

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



ADVANCE RULING NO. GUJ/GAAR/R/2025/44
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2024/AR/27)

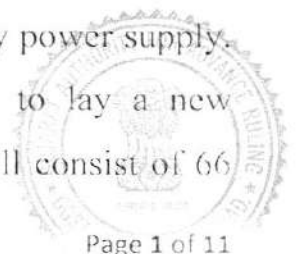
Date: - 16.10.2025

Name and address of the applicant	: M/s. Alleima India Pvt. Limited, Survey No. 2118, Ahmedabad Mehsana Highway, Opp. Kalapi Hotel, Rajpur, Kadi, Mehsana, Gujarat-384440
GSTIN of the applicant	: 24ABBCS6573P1ZQ
Jurisdiction Office	: Office of the Assistant Commissioner of State Tax, Unit-33, Range-8, Division-4, Mehsana.
Date of application	: 03.10.2024
Clause(s) of Section 97(2) of CGST / GGST Act, 2017, under which the question(s) raised.	: (d), (g)
Date of Personal Hearing	: 29.07.2025
Present for the applicant	: Shri Paresh Sancheti, Shri Ashok Jani, Shri Nirav Shah

Brief facts:

M/s. Alleima India Pvt. Limited, Survey No. 2118, Ahmedabad Mehsana Highway, Opp. Kalapi Hotel, Rajpur, Kadi, Mehsana, Gujarat-384440 [for short – ‘applicant’] is registered under GST and their GSTIN is 24ABBCS6573P1ZQ.

2. The applicant, who is having existing industrial plants at Mehsana, Gujarat and Hosar, Tamil Nadu had recently expanded its plant at Mehsana and increased the production capacity. As part of the said expansion, the applicant required a power demand of 4500 KVA at a system voltage of 66KV for a high tension (HT) power connection at the manufacturing facility. The applicant approached the Gujarat Energy Transmission Corporation (GETCO) to secure the necessary power supply. To establish the power connection, the applicant was required to lay a new underground cable line extending 2.7865 kms. This installation will consist of 66



KV single core cables (3 +1 configuration) and will utilize 630 mm² aluminium corrugated sheath cables. The objective is to ensure a reliable power supply from GETCO substation to the applicant's switchyard within the factory premises.

3. GETCO had provided two options for the execution of the cable laying work:-

- (a) Execution by GETCO: GETCO may undertake the work directly through its vendors.
- (b) Supervised Installation: The applicant may conduct the work under the supervision of GETCO.

4. The applicant chose the second option, which involved carrying out the cable laying work on their own cost under the supervision of GETCO. The applicant selected, M/s Rajesh Power Services Pvt. Ltd (the vendor), from the approved authorised vendors of GETCO, to execute the installation of the underground cable line and supply the requisite materials.

5. The process of laying of cables has been explained by the appellant, as under:-

- The transmission of electricity from the power station to the factory premises requires the excavation of a trench that will extend the entire distance from the power station to the manufacturing site.
- The high voltage cables are laid out through ducts with adequate spacing
- In areas, where the cables cross under roads, the applicant will implement additional safety measures by utilising double-wall corrugated (DWC)/Hume pipes within the trench.
- This comprehensive approach to cable installation not only guarantees the safety and reliability of the electric transmission system but also aligns with industry best practices and regulatory standards.
- All these activities associated with the laying of cables and installation of equipment will be executed under the careful supervision of GETCO.

6. In view of the aforesaid facts, the applicant has sought an advance ruling on the following :

Whether the applicant is eligible to avail ITC on procurement of capital goods & related services in the form of wires/cables, electric equipment, supervision charges & installation service used for transmission of electricity from power station of DISCOM to the factory premises which are installed outside the factory as per rules & policy of GETCO in accordance with the provision of sections 16 & 17 of the CGST Act, 2017 ?

