

telephone, courier, AMC of computer and AC are covered within the inclusive part of the input services as these services are used in day-to-day business related activities of manufacturing and clearance. Resultantly, cenvat credit of Rs. 56,716/- on telephone services, Rs. 1,07,968/- on courier services and RS. 41,282/- on AMC of computer and AC services was allowed however the cenvat credit of Rs. 4,62,845/- on business auxiliary services was disallowed. Being aggrieved, an Appeal was preferred before Commissioner(Appeals) who vide the Order under challenge i.e. the Order No. 252 dated 27.07.2018 has rejected the Appeal. Resultantly, the Appeal is before this Tribunal.

3. I have heard Mr. DK Tyagi, Ld. Advocate for the appellant and Ms. Tamana Alam, Ld. AR for the Department.

4. It is submitted on behalf of the appellant that the definition of input services is very wide which covers not only the services used directly or indirectly in or in relation to the manufacture of final products but also various services used in relation to business of manufacture. It is submitted that the credit has been disallowed on business auxiliary services, those services are nothing but the labour employed for loading/ unloading and for opening of shell moulds. It is submitted that entire details of the said services were provided to the adjudicating authorities below but they had miserably been silent qua the same except declining the credit. Order is accordingly prayed to be set aside.

5. Ld. AR on the other hand has justified the Order and prayed for dismissal of Appeal.

6. After hearing both the parties, I observe that while relying upon the definition of input services under Rule 2(I) of Cenvat credit Rules, 2004 the adjudicating authorities below have already allowed

the credit on telephone services, courier service, AMC of computer and AC. The Authority below have observed that:

"the definition of input services has two parts – Sl. No. (i) & (ii) covers the main part of the definition and other is the inclusive part. The main part of the definition covers all services which are used directly or indirectly in the manufacture of final product and clearance thereof up to the place of removal. The words 'directly/ indirectly' used in the definition provide that the services used by the manufacturer need not be related to manufacture only and may be related to manufacture only and may be related to other activities which facilitate and add to the activity of manufacturing."

7. It has been the stand of the appellant that the business auxiliary services have been availed for loading and unloading of material and even moulds of final product in the factory and thus are very much the integral part of the manufacture of the final product of the appellant. The adjudicating authority below has acknowledged that the invoices are pertaining to the supply of manpower and to the supply of some material to the appellant. Irrespective that these supplies are nomenclated as Business Auxiliary Service but the fact remains is that these supplies are the inputs for the appellant to ultimately manufacture the CI Castings of engine parts, as such are very much covered in the inclusive part of the definition of the input services. Resultantly, I am of the opinion that the said credit of Rs. 4,62,845/- has wrongly been denied. No question of interest and penalty to retain any significance. Accordingly, the Order under challenge therefore is hereby set aside; Appeal stands allowed.

[Operative part pronounced in the open Court]

**(RACHNA GUPTA)
MEMBER (JUDICIAL)**

D.J.