

SC: Telecom Towers Are Movable, ITC Allowed

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REFER THE DECISION OF THE HON'BLE SUPREME COURT OF INDIA IN THE CASE OF

Commissioner, CGST Appeal-1, Delhi V/s Bharti Airtel Ltd., decided on 8-8-2025

Bharti Airtel Ltd., one of India's biggest telecom operators, claimed Input Tax Credit (ITC) on expenses incurred for its telecommunication towers.

The tax department objected:

"These towers are immovable property like buildings. Under Section 17(5)(d), ITC is not available on works contract services for immovable property. Hence, no ITC."

Bharti Airtel countered:

"No, these towers are movable property. They can be dismantled, shifted, and reinstalled at different locations as per business needs. They are not like permanent buildings."

The matter reached the Supreme Court.

The Court carefully examined:

- The nature of telecom towers,
- Their purpose in the telecom business, and
- Whether they are *permanently attached to earth* (making them immovable) or not.

Finally, the Court ruled:

- Telecom towers are movable property since they can be shifted without losing their identity or utility.
- Section 17(5)(d), which blocks ITC on immovable property, does not apply.
- Thus, ITC is admissible to Bharti Airtel.

A big win for the telecom sector — ensuring that essential infrastructure for connectivity is not burdened with blocked credits.