7. The applicant has submitted that they would be eligible for ITC, for the reasons stated as under:



- They fulfil all the conditions of Section 16(2) of the CGST Act, 2017;
- The ITC to be availed is not hit by the exclusions mentioned in Section 17(5);
- Laying of cables from GETCO substation outside the factory premises to the applicant's switchyard within the factory premises does not qualify as works contract;
- that u/s 2(119), works contract is limited to immovable property; that the components involved in the project *ie* cables, wires, switchyards, aluminium corrugated sheaths are movable property; that they can be easily transported from one location to another; that they can be coiled and relocated without significant effort; that their modular nature allows them to be connected or disconnected as need facilitating movement between various operational sites or configurations;
- that the transmission is facilitated through an underground cable carefully laid to ensure minimal disruption & optimal performance;
- that the cables and wires can be removed from ducts & manholes when necessary & replaced with new ones demonstrating their movable nature;
- that in terms of explanation to section 17(5), cables/wires & equipment falls within the ambit of 'plant and machinery';
- that the phrase 'any other civil structure' as appearing in explanation to 17(5) is to be read *ejusdem generis* to the preceding words land and building; that the phrase 'any other civil structure' is to be restricted to immovable property in the nature of land and building; that the structure used as an apparatus in the manufacturing activity will not be 'any other civil structure' & will be plant and machinery;
- that the ITC is eligible on ducts and manholes; that they would like to rely on Circular no. 219/13/2024-GST dated 26.6.2024, which provides clarification on the availability of ITC for ducts and manholes used in the network of optic fiber cables.
- that they would also like to rely on the GAAR ruling in the case of M/s Elixir Industries Pvt. Ltd [GUJ/GAAR/R/2024/18] which is entirely on the same facts.

8. Personal hearing was granted on 29.07.2025, wherein Shri Paresh Sancheti, Shri Ashok Jani, Shri Nirav Shah appeared on behalf of the applicant. They reiterated the submission already made. During the course of hearing, they submitted that they will provide a copy of the agreement with GETCO and an additional submission regarding the ownership, capitalization and depreciation. Subsequently, they submitted additional submissions on 05.08.2025, wherein they have submitted that while it is not explicitly mentioned in their agreement with GETCO, that the ownership lies with GETCO, they believe that all the equipment including single phase cables, aluminium corrugated sheath wires etc. remain the property of GETCO even though the applicant is bearing the cost of laying and procuring them for the expansion of its plant. However, this should not affect the availment of input tax credit. They also submitted that the entire cost of the project has been capitalized by the applicant in the books of account; that as per the

accounting principles, the applicant has treated the said equipment as an enabling asset and accordingly has capitalized the same; that therefore the applicant has recorded the said equipment as an asset in its books of account and has also claimed depreciation on its taxable value. They further submitted that in case the said assets are taken over or transferred back to GETCO for any reason, the applicant is liable to reverse the input tax credit under the provisions of Section 18(6) for capital assets.

Discussion and findings

9. 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.

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

11. Before proceeding further, it would be relevant to reproduce the relevant sections of the CSGT Act, 2017, which are germane to the issue -

Section 16. Eligibility and conditions for taking input tax credit.-

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.

(2) Notwithstanding anything contained in this section, no registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless,-

(a) he is in possession of a tax invoice or debit note issued by a supplier registered under this Act, or such other tax paying documents as may be prescribed;

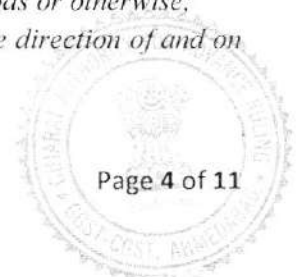
¹(aa) the details of the invoice or debit note referred to in clause (a) has been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note in the manner specified under section 37;

(b) he has received the goods or services or both.

