IN THE CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
WEST ZONAL BENCH AT MUMBAI
COURT NO.

Appeal No. E/85604, 85605/2017

(Arising out of Order-in-Original No. BELAPUR/34-35/BEK-II/COMMR/SFA/SAVITA/2016-17 DT. 04.01.2017 passed by the Commissioner of Central Excise, Belapur)

M/s. Savita Oil Technologies Ltd. : **Appellant**

VS

Commissioner of Central Excise, Belapur : **Respondent**

<u>Appearance</u>

Shri Mehul Jivani, C.A. for Appellant

Shri Deepak Chavan, Supdt. (A.R) for respondent

CORAM:

Hon'ble Shri Ramesh Nair, Member (Judicial)

Date of hearing : 15/12/2017
Date of decision: 15/12/2017

ORDER NO. A/92283-92284/2017

The issue involved in this case is that whether appellant is entitle for Cenvat credit in respect of services namely Even Management Service, Advertisement Service, Tour Operator Service, Coaching and Training Service, Legal Consultancy Service, Travel Agent Service and SIAM Statistical service.

2. Shri. Mehul Jivani, Ld. CA appearing on behalf of the appellant submits that all these services are either covered under the main part of the definition of input service or under inclusion clause of the definition therefore all the services are necessary in or in relation to the

manufacture of the final product. He submits that event management service is not for any personal use of any individual but it is held for conference for marketing and promotional strategy of the product. The advertisement service is on of the most important area for carrying out the business. Tour operator service is related to the service of touring for the staff of the appellant company for official work. Coaching and training services, in this services seminar organised by special international consultancy for imparting knowledge on the provision of Companies act. Legal consultancy services is one of the important service without which the smooth operation of the company cannot be undertaken. Travel agent service is used for booking of air travel and visa arrangement for employees, who travels in connection with sales promotion and procuring orders in the overseas market. SIAM statistical service is received which is towards subscription to SIAM for study of market, pattern of growth towards global sales data, therefore all the services are necessary services which are used in or in relation to the manufacturing of final product, therefore credit is admissible. In support of his submission, he placed reliance on the following judgments category wise.

(a) Event Management Service

(i) IBM India Pvt Ltd Vs. Commr. Of C. Ex. Cus & S.T. Bangalore [2014(35) S.T.R. 384(Tri. Bang)]

(ii) Gateway Terminals(I) Pvt Ltd Vs. Commissioner of C. Ex. Raigad [2015(39) S.T.R. 1027(Tri. Mumbai)]

(b) Advertisement Service

(i) HCL Technologies Ltd Vs. Commissioner of Central Excise, Noida[2015(40) S.T.R. 369(Tri. Del.)]

(ii) Honda Motorcycle & Scooter (I) Pvt Ltd Vs. Commr. Of C. Ex. Delhi-III[2016(45)S.T.R. 397(Tri. Chennai)]

(iii) Greaves Cotton Ltd Vs. Commissioner of C. Ex. Chennai-II & IV[2015(37) S.T.R. 395(Tri.Chennai)]

(c) Tour Operator Service

(i) Mahindra casting Ltd [2016(41) S.T.R. 831(Tri. Mum)]

(ii) Savita Oil Technology Ltd[2014-TIOL-114-CESTAT MUM

(d) Coaching & Training

(i) M/s. Alliance Global Servcies IT India Pvt Ltd[2016(11)TMI 106(CESTAT Hydrabad)]

(ii) Hindustan Petroleum Corp. Ltd[2017(47) S.T.R. 136(Tri. Hydra)]

(e) Legal Consultancy

(i) Bostik India Pvt Ltd[2017(49) S.T.R. 240(Tri. Bang)]

(ii) HCL Technologies [2015(37) S.T.R. 716(All.)]

(f) Travel Agent

(i) Indswift Laboratories Ltd[2015(38) S.T.R. 522 (Tri. Del)]

(ii) Robert Bosch Engg. & Business Solutions Ltd[2017(51) S.T.R. 329(Tri. Bang)]

(g) SIAM Statistical Service

(i) Savit Oil Technologies Ltd Vs. Commissioner CESTAT Order No. A/90010/17/SMB dated 22-9-2017

(ii) HCL Technologies Ltd[2015(37) S.T.R. 716(All.)]

