
 सत्यमेव जयते	केंद्रीय कर आयुक्त (अपील)		
	O/O THE COMMISSIONER (APPEALS), CENTRAL TAX, केंद्रीय उत्पाद शुल्क भवन, सातवीं मंजिल, पॉलिटेक्निक के पास, आम्बावाडी, अहमदाबाद-380015		
7 th Floor, Central Excise Building, Near Polytechnic, Ambavadi, Ahmedabad-380015		टेलीफैक्स : 079 - 26305136	
079-26305065		टेलीफैक्स : 079 - 26305136	

रजिस्टर डाक ए.डी.द्वारा

क फाइल संख्या (File No.): V2 (85)41 to 46/Ahd-II/Appeals-II/2016-17 917-913
 स्थगन आवेदन संख्या(Stay App. No.):
 ख अपील आदेश संख्या (Order-In-Appeal No.): AHM-EXCUS-002-APP-63 to 68-17-18
 दिनांक (Date): 8/28/2017, जारी करने की तारीख (Date of issue): 22/9/17
 श्री उमा शंकर, आयुक्त (अपील-II) द्वारा पारित
 Passed by Shri Uma Shanker, Commissioner (Appeals)

ग _____ आयुक्त, केंद्रीय उत्पाद शुल्क, (मंडल-IV), अहमदाबाद- II, आयुक्तालय द्वारा जारी
 मूल आदेश सं _____ दिनांक _____ से सृजित
 Arising out of Order-In-Original No.(I) 08 to 17/AC/D/2016/UKG Dated:
21/04/2016
 issued by: Assistant Commissioner Central Excise (Div-IV), Ahmedabad-II

घ अपीलकर्ता/प्रतिवादी का नाम एवम पता (Name & Address of the Appellant/Respondent)

M/s Transformers & Rectifiers (India) Ltd.

कोई व्यक्ति इस अपील आदेश से असंतोष अनुभव करता है तो वह इस आदेश के प्रति यथास्थिति नीचे बताए गए सक्षम अधिकारी को अपील या पुनरीक्षण आवेदन प्रस्तुत कर सकता है।

Any person an aggrieved by this Order-in-Appeal may file an appeal or revision application, as the one may be against such order, to the appropriate authority in the following way:

भारत सरकार का पुनरीक्षण आवेदन :
Revision application to Government of India:

(1) (क) (i) केंद्रीय उत्पाद शुल्क अधिनियम 1994 की धरा अतत नीचे बताए गए मामलों के बारे में पूर्वोक्त धारा को उप-धारा के प्रथम परंतुक के अंतर्गत पुनरीक्षण आवेदन अधीन सचिव, भारत सरकार, वित्त मंत्रालय, राजस्व विभाग, चौथी मंजिल, जीवन दीप भवन, संसद मार्ग, नई दिल्ली-110001 को की जानी चाहिए।

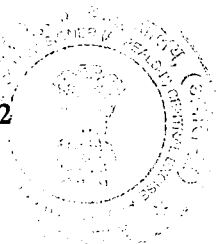
A revision application lies to the Under Secretary, to the Government of India, Revision Application Unit, Ministry of Finance, Department of Revenue, 4th Floor, Jeevan Deep Building, Parliament Street, New Delhi-110001, under Section 35EE of the CEA 1944 in respect of the following- case, governed by first proviso to sub-section (1) of Section-35 ibid:

(ii) यदि माल की हानि के मामले में जब हानि कारखाने से किसी भंडारगार या अन्य कारखाने में या किसी भंडारगार से दूसरे भंडारगार में माल ले जाते हुए मार्ग में, या किसी भंडारगार या भंडार में चाहे वह किसी कारखाने में या किसी भंडारगार में हो माल की प्रकिया के दौरान हुई हो।

In case of any loss of goods where the loss occur in transit from a factory to a warehouse or to another factory or from one warehouse to another during the course of processing of the goods in a warehouse or in storage whether in a factory or in a warehouse

(ख) भारत के बाहर किसी राष्ट्र या प्रदेश में निर्यातित माल पर या माल के विनिर्माण में उपयोग शुल्क कच्चे माल पर उत्पादन शुल्क के रिबेट के मामले में जो भारत के बाहर किसी राष्ट्र या प्रदेश में निर्यातित है।

Cont...2



- (c) In case of goods exported outside India export to Nepal or Bhutan, without payment of duty.

