



**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  
 07926305065- टेलीफैक्स 07926305136



**DIN: 20230664SW000000C7B7**

**स्पीड पोस्ट**

क फाइल संख्या : File No : GAPPL/COM/STP/3281/2022 / 2087 - 91

ख अपील आदेश संख्या Order-In-Appeal Nos. AHM-EXCUS-002-APP-39/2023-24  
 दिनांक Dated : 06.06.2023 जारी करने की तारीख Date of Issue 08.06.2023

आयुक्त (अपील) द्वारा पारित  
 Passed by Shri Akhilesh Kumar, Commissioner (Appeals)

ग Arising out of Order-in-Original No. CGST/WT07/HG/275/2022-23 दिनांक: 17-08-2022, issued by  
 Assistant Commissioner, CGST, Division VII, Ahmedabad-North

घ अपीलकर्ता का नाम एवं पता Name & Address

**1. Appellant**

M/s Pratyush Kiritbhai Patel  
 L/501, Shukan City,  
 Anand Party Plot Road,  
 New Ranip, Ahmedabad - 382480

**2. Respondent**

The Assistant Commissioner,  
 CGST, Division VII, Ahmedabad North  
 4th Floor, Shajanand Arcade, Nr. Helmet Circle,  
 Memnagar, Ahmedabad - 52

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 :**

(i) 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।

(i) 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 :

(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।

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 2<sup>nd</sup> माला, बहुमाली भवन, असरवा, गिरधरनागर, अहमदाबाद -380004

(a) 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 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 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 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.

- (32) 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) -

- (i) (Section) खंड 11D के तहत निर्धारित राशि;
- (ii) लिया गलत सेनवैट क्रेडिट की राशि;
- (iii) 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.

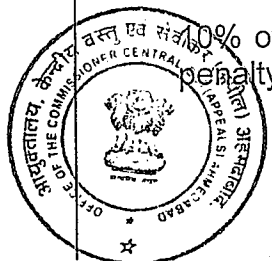
For an appeal to be filed before the CESTAT, 10% of the Duty & Penalty confirmed by the Appellate Commissioner would have to be pre-deposited, provided that the pre-deposit amount shall not exceed Rs.10 Crores. It may be noted that the pre-deposit is a mandatory condition for filing appeal before CESTAT.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

- (lxxix) amount determined under Section 11 D;
- (lxxx) amount of erroneous Cenvat Credit taken;
- (lxxxi) amount payable under Rule 6 of the Cenvat Credit Rules.

इस 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

The present appeal has been filed by M/s. Pratyush Kiritbhai Patel, L/501, Shukan City, Anand Party Plot Road, New Ranip, Ahmedabad – 382480 (hereinafter referred to as “the appellant”) against Order-in-Original No. CGST/WT07/HG/275/2022-23 dated 17.08.2022 (hereinafter referred to as “the impugned order”) passed by the Assistant Commissioner, Central GST, Division VII, Ahmedabad North (hereinafter referred to as “the adjudicating authority”).

2. Briefly stated, the facts of the case are that the appellant are holding PAN No. AOMPP7543P. On scrutiny of the data received from the Central Board of Direct Taxes (CBDT) for the FY 2015-16 to FY 2016-17, it was noticed that the appellant had earned an income of Rs. 14,31,117/- during the FY 2015-16; and an income of Rs. 17,31,015/- during the FY 2016-17, which was 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)” filed with the Income Tax department. Accordingly, it appeared that the appellant had earned the said substantial income by way of providing taxable services but had neither obtained Service Tax registration nor paid the applicable service tax thereon. The appellant were called upon to submit the documents relevant for assessment for the said period. However, the appellant had not responded to the letters issued by the department.

2.1 Subsequently, the appellant were issued Show Cause Notice No. CGST/AR-V/Div-VII/A'bad North/TPD UR 15-16/67/2020-21 dated 27.09.2020 demanding Service Tax amounting to Rs. 4,67,164/- for the period FY 2015-16 to FY 2016-17, under proviso to Sub-Section (1) of Section 73 of the Finance Act, 1994. The SCN also proposed recovery of interest under Section 75 of the Finance Act, 1994; and imposition of penalties under Section 77(1)(a), Section 77(1)(c), Section 77(2) and Section 78 of the Finance Act, 1994. The SCN also proposed recovery of un-quantified amount of Service Tax for the period FY 2017-18 (up to Jun-17).

2.2 The Show Cause Notice was adjudicated, ex-parte, vide the impugned order by the adjudicating authority wherein the demand of Service Tax amounting to Rs. 4,67,164/- was confirmed under proviso to Sub-Section (1) of Section 73 of the Finance Act, 1994 along with Interest under Section 75 of the Finance Act, 1994 for the period from FY 2015-16 to FY 2016-17. Further (i) Penalty of Rs. 4,67,164/- was also imposed on the appellant under Section 78 of the Finance Act, 1994; (ii) Penalty of Rs. 10,000/- was imposed on the appellant under Section 77(1)(a) and Section 77(1)(c) of the Finance Act, 1994; and (iii) Penalty of Rs.



