

THE AUTHORITY FOR ADVANCE RULINGS
(Central Excise, Customs & Service Tax)
NEW DELHI

15th Day of July, 2016

Ruling No. AAR/44/ST/22 /2016

In

Application AAR/44/ ST/28/2015

Name & address of the applicant : M/s Kochi Salem Pipeline Pvt. Ltd
Cochin

Commissioner concerned : Commissioner of Central Excise &
Service Tax, C.R.Building, I.S.Press
Road, Cochin-682018

Present for the Applicant : Sh.Kuryan Thomas, Advocate

Present for the Department : Shri Ranjan Khanna
(Authorised Representative)

ORAL RULING
(By Sirpurkar J)

Heard Shri Kuryan Thomas, Advocate for the applicant and Sh. Ranjan Khanna for the department. This matter is covered by our previous ruling reported in 2015 (40) STR 393 AAR. In that case we had the occasion to consider the input services and whether cenvat credit can be taken on input services. We had held that cenvat credit can be taken for input services. The matter is absolutely similar if not identical to the questions that we have answered in that ruling. We, accordingly hold that the applicant would be entitled to the expenses meant for input services and would be entitled to the cenvat credit only in respect of the input services.

One more argument was made by Shri Khanna to the effect that in the cases of M/s Bharati Airtel Vs Commissioner of Central Excise Act, Pune-III, Bomaby High Court and also Indus Tower (Tribunal) Larger Bench-2016-TIOL-539 which has been decided

by this Tribunal. The view was taken that the inputs which are embedded to earth are not the goods and hence they cannot become capital goods. Sh. Khanna reiterates that the analogy is applicable to this matter also as pipeline is embedded and therefore cannot be the input. It is pointed out that in those cases the term “input services” was not for consideration, the term for consideration was only “input”. We are quite convinced that input is different from input service. This being a major difference, those rulings will not be applicable to the present case where we have considered the terminology “input service”. We, therefore, reject the arguments of Shri Khanna.

Sd/
(S.S.Rana)
Member (R)

Sd/
(V.S.Sirpurkar)
Chairman

Sd/
(R.S.Shukla)
Member(L)

