

**IN THE CUSTOMS, EXCISE & SERVICE TAX APPELLATE  
TRIBUNAL  
REGIONAL BENCH : ALLAHABAD  
COURT No. I**

**APPEAL No.E/2767/2011-EX[DB]**

(Arising out of Order-in-Original No.MP(ST-79/2010) 165 of 2010 dated 26/11/2010 passed by Commissioner of Central Excise & Service Tax, Allahabad)

**M/s Hindalco Industries Ltd.**

**...Appellants**

Vs.

**Commissioner, Central Excise, Allahabad**

**...Respondent**

Appearance:

Shri B. L. Narasimhan (Adv.) & Shri Hrishikesh Jha (Adv.) for Appellants  
Shri Pawan Kumar Singh, Superintendent (AR), for Respondents

**CORAM:**

**Hon'ble Mr. Ashok Jindal, Member (Judicial)**

**Hon'ble Mr. Anil G. Shakkarwar, Member (Technical)**

Date of Hearing/ Decision : 27/12/2018

FINAL ORDER NO. **72929 / 2018**

**Per: Ashok Jindal**

Short issue involved in the matter is whether appellant is entitled to avail cenvat credit on construction of residential colony in remote area during the period November 2009 to March 2010 or not.

2. Heard the parties.

3. The said issue came up before this Tribunal in appellant's own case where the Tribunal vide Final Order No.70344/2017 dated 03.04.2017 observed as under:-

“3. I find that the issue is no longer res-integra. The learned Commissioner (Appeals) has rejected the Cenvat Credit observing that maintenance of the residential colony is not even remotely connected with the manufacture of final products and accordingly the credit was taken irregularly. Under the facts and circumstances, I find that the appellant needs large number of trained and competent/qualified personnel to effect production in their factory. For this purpose they require the availability of the persons in the near vicinity of the factory as the factory runs 24 hours round the-clock in shifts. Under such circumstances, I hold that the construction and maintenance and other municipal services in such a colony or township being an industrial township has to be maintained by the appellant industry only. Under such circumstances, as there can be no production without availability of the workmen/personnel, I hold that all the input services in question incurred for the upkeep and maintenance of the colony is an essential business expenditure and accordingly, Cenvat Credit is allowable under the provisions of Rule 2(l) of the Cenvat credit rules, 2004. Accordingly, the appeal is allowed. I also observe that it have been similarly held by a Division Bench of this Tribunal in the case of Reliance Industries Ltd. vs. CCE & ST (LTU), Mumbai, 2016 (42) STR 457 (Tri.-Mumbai). The appellant will be entitled for consequential benefits in accordance with law.”

and allowed the cenvat credit to the appellant. Therefore, by following the precedent decision of the Tribunal, we allow the cenvat credit on construction services in remote areas.

4. In these terms, we set aside the impugned order and allow the appeal with consequential relief.

(Pronounced & Dictated in Court)

Sd/-  
**(Anil G. Shakkarwar)**  
**Member (Technical)**

Sd/-  
**(Ashok Jindal)**  
**Member (Judicial)**