5,000/- was imposed on the appellant under Section 77(2) of the Finance Act, 1994 for not submitting documents to the department, when called for.

3. Being aggrieved with the impugned order, the appellant have preferred the present appeal, along with application for condonation of delay in filing appeal, on the following grounds:

- The appellant were engaged in the business of providing services as a Broker, Commission Agent & Reseller of Scrap / Furniture & Fixtures.
- The impugned SCN fails to point out the reason on the basis of which department has considered that the differential value of services provided by the appellants are taxable services. The appellants submitted that the impugned SCN nowhere discusses the nature of activities being carried out by the appellant and assumed that whatever income they have earned was taxable service income liable to tax under the provisions of Finance Act 1994 and Rules made therein. Thus, the show cause notice is vague, cryptic and untenable in law, and hence the impugned order upholding the same SCN deserves to be quashed. In this regard, they relied upon the following case laws:
  - a) SBQ Steels Ltd. vs. Commissioner of Cus., C.Ex. & ST, Guntur 2014(300) ELT 185 (AP)
  - b) CCE vs. Shemco India Transport 2011 (24) STR 409 (Tri-Del.)
  - c) Amrit Food vs. CC 2005 (190) ELT 433 (SC)
- The appellant submitted that impugned order was confirmed without considering the facts of the case and the impugned OIO has not considered the exemption from service tax in case where the services covered under small scale service provider exemption and negative list. In this regard, they relied upon the following case laws:
  - a) Cyril Lasardo (Dead) V/s Juliana Maria Lasarado 2004 (7) SCC431
  - b) Asst. Commissioner, Commercial Tax Department Vs. Shukla & Brothers reported at 2010 (254) ELT 6 (SC)=2011 (22) STR 105 (SC)
- They are engaged in the business of commission and sale of old scrap / furniture & fixtures and allied activities thereof. The Income as appearing in the income tax return consists of the income on account of (a) Sale of Goods namely old scrap / furniture & fixtures and (b) Commission / Brokerage Income.

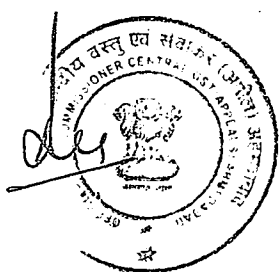


- The activity of sale of goods in their case i.e. sale of old scrap/ furniture & fixtures are covered under the negative list of services as per Section 66D(e) of the Finance Act, 1994 and those activities are not leviable to service tax
- Notification No.33/2012-ST dated 20.06.2012 which provides for the exemption from service tax to small scale service providers. The appellants submitted that as per said Notification taxable services of aggregate value not exceeding ten lakh rupees in any financial year from the whole of the service tax leviable thereon under section 66B of the Finance Act, 1994
- The appellant submitted that the income on account of services is below the threshold limit of Rs. 10 Lacs exemption as provided for under exemption Notification No.33/2012-ST dated 20.06.2012 for the Financial Year 2015-16, 2016-17 & period Apr-Jun-17 and they are very well eligible to claim the same and hence they are not liable to pay any service tax on the alleged income as referred in the subject Notice.
- The appellant submitted the statement showing the bifurcation of sale and service income as per the Income Tax Returns.

(Amount in Rs.)

Particulars	FY 2015-16	FY 2016-17
Sale of Old Scrap / Furniture & Fixtures	4,80,117/-	7,58,563/-
Commission / Brokerage Income	9,51,000/-	9,00,000/-
Interest Income	6,148/-	2,805/-
Car Rental Income	0/-	72,452/-
<b>Total</b>	<b>14,37,265/-</b>	<b>17,33,820/-</b>

- The amount received by the appellant from its service receivers has to be treated as inclusive of the amount of service tax payable. The total amount received should be taken as cum-duty price and the value should be derived there from, by excluding the duty alleged to be payable as provided under section 67(2) of the Finance Act, 1994.
- The appellant submitted that the extended period of limitation is not invocable in the present case as there was no suppression of facts with intent to evade payment of service tax.
- The appellant are not liable to pay service tax, the appellants cannot be subjected to penalty under Section 78(1) of the Finance Act, 1994. Similarly, no interest under Section 75 can be demanded from them.



