



आयुक्त का कार्यालय  
Office of the Commissioner  
केंद्रीय जीएसटी, अपील अहमदाबाद आयुक्तालय  
Central GST, Appeals Ahmedabad Commissionerate  
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**By SPEED POST**

DIN:- 20231264SW0000000D6B

(क)	फाइल संख्या / File No.	GAPPL/COM/STP/2324/2023-APPEAL/9028-32
(ख)	अपील आदेश संख्या और दिनांक / Order-In-Appeal No. and Date	AHM-EXCUS-003-APP-134/2023-24 and 28.11.2023
(ग)	पारित किया गया / Passed By	श्री ज्ञानचंद जैन, आयुक्त (अपील्स) Shri Gyan Chand Jain, Commissioner (Appeals)
(घ)	जारी करने की दिनांक / Date of issue	05.12.2023
(ङ)	Arising out of Order-In-Original No. AHM-CEX-003-REASSIGNED-AC-RRK-21-2022-23 dated 22.02.2023 passed by the Assistant Commissioner, CGST, Division-Himmatnagar, Gandhinagar Commissionerate	
(च)	अपीलकर्ता का नाम और पता / Name and Address of the Appellant	M/s Sitaram, Plot No. 663/B1, Sector-6, Prerna Apartment, Gandhinagar, Gujarat-382006

कोई व्यक्ति इस अपील-आदेश से असंतोष अनुभव करता है तो वह इस आदेश के प्रति यथास्थिति नीचे बताए गए सक्षम अधिकारी को अपील अथवा पुनरीक्षण आवेदन प्रस्तुत कर सकता है, जैसा कि ऐसे आदेश के विरुद्ध हो सकता है।

Any person 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:-

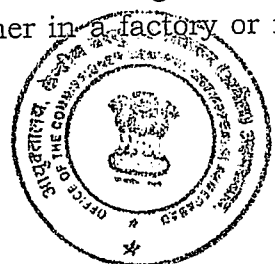
**Revision application to Government of India:**

(1) केन्द्रीय उत्पादन शुल्क अधिनियम, 1994 की धारा अतत नीचे बताए गए मामलों के बारे में पूर्वोक्त धारा को उप-धारा के प्रथम परन्तुक 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 Govt. of India, Revision Application Unit Ministry of Finance, Department of Revenue, 4<sup>th</sup> Floor, Jeevan Deep Building, Parliament Street, New Delhi - 110 001 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 :-

(क) यदि माल की हानि के मामले में जब ऐसी हानिकार खाने से किसी भण्डागार या अन्य कारखाने में या किसी भण्डागार से दूसरे भण्डागार में माल ले जाते हुए मार्ग में, या किसी भण्डागार या भण्डार में चाहे वह किसी कारखाने में या किसी भण्डागार में हो माल की प्रक्रिया 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 मामलों में जो भारत के बाहर किसी राष्ट्र या प्रदेश में निर्यातित हैं।

In case of rebate of duty of excise on goods exported to any country or territory outside India of on excisable material used in the manufacture of the goods which are exported to any country or territory outside India.

(ग) यदि शुल्क का भुगतान किए बिना भारत के बाहर (नेपाल या भूटान को) निर्यात किया गया माल हो।

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

(घ) 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।

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.

(2) 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 भीतरमूल-आदेश एवं अपील आदेश की दो-दो प्रतियों के साथ उचित आवेदन किया जाना चाहिए। उसके साथ खाता इ का मुख्य शीर्ष के अंतर्गत धारा 35-इ में निर्धारित फी के भुगतान के सबूत के साथ टीआर-6 चालान 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.

(3) रिविजन आवेदन के साथ जहाँ संलग्न रकम एक लाख रुपये या उससे कम होतो रुपये 200/- फीस भुगतान की जाए और जहाँ संलग्नरकम एक लाख से ज्यादा हो 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.

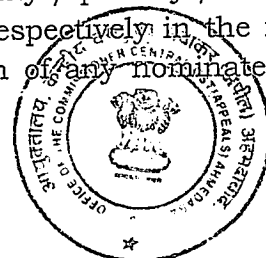
सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवा कर अपीलीय न्यायाधिकरण के प्रति अपील:-  
Appeal to Custom, Excise, & Service Tax Appellate Tribunal.

(1) केन्द्रीय उत्पादन शुल्क अधिनियम, 1944 की धारा 35-बी/35-इ के अंतर्गत:-  
Under Section 35B/ 35E of CEA, 1944 an appeal lies to :-

(2) उक्तलिखित परिच्छेद में बताए अनुसार के अलावा की अपील, अपीलो के मामले में सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण (सिस्टेट) की पश्चिम क्षेत्रीय पीठिका, अहमदाबाद में 2<sup>nd</sup> माला, बहुमाली भवन, असरवा, गिरधरनागर, अहमदाबाद-380004।

To the west regional bench of Customs, Excise & Service Tax Appellate Tribunal (CESTAT) at 2<sup>nd</sup> floor, Bahumali Bhawan, Asarwa, Girdhar Nagar, Ahmedabad: 380004. In case of appeals other than as mentioned above para.

