CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
CHANDIGARH

REGIONAL BENCH - COURT NO. I (E-HEARING)

Excise Appeal No. 60427 of 2020

[Arising out of Order-in-Appeal No. APPL/PKL/CE/02/2019-20 dated 21.05.2020 passed by the Commissioner (Appeals), Panchkula]

M/s Asian Paints Ltd **......Appellant**
(Plot No. 1, Phase No. 1, Sector 30B,
IMT Rohtak, Kherisad, Rohtak, Haryana)

VERSUS

Commissioner of CE & ST, Rohtak **......Respondent**
(3rd Floor, Pacific City Centre, Near Jat Bhawan,
Delhi By Pass Road, Rohtak - 124001)

APPEARANCE:

Present for the Appellant: Mr. Rajmohan Asokan, Taxation Manager

Present for the Respondent: Ms. Shivani, AR

CORAM: **HON'BLE MR. ASHOK JINDAL, MEMBER (JUDICIAL)**

FINAL ORDER NO. 60809/2021

DATE OF HEARING: 26.04.2021
DATE OF DECISION: 26.04.2021

PER ASHOK JINDAL:

The appellant is in appeal against the impugned order wherein cenvat credit on input services namely 'Air Travel Agent Service /Rail Travel Agent Service' and 'Real Estate Agent Service' has been denied to the appellant on the ground that these services have no direct or indirect relation to the manufacturing activity of the appellant.

2. The facts of the case are that the appellant is a manufacturer of paints and selling thereof on payment of duty. In their course of

business, officials of the appellant have to travel various locations for procurement of raw material as well as for selling of the goods. For that, they have availed air travel service to their officials/employees and paid the service tax thereon and availed cenvat credit. Further, the appellant has taken warehouses on rent for storage of manufactured goods as well as selling goods from their depot. On the rent of the warehouses, they have paid service tax and availed cenvat credit. The adjudicating authority as well as the Commissioner (Appeals) denied cenvat credit to the appellant on the ground that these services have no direct or indirect relation to the manufacturing activity of the appellant. Against the said order, the appellant is before me.

3. The authorized representative of the appellant provided the relevant invoices for availment of cenvat credit and made a statement that all travels by the employees on which the cenvat credit has been taken on service tax paid is only for official purposes for procurement of raw material as well as selling of goods, therefore, they are entitled to take cenvat credit. It is further submitted that for Real Estate Agent Service, they have paid service tax on brokerage paid to the broker for making an arrangement to take warehouses on rent for storage of manufactured goods. Therefore, the said activity is also in direct relation to their manufacturing activity. In these circumstances, they are entitled to take cenvat credit.

4. On the other hand, the ld. A.R. submitted that the appellant has not provided the documents to the adjudicating authority and

adjudicating authority could not examined the documents, therefore, they have denied the cenvat credit.

5. Heard the parties and perused the records.

6. On perusal of the records, I find that sample invoices were produced before the adjudicating authority and reason for denial of cenvat credit is that the services in question have no direct or indirect relation to the manufacturing activity of the appellant. It is not a case where the appellant has not provided the sample invoices of the services on which they have taken cenvat credit. In these circumstances, I hold that the services in question are having direct relation with the manufacturing activity of the appellant. Therefore, I allow the cenvat credit in question to the appellant by setting aside the impugned order.

7. In result, the appeal is allowed with consequential relief, if any.

(Dictated and pronounced in the open court)

(ASHOK JINDAL)
MEMBER (JUDICIAL)

RA_Saifi