



आयुक्त का कार्यालय
Office of the Commissioner
केंद्रीय जीएसटी, अपील अहमदाबाद आयुक्तालय
Central GST, Appeals Ahmedabad Commissionerate
जीएसटी भवन, राजस्व मार्ग, अम्बावाड़ी, अहमदाबाद-380015
GST Bhavan, Ambawadi, Ahmedabad-380015
Phone: 079-26305065 - Fax: 079-26305136
E-Mail : commrappl1-cexamd@nic.in
Website : www.cgstappealahmedabad.gov.in



By SPEED POST

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(क)	फ़ाइल संख्या / File No.	GAPPL/COM/STP/1507/2023 / 8999 - 81
(ख)	अपील आदेश संख्या और दिनांक / Order-In -Appeal and date	AHM-EXCUS-002-APP-143/23-24 and 21.11.2023
(ग)	पारित किया गया / Passed By	श्री ग्यानचंद जैन, आयुक्त (अपील) Shri Gyan Chand Jain, Commissioner (Appeals)
(घ)	जारी करने की दिनांक / Date of Issue	04.12.2023
(ङ)	Arising out of Order-In-Original No. CGST/WT07/HG/606/2022-23 dated 25.11.2022 passed by The The Assistant Commissioner, CGST Division-VII, Ahmedabad North	
(च)	अपीलकर्ता का नाम और प्रता / Name and Address of the Appellant	M/s. Shraddha Tejas Shah 412, 4th Floor, Abhishek PlazaB/h Navgujarat College, Ashram Road 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 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, 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 :-

(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 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।

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 हो।

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 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 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 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 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 2nd माला, बहुमाली भवन, असरवा, गिरधरनागर, अहमदाबाद-380004।

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 above para.

The appeal to the Appellate Tribunal shall be filed in quadruplicate in form EA-3 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 और 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."



ORDER IN APPEAL

M/s. Shraddha Tejas Shah, 412, 4th Floor, Abhishek Plaza, B/h Navgujarat College, Ashram Road, Ahmedabad (hereinafter referred to as '*the appellant*') have filed the present appeal against the Order-in-Original No. CGST/WT07/HG/606/2022-23 dated 25.11.2022, (in short '*impugned order*') passed by the Assistant Commissioner, Central GST, Division-VII, Ahmedabad North (hereinafter referred to as '*the adjudicating authority*'). The appellant were engaged in providing taxable services but were not registered with the Service Tax Department.

2. The facts of the case, in brief, are that on the basis of the data received from the Central Board of Direct Taxes (CBDT) for the F.Y. 2015-16, it was noticed that the appellant during the period had earned income of Rs.26,13,980/-, which they reflected under the heads "Sales / Gross Receipts from Services (Value from ITR)" of the Income Tax Act, 1961, on which no tax was paid. Letters were, therefore, issued to the appellant to explain the reasons for non-payment of tax and to provide certified documentary evidences for the F.Y. 2015-16. The appellant neither provided any documents nor submitted any reply justifying the non-payment of service tax on such receipts. The service tax liability was, therefore, quantified considering the income of Rs. 26,13,980/-, as taxable income, based on the data provided by the Income Tax Department and the service tax liability of Rs.3,79,027/- for F.Y. 2015-16 was accordingly worked out.

Table-A

<i>F.Y.</i>	<i>Value as per ITR</i>	<i>Service tax rate</i>	<i>Service Tax liability</i>
2015-16	26,13,980/-	14.5%	3,79,027/-

2.1 A Show Cause Notice (SCN) No. CGST/A'bad North/Div-VII/AR-II/TPD/Un-reg/15-16/10/2021 dated 17.12.2020 was, therefore, issued to the appellant proposing recovery of service tax amount of Rs.3,79,027/- not paid on the value of income received during the F.Y. 2015-16 along with interest under Section 73(1) and Section 75 of the Finance Act, 1994, respectively. Imposition of penalties under Section 77(1), 77(2) and Section 78 of the Finance Act, 1994 were also proposed.

