CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
MUMBAI

Excise Appeal No. 85418 of 2020

(Arising out of Order-in-Appeal No. PVNS/156/RGDAPP/2019-20 dated 13.11.2019 passed by the Commissioner of Central Tax, Central Excise & Service Tax, Raigad(Appeals)).

M/s. Pidilite Industries Limited
Plot No. 35/26, MIDC, Taloja,
District- Raigad.
........Appellant

VERSUS

Commissioner of Central Tax, Central Excise, Service Tax, Raigad.
5th Floor, C.G.O. Complex, CBD Belapur,
Navi Mumbai- 400614.
........Respondent

APPEARANCE:

Ms Deepa .R. Shetty, Advocate for the Appellant
Shri Amrendra Kumar Jha, Authorised Representative for the Respondent

CORAM:

HON'BLE MR. AJAY SHARMA, MEMBER (JUDICIAL)

FINAL ORDER NO. A/86227 / 2022

Date of Hearing: 17.11.2022
Date of Decision: 20.12.2022

PER: AJAY SHARMA

This appeal has been filed challenging the order dated 05.04.2019 passed by Commissioner of Central Tax, Central Excise, Service Tax (Appeals) Raigad by which the learned Commissioner partly allowed the appeal filed by the appellant and upheld the rejection of the amount of Rs.1,59,729/- against renting of immovable property service.

2. This appeal is confined only to challenge the rejection of Service Tax refund of amount of input credit against renting of immovable property services. The issue involved herein is no more *res integra*, in view of various decisions of this Tribunal in appellants own cases in which the Tribunal has allowed the claim

of the appellant against the very same service viz. Order dated 13.10.2017 in Appeal No. A/90438-90449/2017 SMB; Order No. A/92100/2017 dated 22/12/2017 and Order No. A/86585/2018 dated 25/05/2018. I have gone through the impugned order passed by learned Commissioner and the reasons for disallowance of claim was that the appellant has failed to submit any concrete evidence to establish that invoices of the rental services against which they availed Cenvat Credit is the same for which they have entered into agreement with the service provider Mr. Vishal Garg. According to learned Commissioner discrepancies have been found in the amount mentioned in the invoices and also on the ground that the agreement placed on record by the appellant is not registered.

3. I have heard learned Company Representative appearing on behalf of the appellant and learned Authorised Representative appearing for the Revenue and perused the case records including the written submissions placed on record by the learned Company Representative. Learned Company Representative appearing on behalf of the appellant submits that although all the required documents were placed on record but the learned Commissioner failed to go through the same and erroneously rejected the claim. Per contra Learned Authorised Representative appearing on behalf of the Revenue reiterated the findings recorded in the impugned order and prayed for dismissal of the appeal.

4. A perusal of the impugned order suggests that the learned Commissioner did not dispute the admissibility of renting of immovable property as input service but he rejected the claim only on the ground that the appellant failed to produce supporting evidences to the satisfaction of the learned Commissioner. I have also gone through the said documents/evidence which have been filed by the appellant alongwith the Appeal herein. So far as the issue about the identification of the immovable property is concerned whether property in issue, of which the invoices has been submitted, is the same for which appellant has entered into agreement with the service provider, I find that initially the said

premises was jointly owned by Mr. Rakesh Kumar Goyal and Mr. Satyendra Kumar Jain who later on sold the same to Mr. Vishal Garg on 05/10/2015. The said agreement between Vishal Garg and the seller was also placed on record by the appellant alongwith the declaration executed by Mr. Vishal Garg that he will abide by all the terms and conditions mentioned in the lease deed dated 29.08.2014 between the earlier owner and the appellant herein. A perusal of the said lease deed made it clear that it was for a period of 05 years w.e.f. 15/09/2014 and initially the monthly rental mentioned therein was Rs.7,29,196/- with an increase of 5% every year after completion of 12 months from the commencement date. This seems to be the reason of alleged discrepancies in the amount mentioned in the monthly rent agreement and the amount mentioned in the invoices. Learned Company Representative also placed on record a tabular form of annual increase in the monthly rental in her written submission which establishes that there is no discrepancies but the difference in amount is due to the annual increase in monthly rental from time to time. The additional specimen invoice no. PIL-7 dated 01/07/17 and PIL-9 dated 01/08/17 for the rental income Rs.8,04,086/- issued by the service provider Mr. Vishal Garg establishes that the invoices were issued for the same premises situated at Ambala. The copy of invoices placed on record by the appellant, which are issued by other plants of the appellant to the premises in issue for stock transfer, endorses the claim of the appellant that the said premises is used in relation to its business activities. So far as the registration of lease agreement is concerned it is not disputed that the initial lease agreement dated 29/08/2014 between the appellant and erstwhile owners was registered and after the present owner/service provider Mr. Vishal Garg purchased the said premises, a letter dated 01/04/2019 was issued by him in reference to aforesaid agreement dated 29/08/2014 for extension of lease period and revision of rent and therefore, in my view the learned Commissioner is not justified in rejecting the claim on basis of non-registration of agreement.

5. In view of the discussions held hereinabove, I am of the view that the appellant is eligible for Cenvat Credit so far as the renting of immovable property service is concerned and there is no contravention of any Rule whatsoever. The appeal filed by the appellant is accordingly allowed with consequential relief, if any, as per law.

(Pronounced in open Court on 20.12.2022)

(Ajay Sharma)
Member (Judicial)

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