

CUSTOMS EXCISE & SERVICE TAX APPELLATE TRIBUNAL,

West Zonal Bench, Ahmedabad

Appeal No. E/10934/2018-SM

(Arising out of OIA No. VAD-EXCUS-002-APP-583-2017-18 dated 06/11/2017 passed by Commissioner (Appeals) Commissioner of Central Excise, Customs and Service Tax-VADODARA-I)

Gharda Chemicals Ltd.

- Applicant

Vs.

C.C.E. & S.T. – Vadodara

- Respondent

Represented by:

For the applicant

: Shri Dhawal Shah, Advocate

For the respondent

: Shri K. J. Kinariwala, Asst. Commr. (AR)

CORAM:

Hon'ble Mr. Raju, Member (Technical)

Date of Hearing/Decision: 28/12/2018

ORDER NO. **A/12994 / 2018**

Per: Raju

The dispute involved in the instant case is denial of Cenvat Credit on Service Tax paid on construction of roads within the factory premises of the appellant.

2. The appellant has relied on the decision of Tribunal in the case of Hindustan Zinc Limited reported at MANU/CE/0412/2016.

3. Ld. AR relies on the impugned order.

4. I find that in the case of Hindustan Zinc Limited (supra) cited by the appellant, in para 4(3) following has been observed:

"4(3) Construction of road within the factory premises:- The credit stand disallowed for the reason that such services are not covered

by the definition of input services. However, the appellant has argued that the roads constructed within the factory premises are used for transportation of inputs, semi-finished and finished goods within the factory and, hence, are to be considered within the term services used in or in relation to the manufacture. They have placed reliance in the case of CCE, Salem vs. ITC Ltd. reported in MANU/CC/0221/2011: 2011 (268) ELT 89 (Tri. Chennai). The definition of input service covers services used by the manufacturer whether directly or indirectly in relation to the manufacture of final products. In as much as the roads are constructed within the factory premises, they are used for the movement of inputs semi-finished and finished goods within the factory and, hence, are covered within the definition of input service, as has been held by the tribunal in the ITC Ltd. case."

Relying on the said decision, I find that the credit on the said services would be admissible. The appeal is, consequently, allowed.

(Dictated and pronounced in the open Court)

(Raju)
Member (Technical)

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