



सत्यमेव जयते

आयुक्त का कार्यालय  
Office of the Commissioner  
केंद्रीय जीएसटी, अपील अहमदाबाद आयुक्तालय  
Central GST, Appeals Ahmedabad Commissionerate  
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आज़ादी का  
अमृत महोत्सव

### By SPEED POST

DIN:- 20231264SW00008181E4

(क)	फ़ाइल संख्या / File No.	GAPPL/COM/STP/3840/2023 18982 - 83
(ख)	अपील आदेश संख्या और दिनांक / Order-In -Appeal and date	AHM-EXCUS-002-APP-150/23-24 and 28.11.2023
(ग)	पारित किया गया / Passed By	श्री ज्ञानचंद 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. GST-06/D-VI/O&A/546/JAY PREV/AM/2022-23 dated 27.1.2023 passed by The The Assistant Commissioner, CGST Division-VI, Ahmedabad North	
(च)	अपीलकर्ता का नाम और पता / Name and Address of the Appellant	Jay Preservations Private Limited 15-16, Manipushpa Housing SocietyThaltej Ahmedabad - 380054

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 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 इए-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 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 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/- and Rs.5,000/- and Rs.10,000/- where amount of duty / penalty / demand / refund is up to 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 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 रू 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. Jay Preservations Pvt Ltd., 15-16, Manipushpa Housing Society, Thaltej, Ahmedabad-380054 (hereinafter referred to as '*the appellant*') have filed the present appeal against the Order-in-Original No. GST-06/D-VI/O&A/546//Jay Prev/AM/2022-23 dated 27.01.2023, (in short '*impugned order*') passed by the Assistant Commissioner, Central GST, Division-VI, Ahmedabad North (hereinafter referred to as '*the adjudicating authority*'). The appellant were engaged in providing taxable service without obtaining Service Tax Registration.

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 in the ITR/Form-26AS has shown the service income on which no service tax was discharged. Letters were, therefore, issued to the appellant to explain the reasons for non-payment of tax and to provide certified documentary evidences for the period. The appellant neither provided any documents nor submitted any reply justifying the non-payment of service tax on such receipts. The detail of the income is as under;

**Table-A**

F.Y.	Sale of service as per ITR/Form 26AS	Service tax rate	Service tax payable
2015-16	44,46,073/-	14%	6,18,679/-

2.1 A Show Cause Notice (SCN) No. CGST-06/04-1055/O&A/Jay Prev/2020-2021 dated 24.03.2021 was therefore issued to the appellant proposing recovery of service tax amount of Rs.6,18,679/- along with interest under Section 73(1) and Section 75 of the Finance Act, 1994, respectively. Imposition of penalties under Section 77(1), Section 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.6,18,679/- was confirmed alongwith interest. Penalty of Rs.6,18,679/- under Section 78 and penalty of Rs.10,000/- was also imposed under Section 77(1) of the F.A., 1994.

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

➤ The appellant are having TRN No Registration Number AABCJ3587FSE001 for warehouse situated at Plot No.114/57 AT and PO Chandisar Pvt Ltd Chandisar, Palanpur, Banaskantha Ahmedabad -385001 and are engaged in the activity of storage of agriculture produces. Since the service of storage and warehousing of agriculture produce is not taxable as per provision of sub-clause d(v) of section 66D of the Finance Act, appellant had not registered itself with service tax department.

➤ The appellant in response to the show cause notice has given its response vide letter dated 13/04/2021 alongwith all necessary documents such as copy of income tax return for FY 2015-16, copy of sales ledger along with sample Invoices



issued during F.Y. 2015- 16 and copy of audited financial statement for F.Y. 2015-16 in support of its claim that the service provided during the F.Y. 2015-16 was of storage and warehousing of agriculture produces and same is not regarded as taxable service in purview of provision of section 66D(d)(v) of Finance Act, 1994. Copy of sample invoices were also submitted but the adjudicating authority without verifying details mentioned in invoices and without seeking any further clarification has passed an order in original and held that the appellant had provided taxable service during F.Y. 2015-16 and thereby confirm the demand of service tax liabilities of Rs. 6,18,679/- on gross turnover of Rs. 44,46,073.

