

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

**Appeal No. ST/42077/2018**

(Arising out of Order-in-Appeal No. 198/2018 (CTA-II) dated 27.4.2018 passed by the Commissioner of GST & Central Excise (Appeals – II), Chennai)

Commissioner of GST & Central Excise  
Chennai South

Appellant

Vs.

M/s. TRAC Media Pvt. Ltd.

Respondent

Appearance

Shri L. Nandakumar, AC (AR) for the Appellant  
Shri Prasanna Krishnan, Consultant for the Respondent

**CORAM**

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

Date of Hearing / Decision: **14.12.2018**

Final Order No. **43113 / 2018**

The above appeal is filed by the department aggrieved by the order passed by Commissioner (Appeals) who has set aside part of the demand observing that the credit availed by the respondent prior to registration is eligible.

2. On behalf of Revenue, Id. AR Shri L. Nandakumar reiterated the grounds of appeal. He submitted that the respondent had not taken registration for providing output

service but had been availing CENVAT credit on various services claiming that these are input services. When they have not taken registration, they are not eligible to avail credit. The Commissioner (Appeals) ought not to have held that the credit is eligible. He pleaded the impugned order may be set aside.

3. On behalf of the respondent, Id. consultant Shri Prasanna Krishnan appeared and argued the matter. He relied upon the decision of the Hon'ble High Court of Madras in the case of Commissioner of Service Tax, Chennai Vs. Scionspire Consulting Services (India) Pvt. Ltd. - 2017-TIOL-798-HC-MAD. The Hon'ble High Court of Madras in the said decision has relied upon mPortal India Wireless Solutions Pvt. Ltd. Vs. Commissioner of Service Tax, Bangalore - 2012 (27) STR 134 (Kar.) and held that there is no requirement of taking registration for availing CENVAT credit of input services. He argued that the Commissioner (Appeals) has rightly held the credit to be eligible.

4. Heard both sides.

5. The amount involved in the appeal is only Rs.10,85,419/- . As per the litigation policy, the department appeals upto Rs.20 lakhs is not maintainable and therefore the present appeal is not maintainable on monetary limit. Even after considering the issue, it is seen that the eligibility to credit on

input services prior to taking registration is settled by the decisions relied by the consultant for the respondent. Following the same, I hold that the appeal is to be dismissed on merits also. From the foregoing discussions, the appeal filed by the department is dismissed on monetary limit as well as merit.

(Dictated and pronounced in open court)

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

Rex