Explanation.- For the purposes of this clause, it shall be deemed that the registered person has received the goods or, as the case may be, services-

(i) where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;

(ii) where the services are provided by the supplier to any person on the direction of and on account of such registered person;



(ba) the details of input tax credit in respect of the said supply communicated to such registered person under section 38 has not been restricted;

(c) subject to the provisions of section 41, the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilisation of input tax credit admissible in respect of the said supply; and

(d) he has furnished the return under section 39:

Provided that where the goods against an invoice are received in lots or instalments, the registered person shall be entitled to take credit upon receipt of the last lot or instalment:

Provided further that where a recipient fails to pay to the supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, the amount towards the value of supply along with tax payable thereon within a period of one hundred and eighty days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be paid by him along with interest payable under section 50, in such manner as may be prescribed:

Provided also that the recipient shall be entitled to avail of the credit of input tax on payment made by him to the supplier of the amount towards the value of supply of goods or services or both along with tax payable thereon.

(3) Where the registered person has claimed depreciation on the tax component of the cost of capital goods and plant and machinery under the provisions of the Income tax Act, 1961 (43 of 1961), the input tax credit on the said tax component shall not be allowed.

(4) A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the thirtieth day of November following the end of financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier.

Provided that the registered person shall be entitled to take input tax credit after the due date of furnishing of the return under section 39 for the month of September, 2018 till the due date of furnishing of the return under the said section for the month of March, 2019 in respect of any invoice or invoice relating to such debit note for supply of goods or services or both made during the financial year 2017-18, the details of which have been uploaded by the supplier under sub-section (1) of section 37 till the due date for furnishing the details under sub-section (1) of said section for the month of March, 2019.

(5) Notwithstanding anything contained in sub-section (4), in respect of an invoice or debit note for supply of goods or services or both pertaining to the Financial Years 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall be entitled to take input tax credit in any return under section 39 which is filed up to the thirtieth day of November, 2021.

(6) Where registration of a registered person is cancelled under section 29 and subsequently the cancellation of registration is revoked by any order, either under section 30 or pursuant to any order made by the Appellate Authority or the Appellate Tribunal or court and where availment of input tax credit in respect of an invoice or debit note was not restricted under sub-section (4) on the date of order of cancellation of registration, the said person shall be entitled to take the input tax credit in respect of such invoice or debit note for supply of goods or services or both, in a return under section 39,—

(i) filed up to thirtieth day of November following the financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier; or

(ii) for the period from the date of cancellation of registration or the effective date of cancellation of registration, as the case may be, till the date of order of revocation of cancellation of registration, where such return is filed within thirty days from the date of order of revocation of cancellation of registration, whichever is later.

Section 17. Apportionment of credit and blocked credits.-

(1) Where the goods or services or both are used by the registered person partly for the purpose of any business and partly for other purposes, the amount of credit shall be restricted to so much of the input tax as is attributable to the purposes of his business.

(2) Where the goods or services or both are used by the registered person partly for effecting taxable supplies including zero-rated supplies under this Act or under the Integrated Goods and Services Tax Act and partly for effecting exempt supplies under the said Acts, the amount of credit shall be restricted to so much of the input tax as is attributable to the said taxable supplies including zero-rated supplies.