2.2 The said SCN was adjudicated vide the impugned order, wherein the service tax demand of Rs.3,79,027/- was confirmed alongwith interest on the taxable services provided during the F.Y. 2015-16. Penalty of Rs.3,000/- each under Section 77(1) & 77(2), Penalty of Rs.3,79,027/- under Section 78 of the F.A., 1994 was also imposed.

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

- Legal consultancy service provided by individual to a business entity is exempt from service tax. The Appellant is engaged in legal consultancy service to business entities unit and therefore not liable to pay Service Tax on the disputed services.



- Considering the amount received by the Appellant is inclusive of Service tax the benefit of cum-tax should have been provided for determining the Service tax liability. They placed reliance on (i) Robot Detective & Security Agency Vs. C.C.E reported in 2009 (14) STR 689 (Tri.) (ii) C. C. Ex. & Cus. Patna Vs. Advantage Media Consultant reported in 2008 (1 OJ STR 449 (Tri.)
- The Appellant is eligible for exemption of Small Scale Service provider as per Notification No. 33/2012- Service Tax dated 20.06.2012, the respondent ought to have provided exemption in respect of taxable services of Rs. 10 lacs to the Appellant. The Appellant has not suppressed any information from the Department and the Department was at all times, aware of the activities of the Appellant. Pahwa Chemicals Private Limited vs. CCE, Delhi reported in 2005 (189) E.L.T. 257 (S.C.),
- Extended period cannot be invoked in the present case as the Show Cause Notice was issued on 17.12.2020 for raising the demand for the extended period from F.Y 2014-15 whereas there is no suppression of facts.
- The Departmental Authority did not carry out the inquiry on the aspect whether the Appellant deliberately evaded service tax or it was bonafide impression for non-liability of service tax. In absence of any proper inquiry, the larger period cannot be invoked merely on the basis of the information available on the CBDT portal.
- For F.Y 2014-15, the Show Cause Notice dated 17.12.2020 is beyond the extended period of limitation and therefore, service tax liability in respect of the same is liable to be dropped. No penalty or interest leviable in the facts of the present case. Hence, the demand for interest also cannot sustain and no penalty can be imposed.

4. Personal hearing in the matter was held on 22.09.2023. Shri Jaykishan K. Vidhwani, Chartered Accountant, appeared on behalf of the appellant. He reiterated the submissions made in the appeal memorandum. He submitted that the appellant have provided Legal Consultancy services through her employees, which included her husband, who is a practicing advocate registered with the Bar Council of India. He handed over a certificate from the appellant, a copy of registration with the Bar Council of India and the Balance Sheet along with the profit and loss account. He submitted that the services falling under the category of legal services are exempted from Service tax. Therefore, he requested to set-aside the impugned order.

4.1 Subsequently, due to change in the appellate authority, another personal hearing was held on 25.10.2023. Shri Jaykishan K. Vidhwani, Chartered Accountant, appeared on behalf of the appellant and requested for 10 days time to make additional written submission. However, till date no submissions were made.

5. I have carefully gone through the facts of the case, the impugned order passed by the adjudicating authority, submissions made in the appeal memorandum as well as the submissions made during personal hearing. The issue to be decided in the present case



is as to whether the service tax demand of Rs.3,79,027/- confirmed alongwith interest and penalties 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.

5.1 It is observed that in terms of Sr.No.6 (b) of Notification No.25/2012-ST dated 20.6.2012; the legal consultancy services provided by an individual as an Advocate or a partnership firm of advocates by way of legal services to an advocate or partnership firm of advocates providing legal services; to any person other than a business entity; or a business entity with a turnover up to rupees ten lakh in the preceding financial year is exempted.