अंतिम उत्पादन की उत्पादन शुल्क के भुगतान के लिए जो ड्यूटी क्रेडिट मान्य की गई है और ऐसे आदेश जो इस धारा एवं नियम के मुताबिक आयुक्त, अपील के द्वारा पारित वो समय पर या बाद में वित्त अधिनियम (नं.2) 1998 धारा 109 द्वारा नियुक्त किए गए हों।

- (d) Credit of any duty allowed to be utilized towards payment of excise duty on final products under the provisions of this Act or the Rules made there under and such order is passed by the Commissioner (Appeals) on or after, the date appointed under Sec.109 of the Finance (No.2) Act, 1998.

- (1) केन्द्रीय उत्पादन शुल्क (अपील) नियमावली, 2001 के नियम 9 के अंतर्गत विनिर्दिष्ट प्रपत्र संख्या इए-8 में दो प्रतियों में, प्रेषित आदेश के प्रति आदेश प्रेषित दिनांक से तीन मास के भीतर मूल-आदेश एवं अपील आदेश की दो-दो प्रतियों के साथ उचित आवेदन किया जाना चाहिए। उसके साथ खाता इ. का मुख्यशीर्ष के अंतर्गत धारा 35-इ में निर्धारित फी के भुगतान के सबूत के साथ टीआर-6 चलान की प्रति भी होनी चाहिए।

The above application shall be made in duplicate in Form No. EA-8 as specified under Rule, 9 of Central Excise (Appeals) Rules, 2001 within 3 months from the date on which the order sought to be appealed against is communicated and shall be accompanied by two copies each of the OIO and Order-In-Appeal. It should also be accompanied by a copy of TR-6 Challan evidencing payment of prescribed fee as prescribed under Section 35-EE of CEA, 1944, under Major Head of Account.

- (2) रिविजन आवेदन के साथ जहाँ संलग्न रकम एक लाख रुपये या उससे कम हो तो रुपये 200/- फीस भुगतान की जाए और जहाँ संलग्न रकम एक लाख से ज्यादा हों तो 1000/- की फीस भुगतान की जाए।

The revision application shall be accompanied by a fee of Rs.200/- where the amount involved is Rupees One Lac or less and Rs.1,000/- where the amount involved is more than Rupees One Lac.

सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण के प्रति अपील:-
Appeal to Custom, Excise, & Service Tax Appellate Tribunal.

- (1) केन्द्रीय उत्पादन शुल्क अधिनियम, 1944 की धारा 35-डी/35-इ के अंतर्गत:-

Under Section 35B/ 35E of CEA, 1944 an appeal lies to :-

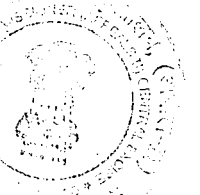
- (क) वर्गीकरण मूल्यांकन से संबंधित सभी मामले सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण की विशेष पीठिका वेस्ट ब्लॉक नं. 3. आर. के. पुरम, नई दिल्ली को एवं

- (a) the special bench of Custom, Excise & Service Tax Appellate Tribunal of West Block No.2, R.K. Puram, New Delhi-1 in all matters relating to classification valuation and.

- (ख) उक्तलिखित परिच्छेद 2 (1) क में बताए अनुसार के अलावा की अपील, अपीलों के मामले में सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण (सिस्टेट) की पश्चिम क्षेत्रीय पीठिका, अहमदाबाद में ओ-20, न्यू मेटल हॉस्पिटल कम्पाउण्ड, मेघानी नगर, अहमदाबाद-380016.

- (b) To the west regional bench of Customs, Excise & Service Tax Appellate Tribunal (CESTAT) at O-20, New Metal Hospital Compound, Meghani Nagar, Ahmedabad : 380 016. in case of appeals other than as mentioned in para-2(i) (a) above.