- (3) The value of exempt supply under sub-section (2) shall be such as may be prescribed, and shall include supplies on which the recipient is liable to pay tax on reverse charge basis, transactions in securities, sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.
Explanation.- For the purposes of this sub-section, the expression "value of exempt supply" shall not include the value of activities or transactions specified in Schedule III, 4]except,—
- (i) the value of activities or transactions specified in paragraph 5 of the said Schedule; and
 - (ii) the value of such activities or transactions as may be prescribed in respect of clause (a) of paragraph 8 of the said Schedule.;
- (4) A banking company or a financial institution including a non-banking financial company, engaged in supplying services by way of accepting deposits, extending loans or advances shall have the option to either comply with the provisions of subsection (2), or avail of, every month, an amount equal to fifty per cent. of the eligible input tax credit on inputs, capital goods and input services in that month and the rest shall lapse:
Provided that the option once exercised shall not be withdrawn during the remaining part of the financial year:
Provided further that the restriction of fifty per cent. shall not apply to the tax paid on supplies made by one registered person to another registered person having the same Permanent Account Number.
- (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:-
- (a) motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver), except when they are used for making the following taxable supplies, namely:-
 - (A) further supply of such motor vehicles; or
 - (B) transportation of passengers; or
 - (C) imparting training on driving such motor vehicles;
 - (aa) vessels and aircraft except when they are used-
 - (i) for making the following taxable supplies, namely:-
 - (A) further supply of such vessels or aircraft; or
 - (B) transportation of passengers; or
 - (C) imparting training on navigating such vessels; or
 - (D) imparting training on flying such aircraft;
 - (ii) for transportation of goods;
 - (ab) services of general insurance, servicing, repair and maintenance in so far as they relate to motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa):
Provided that the input tax credit in respect of such services shall be available-
 - (i) where the motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) are used for the purposes specified therein;
 - (ii) where received by a taxable person engaged-
 - (I) in the manufacture of such motor vehicles, vessels or aircraft; or
 - (II) in the supply of general insurance services in respect of such motor vehicles, vessels or aircraft insured by him;
 - (b) the following supply of goods or services or both-
 - (i) food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, leasing, renting or hiring of motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) except when used for the purposes specified therein, life insurance and health insurance:
- Provided that the input tax credit in respect of such goods or services or both shall be available where an inward supply of such goods or services or both is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as an element of a taxable composite or mixed supply:*
- (ii) membership of a club, health and fitness centre; and
 - (iii) travel benefits extended to employees on vacation such as leave or home travel concession:
Provided that the input tax credit in respect of such goods or services or both shall be available, where it is obligatory for an employer to provide the same to its employees under any law for the time being in force.]
- (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 reconstruction, renovation, additions or alterations or repairs, to the extent of capitalisation, to the said immovable property;

(e) goods or services or both on which tax has been paid under section 10;

(f) goods or services or both received by a non-resident taxable person except on goods imported by him;

(fa) goods or services or both received by a taxable person, which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013;

(g) goods or services or both used for personal consumption;

(h) goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples; and

(i) any tax paid in accordance with the provisions of section 74 in respect of any period up to Financial Year 2023-24

(6) The Government may prescribe the manner in which the credit referred to in sub-sections (1) and (2) may be attributed.

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.

12. As per their submission, the applicant has expanded their existing industrial plant in Mehsana, Gujarat and as a part of the said expansion, they require additional power. For securing the necessary power, the applicant has laid down cables from the GETCO substation to the factory premises, at its own cost using the approved vendor of GETCO and under the supervision of GETCO. The applicant wants to avail the input tax credit of the materials as well as the services utilised for the said work, and since they have been used out side their factory premises, they have sought the present ruling.

13. The First averment of the applicant is that they have fulfilled all the conditions mentioned in Section 16 *ibid*, i.e. they are in possession of a tax invoice, the goods and services have been received, the tax on supply has been actually paid to the Government and the applicant shall furnish the return under Section 39. We are not privy to the fact that all these conditions have been fulfilled except for the fact that the applicant has submitted the relevant invoices of the supplier i.e M/s Rajesh Power, and the service provider i.e GETCO. In any case, we are also not required to go into this factual aspect, as this is a primary condition for availing input tax credit. However, we are



accepting the claim of the applicant that the conditions of Section 16 stand fulfilled. On this assumption, we proceed further.

