IN THE CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
SOUTH ZONAL BENCH, CHENNAI

Appeal No. ST/507/2011

(Arising out of Order-in-Appeal No.64/2011 (M-ST) dated 27.5.2011 passed by the Commissioner of Central Excise (Appeals), Chennai)

Commissioner of Service Tax, Chennai Appellant

Vs.

M/s. Chennai Container Terminal Pvt. Ltd. Respondent

Appearance

Shri A. Cletus, Addl. Commissioner (AR) for the Appellant
Ms. Radhika Chandrasekar, Advocate for the Respondent

CORAM

Hon'ble Ms. Sulekha Beevi C.S., Member (Judicial)
Hon'ble Shri Madhu Mohan Damodhar, Member (Technical)

Date of Hearing / Decision: **11.04.2018**

Final Order No. **41096 / 2018**

Per Bench

The above appeal is filed by the Revenue against the order passed by the Commissioner (Appeals) who allowed credit on various input services.

2. On behalf of Revenue, ld. AR Shri A. Cletus submitted that the respondent availed credit on input services such as outdoor catering service, rent-a-cab service and transport of

goods by road. These services have no nexus with the output service of the respondent and therefore are not eligible for credit. He submitted that the Commissioner (Appeals) erred in allowing the credit on these services.

3. The ld. counsel Ms. Radhika Chandrasekar appearing on behalf of the respondent submitted that the period involved is from February 2005 to March 2008 and during the relevant period, the definition of input services had a wide ambit as it includes the words "activities relating to business". The respondent had availed CENVAT credit of service tax paid on charges for canteen located inside the premises of the respondent wherein food is provided to staff and workers of the company. Thus these services are qualified as input service being outdoor catering service. They have availed credit on rent-a-cab service for providing pick and drop facility for the employees. The transportation services were availed for transportation of goods from port to CFS. That these services are closely linked to the output service provided by the respondent and therefore eligible for credit.

4. Heard both sides.

5. The respondents are providing services of container handling, storage, cargo planning etc. within Chennai Port area. The services impugned in this appeal and narrated above were availed by the respondent for providing output services

and therefore qualifies as input service. On going through the records, we are convinced that the Commissioner (Appeals) has rightly allowed the credit on these services. Similar view has been discussed by the jurisdictional High Court in the case of Commissioner of Central Excise Vs. Britannia Industries Ltd. and others – 2015-TIOL-750-HC-MAD, wherein the Hon'ble High Court has relied upon the decision of the Hon'ble Bombay High Court in the case of Ultratech Cement Ltd. reported in 2010-TIOL-745-HC-MUM.

6. Following the above decisions, we are of the considered opinion that the impugned order calls for no interference and the appeal filed by Revenue is dismissed.

(Operative portion of the order was pronounced in open court)

(**Madhu Mohan Damodhar**)
Member (Technical)

(**Sulekha Beevi C.S.**)
Member (Judicial)

Rex