4. On going through the appeal memorandum, it is noticed that the impugned order was issued on 17.08.2022 and received by the appellant on 26.08.2022. However, the present appeal, in terms of Section 85 of the Finance Act, 1994, was filed on 24.11.2022, i.e. after a delay of 29 days from the last date of filing appeal. The appellant have also filed an Application seeking condonation of delay along with appeal memorandum stating that the concerned person handling all the legal matters and who is looking after the entire Legal and Account operations had to proceed on leave from 20.10.2022 on the health and domestic grounds and due to his domestic issues he had to keep on extending his leave till 20.11.2022 and immediately on joining on 21.11.2022, he took up the legal matters in hand on primary basis and prepared the appeal and filed the same. They have requested to condone the delay in filing appeal.

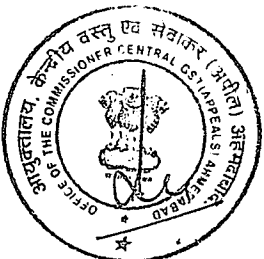
4.1 Personal hearing in the matter of Application for condonation of delay was held on 18.04.2023. Shri-Pratik Trivedi, Chartered Accountant, appeared on behalf of the appellant. He re-iterated submission made in the application for condonation of delay. He stated that the appellant are unregistered person and working in unorganized sector. Hence, it took time to complete the formality.

4.2 As per Section 85 of the Finance Act, 1994, an appeal should be filed within a period of 2 months from the date of receipt of the decision or order passed by the adjudicating authority. Under the proviso appended to sub-section (3A) of Section 85 of the Finance Act, 1994, the Commissioner (Appeals) is empowered to condone the delay or to allow the filing of an appeal within a further period of one month thereafter if, he is satisfied that the appellant was prevented by sufficient cause from presenting the appeal within the period of two months. Considering the cause of delay given in application and explained during hearing as genuine, I condone the delay of 29 days and take up the appeal for decision on merits.

5. Personal hearing in the case was held on 31.05.2023. Shri Pratik Trivedi, Chartered Accountant, appeared on behalf of the appellant for personal hearing. He reiterated submission made in appeal memorandum. He submitted a written reply during hearing.

5.1 The appellant have, vide their additional written submission dated 17.04.2023 produced during the course of hearing, inter alia, reiterated the submission made in the appeal memorandum and made further submissions as under :

- Show Cause Notice is not served within time limit and hence the demand is not sustainable.



- The impugned show cause notice issued merely based on the data shared by the CBDT without adducing any further evidences, documents, details, information and investigation and therefore not legally correct.
- They have submitted copy of ITR, Form 26AS, Balance Sheet, Profit & Loss Account for the FY 2015-16 and FY 2016-17 and sample sales invoices issued by them during the said period along with their reply.

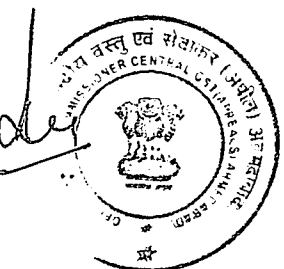
6. I have carefully gone through the facts of the case, grounds of appeal, submissions made in the Appeal Memorandum and documents available on record. The issue to be decided in the present appeal is whether the impugned order passed by the adjudicating authority, confirming the demand against the appellant along with interest and penalty, in the facts and circumstance of the case is legal and proper or otherwise. The demand pertains to the period FY 2015-16 and FY 2016-17.

7. I find that in the SCN in question, the demand has been raised for the period FY 2015-16 and FY 2016-17 based on the Income Tax Returns filed by the appellant. Except for the value of "Sales of Services under Sales / Gross Receipts from Services" provided by the Income Tax Department, no other cogent reason or justification is forthcoming from the SCN for raising the demand against the appellant. It is also not specified as to under which category of service, the non-levy of service tax is alleged against the appellant. Merely because the appellant had reported receipts from services, the same cannot form the basis for arriving at the conclusion that the respondent was liable to pay service tax, which was not paid by them. In this regard, I find that CBIC had, vide Instruction dated 26.10.2021, directed that:

*"It was further reiterated that demand notices may not be issued indiscriminately based on the difference between the ITR-TDS taxable value and the taxable value in Service Tax Returns.*

*3. It is once again reiterated that instructions of the Board to issue show cause notices based on the difference in ITR-TDS data and service tax returns only after proper verification of facts, may be followed diligently. Pr. Chief Commissioner /Chief Commissioner (s) may devise a suitable mechanism to monitor and prevent issue of indiscriminate show cause notices. Needless to mention that in all such cases where the notices have already been issued, adjudicating authorities are expected to pass a judicious order after proper appreciation of facts and submission of the noticee."*

7.1 In the present case, I find that letters were issued to the appellant seeking details and documents, which were allegedly not submitted by them. However, without any further inquiry or investigation, the SCN has been issued only on the basis of details received from the Income Tax department, without even specifying the category of service in respect of



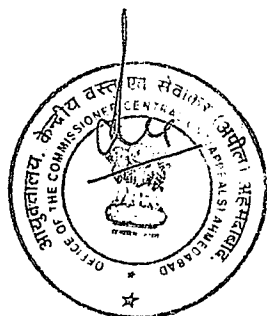


which service tax is sought to be levied and collected. This, in my considered view, is not a valid ground for raising of demand of service tax.