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 पढ़ी 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 Appellant 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 मूलआदेश यथास्थिति निर्णयन प्राधिकारी के आदेश में से प्रत्येक की एक प्रतिपर 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) एके प्रति अपील के मामले में कर्तव्यमांग (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 सेवाकर के अंतर्गत, शामिल होगा कर्तव्य की मांग (Duty Demanded)।

- (1) खंड (Section) 11D के तहत निर्धारित राशि;
- (2) लिया गलत सेनवैट क्रेडिट की राशि;
- (3) 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।

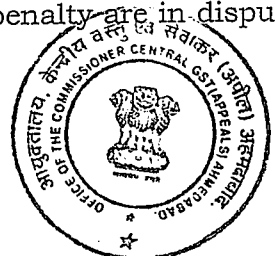
For an appeal to be filed before the CESTAT, 10% of the Duty & Penalty confirmed by the Appellate Commissioner would have to be pre-deposited, provided that the pre-deposit amount shall not exceed Rs.10 Crores. It may be noted that the pre-deposit is a mandatory condition for filing appeal before CESTAT. (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.

(6) (i) 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."



अपीलिय आदेश/ ORDER-IN-APPEAL

The present appeal has been filed by M/s Sitaram, Plot No. 663/B1, Sector-6, Prerna Apartment, Gandhinagar, Gujarat-382006 [hereinafter referred to as "the appellant"] against Order in Original No. AHM-CEX-003-REASSIGNED-AC-RRK-21-2022-23 dated 22.02.2023 [hereinafter referred to as "the impugned order"] passed by the Assistant Commissioner, CGST, Division-Himmatnagar, Gandhinagar Commissionerate [hereinafter referred to as "the adjudicating authority"].

2. Briefly stated, the facts of the case are that the appellant were registered under Service Tax No. CARPS0059LSD001 and engaged in providing of 'Manpower recruitment/supply agency service'. As per information received from Income Tax Department, it was observed by the jurisdictional officer that during the period F.Y. 2014-15, the appellant had earned substantial service income of Rs. 25,18,162/- as declared in ITR, but they had declared service income of Rs. 4,01,399/- only in ST-3 Return. Accordingly, in order to verify the said discrepancy, the jurisdictional Office issued letters/emails to the appellant calling for the details of services provided during the period F.Y. 2014-15. However, they didn't submit any reply. The jurisdictional officers considering the services provided by the appellant during the relevant period as taxable under Section 65 B (44) of the Finance Act, 1994 determined the Service Tax liability for the F.Y. 2016-17 on the basis of differential value between the value of 'Sales of Services' under Sales/Gross Receipts from Services (Value from ITR)/Form 26AS and ST-3 Returns, as details below :

Sr. No.	Period (F.Y.)	Highest Differential Taxable Value (in Rs.)	Rate of Service Tax incl. Cess	Service Tax payable but not paid (in Rs.)
1.	2014-15	21,16,763/-	12.36%	2,61,631/-

3. The appellant was issued Show Cause Notice No. IV/16-09/TPI/PI/Batch 3B/2018-19/Gr.III dated 25.06.2020 (in short SCN) proposing to demand and recover Service Tax amounting to Rs.2,61,631/- under proviso to Section 73 (1) of Finance Act, 1994 along with interest under Section 75 of the Act. The SCN also proposed imposition of penalty under Sections 77 and Section 78 of the Finance Act, 1994.

4. The said SCN was adjudicated *ex-parte* vide the impugned order wherein :

- Service Tax demand of Rs.2,61,631/- was confirmed under Section 73(1) of the Finance Act, 1994 alongwith interest under Section 75 of the Finance Act, 1994.



- Penalty of Rs.2,61,631/- was imposed under Section 78 (1) of the Finance Act,1994 with option for reduced penalty in terms of clause (ii).
- Penalty of Rs.10,000/- or Rs. 200/- for every day during which such failure continue, whichever is higher, was imposed under Section 77 of the Finance Act, 1994.

5. Aggrieved by the impugned order, the appellant has preferred this appeal on following grounds:

- The appellant is proprietary firm, having service Tax registration No. CARPS0059LSD001. The firm was engaged in providing of service 'Manpower Supply Service'. The ST-3 was filed and applicable tax was paid. The firm was also active in sale of goods related to construction namely sand, masonry stones, bricks, Kapachi (small pieces stones) etc.
- The department has fetched certain financial data from the CBDT sources, wherein the details of income of Rs. 25,18,162/- filed by the appellant for the F.Y. 2014-15. It was alleged in the SCN that the applicant has filed the ST-3 return showing taxable service income of Rs. 4,01,399/- for the F.Y. 2014-15. Thus, the alleged variation of income was shown at Rs. 21,16,763/- and Service Tax of Rs. 2,61,631/- inclusive of cess was demanded.
- They submitted that the SCN was issued based upon assumption without going into facts and inquiry. Before issue of demand Notice, no opportunity was given to explain. They had filed applicable service tax returns and also the returns of income tax. Once the tax returns under respective laws have been filed and the income generated has been shown, in such a situation the demand under extended period of limitation cannot be issued. Since, it is not a case of fraud and suppression of the facts. In other words in such situation, the demand can only be issued for normal period and not under extended period. It is submitted that on the plank alone, the demand is required to be termed as time barred and the action proposed in SCN dated 25.6.2020 deserves to be dropped. In the matter, the applicant places his reliance on the Order of Tribunal 2022(66) GSTL 440 (Kolkata) in the case of Balaji Machinery Vs. Commissioner of CGST & Excise Patna-II.
- They further submitted that the demand relates to the period of 2014-15 and SCN is issued on 25.6.2020, which is more than 5 years from the date of filing



