



TN AAAR: No ITC on laying pipeline outside factory premises, however, Member differ on credit eligibility on 'pile foundation' of storage tank

Tamil Nadu AAAR upholds the AAR ruling denying ITC of GST paid on goods and services used for laying pipeline outside factory premises and foundations and structural support for such pipelines intended for unloading Propane/Butane from Vessel/Jetty to Terminal; However, offers divergent opinions on the question whether ITC is available on GST paid on goods and services on 'pile foundation' to the project site also claimed as foundation for storage and water tanks; Rebutting Appellant's plea that expression pipeline connotes long distance and not pipes running for short distance, clarifies that, legislature has consciously prohibited the availability of ITC on pipelines laid outside the factory premises to limit the vast definition of 'plant and machinery' and said exclusion applies to all such pipelines be it small distance of 4 KM as in present case or long distance; Also finds the contention that the exclusion provided in explanation to section 17(5) is only applicable to 'outward supply' untenable on the premise that exclusion reads as 'pipelines laid outside the factory premises' and same is applicable for both outward and inward supply.