



आयुक्त (अपील) का कार्यालय,
Office of the Commissioner (Appeal),
केंद्रीय जीएसटी, अपील आयुक्तालय, अहमदाबाद
Central GST, Appeal Commissionerate, Ahmedabad
जीएसटी भवन, राजस्व मार्ग, अम्बावाड़ी अहमदाबाद ३८००१५.
CGST Bhavan, Revenue Marg, Ambawadi, Ahmedabad 380015
फोन 07926305065- टेलीफैक्स 07926305136



DIN: 20230964SW0000813988

स्पीड पोस्ट

क फाइल संख्या : File No : GAPPL/COM/STP/1508/2023-APPEAL /6071 - 3S

ख अपील आदेश संख्या Order-In-Appeal Nos. AHM-EXCUS-002-APP-104/2023-24
दिनांक Date : 15-09-2023 जारी करने की तारीख Date of Issue 18.09.2023

आयुक्त (अपील) द्वारा पारित
Passed by Shri Shiv Pratap Singh, Commissioner (Appeals)

ग Arising out of Order-in-Original No. GST-06/D-VI/O&A/381/YOGENDRA/AM/2022-23
दिनांक: 09.12.2022 , issued by The Assistant Commissioner, CGST Division-VI,
Ahmedabad North

घ अपीलकर्ता का नाम एवं पता Name & Address

1. Appellant
**Shri Yogendra S. Rajput, Advocate, 304, Vrundavan Arcade, Bhaikakanagar,
Thaltej, Ahmedabad - 380059**

2. Respondent
**The Assistant Commissioner, CGST Division-VI, Ahmedabad North, 7th Floor, B.
D. Patel House, Naranpura, Ahmedabad-380014**

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 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) केंद्रीय उत्पादन शुल्क अधिनियम, 1994 की धारा अतल 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।

(i) A revision application lies to the Under Secretary, to the Govt. of India, Revision Application Unit Ministry of Finance, Department of Revenue, 4th 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 :

(ii) यदि माल की हानि के मामले में जब ऐसी हानि कारखाने 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।

(ii) 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.



(क) 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 है।

(A) 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.

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

(B) 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 हो।

(c) 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 ईए-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 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.

(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 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 सेवाकर 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 :-

(क) उक्तलिखित परिच्छेद 2 (1) क 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 2nd माला, बहुमाली भवन, असरवा, गिरधरनागर, अहमदाबाद -380004

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



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.

- (7) 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) -

- (Section) खंड 11D के तहत निर्धारित राशि;
- लिया गलत सेनवैट क्रेडिट की राशि;
- 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:

- amount determined under Section 11 D;
- amount of erroneous Cenvat Credit taken;
- amount payable under Rule 6 of the Cenvat Credit Rules.

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

Shri Yogendra S. Rajput, Advocate, 304-Vrindavan Arcade, Bhaikakanagar Thaltej, Ahmedabad -380059 (hereinafter referred to as '*the appellant*') have filed the present appeal against the Order-in-Original No.GST-06/D-VI/O&A/381/Yogendra/AM/2022-23 dated 09.12.2022, (in short '*impugned order*') passed by the Assistant Commissioner, Central GST, Division-VI, Ahmedabad North Commissionerate (hereinafter referred to as '*the adjudicating authority*'). The appellant were engaged in providing taxable services but were not registered with the department.

2. The facts of the case, in brief, are that based on the data received from the Central Board of Direct Taxes (CBDT) for the F.Y. 2015-16 it was noticed that the appellant had substantial income however they neither obtained Service Tax Registration nor paid service tax on such income. Letters were, therefore, issued to the appellant to provide the details of the services provided during the F.Y. 2015-16 and explain the reasons for non-payment of tax and provide the certified documentary evidences for the same. The appellant neither provided the documents nor submitted any reply justifying the non-payment of service tax on such receipts. Therefore, the service tax was calculated on the income reflected under the heads "Sales / Gross Receipts from Services (Value from ITR)" or "Total Amount paid / credited under Section 194C, 194I, 194H, 194J (Value from Form 26AS)" of the Income Tax Act, 1961, on which no tax was paid. Details of taxable income and tax liability if furnished below:-

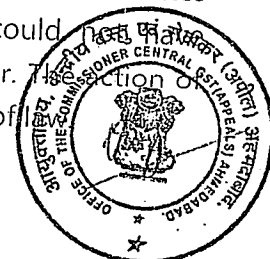
<i>F.Y.</i>	<i>Sales /Gross Receipts from service (ITR)</i>	<i>S.Tax payable</i>
2015-16	12,10,998	1,68,512

2.1 A Show Cause Notices (SCN) bearing No. GST-06/04-1074/O&A/Yogendra/2020-21 dated 24.03.2021 was issued to the appellant proposing recovery of service tax of Rs.1,68,512/- along with interest under Section 73(1) and Section 75 of the Finance Act, 1994 respectively. Imposition of penalties under Section 76, Section 77 and under Section 78 of the Finance Act, 1994 were also proposed.

