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

Appeal No. E/42331/2017

(Arising out of Order-in-Appeal No. 89/2017 (CTA-I) dated 23.08.2017 passed by the Commissioner of Central Excise & GST (Appeals-I), Chennai)

M/s. Accent Pharma : Appellant

Vs.

Commissioner of GST & Central Excise, Pondicherry : Respondent

Appearance:-

Ms. Yogalakshmi, Advocate
for the Appellant

Shri R. Subramaniyan, AC (AR)
for the Respondent

CORAM:

Hon'ble Ms. Sulekha Beevi C.S., Member (Judicial)

Date of Hearing/Decision: **07.06.2018**

Final Order No. ***41743 / 2018***

Brief facts are that the appellants had availed credit of various input services and Show Cause Notice was issued, proposing to deny the credit availed in respect of certain services. The authorities below have denied credit on a few services and confirmed the demand thereon against which the appellant has filed the present appeal.

2. On behalf of the appellant, the learned Counsel, Ms. Yogalakshmi, submitted that the appellant is now confining their

contest only on the credit availed in respect of business development services which is an amount of Rs. 92,700/-. She submitted that the said services were availed for the purpose of marketing activities and development of business of the appellant. The period involved is June, 2010 to August, 2010 and, therefore, the said services are covered within the definition of input service as it stood during the relevant period. She relied upon the decision in the case of FLOWSERVE SANMAR LTD. Vs. CCE Chennai, 2017 (5) G.S.T.L. 375 (Tribunal - Chennai).

3. The learned AR, Shri R. Subramaniyan, supported the findings in the impugned order.

4. Heard both sides.

5. The learned Counsel has submitted that though various services have been denied credit, as per the impugned order, they are confining their contest only on the credit only in respect of business development services. The period involved is prior to 01.04.2011 when the definition of input service included the words 'activities relating to business'. The decision relied by the learned Counsel also covers the issue. Hence, I am of the view that the denial of credit on the impugned service is unjustified. It is seen that a consolidated penalty of Rs. 10,000/- has been imposed under Rule 15(1) of the Cenvat Credit Rules, 2004. Since the major credit of business development service, to the tune of Rs. 92,700/-, has been set aside, I am of the view that the penalty is unwarranted and requires to be set aside, which I hereby do.

6. The impugned order, to the extent of denying credit of business development service, is set aside, as well as the penalty imposed, without disturbing the remaining part of the order. The appeal is allowed partly in above terms, with consequential reliefs, if any.

(Dictated and pronounced in open Court)

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

Sdd