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

APPEAL No.E/88264/2018

(Arising out of Order-in-Appeal No.MKK/40/RGD/APP/2018-19 dated 20/04/2018 passed by the Commissioner of Central Excise (Appeals), Raigarh, Navi Mumbai)

Savita Oil Technologies Ltd., : **Appellant**

VS

CCE, Belapur : **Respondent**

<u>Appearance</u>

Shri.Mehul Jivani, CA for Appellant
Shri.M.P.Damble, Asst. Comm.(A.R) for respondent

CORAM:

Hon'ble Shri S K Mohanty, Member (Judicial)

Date of hearing :14/01/2019
Date of decision:14/01/2019

ORDER NO. A/86800 / 2019

Heard both sides and perused the records.

2. Denial of Cenvat Credit of Service Tax paid on the taxable services, viz., "Event Management Service" and "Travel Agent Service" is the subject matter of the present dispute. The learned Commissioner (Appeals) vide impugned order dated 20/04/2018 has held that Event Management Service availed by the appellant is not in context with the sales promotion activities and as such, Cenvat Credit should not be extended on such service. In respect of "Air Travel Agent Service", he has held that the appellant did not produce any evident to show that such services were actually used for business purpose or for the benefit of individual employees.

3. Learned Commissioner (Appeals) has dealt with the subject issue on the basis of invoices on the strength of which the credit was availed by the appellant. However, on perusal of the e-mail communication dated 15/06/2016 exchanged between different offices of the appellant, it transpires that event management services used/utilised by the appellant in Turkey was towards launching of their new products, which is an activity relating to sales promotion. Since the phrase “sales promotion” is specifically finding place in the definition of input service, contained in Rule 2 (l) of the Cenvat Credit Rules, 2004, denial of Cenvat Credit on such service is not proper and justified. With regard to “Travel Agent Service”, since the appellant has not produced any evidence to show the nature of use of such service, whether for the purpose of the business or for the personal purpose, denial of such benefit by the lower authority cannot be interfered with at this juncture.

4. Therefore, the impugned order to the extent, ithas deniedthe Cenvat Credit on event management service is set aside and the appeal is allowed in favour of the appellant to such extent.

5. In result, the appeal is partly allowed.

(Pronounced and dictated incourt)

(S K Mohanty)
Member (Judicial)

PJ