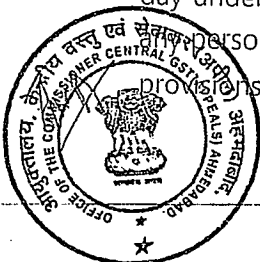
3. The said SCN was adjudicated vide the impugned order wherein the total service tax demand of Rs.1,68,512/- was confirmed alongwith interest. Penalty of 10,000/- was imposed under Section 77 and penalty of Rs.1,68,512/- was also imposed under Section 78 of the Finance Act.

4. Being aggrieved with the impugned order passed by the adjudicating authority, the appellant have preferred the present appeal, on the grounds elaborated below:-

- The impugned order was passed without considering Notification Nos. 25/2012-ST, 26/2012-ST & 30/2012-ST, all dated 20.06.2012 and in defiance of the orders passed by various Hon'ble High Courts, whereby demand against the Advocates has been stayed, and therefore, the Adjudicating Authority could not initiate the proceedings against the Appellant and pass the order. The section of passing such an order is contemptuous and without the authority of



- The impugned order confirms the demand without alleging under which category the Appellant has been classified as a service provider. Any order passed against the assessee without putting him to notice under which category he is liable to Service Tax, is nothing but a clear violation of the principle of natural justice. It is essential that the liability is indicated in the notice with reference to the specific statutory provision and the category of services. In the instant case, the impugned proceedings did not allege at the show cause notice stage or find at the adjudication stage the specific provision under which, the services rendered by the Appellant are classifiable.
- The Adjudicating Authority has seriously erred by not extending the benefit of Notification No. 25/2012-ST, whereby the Central Government has exempted the Services of Advocate from the payment of Service Tax. The Adjudicating Authority has also ignored Notification No.30/2012-ST, which provides the reverse charge mechanism for the Advocate, and therefore, there cannot be any liability on the part of the Advocate to pay any service tax.
- The entire demand is solely based on the figures mentioned in the balance sheets of the Appellant by completely ignoring the justification of the Appellant on the issue. Reliance placed on following decisions
 - Paro Food Products Vs. CCE, Hyderabad
 - Forward Resource (P) Ltd - (2022) 1 Centax 54 (Tri. Ahmedbad)
 - Devi Prasad Tripathy- 2021 (47) GSTL 462 (Ori)
 - Madhu Sudan Mittal -(2023) 2 CENTAX 307 (Jar)
- The impugned order confirming the demand for the extended period is not sustainable, especially when all the details were in the public domain. All the financial data were very much available in the balance sheet and the P & L account. Since the transactions were mentioned in the balance sheets and the Appellant have also filed ST-3 returns on a regular basis, no suppression can be alleged against the Appellant and therefore, there cannot be an intention to evade the duty. The extended period can be invoked only in the case where the Appellant has suppressed the material facts with an intention to evade the duty. Both these ingredients of an extended period of limitation were missing in the facts of the present case, and therefore invocation of an extended period and confirming duty for the extended period is unjust, unfair, and perverse.
- The penalty under Section 78 can be levied only in the case of failure to pay service tax for reasons of fraud, etc. whereas, the facts of the present case and the grounds raised above, there is no evidence to prove that the Appellant can be charged with any of the limbs of the proviso to Section 73, and therefore, penalty under the said provision is unjustified, untenable and without any authority of law.
- The Adjudicating Authority has erred in imposing a penalty of Rs. 10,000/- per day under Section 77 of the Finance Act, 1994, which can be invoked only when a person fails to furnish information called by an officer in accordance with the provisions of this Chapter or rules made thereunder. However, in the impugned



order, the adjudicating authority has not clarified which information, Appellant has not supplied, which leads him to invoke the said provision

- The order of the adjudicating authority is incorrect, erroneous, without any authority in law and jurisdiction, and therefore, it deserves to be set aside.

5. Personal hearing in the matter was held on 25.08.2023. Shri Dhaval K. Shah, Advocate appeared on behalf of the appellant. He submitted that the appellant is an advocate registered with the Bar Council of India, and his services to other than business entity are exempted from the service tax under Sr. No. 6 (b) of the Notification No. 25/2012-ST. Even, in case of business entity, the legal services provided by the appellant would be exempted under serial no.5 of Notification No.30/2012-ST under reverse charge. Further, he submitted that the SCN issued merely on the basis of the ITR data and without carrying out any investigation or verification is invalid, as was held in various decisions. He also referred to the decision of Hon'ble Tribunal in the case of Shresth Leasing and Finance Ltd, and M/s. Krishna Construction Company. He also referred to the judgment of Hon'ble Gujarat High Court Advocates Association. He further submitted that the allegation of suppression with the intent to evade service tax is not correct and extended period cannot be invoked. Therefore, he requested to set-aside the impugned order.

