M/s Vindhya Telelinks Ltd

Authority for Advance Ruling — Uttarakhand

Ruling No. 06/2018-19 Dated **28.08.2018**

Q Questions Before the Authority

- Whether cenvat credit of goods and services used for erection of infrastructure to which fibre cables are connected for leasing to Telecommunication Operators, is available to them?

F Facts

The applicant is registered as an Infrastructure Provider Category-I (IP-I) with the Department of Telecommunications and provides services including trenching, laying, jointing, and installation of cables. In hilly areas where underground cabling is impractical, the applicant erects aerial networks using hollow steel poles, GI supports, stay wires, and optical fibre cables to elevate the fibre for leasing to telecom operators. The applicant sought clarity on whether input tax credit is available on the goods and services used for erecting this infrastructure.

H Ruling

ITC on goods and services for erection of aerial fibre infrastructure	**Allowed**	Infrastructure is held to be movable property and distinct from telecommunication towers

The Authority held that the aerial pole-based infrastructure provided by the applicant is **movable property distinct from a telecommunication tower** . Consequently, the restriction on input tax credit applicable to telecommunication towers under Section 17(5) does not apply. The applicant **can avail input tax credit (ITC)** on GST paid on the goods and services used for erecting such infrastructure under Section 16(1) of the CGST/SGST Act, 2017.

R Reasoning

The Authority examined Section 16(1), Section 17(5)(c) & (d), and the Explanation to Section 17 of the CGST/SGST Act, 2017, which excludes 'telecommunication towers' from the definition of plant and machinery. Comparing the applicant's aerial network with telecommunication towers as defined in judicial precedents (GTL Infrastructure and Bharti Airtel), the Authority noted that the pole structure (7m to 9m height) lacks shelter, electronic panels, BTS equipment, and DG sets. Furthermore, the infrastructure can be dismantled and relocated without damage, making it **movable property** falling under the definition of 'goods' under Section 2(52). Since it is not an immovable structure or a telecommunication tower, the block under Section 17(5) is inapplicable.

P Provisions Relied On

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

Section 2(52) of CGST/SGST Act, 2017	Section 16(1) of CGST/SGST Act, 2017
Section 17(5)(c) of CGST/SGST Act, 2017	Section 17(5)(d) of CGST/SGST Act, 2017
Section 17(6) of CGST/SGST Act, 2017	

! For the Practitioner

This ruling helps IP-1 infrastructure providers and telecom service vendors claiming ITC on aerial fibre networks and pole erections by clarifying that **aerial pole setups are movable goods distinct from telecommunication towers** . It settles that the statutory ITC blocking under Section 17(5) for telecommunication towers does not extend to simple relocatable pole-and-cable networks, while leaving intact the restriction for civil-bound mobile towers.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> uttrakhand_06-2018-19_dtd_28-08-18_vtl.pdf

Prepared 23-10-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)
RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Mumbai
104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Delhi
3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Gurugram
Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram…

Ahmedabad
Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp…

Talk to us: +91 94594 56700 | sales@patronaccounting.com | patronaccounting.com