

Service Tax

Services provided for transportation of 'waste' through pipeline is not taxable as transportation of 'goods' through pipeline

Udyog Software (India) Ltd.

18/09/2014

Notional interest on interest free security deposit cannot be added to the rent for levy of service tax on renting of immovable properties.

Case Reference:

Gujarat State Fertilizers and Chemicals Ltd.
Vs.
Commissioner of Central Excise, Vadodara
[2014-TIOL-1 729-CESTA T-AHM]

Case Details:

Gujarat State Fertilizers and Chemicals Ltd. (the Appellant) has rendered services of transportation of effluent through pipeline or conduit to Heavy Water Project (HWP) for consideration. The Department contended that the Appellant is liable to pay Service tax on the services of transportation of effluent through pipeline or conduit to HWP under 'Transportation of goods through pipeline or conduit' taxable under erstwhile Section 65(105)(zzz) of the Finance Act, 1994 (the Finance Act).

Held:

It was held by the Hon'ble CESTAT, Ahmadabad that as per definition of 'goods' given under Section 2(7) of the Sales of Goods Act, 1930 ("the Sale of Goods Act"), the goods has to be a category of 'movable property'. Movable property in general trade parlance is considered as a property in goods which can fetch certain price. However, effluent discharge facility is for disposal of a waste which is not being purchased by any person but is only being disposed of by utilizing the services of the Appellant.

Conclusion:

Services of transportation provided by the Appellant are not for the 'goods' as defined in Section 2(7) of the Sales of Goods Act and the same cannot be considered as a service provided for transportation of goods as per Section 65(105)(zzz) of the Finance Act.