6. I have carefully gone through the facts of the case, the impugned order passed by the adjudicating authority, submissions made by the appellant in the appeal memorandum and those made during personal hearing. The issue to be decided in the present case is as to whether the service tax demand of Rs.1,68,512/- alongwith interest and penalties, confirmed in 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. 2015-16.

7. The appellant before the adjudicating authority neither submitted a defence reply nor appeared for personal hearing. The adjudicating authority therefore confirmed the demand on the basis of the SCN issued. The appellant now before the appellate authority have submitted the documents and have claimed that the income reflected in the ITR pertains to legal services rendered to their clients. From the ID card, I find that the appellant is an Advocate registered under No. G/604/1993 with the Bar Council of Gujarat. The appellant is also holding life time membership of Advocates Association. The appellant have claimed that he has provided legal services which they claim are exempted in terms of Notification 25/2012-ST dated 20.6.2012 and vide Notification No. 30/2012-ST dated 20.6.2012. Hence, they were not required to obtain registration or pay service tax on such service. To examine their claim, relevant text of both the notifications is re-produced below:-

Mega Notifications — Notification No. 12/2012-S.T.

6. Services provided by-

- (a) an arbitral tribunal to -
(i) any person other than a business entity; or



- (ii) a business entity with a turnover up to rupees ten lakh in the preceding financial year;
- (b) an individual as an advocate or a partnership firm of advocates by way of legal services to,-
- (i) an advocate or partnership firm of advocates providing legal services;
- (ii) any person other than a business entity; or
- (iii) a business entity with a turnover up to rupees ten lakh in the preceding financial year; or
- (c) a person represented on an arbitral tribunal to an arbitral tribunal;

Notification No. 30/2012-ST dated 20.6.2012

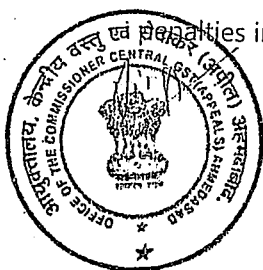
TABLE

Sl. No.	Description of a service	Percentage of service tax payable by the person providing service	Percentage of service tax payable by the person receiving the service
5.	in respect of services provided or agreed to be provided by individual advocate or a firm of advocates by way of legal services	Nil	100%

7.1 As per Notification No.25/2012-ST, legal service is exempt service provided by an Advocate or law firm to another Advocate or Law firm; Services provided by an advocate or law firm to other than business entities; Services provided by an advocate or law firm to small business entities having turnover upto Rs. 10 lakhs in the preceding financial year. The term "legal service" is defined in clause (w) of the notification, which means any service provided in relation to advice, consultancy, or assistance in any branch of law, in any manner and includes representational services before any court, tribunal, or authority.

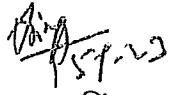
7.2 Further, in respect of the legal services provided to legal entities, 100% tax liability under RCM shall be on the service recipient in terms of Sr.No:5 of Notification No.30/2012-ST dated 20.6.2012. Thus, I find that the appellant shall be fully exempted from payment of tax in terms of both the notifications. Hence, the demand of service tax based on the income reflected in the ITR pertaining to legal service charges is not sustainable on merits.

8. In view of the above discussion, I find that the activity carried out by the appellant are exempted in terms of Notification No.25/2012-ST and Notification No.30/2012-ST, therefore, the Service Tax demand of Rs.1,68,512/- is not sustainable on merits. When the demand is not sustainable on merits, the question of charging interest or imposing penalties in the case does not arise.



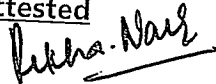
9. In light of above discussion and findings, I set-aside the impugned order confirming the service tax demand of Rs.1,68,512/- alongwith interest and penalties and allow the appeal filed by the appellant.

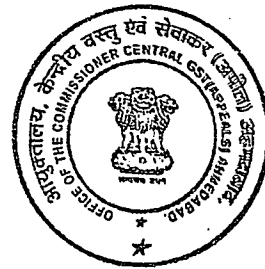
10. अपीलकर्ता द्वारा दर्ज की गई अपील का निपटारा उपरोक्त तरीके से किया जाता है।
The appeal filed by the appellant stands disposed off in above terms.


(शिव प्रताप सिंह)
आयुक्त(अपील्स)

Date: 9.2023

Attested


(Rekha A. Nair)
Superintendent (Appeals)
CGST, Ahmedabad



By RPAD / SPEED POST

To,
Shri Yogendra S. Rajput, Advocate,
304-Vrindavan Arcade,
Bhaikakanagar Thaltej,
Ahmedabad -380059

Appellant

The Assistant Commissioner,
CGST, Division-VI,
Ahmedabad North
Ahmedabad

Respondent

Copy to:

1. The Principal Chief Commissioner, Central GST, Ahmedabad Zone.
2. The Commissioner, CGST, Ahmedabad North.
3. The Assistant Commissioner (H.Q. System), CGST, Ahmedabad North.
(For uploading the OIA)
- ✓ 4. Guard File.

