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

Appeal No. E/305/2012

(Arising out of Order-in-Appeal No.32/2012 dated 8.2.2012 passed by the Commissioner of Central Excise (Appeals), Trichy)

M/s. Sanmar Foundries Ltd. Appellant

Vs.

CCE, Trichy Respondent

Appearance

Shri V.S. Manoj, Advocate for the Appellant
Shri S. Govindarajan, AC (AR) 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: **25.04.2018**

Final Order No. **41323 / 2018**

Per Bench

Brief facts are that the appellants are engaged in the manufacture of steel castings and were availing facility of CENVAT credit on inputs / capital goods and input services. Show cause notice was issued proposing to disallow credit in respect of service tax paid on rent-a-cab service, management, maintenance and repair service and management consultancy service. After due process of law, the original authority confirmed the demand, interest and imposed penalty. In appeal, Commissioner (Appeals) upheld the same. Hence this appeal.

2. At the time of hearing, ld. counsel Shri V.S. Manoj submitted that the period involved is prior to 1.4.2011 when the definition of input service had a wide ambit as it included the words "activities relating to business". The said services were availed by the appellants for the activities relating to business of manufacture. In various decisions, the Tribunal has held these services to be eligible for credit. Rent-a-cab services were used for pick up and drop of the officers of the appellant-company. Management, maintenance and repair service is used for repair of the helicopter for transportation of Directors / Chairman of the company. Management consultancy service was used for obtaining advice in respect of various aspects of management. That in the appellant's own case for a different period, the Tribunal as reported in 2016 (43) STR 362 has allowed the credit on these three services.

3. The ld. AR Shri S. Govindarajan reiterated the findings in the impugned order.

4. Heard both sides.

5. We find that the period involved is prior to 1.4.2011. In the appellant's own case, the impugned services were held to

be eligible for credit. We do not find any ground to take a different view. The reason for disallowing the credit is that the services did not have any nexus with the manufacturing activity. We find no basis for such allegation as the appellant has been able to establish the use of the services being relating to activities of business of their manufacture. Thus, we hold that the demand cannot sustain. The impugned order is set aside and the appeal is allowed with consequential relief, if any.

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

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

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

Rex