IN THE CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
West Block No. 2, R.K. Puram, New Delhi – 110 066.

Date of Hearing/Order: 30.10.2017

Appeal No. E/56649/2013-SM

(Arising out of Order-in-Appeal No. 346/ST/DLH/2012 dated 31.12.2012 passed by the Commissioner of Central Excise (Appeals), New Delhi)

M/s A.F. Ferguson Associates — Appellant

Vs.

CCE, Delhi-I — Respondent

Appearance

Shri Harish Bindumadhavan, Advocate - for the appellant

Shri G.R. Singh, D.R. - for the respondent

CORAM: **Hon'ble Mr. M.V. Ravindran, Member (Judicial)**

Final Order No. 57457/2017

Per M.V. Ravindran :

This appeal is directed against the Order-in-Appeal No. 346/2012 dated 31.12.2012.

2. Heard both sides and perused the records.

3. On perusal of records, it transpires that the issue is regarding denial of Cenvat credit to the appellant on two grounds.

(i) That they availed Cenvat credit of the service tax paid by sub-contractors to their clients for the service rendered to their clients and;

(ii) The documents on which Cenvat credit was availed for not produced before the lower authorities.

4. On consideration of the submissions made by both sides, the larger issue of availment of Cenvat credit of the service tax paid by the sub-contractor to the services rendered to the client of appellant seems to be in favour of the appellant. Appellant herein is a Chartered Accountant firm rendering various services, taxable and discharges the same. In order to cater to the needs of the clients, they outsourced part of their work of their Chartered Accountancy services to various Chartered Accountants and direct them to render the services to the clients. Such outsourced Chartered Accountants firms after rendering the services, raised a bill on appellant and discharged the service tax under appropriate heading. Appellant has availed the Cenvat credit on such service tax paid. In my considered view, availment of Cenvat credit of such service tax paid by the service sub-contractors/outsourced service providers cannot be in dispute and has to be held that it is eligible as Cenvat credit for the reason, that the definition of input service includes any services which are utilized for rendering output services. In the case in hand, this issue is very clear accordingly denial of Cenvat credit on the

invoices raised by the sub-contractors is incorrect and it is liable to be allowed and the impugned order to that extent is set aside.

5. As regards the questioning of documents by the Revenue authorities, I do find that the first appellate authority has recorded that the appellants have not produced the documentary evidences before the lower authorities and justified his claim of eligibility of Cenvat credit. Since this part needs factual verification, I remit this issue for factual verification on the documents to the adjudicating authority and direct him to consider the Cenvat credit based upon the documents that may be produced by the appellant.

6. The appeal stands disposed as indicated above.

(Dictated & pronounced in open Court)

(M.V. Ravindran)
Member (Judicial)

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