14. The second averment of the applicant is that they are not hit by the exclusions provided in Section 17(5)(c) and 17(5)(d) *ibid*. As per Section 17 (5)(c), ITC shall not be available in respect of the works contract, when supplied for construction of an immovable property (other than plant and machinery), except when it is an input service for further supply of works contract. Further, Section 17(5)(d) also imposes similar restrictions on the ITC of the goods or services received by the tax payer for construction of an immovable property (other than plant and machinery), on his own account. We find that the goods in question are cables, wires, switchyards and aluminium corrugated sheaths. As per the applicant, these goods can be easily dismantled and transported from one location to another, if the need arises. To be specific, the cables and wires are designed to be flexible and lightweight, enabling them to be coiled and relocated without any significant effort. Their modular nature allows them to be connected or disconnected as needed, facilitating movement between various operational sites or configuration. Similarly, switchyards, which serve as critical junctions for managing electrical power flow, are prefabricated and modular in design. This allows them to be dismantled and reassembled using technological process. In view of the above averment made by the applicant, these goods will not fall in the category of immovable property and therefore the ITC on the goods and the related services utilised, will not be hit by the exclusion provided in Section 17(5)(c) and 17(5)(d) *ibid*.

15. Our attention is also drawn to CBIC’s circular No. 219/13/2024-GST dtd. 26.06.2024, which is reproduced below:

<i>Issue</i>	<i>Clarification</i>
<i>Whether the input tax credit on the ducts and manholes used in network of optical fiber cables (OFCs) for providing</i>	<i>I. 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 property (other than plant</i>

<i>telecommunication 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 CGST Act?</i>	<i>and machinery) except where it is an input service for further supply of works contract service; or</i> <i>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.</i> <i>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 structures; telecommunication towers; and pipelines laid outside the factory premises.</i> <i>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.</i> <i>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 sub-section (5) of section 17 of CGST Act.</i>
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As per the above circular, ITC is not restricted even in respect of ducts and manhole used in optical fibre cables under Section 17(5) of the CGST Act. Therefore, there is no reason to restrict the ITC on the capital goods & related services in the form of wires/cables, electric equipment, supervision charges & installation service used for transmission of electricity from the power station of DISCOM to the factory premises.

16. We also find that an identical issue came up before the Gujarat Advance Ruling Authority in the case of M/s Elixir Industries Private Ltd. and the Advance Authority had ruled vide Advance Ruling Order No. 1GUJ/GAAR/R/2024/18 dtd. 02.07.2024 that the applicant is eligible to take ITC on the capital goods in the form of wires/cables, electrical equipment used for the transmission of electricity from power station of the DISCOM to the factory premises of the applicant. The said ruling was carried into appeal by the Department before the Gujarat Appellate Advance Ruling Authority and the Appellate Authority vide Order No. GUJ/GAAAR/APPEAL/2025/16 dtd. 22.09.2025 has upheld the ruling of the GAAR and rejected the appeal.

17. We also find that in the case of M/s Elixir Industries Private Limited, as the service line was to be transferred to GETCO under an agreement and consequently remain the property of GETCO, a question arose as to whether this would have any bearing on the availment of ITC. The applicant has submitted a copy of the agreement entered between them with GETCO. However, in the applicant's case, there is nothing explicit in the agreement between them and GETCO, which reveals that the ownership of the underground cable line along with the other electrical equipment would vest with GETCO. The applicant has also submitted that the entire cost of the project (excluding GST) amounting to Rs. 5,73,72,146/- has been capitalised by them in their books of accounts. They have treated the said equipment as an enabling asset and capitalised the same. They have claimed it as an asset in their books of account and also claimed depreciation on its taxable value. They have further assured that if for any reason, the said assets are taken over or transferred back to GETCO for any reason, they are liable to reverse the input tax credit under the provisions of Section 18(6) for capital assets.

18. In view of the foregoing, we pass the below mentioned ruling:

RULING

The applicant is eligible to avail ITC on procurement of capital goods & related services in the form of wires/cables, electric equipment, supervision charges & installation service used for transmission of electricity from the power station of DISCOM to the factory premises which are installed outside the factory.


(Sushma Vora)

Member (SGST)

Place: Ahmedabad

Date: 16.10.2025



(Vishal Malani)

Member (CGST)