- (2) केन्द्रीय उत्पादन शुल्क (अपील) नियमावली, 2001 की धारा 6 के अंतर्गत प्रपत्र इ.ए-3 में निर्धारित किए अनुसार अपीलीय न्यायाधिकरणों की गई अपील के विरुद्ध अपील किए गए आदेश की चार प्रतियों सहित जहाँ उत्पाद शुल्क की मांग, ब्याज की मांग और लगाया गया जुर्माना रूपर 5 लाख या उससे कम है वहां रूपर 1000/- फीस भेजनी होगी। जहाँ उत्पाद शुल्क की मांग, ब्याज की मांग और लगाया गया जुर्माना रूपर 5 लाख या 50 लाख तक हो तो रूपर 5000/- फीस भेजनी होगी। जहाँ उत्पाद शुल्क की मांग, ब्याज की मांग और लगाया गया जुर्माना रूपर 50 लाख या उससे ज्यादा है वहां रूपर 10000/- फीस भेजनी होगी। की फीस सहायक रजिस्टार के नाम से



रेखांकित बैंक ड्राफ्ट के रूप में संबंध की जाये। यह ड्राफ्ट उस स्थान के किसी नामित सार्वजनिक क्षेत्र के बैंक की शाखा का हो जहाँ उक्त न्यायाधिकरण की पीठ स्थित है।

The appeal to the Appellate Tribunal shall be filed in quadruplicate in form EA-3 as prescribed under Rule 6 of Central Excise(Appeal) Rules, 2001 and shall be accompanied against (one which at least should be accompanied by a fee of Rs.1,000/-, Rs.5,000/- and Rs.10,000/- where amount of duty / penalty / demand / refund is upto 5 Lac, 5 Lac to 50 Lac and above 50 Lac respectively in the form of crossed bank draft in favour of Asstt. Registrar of a branch of any nominate public sector bank of the place where the bench of any nominate public sector bank of the place where the bench of the Tribunal is situated.

- (3) यदि इस आदेश में कई मूल आदेशों का समावेश होता है तो प्रत्येक मूल आदेश के लिए फीस का भुगतान उपर्युक्त ढंग से किया जाना चाहिए इस तथ्य के होते हुए भी कि लिखा पढी कार्य से बचने के लिए यथास्थिति अपीलीय न्यायाधिकरण को एक अपील या केन्द्रीय सरकार को एक आवेदन किया जाता है।

In case of the order covers a number of order-in-Original, fee for each O.I.O. should be paid in the aforesaid manner notwithstanding the fact that the one appeal to the Appellate Tribunal or the one application to the Central Govt. As the case may be, is filled to avoid scriptoria work if excising Rs. 1 lacs fee of Rs.100/- for each.

- (4) न्यायालय शुल्क अधिनियम 1970 यथा संशोधित की अनुसूची-1 के अंतर्गत निर्धारित किए अनुसार उक्त आवेदन या मूल आदेश यथास्थिति निर्णयन प्राधिकारी के आदेश में से प्रत्येक की एक प्रति पर रु.6.50 पैसे का न्यायालय शुल्क टिकट लगा होना चाहिए।

One copy of application or O.I.O. as the case may be, and the order of the adjournment authority shall a court fee stamp of Rs.6.50 paise as prescribed under scheduled-I item of the court fee Act, 1975 as amended.

- (5) इन ओर संबंधित मामलों को नियंत्रण करने वाले नियमों की ओर भी ध्यान आकर्षित किया जाता है जो सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण (कार्याविधि) नियम, 1982 में निहित है।

Attention is invited to the rules covering these and other related matter contended in the Customs, Excise & Service Tax Appellate Tribunal (Procedure) Rules, 1982.

- (6) सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण (सिस्टेट), के प्रति अपील के मामले में कर्तव्य मांग (Demand) एवं दंड (Penalty) का 10% पूर्व जमा करना अनिवार्य है। हालांकि, अधिकतम पूर्व जमा 10 करोड़ रुपए है। (Section 35 F of the Central Excise Act, 1944, Section 83 & Section 86 of the Finance Act, 1994)

केन्द्रीय उत्पाद शुल्क और सेवा कर के अंतर्गत, शामिल होगा "कर्तव्य की मांग" (Duty Demanded) -

- (i) (Section) खंड 11D के तहत निर्धारित राशि;
- (ii) लिया गलत सेनवैट क्रेडिट की राशि;
- (iii) सेनवैट क्रेडिट नियमों के नियम 6 के तहत देय राशि.

