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

E/Misc/41410/2017
Appeal No.E/169/2012

[Arising out of Order-in-Original No.27/2011 dt.24.10.2011 passed by the Commissioner of Central Excise, Chennai]

Comstar Automotive Technologies Pvt. Ltd. Appellant

Versus

Commissioner of Central Excise, Chennai Respondent

Appearance:

Ms.S.Sridevi, Advocate
For the Appellant

Shri A.Cletus, ADC (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 : 24.5.2018

Per Bench

FINAL ORDER No. 41634/2018

The appellants are engaged in manufacture of Alternators and Startors of Motors and are availing the facility of Cenvat Credit on inputs and input services. On verification of records it was noticed that appellants availed Cenvat credit on outdoor catering services for the period from April 2007 to June 2010 which according to department was not eligible as these services did not have nexus with the manufacturing activities is not covered by the definition of input services. 5 Show Cause Notices for the different period was issued which after adjudication confirmed the demand, interest and imposed penalties. Hence this appeal.

2. On behalf of appellant, the Ld.Counsel, Ms.S.Sridevi submitted that appellant has availed the impugned services to provide canteen facility to the workers/employees. It is mandatory for the appellant to provide canteen facilities to workers and employees, as per provisions of the Factories Act, 1949. Thus the services have direct nexus with the manufacturing activity and the Commissioner has erred in disallowing the credit. She stressed that the period is prior to 1/4/2011.

3. The Ld.AR, Sh.A.Cletus reiterated the findings in the impugned order.

4. Heard both sides. The period involved is prior to 1/4/2011 when the definition of inputs services had a wide ambit and did not contain the exclusion clause excluding services availed for personal consumption of employees. The issue stands settled by the decisions in the case of ***CCE, Nagpur vs Ultratech Cement Ltd. 2010 (260) ELT 369 (Bom.)*** and ***CCE, Ahmedabad Vs Ferromatik Milacron India Ltd 2011 (21) STR 8 (Guj.).*** Following the same, we find that the denial of credit is unjustified. The impugned order is set aside. The appeal is allowed with consequential reliefs, if any.

(Operative part of the order pronounced in open court)

(Madhu Mohan Damodhar)
Member (Technical)

(Sulekha Beevi C.S)
Member (Judicial)

vsr