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;*

5.2 The appellant has submitted various documents. On going through the Balance Sheet for the F.Y. 2015-16, I find that (Ms. Shraddha Tejas Shah) is a Proprietor of M/s. S.T. Shah & Co. They have shown a consulting income of Rs.26,13,980/- in their Balance Sheet. They have also submitted a declaration stating that the legal services related to representation, return filing and consultancy services were provided by Shri Tejash R. Shah, Advocate having Registration Number G/2314/2014. A certificate issued by Bar Council of India in the name of Shri Tejash R. Shah was also submitted as proof.

5.3 I find that the exemption under aforesaid notification is admissible only if the legal consultancy service is provided by an individual as an Advocate or by a partnership firm of Advocates. As the income earned by the appellant in respect of M/s. S.T. Shah & Co., which is not a partnership firm of Advocates and since the appellant is also not a registered Advocate, I find that the exemption claimed by them under the said notification shall not be admissible to them. I, therefore, find that the service tax demand confirmed in the impugned order is legally sustainable on merits.

5.4 Further, the appellant has claimed SSI benefit under Notification No. 33/2012-ST dated 20.06.2012 and also claimed cum tax benefit. As the consulting income of Rs.26,13,980/- in more than the threshold exemption limit of Rs.10 lacs provided in Notification No.33/2012-ST dated 20.06.2012, they are not eligible for the SSI

exemption. However; I find that they are eligible for the cum tax benefit as they have not collected any tax from their customer. After granting cum tax benefit their tax liability shall be amounting to Rs.2,61,398/-. Calculation is given as under;

Table-B

F.Y.	Value as per ITR	Service tax rate	Cum tax benefit (Value*100/145)	S. Tax Liability
2015-16	26,13,980	14.5%	18,02,745	2,61,398

5.5 In view of the above, I find that the appellant is liable to pay service tax amounting to Rs.2,61,398/-.

6. When the demand sustains there is no escape from interest, the same is therefore recoverable with applicable rate of interest on the tax held sustainable in the para supra.

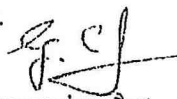
7. I find that the imposition of penalty under Section 78 is also justifiable as it provides penalty for suppressing the value of taxable services. Hon'ble Supreme Court in case of *Union of India v/s Dharamendra Textile Processors* reported in [2008 (231) E.L.T. 3 (S.C.)], concluded that the section provides for a mandatory penalty and leaves no scope of discretion for imposing lesser penalty. I find that the appellant was rendering a taxable service but failed to assess their tax liability correctly with intent to evade the taxes. The appellant though was rendering the taxable service, did not obtain service tax registration. This act thereby led to suppression of facts and such non-payment of service tax undoubtedly brings out the willful mis-statement and fraud with intent to evade payment of service tax. If any of the circumstances referred to in Section 73(1) are established, the person liable to pay tax would also be liable to pay a penalty equal to the tax so determined above.

8. As regards, the imposition of penalty under Section 77 (1) is concerned the adjudicating authority has not given any findings for imposing the same. Hence, I find that without any justification such penalty cannot be imposed. I find that the penalty under Section 77(2) was imposed for contravention of service tax laws. However, considering the reduction in tax liability, I reduce the penalty of Rs.3,000/- imposed under Section 77(2) to Rs.1000/-.

9. In view of the above discussion, I uphold the impugned order confirming the service tax demand to the extent of Rs.2,61,398/- alongwith interest and penalties.

अपीलकर्ता द्वारा दर्ज की गई अपील का निपटारा उपरोक्त तरीके से किया जाता है।

10. The appeal filed by the appellant stands disposed off in above terms.


(ज्ञानचंद जैन)
आयुक्त (अपील्स)

Attested


(रेखा नायर)



Superintendent (Appeals)
CGST, Ahmedabad

By RPAD/SPEED POST

To,
M/s. Shraddha Tejas Shah,
412, 4th Floor, Abhishek Plaza,
B/h Navgujarat College, Ashram Road,
Ahmedabad

- **Appellant**

The Joint Commissioner
CGST, Ahmedabad North

- **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.