⇒ यह पूर्व जमा 'लंबित अपील' में पहले पूर्व जमा की तुलना में, अपील दाखिल करने के लिए पूर्व शर्त बना दिया गया है।

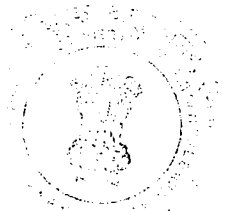
For an appeal to be filed before the CESTAT, 10% of the Duty & Penalty confirmed by the Appellate Commissioner would have to be pre-deposited. It may be noted that the pre-deposit is a mandatory condition for filing appeal before CESTAT. (Section 35 C (2A) and 35 F of the Central Excise Act, 1944, Section 83 & Section 86 of the Finance Act, 1994)

Under Central Excise and Service Tax, "Duty demanded" shall include:

- (i) amount determined under Section 11 D;
- (ii) amount of erroneous Cenvat Credit taken;
- (iii) amount payable under Rule 6 of the Cenvat Credit Rules.

इस सन्दर्भ में इस आदेश के प्रति अपील प्राधिकरण के समक्ष जहाँ शुल्क अथवा शुल्क या दण्ड विवादित हो तो माँग किए गए शुल्क के 10% भुगतान पर और जहाँ केवल दण्ड विवादित हो तब दण्ड के 10% भुगतान पर की जा सकती है।

In view of above, an appeal against this order shall lie before the Tribunal on payment of 10% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute."

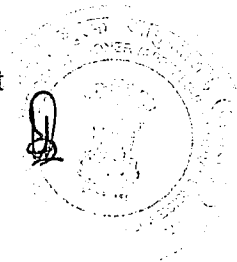


ORDER-IN-APPEAL

This order covers 6 appeals filed by **M/s Transformers & Rectifiers (India) Ltd.**, Survey No. 344 - 350, Opposite P.W.D. Stores, Sarkhej - Bavla Highway, Changodar, Ahmedabad (hereinafter referred to as 'the appellant') against **Order-in-original No.08 to 17/AC/D/2016/UKG dated 21/04/2016** (hereinafter referred to as 'the impugned order') passed by Assistant Commissioner, Central Excise, Division-IV, Ahmedabad (hereinafter referred to as 'the adjudicating authority')

2. Briefly stated, the facts of the case are that the appellant is holding Central Excise Registration ECC No.AACCT8243PXM002 and is engaged in the manufacture of **Electrical Transformers and parts thereof**, falling under Chapter 85 of the First Schedule to the Central Excise Tariff Act, 1985 (CETA, 1985). The appellant is availing CENVAT credit of inputs and capital goods used in or in relation to the manufacture of its final products, under Cenvat Credit Rules, 2004 (CCR, 2004). On the basis of audit objection, the appellant was issued ten Show Cause Notices (SCNs) proposing recovery of CENVAT credit amounting to **Rs.15,16,830/-** availed on '**Membership of Confederation of India Industries**' and '**Maintenance and Repair Services rendered by service providers as part of warranty period service at the buyer's premises after the sale of goods**' and recovery of CENVAT amounting to **Rs.2,25,169/-** availed on '**Maintenance of Photocopier machine**' and '**ISO Certification**' availed during the period of **January-2012 to September-2015**. The recoveries were demanded under Rule 14 of CCR read with Section 11A(5) / 11A(1) of the Central Excise Act, 1944 (CEA, 1944) along with interest under Rule 14 of CCR read with Section 11AA of CEA, 1944 and penalties were proposed to be imposed on the appellant under Rule 15(1) / 15(2) of CCR, 2004 read with Section 11AC of CEA, 1944. All these ten SCNs were adjudicated by the adjudicating officer *vide* the impugned order, **disallowing the CENVAT credit availed on 'Membership of Confederation of India Industries' and 'Maintenance and Repair Services rendered by service providers as part of warranty period service at the buyer's premises after the sale of goods'** (hereinafter referred to as the impugned services), thereby confirming the demand of **Rs.15,16,830/-** under Rule 14 of CCR, 2004 read with Section 11A(1) of CEA, 1944 along with interest under Rule 14 of CCR, 2004 read with Section 11AA of CEA, 1944 and imposing penalty of **Rs.15,16,830/-** on the appellant under Rule 15(1) / 15(2) of CCR, 2004 read with Section 11AC of CEA, 1944. The CENVAT credit amounting to **Rs.2,25,169/-** availed on '**Maintenance of Photocopier machine**' and '**ISO Certification**' has been allowed in the impugned order.

