components to be placed on each floor to run the VCV line is enumerated below:

Sr.No.	Item Quantity	Description of Machinery	Floor No.	Total weight (kgs.)
1	2	Pressurized turn pulley	Basement	53000
2	2	SS Tank 70 KL	Basement	20000
3	1	Chiller and pumps	Service floor	1500
4	2	Guide roller for conductor and cable	Ground	1000
5	2	Accumulator	1st	10200
6	2	Tube guide roller	1st	200
7	2	Guide roller for conductor and cable	1st	100
8	2	Tube guide roller	2nd	200
9	2	Guide roller for conductor and cable	2nd	100
10	2	Tube guide roller	3rd	200
11	2	Guide roller for conductor and cable	3rd	100
12	2	Tube guide roller	4th	200
13	2	Guide roller for conductor and cable	4th	100
14	2	End seal	5th	2800
15	2	Tube guide roller	5th	200
16	2	Guide roller for conductor and cable	5th	100

17	2	Belt caterpillar (BCA42)	6th	11600
18	2	Topography Scanner	6th	900
19	2	Guide roller for conductor and cable	6th	100
20	2	Turn pulley (TPU 4000)	7th	5300
21	2	Guide roller for conductor	7th	50
22	2	Tube guide roller	7th	200
23	2	Guide roller for conductor	8th	50
24	2	Tube guide roller	8th	200
25	2	Guide roller for conductor	9th	50
26	2	Tube guide roller	9th	200
27	2	Nitrogen Circulation System	10th	3160
28	2	Guide roller for conductor	10th	50
29	2	Tube guide roller	10th	200
30	1	Chiller and pumps	10th	2000
31	2	Guide roller for conductor	11th	50
32	2	Tube guide roller	11th	200
33	2	Guide roller for conductor	12th	50
34	2	Tube guide roller	12th	200
35	2	Guide roller for conductor	13th	50
36	2	Tube guide roller	14th	200
37	2	Belt caterpillar (BCA30)	14th	10000
38	2	BPS	14th	640
39	1	Chiller and pumps	15th	2000
40	2	80mm Extruder	15th	3200
41	2	100 mm Extruder	15th	5400
42	2	200 mm Extruder	15th	23000
43	2	Splice box	15th	6600
44	2	Electrical panel for machine	15th	4600
45	2	Conductor preheater	15th	100
46	2	Extruder cooling system	15th	1000
47	2	Tube heating system	15th	100
48	2	IWT Unit	15th	1540
49	2	Tripple crosshead	15th	2400
50	2	Crosshead handling table	15th	940
51	2	Wheel Capston HSC 4000	16th	26000
52	4	Polymer discharge isolator	16th	8000
53	2	Clean room	16th	3000
54	2	Semicon drying system	17th	7572
55	2	Clean room	17th	3000
56	2	Curing tube	10th to 14th	10600
57	2	Cooling tube	10th to basement	22782

In short, the applicant has upgraded their technology to manufacture EHV cables by using VCV process. For the same, the VCV manufacturing line is required to be supported by a concrete structure. Thus, the primary issue is about the eligibility of ITC on inputs and input services used in the construction of the concrete tower i.e. VCV tower.

19. The gist of the averments raised is that the contract for construction of VCV tower was awarded to M/s. Shapoorji Pallonji & Company private limited, which was in the nature of the works contract; that the inputs and input services received for the construction of the concrete structure are used for foundational & structural support of the VCV line; that the VCV line will qualify as apparatus, that the VCV tower is an essential structural support to the entire VCV 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, it qualifies for plant and machinery.

20. 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.

21. We find that irrespective of the fact that whether the event of construction of the VCV 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 concrete structure in the form of VCV 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 EHV cables and is thus an essential structural support to the entire VCV machine line in the manufacture of EHV cables.

22. On going through the layout of the VCV tower and the process undertaken at different floors in the VCV tower and the weight of the significantly heavy components to be placed on each floor as detailed in para 17 and 18 above, we are in agreement with the applicant's averment that the VCV tower made of concrete structure is essential to support and erect the VCV lines. It is more so since the applicant has stated that the concrete structure in the form of VCV tower serves as a critical and essential structural support system to the entire VCV machine line for manufacture of EHV cables while maintaining the structural integrity, stability, precision and overall efficiency of the support system for the manufacture of EHV 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.

23. Thus, the moment it is held that the ITC sought is on construction of foundation and structural support relating to plant and machinery, it moves out of the ambit of section 17(5)(c) and (d) even if it is on their own account. This being the case, we find that the applicant is eligible for availing the ITC on inputs and input

services used for construction of concrete VCV tower to support and erect the VCV lines at the factory of the applicant for manufacture of EHV cables.

24. 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 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	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: 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.

25. Drawing the analogy from the aforementioned clarification, we find that when ITC is not restricted even in respect of ducts and manhole used in OFCs under section 17(5) of the CGST Act, 2017, the ITC, on inputs and input services used for construction of concrete VCV tower to support and erect the VCV lines, for manufacture of EHV cables also, similarly, cannot be restricted.

26. 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.

27. 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 vertical catenary vulcanization tower (VCV tower) at the factory of the applicant for the manufacture of EHV 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.

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

RULING

Q.1Whether the applicant is eligible to avail ITC on inputs and input services used for construction of concrete tower to support and erect the VCV lines at the factory of the applicant, for manufacture of EHV cables, in terms of Section 17(5)(c) and (d) of the CGST Act, 2017?

A.1 Yes, the applicant is eligible to avail ITC on inputs and input services used for construction of concrete tower to support and erect the VCV lines at the factory of the applicant, for manufacture of EHV cables, in terms of Section 17(5)(c) and (d) of the CGST Act, 2017

(Sushma Vora)
Member (SGST)

GUJARAT AUTHORITY FOR ADVANCE RULING
GGST-CGST, AHMEDABAD

(Vishal Malani)
Member (CGST)

Place: Ahmedabad
Date:08/05/2026