

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

Date of Hearing/Order: 9.2.2018

Appeal No. E/51667/2017-SM

(Arising out of Order-in-Appeal No. BHO-EXCUS-002-APP-122-17-18 dated 5.6.2017 passed by Commissioner (Appeals), Customs, Central Excise & Service Tax, Raipur)

M/s Godawari Power & Ispat Ltd.

Appellant

Vs.

CCE, Raipur

Respondent

Appearance

Shri Krishnamohan Menon, Advocate

- for the appellant

Shri U. Sengraj, D.R.

- for the respondent

CORAM: Honble Mr. Ashok Jindal, Member (Judicial)

Final Order No. 50579/2018

Per Ashok Jindal:

Cenvat credit on various services has been denied viz. air travel, architect, club membership, event management and sponsorship to the appellant on the premise that these services are input services as per Rule 2(l) of the Cenvat credit Rules 2004.

2. Heard the parties. Each service is dealt separately as under :

(a) Air Travel Service : - The said service has been used by the Directors/employees of the appellant for business promotion i.e. for sale and purchase of their goods.

Therefore, the said service is directly related to their manufacturing activity. In that circumstances, in terms of Rule 2(l) of Cenvat Credit Rules, 2004 on Air Travel Service, the appellant is availed Cenvat credit.

(b) Architech service :- The said services of the architect has been availed by the appellant for modernization and renovation of their plant and machinery and same is covered under the inclusive part of definition in terms of Rule 2(l) of Cenvat Credit Rules, 2004. In that circumstances, the appellant has correctly availed the Cenvat credit on the said services.

(c) Club Membership:- In fact the name of the service is mentioned as club membership. Actually the appellant has taken membership of various trade bodies and without the membership of that trade bodies it is not possible for the appellant to manufacture their goods as they are required to be the member of that trade bodies to remain in the trade. In that circumstances, the said service have direct nexus with the manufacturing activity of the appellant. Accordingly, the appellant is entitled to avail Cenvat credit on the said service in terms of Rule 2(l) of Cenvat Credit Rules, 2004.

(d) Event Management Service:- In fact, the said service has been availed by the appellant for attending various conferences and events of business promotion of the appellant. In that circumstances, on the said service also the appellant is entitled to avail Cenvat credit.

(e) Sponsorship Service :- The said service has been availed by the appellant for sponsorship of the various events organized by various social organizations. I find that the service of sponsorship of various events organized by social organizations have no relation to the manufacturing activity of the appellant. Therefore, for the said service appellant is not entitled to avail in terms Rule 2(l) of Cenvat Credit Rules, 2004.

3. In view of the above observations, I hold that on the services in question herein above the appellant has correctly availed the Cenvat credit except on sponsorship service.

4. For the remaining services, the appellant is not contesting the issue as the amount is meager. In that circumstances, on the remaining service the credit is denied.

5. In view of the above observations, the appeal is disposed of.

(Dictated & pronounced in open Court)

(Ashok Jindal)
Member (Judicial)

RM