8. I find that the main contention of the appellant are that the Income as appearing in the income tax return consists of the income on account of (a) Sale of Goods namely old scrap / furniture & fixtures, and (b) Commission / Brokerage Income. The activity of sale of goods in their case i.e. sale of old scrap/ furniture & fixtures are covered under the negative list of services as per Section 66D(e) of the Finance Act, 1994 and those activities are not leviable to service tax. Further, their remaining income was well within threshold limit of exemption under Notification No.33/2012-ST dated 20.06.2012. It is observed that the adjudicating authority has decided the case ex-parte.

9. It is observed that the adjudicating authority has scheduled personal hearing by specifying 3 (three) different dates i.e. 05.08.2022, 08.08.2022 and 10.08.2022 in the single letter / notice dated 01.08.2022. In this regard, I find that the adjudicating authority has given three dates of personal hearing in one notice and has considered the same as three opportunities. As per Section 33A(2) of the Central Excise Act, 1944, as made applicable to Service Tax vide Section 83 of the Finance Act, 1994, when a personal hearing is fixed, it is open to a party to seek time by showing sufficient cause and in such case, the adjudicating authority may grant time and adjourn the personal hearing by recording the reason in writing. Not more than three such adjournments can be granted. Since such adjournments are limited to three, the hearing would be required to be fixed on each such occasion and on every occasion when time is sought and sufficient cause is made out, the case would be adjourned to another date. However, the adjudicating authority is required to give one date a time and record his reasons for granting adjournment on each occasion. It is not permissible for the adjudicating authority to issue one consolidated notice fixing three dates of hearing, whether or not the party asks for time, as has been done in the present case.

9.2 It is further observed that by notice for personal hearing on three dates and absence of the appellant on those dates appears to have been considered as grant of three adjournments by the adjudicating authority. In this regard, I find that the Section 33A(2) of the Central Excise Act, 1944 provides for grant of not more than 3 adjournments, which would envisage four dates of personal hearing and not three dates. The similar view has been taken by the Hon'ble High Court of Gujarat in the case of Regent Overseas Private Limited and others Vs. Union of India and others reported in 2017 (3) TMI 557 – Gujarat High Court.



9.3 In view of the above, I find that the adjudicating authority was required to give adequate and ample opportunity to the appellant for personal hearing and it is only thereafter, the impugned order was required to be passed. Thus, it is held that the impugned order passed by the adjudicating authority is clearly in breach of the principles of natural justice.

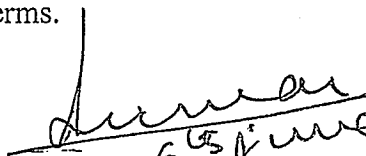
10. I also find that the appellant submitted various documents in support of their claim for exemption from service tax, which was not produced by them before the adjudicating authority and first time submitted at appeal stage. In this regard, I am of the considered view that the appellant cannot seek to establish their eligibility for exemption at the appellate stage by bypassing the adjudicating authority. They should have submitted the relevant records and documents before the adjudicating authority, who is best placed to verify the authenticity of the documents as well as their eligibility for exemption.

11. Considering the facts of the case as discussed hereinabove 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 to examine the case on merits and also to consider the claim of the appellant for exemption from the service tax. The appellant is directed to submit all the records and documents in support of their claim for exemption from the service tax before the adjudicating authority within 15 days of the receipt of this order. The adjudicating authority shall after considering the records and documents submitted by the appellant decide the case afresh by following the principles of natural justice.

12. In view of the above discussion, I remand the matter back to the adjudicating authority to reconsider the issue afresh and pass a speaking order after following the principles of natural justice.


13. 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.

  
(Akhilesh Kumar)  
Commissioner (Appeals)

Attested

Date : 06.06.2023

  
(R. C. Maniyar)  
Superintendent(Appeals),  
CGST, Ahmedabad



**By RPAD / SPEED POST**

To,  
M/s. Pratyush Kiritbhai Patel,  
L/501, Shukan City,  
Anand Party Plot Road,  
New Ranip, Ahmedabad – 382480

Appellant

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

Respondent

Copy to :

- 1) The Principal Chief Commissioner, Central GST, Ahmedabad Zone
- 2) The Commissioner, CGST, Ahmedabad North
- 3) The Assistant Commissioner, CGST, Division VII, Ahmedabad North
- 4) The Assistant Commissioner (HQ System), CGST, Ahmedabad North

(for uploading the OIA)

5) Guard File

6) PA file