3. Being aggrieved by the denial of credit on the impugned services, the appellant has preferred six appeals against these orders, mainly on the following grounds:



- i. So far as it relates to Membership of an Association known as Trade Federation & Chamber of Commerce, in this era of Industrialization and Globalization, it is very much necessary that the members of Industries obtain membership of such Trade Federations and Chamber of Commerce who main role to protect the rights of the manufacturers and to provide legal and commercial education to its members and make representation on behalf of the members to various departments of Government and get solutions to the problems of, Trade and Industry and in this premise, Membership of Trade & Industry is part and parcel of the manufacturing activity. The case is covered by the decision in the case of Jai Corporation Ltd. vs CCE, Aurangabad.
 - ii. So far as it relates to CENVAT credit of Service Tax paid on Management, Maintenance & Repair Service provided to the customer in his premises during Warranty or Guarantee period through a sub-contractor, the same is admissible as after having cleared a given machine from the factory on payment of Central Excise duty, if it becomes necessary to undertake maintenance and repair of such machinery at the site of the customer during the warranty period, contractors are hired for providing such services, which is part of the manufacturing activity. In this connection the appellant relies on Aldhara Texspin Engineers vs CCE & C, Vapi – 2010 (20) S.T.R. (Tri.Ahmd.); Autoprint Machinery Manufacturers Pvt. Ltd. vs CCE, Coimbatore – 2010 (19) S.T.R. 428 (Tri.Chennai); CCE Vadodara-II vs Danke Products – 2009 (16) S.T.R. 576 (Tri.Ahmd.); Zinser Textile Systems Pvt. Ltd. vs CCE, Ahmedabad – 2014 (33) S.T.R. 301 (Tri.Ahmd.) and CCE, Vapi vs Alidhara Textool Engineers Pvt. Ltd. – 2009 (239) E.L.T. 334 (Tri.-Ahmd.). The appellants are of the opinion that the deletion of the phrase 'any service relating to Business activity of the manufacture' w.e.f. 01/04/2011 from the text of Rule 2(l) of CCR, 2004 has not diluted the provisions so far as admissibility of CENVAT credit of Service Tax is concerned. The impugned services of 'Membership of Confederation of Indian Industry' and "management, Maintenance & Repair service are not listed in the Negative list in Rule 2(l) of CCR, 2004 and hence CENVAT credit cannot be denied.
 - iii. The period of dispute is from January-2012 to September-2015 and the details of CENVAT credit were recorded in statutory books of accounts and reflected in the periodical returns and hence there cannot be any charge of suppression of facts or willful mis-statement, making the demand time-barred.
4. Personal hearing was held on 19/07/2017. Shri Harshad Raiya, authorized person appeared on behalf of the appellant. Shri Raiya reiterated the grounds of appeal.
5. I have carefully gone through the facts of the case on records and submissions made by the appellant in its grounds of appeals and reiterated during personal hearing. The disputed issue in the instant appeal is the admissibility of CENVAT credit of Service Tax paid in respect of 'Membership of confederation of Indian Industries' as well as 'Maintenance and Repair services rendered by contractors as part of warranty period service at the buyer's premises after the sale of the goods' that was availed during the period of January-2012 to September-2015.
6. The adjudicating authority has held that the expressions '*any service relating to Business Activity of the Manufacturer*' were deleted from the text of Rule 2(l) of CCR, 2004 w.e.f. 01/04/2011 and in this context '*Maintenance and Repair services rendered by Contractors as part of warranty period service at the buyer's premises after the sale of the*