- The adjudicating authority failed to consider the fact on the basis of sample invoices submitted by your appellant in response to the show cause notice that your appellant had provided service of warehousing of agriculture produces only and no further process was carried out by the appellant on such agriculture produces, since as per invoices the appellant had charged rent from its customer for warehousing their agriculture produces and no amount had been charged for carrying out any process on such agriculture produces.
- Adjudicating authority has erred in law by treating service of warehousing of agriculture produces as taxable service even though same is not taxable as per provision of section 66D(d)(v) of Finance Act, 1994. Hence the impugned order may be set-aside.

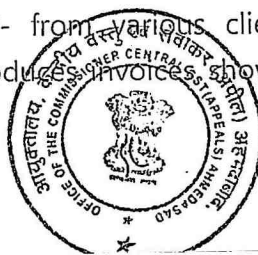
4. Personal hearing in the matter was held on 22.11.2023, through virtual mode. Shri Nirav Patel, Chartered Accountant appeared on behalf of the appellant. He reiterated the submissions made in the Appeal Memorandum. He submitted that the appellant is providing warehousing services for agricultural produce which is covered under serial no. (d)(v) of the negative list provided in Section 66D of the Finance Act, 1994. He requested two days time to make additional submissions.

4.1 The appellant in the additional written submissions filed on 23.11.2023 attached ledgers of Warehousing Income, Sample Invoices and a copy of OIO No.GST-06/D-VI/O&A/32/Jay/VKM/2023-24 dated 17.07.2023 passed in their own case covering demand for the subsequent F.Y. 2016-17.

5. 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, submissions made during personal hearing as well as those made in the additional written submissions dated 23.11.2023. The issue to be decided in the present appeal is as to whether the service tax demand of Rs.6,18,679/- 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.

5.1 It is observed that as per the ledgers submitted by the appellant, they have received cold storage rent of Rs.44,46,073/- from various client in respect of the warehousing services provided. They also produce invoices showing charges collected





from various masala vendors for storing the agricultural produce like chilies, peanuts in cold storage warehouse.

5.2 I find that storage of warehousing of agricultural produce is covered under negative list under clause (d) (v) of Section 66D. The same is reproduced below;

- (d) *services relating to agriculture or agricultural produce by way of—*
- (i) *agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or [ \* \* \* ] testing;*
- (ii) *supply of farm labour;*
- (iii) *processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market;*
- (iv) *renting or leasing of agro machinery or vacant land with or without a structure incidental to its use;*
- (v) *loading, unloading, packing, storage or warehousing of agricultural produce;*
- (vi) *agricultural extension services;*
- (vii) *services by any Agricultural Produce Marketing Committee or Board or services provided by a commission agent for sale or purchase of agricultural produce*

It is observed that the entire demand has been raised on the income of Rs. 44,46,073/-, which pertains to the warehousing rent received by the appellant during the F.Y. 2015-16 for warehousing of agricultural produce. Further, it is also noticed that for the demand on similar income received by the appellant in subsequent period i.e. F.Y. 2016-17, the adjudicating authority has dropped the demand considering the said service as exempted service being covered under negative list. I find that the department cannot take a divergent view on same issue for different period.

6. In view of the above discussion, I set-aside the impugned order confirming the service tax demand of **Rs.6,18,679/-** alongwith interest and penalties and allow the appeal filed by the appellant.

7. 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.

*28.11.23*

(ज्ञानचंद जैन)

आयुक्त (अपील्स)

Date: 28.11.2023

Attested

*28.11.23*  
(रेखा नायर)



अधीक्षक (अपील्स)  
केंद्रीय जी. एस. टी, अहमदाबाद

By RPAD/SPEED POST

To,  
M/s. Jay Preservations Pvt Ltd.,  
15-16, Manipushpa Housing Society,  
Thaltej, Ahmedabad-380054

The Assistant Commissioner  
CGST, Division-VI,  
Ahmedabad North



Appellant

Respondent

Copy to:

1. The Principal Chief Commissioner, Central GST, Ahmedabad Zone.
2. The Commissioner, CGST, Ahmedabad North.
3. The Assistant Commissioner (System), CGST Appeals, Ahmedabad (for uploading the OIA)
4. The Assistant Commissioner, CGST Division-VII, Ahmedabad North.
- ✓ 5. Guard File.



