Cce, Salem Vs. M/S. Itc Ltd.

Cce, Salem Vs. M/S. Itc Ltd.

SooperKanoon Citation : sooperkanoon.com/943748

Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Chennai

Decided On : Jun-04-2010

Judge : The Honourable Ms. Jyoti Balasundaram, Vice President

Appeal No. : Appeal No. E/499 of 2009

Appellant : Cce, Salem

Respondent : M/S. Itc Ltd.

Advocate for Pet/Ap. : Shri C. Rangaraju, SDR for the Appellant. Shri J. Shankar Raman, Advocate for the Respondent.

Judgement :

The Revenue is aggrieved by the extension of credit of service tax on the following:-

1. Agricultural work

2. Levelling of children park and tree plantations

3. Construction of toilet in school in the village

on the ground that these are not covered by the definition of input service as per Rule 2(l) of the CENVAT Credit Rules, 2004.

2. I have heard both sides. As far as services enumerated at Sl. No. 1 above, where an amount is Rs.46,293/-, I see merit in the submission of the assessee that they are entitled to the credit for the reason that such a service has been held to be an input service in the case of Millipore India Ltd. Vs. CCE - 2009 (13) STR 616. I, therefore, hold that the assessees are entitled to credit of service tax paid on agricultural work.

3. As regards the services set out in 2 and 3 above, I agree with the Revenue, by no stretch of imagination can these be considered as input services relating to business of the assessees. I, therefore, disallow credit of Rs.6,940/- and Rs.3,263/-. The appeal is thus party allowed by way of holding that the assessees are entitled to credit of service tax of only Rs.46,293/-.