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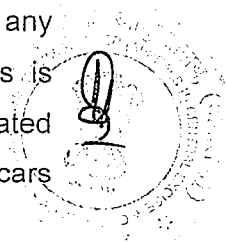


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 V2(85)43/Ahd-II/App-II/2016-17; V2(85)44/Ahd-II/App-II/2016-17
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goods' could not be considered as input service as the same was rendered after clearance of goods from the factory and such service did not find mention in the inclusive part of the revised definition of input service w.e.f. 01/04/2011. The adjudicating authority has relied upon the decision in the case of CCE, CHENNAI vs SUNDARAM BRAKE LININGS -2010 (19) S.T.R. 172 (Tri.-Chennai), where relying on the decision of Hon'ble Supreme Court in the case of MARUTI SUZUKI LTD. vs CCE, DELHI – 2009 (240) E.L.T. 641 (S.C.) it was held that the use of input service must be integrally connected with the manufacture of the final product. It has to be necessarily established that the input service is used in or in relation to the manufacture of the final product. The contention of the appellant that the cost of such repair is deemed to be included in the assessable value of the goods has been rejected applying the ratio of the order of Hon'ble Supreme Court in the case of MARUTI SUZUKI LTD. vs CCE, DELHI – 2009 (240) E.L.T. 641 (S.C.) where it has been held that mere inclusion of value of an item in assessable value of final products does not entitle a manufacturer to take credit unless used in or in relation to manufacture of excisable goods. On the other hand, the appellant has relied upon the case laws such as i) Aldhara Texspin Engineers vs CCE & C, Vapi – 2010 (20) S.T.R. ³¹⁵ (Tri.Ahmd.); ii) Autoprint Machinery Manufacturers Pvt. Ltd. vs CCE, Coimbatore – 2010 (19) S.T.R. 428 (Tri.Chennai); iii) CCE Vadodara-II vs Danke Products – 2009 (16) S.T.R. 576 (Tri.Ahmd.); iv) CCE, Vapi vs Alidhara Textool Engineers Pvt. Ltd. – 2009 (239) E.L.T. 334 (Tri.-Ahmd.) and v) Zinser Textile Systems Pvt. Ltd. vs CCE, Ahmedabad – 2014 (33) S.T.R. 301 (Tri.Ahmd.). On considering the above submission, I find that the question whether the impugned service has nexus with manufacture has been decided in favour of the appellant by Hon'ble Tribunal in the case of ZINSER TEXTILE SYSTEMS PVT. LTD. vs CCE, AHMEDABAD – 2014 (33) S.T.R. 301 (Tri. – Ahmd.) in the following terms:

“2. I find that the issue involved before me is squarely covered by the decision of the Tribunal cited by the learned counsel. In this case also warranty is provided by the appellant and a service provider is ensuring repairs and maintenance during the warranty period and the service provider has been engaged by the appellant only. The obligation to ensure smooth running of the machinery supplied by them during the warranty period is on the appellant only and not on the service provider. The service has been provided to the appellant only in view of the above position. Having regard to the facts and circumstances of this case which are similar to the facts and circumstances in the case of *Danke Products*, I consider that the appellant is eligible for the Cenvat credit availed by them. Accordingly, appeal is allowed with consequential relief to the appellants.”

From the above extracts, it is forthcoming that Hon'ble Tribunal has agreed with the contention of appellant that it is the manufacturer who is obliged to ensure that the machinery installed by them works smoothly and effectively during the warranty period and to fulfill this obligation, the service of the service provider is received by them. Therefore, this activity is directly attributable to the manufacturing activity since any customers would expect warranty to be provided for a specific period and this is standard industry practice. Further, in O.I.A. KCH-EXCUS-000-APP-50-15-16 dated 22/03/2016 in the case of M/s B.M. Auto Link, Gandhidham, in the context of sale of cars



and free services provided by the dealer for a certain period, I have already upheld the decision of Hon'ble Tribunal in the case of KIRAN MOTORS LTD. vs CCE, VADODARA – 2009 (16) S.T.R. 74 (Tri. – Ahmd.) that as far as the buyer is concerned, the free services are part of a indivisible contract and the component of free services cannot be segregated or else the buyer would have claim to rebate in case of services not availed. In the instant case, the services during warranty cannot be segregated from the manufacture and sale of goods by the appellant. It is immaterial that the service is provided by third parties because the obligation to provide the services of Maintenance and Repairs is squarely on the manufacturer. The services rendered by the third parties are services rendered to the appellant who is the manufacturer and not to the buyer. Therefore, the impugned credit is admissible and consequently the demand for CENVAT credit, interest and penalty with regards to *'Maintenance and Repair services rendered by Contractors as part of warranty period service at the buyer's premises after the sale of the goods'* is not sustainable and the same is set aside.