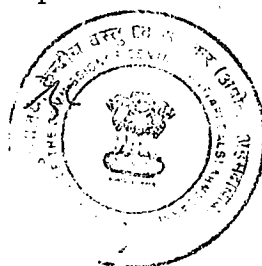
the ST-3 of 10 April, 2015 and hence the demand made is time barred even after invoking the extended period of demand. The present demand is made without ascertain the facts. On this aspect, it can be concluded that the demand made is without substance and deserves to be dropped on this count alone. The applicant places his reliance on the following orders of Hon'ble Tribunal in case of :

- i) 2023 (68) GSTL 279 (T-Ahmd) Vatsal Resources Vs. Commr of C Ex & ST, Surat-I
- ii) 2023 (68) GSTL 292 (T-Ahmd) Reynolds Petro Chem Ltd Vs. Commr of C Ex & ST, Surat-I

- They submitted that the allegations made in the SCN relating to nature of income is bald and the same has not been supported with any evidence towards rendition of service. No demand can survive just on assumption. Furthermore, a third party data is of no avail and the facts can only be ascertained from the party concerned. As submitted herein above, the appellant used to sale construction materials. Thus, the income generated had no nexus with services as alleged half-heartedly on the basis of third party data in the SCN.
- In this case no provisions of Finance Act, 1994 is violated and therefore it cannot be termed to be a case of wilful suppression of the facts, no tax was payable, and as such the demand of the tax cannot be made, no interest is recoverable and at the time no penalty can be imposed under the provisions of the Finance Act, 1994.

6. Personal Hearing in the case was held on 25.10.2023. Shri M. K. Kothari, Consultatnt, appeared for personal hearing on behalf of the appellant. He reiterated the contents of the written submission and requested to allow their appeal.

7. I have carefully gone through the facts of the case available on record, grounds of appeal in the appeal memorandum, oral submissions made during personal hearing, the impugned order passed by the adjudicating authority and other case records. The issue before me for decision in the present appeal is whether the demand of service tax amounting to Rs.2,61,631/- confirmed under proviso to Section 73 (1) of Finance Act, 1994 alongwith interest, and penalties vide the impugned order passed by the adjudicating authority in the facts and circumstances of the case is legal and proper or otherwise. The demand pertains to the period F.Y. 2014-15.



8. I find that the appellant claimed that they were providing 'Manpower Supply Service' and also engaged in the activity of Sale of Goods related to construction material sand, masonry stones, bricks, kapachi. On going through the Para 10 of the impugned order, I find that the matter has been decided *ex-parte* and the appellant had neither submitted any documentary evidence & financial records regarding their 'Sale of Services' & 'Sale of Goods' nor appeared in personal hearing before the adjudicating authority. Even, at the appellate stage, the appellant have not submitted any documents viz Balance Sheet, P&L A/c, ITR, Form 26AS, Service Tax Ledger, ST-3 Returns, Invoices, Contract Copy, Reconciliation Statement for their income during the F.Y. 2014-15.

9. Considering the facts of the case as discussed herein above and in the interest of justice, I am of the considered view that the case is required to be remanded back to the adjudicating authority so that they can evaluate the appellant's claim following their submission and decide the case afresh accordingly.

10. I, therefore, set aside the impugned order and remand the matter back to the adjudicating authority for de-novo adjudication. The adjudicating authority should consider the facts of the case and the submissions of the appellant and issue a reasoned speaking order after following the principles of natural justice.

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

*G.C.J.*  
26.11.23  
ज्ञानचंद जैन

आयुक्त (अपील्स)

सत्यापित/Attested :

Dated: 26<sup>th</sup> November, 2023

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रेखा नायर  
अधीक्षक (अपील्स)  
सी जी एस टी, अहमदाबाद



By REGD/SPEED POST A/D

To,  
M/s Sitaram,  
Plot No. 663/B1,  
Sector-6, Perna Apartment,  
Gandhinagar, Gujarat-382006.

Copy to :

1. The Principal Chief Commissioner, CGST and Central Excise, Ahmedabad.
2. The Commissioner, CGST and Central Excise, Gandhinagar Commissionerate.
3. The Assistant Commissioner, CGST & CEX, Division – Gandhinagar, Gandhinagar Commissionerate.
4. The Superintendent (Systems), CGST, Appeals, Ahmedabad, for publication of OIA on website.
15. Guard file.
6. PA File.

