

GIB/DL/GAIL INDIA/21-08-2015/OTHERS-8**Others Category :** CESTAT**State :** Delhi**Order No.:** GIB/DL/GAIL INDIA/21-08-2015/OTHERS-8**Name of Entry :**
GAIL INDIA LTD**Date :** 21-08-2015**Breif Issue :****Issue & Fact of the Case:**

The appellant is an instrumentality of the Union and is in the business inter alia of supply of natural gas to industrial and other consumers. During 1.10.09 to 24.2.10, audit of the appellant revealed that the appellant's Hazira unit was providing the taxable output service of supply of goods through pipeline to local consumers and others from other destinations through the Hazira, Vijaypur, Jagdishpur (HVJ), pipeline. The appellant had a compressor unit at Hazira to pump natural gas and another compressor station at Vaghodia, Vadodara. The natural gas was conveyed through pipeline to Hazira, Vijayapur, Jagdishpur and thereafter to appellant's Vaghodia plant from where it is vended to industrial and other consumers. The appellant's Hazira unit purchased gas from ONGC and thereafter conveyed it through Hazira, Vijaypur, Jagdishpur pipeline.

The appellant obtained Centralised Registration under Section 69 of the Finance Act 1994 on 25.2.2010 whereunder its head office at New Delhi its Hazira, branch as well as Vaghodia compressor station were itemized as falling under the Centralised Registration

Audit revealed that the appellant had taken cenvat credit on the basis of invoices raised by its Vaghodia unit. On enquiry, the appellant informed the process of conveyance of gas from Hazira to its Vaghodia plant through intermediary stations viz. Vijaypur, Jagdishpur where a further process of compression and conversion into LPG occurred. On the premise that the appellant's Vaghodia pumping station has given output service provided by that station to local Hazira consumers, proceedings were initiated by the show cause notice dated 4.2.2011 proposing denial of cenvat credit along with interest and penalties and directing recovery thereof. The appellant submitted its reply dated 8.3.2011 which however did not find favour with the adjudicating authority and resulted in the impugned order.

Decision of Advance Ruling Authority :**Decision:**

Held that Decisions of this Tribunal in Manipal Advertising Services Pvt. Ltd. Vs. C.C.E.,Mangalore - 2010 (19) STR 506 (Tri-Bang.) and Well Known Polyesters Ltd. Vs. C.C.E., Vapi - 2012 (25) STR 411 (Tri- Ahmd.), have clearly declared the principle that if a person is discharging service tax liability from his registered premises, the benefit of cenvat credit on the service tax paid by the service provider cannot be denied, only on the ground that the invoices are in the name of branch offices which were not separately registered.

In the light of these decisions, the impugned order is unsustainable and is accordingly quashed. The appeal succeeds. There shall be no order as to costs