CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
<u>ALLAHABAD</u>

REGIONAL BENCH – COURT NO.I

Excise Appeal No.70042 of 2017

(Arising out of Order-in-Appeal No.MRT/EXCUS/000/APPL-I/172/2016-17 dated 29/09/2016 passed by Commissioner (Appeals), Central Excise, Meerut)

M/s Sbec Sugar Ltd. **.....Appellant**

(Village Loyan, Malakpur, Baraut-250611,

District- Baghpat, U.P.)

VERSUS

Commissioner of Central Excise, Meerut **.....Respondent**

(Mangal Pandey Nagar, Meerut-250005)

<u>APPEARANCE:</u>

Shri Abhishek Sharma, Advocate for Appellant
Shri Anupam Kumar Tiwari, Authorized Representative for Respondent

CORAM :
Hon'ble Mr. ANIL G. SHAKKARWAR, MEMBER (TECHNICAL)

FINAL ORDER NO.71973/2019

DATE OF HEARING : 16 December, 2019
DATE OF DECISION : 16 December, 2019

PER : ANIL G. SHAKKARWAR

After hearing both sides duly represented by Shri Abhishek Sharma learned advocate for the appellant and Shri Anupam Kumar Tiwari learned superintendent on behalf of the revenue, I note that the appellants were manufacturer of sugar and molasses. Some of the sugar which was damaged to the extent of change of colour, content of moisture and also got fermented was sent by the appellant to Modi Sugar Mills for removing the defects in the same on job work basis. For such purpose of converting damaged sugar into good quality sugar in the premises of M/s Modi Sugar Mills appellant utilized certain input services on which service tax was paid and the services charges were collected through two invoices dated 24.09.2009 and 12.11.2009 from the appellant. The services were provided in Modi Sugar Mills and the said services were consumed for the said job work of improving the quality of damaged sugar belonging to the appellant. It appeared to revenue that since the services were utilized outside the premises of the factory of appellant the same were not admissible as input service Cenvat Credit. Therefore, the present proceedings were initiated for recovery of around Rs. 3 lakhs Cenvat Credit availed by the appellant. The proceedings culminated into passing of impugned Order-in-Appeal wherein the said Cenvat Credit was denied to the appellant.

2. After hearing both the sides and on perusal of record I note that there is no dispute that the services were utilized for conversion of damaged sugar to sugar of good quality belonging to the appellant and there is no dispute that the appellant had brought the sugar after job work to their factory and cleared the same on payment of duty. Therefore, it is clear that the services were utilized for manufacture of sugar. I, therefore, hold that the said Cenvat Credit was admissible to the appellant. I, therefore, set aside the impugned order and allow the appeal.

(Dictated and Pronounced in open Court)

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

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