7. As regards the CENVAT credit on *'Membership of confederation of Indian Industries'*, the credit has been denied on the ground that the appellant had failed to prove that the said services had been used in or in relation to the manufacture or that the same had a nexus whether directly or indirectly in or in relation to manufacture of final products. The appellant has raised the plea that such membership was integral to the manufacturing activity. The argument of the appellant is that in this era of Industrialization and Globalization, it is very much necessary that the manufacturers obtain membership of such Trade Federations and Chamber of Commerce who protect the rights of the manufacturers, provide legal and commercial education to its members, makes representation on behalf of the members to various departments of Government and gets solutions to the problems of Trade and Industry thereby making such memberships part and parcel of the manufacturing activity. In order to appreciate these contentions it is necessary to examine the purpose of membership of the Confederation of Indian Industries, also known as CII. The relevant extracts of the website of CII explaining the advantages of its membership are reproduced as follows:

“Membership

Advantages

As a member of CII, you will access the world of opportunities, from networking with the corporate majors of Indian and global industry to assisting in framing economic and industrial policies, through close linkage with the government. CII's proactive approach focuses on helping you to increase efficiency and competitiveness.

- Learning
 - Global trends that affect your business
 - Industry best practices on competitiveness
 - Improve internal efficiency and productivity
 - Get an insight into Government policies and their impact on businesses
- Networking
 - Networking opportunities with Indian and Global Corporate Majors
 - Platform to enhance your business and develop newer markets
- Sharing




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- o Share your best practices with other members
- o Help enhance competitiveness of Indian Industry. "

From the above it is forthcoming that the learning about global trends that affect its business, Industry best practices in competitiveness, improving internal efficiency and productivity and getting an insight into Government policies and their impact on business helps a manufacturer improve the efficiency of manufacture and enhance the quality of its product as well as streamline its business in line with the existing policies of the Government. Similarly, the membership of CII grants the manufacturer opportunities to network with Indian and Global Corporate Majors and provides it a platform to enhance its business and develop newer markets. The manufacturer also gains the advantage to share its best practices of manufacture and business with other members and thus enhance competitiveness of Indian Industry. All these aspects have a nexus with manufacture as well as the promotion of the business of a manufacturer. Therefore, the CENVAT credit of Service Tax paid on such membership is admissible to the appellant. The demand for recovery of credit, interest and penalty with regards to this service are not legally sustainable and hence the appeal in connection with '*Membership of confederation of Indian Industries*' is allowed.

9. अपीलकर्ता द्वारा दर्ज की गई अपील का निपटारा उपरोक्त तरीके से किया जाता है।
 The appeals filed by the appellant stands disposed of in the above terms.

उमा शंकर

(उमा शंकर)

आयुक्त

केन्द्रीय कर (अपील्स)

Date: 28/8/2017

Attested

(K. P. Jacob)
 Superintendent,
 Central Tax (Appeals),
 Ahmedabad.

By R.P.A.D.

- 1) To
 M/s Transformers & Rectifiers (India) Ltd.,
 Survey No. 344-350,
 Opp. P.W.D. Stores, Sarkhej – Bavla Highway,
 Village: Changodar, Taluka: Sanand,
 District: Ahmedabad -382 213.

Copy to:

1. The Chief Commissioner of C.G.S.T., Ahmedabad.
2. The Commissioner of C.G.S.T., Ahmedabad (North).
3. The Additional Commissioner, C.G.S.T (System), Ahmedabad (North).
4. The A.C / D.C., C.G.S.T Division: IV, Ahmedabad (North).
5. Guard File.
6. P.A.