3. On the other hand, Shri Deepak Chavan, Ld. Supdt. (A.R.) appearing on behalf of the Revenue reiterates the findings of the impugned order.

4. I have carefully considered the submissions made by both sides and perused the records.

5. I find that as per the submission of the appellant which is based on the facts, nature of the services and use thereof and relevant case laws are as under:

(h) Event Management Service: Use: Conference held for marketing & Promotional strategies of products. The service is in relation to sales promotion and covered under inclusion clause of Rule 2(l).

(iii) IBM India Pvt Ltd Vs. Commr. Of C. Ex. Cus & S.T. Bangalore [2014(35) S.T.R. 384(Tri. Bang)]

(iv) Gateway Terminals(I) Pvt Ltd Vs. Commissioner of C. Ex. Raigad [2015(39) S.T.R. 1027(Tri. Mumbai)]

(i) Advertisement Service: Use: Advertisement of the brands at Racing event organized at Chennai & Coimbatore by M/s. Honda Motorcycle and scooter India Pvt Ltd. Service is in relation to advertisement and covered under inclusion clause of Rule 2(l).

(iv) HCL Technologies Ltd Vs. Commissioner of Central Excise, Noida[2015(40) S.T.R. 369(Tri. Del.)]

(v) Honda Motorcycle & Scooter (I) Pvt Ltd Vs. Commr. Of C. Ex. Delhi-III[2016(45)S.T.R. 397(Tri. Chennai)]

(vi) Greaves Cotton Ltd Vs. Commissioner of C. Ex. Chennai-II & IV[2015(37) S.T.R. 395(Tri.Chennai)]

(j) Tour Operator Service: Use: Tour operator service required for the Europe Trip arranged for distributors of the products as a target incentive.

(iii) Mahindra casting Ltd [2016(41) S.T.R. 831(Tri. Mum)]

(iv) Savita Oil Technology Ltd[2014-TIOL-114-CESTAT MUM

(k) Coaching & Training: Use: Seminar organised by specialised international consulting firm for parting knowledge on the provision of Companies Act, 2013.

(iii) M/s. Alliance Global Servcies IT India Pvt Ltd[2016(11)TMI 106(CESTAT Hydrabad)]

(iv) Hindustan Petroleum Corp. Ltd[2017(47) S.T.R. 136(Tri. Hydra)]

(l) Legal Consultancy: Use: Legal Service in relation to scrutiny of Title Deeds and charges for certified copies of Title Deeds.

(iii) Bostik India Pvt Ltd[2017(49) S.T.R. 240(Tri. Bang)]

(iv) HCL Technologies [2015(37) S.T.R. 716(All.)]

(m)Air Travel Agent : Use: Air/Rail travel booking and visa arrangement for employees in connection with sales promotion & procuring orders in the overseas market.

(iii) Indswift Laboratories Ltd[2015(38) S.T.R. 522 (Tri. Del)]

(iv) Robert Bosch Engg. & Business Solutions Ltd[2017(51) S.T.R. 329(Tri. Bang)]

(n) SIAM Statistical Service: Use: Subscription of SIAM for study of market pattern, growth trend, global sales data etc of automobile industry in India.

(i) Savit Oil Technologies Ltd Vs. Commissioner CESTAT Order No. A/90010/17/SMB dated 22-9-2017

(ii) HCL Technologies Ltd[2015(37) S.T.R. 716(All.)]

From the above nature of service and use thereof it can be seen that all the services are used in or in relation to the manufacture of the final product and/or sales promotion etc. In the above given chart, it can be seen that all the services are covered by one or more judgments wherein credit on said services is allowed. Therefore I am of the view that all the services are necessary for carrying out overall operation of the manufacturing and sales of the goods therefore all the services are clearly covered under the definition of input service as per rule 2(l), of Cenvat Credit Rules, 2004, therefore the Cenvat credit is clearly admissible. Impugned order is set aside. Appeals are allowed.

(Pronounced in court)

(Ramesh Nair)
Member (Judicial)

SM.