


आयुक्त का कार्यालय केंद्रीय वस्तु एवं सेवा कर एवं उत्पाद शुल्क ,अहमदाबाद उत्तर, कस्टम हॉउस(तल प्रथम) नवरंगपुरा- अहमदाबाद ,380009		Office of the Commissioner of Central Goods & Services Tax & Central Excise, Ahmedabad North, Custom House(1 st Floor) Navrangpura, Ahmedabad-380009
फ़ोन नंबर./ PHONE No.: 079-2754 4599 फ़ैक्स/ FAX : 079-2754 4463 E-mail:- aaahmedabad2@gmail.com		

निबन्धित पावती डाक द्वारा / By REGISTERED POST AD

फा .सं/. **STC/15-152/OA/2021-22**

DIN- 20221164WT000042474E

आदेश की तारीख	/	Date of Order :	29.11.2022
जारी करने की तारीख	/	Date of Issue :	29.11.2022
द्वारा पारित/Passed by -			
उपेन्द्र सिंह यादव	/	UPENDRA SINGH YADAV	
आयुक्त	/	COMMISSIONER	

मूल आदेश संख्या /

ORDER-IN-ORIGINAL No. AHM-EXCUS-002-COMMR-26/2022-23

जिस व्यक्ति(यों) को यह प्रति भेजी जाती है, उसे व्यक्तिगत प्रयोग के लिए निःशुल्क प्रदान की जाती है।

This copy is granted free of charge for private use of the person(s) to whom it is sent.

2. इस आदेश से असंतुष्ट कोई भी व्यक्ति -इस आदेश की प्राप्ति से तीन माह के भीतर सीमा शुल्क ,उत्पाद शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण ,अहमदाबाद पीठ को इस आदेश के विरुद्ध अपील कर सकता है। अपील सहायक रजिस्ट्रार ,सीमा शुल्क ,उत्पाद शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण , द्वितीय तल, बाहुमली भवन असरवा, गिरधर नगर पुल के पास, गिरधर नगर, अहमदाबाद, गुजरात 380004 को संबोधित होनी चाहिए।

Any person deeming himself aggrieved by this Order may appeal against this Order to the Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad Bench within three months from the date of its communication. The appeal must be addressed to the Assistant Registrar, Customs, Excise and Service Tax Appellate Tribunal, 2nd Floor, Bahumali Bhavan, Asarwa, Near Girdharnagar Bridge, Girdharnagar, Ahmedabad, Gujarat 380004.

2.1 इस आदेश के विरुद्ध अपील न्यायाधिकरण में अपील करने से पहले मांगे गये शुल्क के 7.5% का भुगतान करना होगा, जहाँ शुल्क यानि की विवादग्रस्त शुल्क या विवादग्रस्त शुल्क एवं दंड या विवादग्रस्त दंड शामिल है।

An appeal against this order shall lie before the Tribunal on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.

(as per amendment in Section 35F of Central Excise Act, 1944 dated 06.08.2014)

3. उक्त अपील प्रारूप सं .इ.ए 3.में दाखिल की जानी चाहिए। उसपर केन्द्रीय उत्पाद शुल्क (अपील) नियमावली 2001 ,के नियम 3 के उप नियम (2)में विनिर्दिष्ट व्यक्तियों द्वारा

हस्ताक्षर किए जाएंगे। उक्त अपील को चार प्रतियाँ में दाखिल किया जाए तथा जिस आदेश के विरुद्ध अपील की गई हो, उसकी भी उतनी ही प्रतियाँ संलग्न की जाएँ (उनमें से कम से कम एक प्रति प्रमाणित होनी चाहिए। अपील से संबन्धित सभी दस्तावेज भी चार प्रतियाँ में अग्रेषित किए जाने चाहिए।

The Appeal should be filed in Form No. E.A.3. It shall be signed by the persons specified in sub-rule (2) of Rule 3 of the Central Excise (Appeals) Rules, 2001. It shall be filed in quadruplicate and shall be accompanied by an equal number of copies of the order appealed against (one of which at least shall be certified copy). All supporting documents of the appeal should be forwarded in quadruplicate.

4. अपील जिसमें तथ्यों का विवरण एवं अपील के आधार शामिल हैं चार प्रतियों में दाखिल, उसकी भी उतनी ही, की जाएगी तथा उसके साथ जिस आदेश के विरुद्ध अपील की गई हो उनमें से कम से कम प्रतियाँ संलग्न की जाएंगी म एक प्रमाणित प्रति होगी।

(The Appeal including the statement of facts and the grounds of appeal shall be filed in quadruplicate and shall be accompanied by an equal number of copies of the order appealed against (one of which at least shall be a certified copy.)

5. अपील का प्रपत्र अंग्रेजी अथवा हिन्दी में होगा एवं इसे संक्षिप्त एवं किसी तर्क अथवा विवरण के बिना अपील के कारणों के स्पष्ट शीर्षों के अंतर्गत तैयार करना चाहिए एवं ऐसे कारणों को क्रमानुसार क्रमांकित करना चाहिए।

The form of appeal shall be in English or Hindi and should be set forth concisely and under distinct heads of the grounds of appeals without any argument or narrative and such grounds should be numbered consecutively.

6. अधिनियम की धारा 35बी के उपबन्धों के अंतर्गत निर्धारित फीस जिस स्थान पर पीठ स्थित है, वहां के किसी भी राष्ट्रीयकृत बैंक की शाखा से न्यायाधिकरण की पीठ के सहायक रजिस्ट्रार के नाम पर रेखांकित माँग ड्राफ्ट के जरिए अदा की जाएगी तथा यह माँग ड्राफ्ट अपील के प्रपत्र के साथ संलग्न किया जाएगा।

The prescribed fee under the provisions of Section 35 B of the Act shall be paid through a crossed demand draft, in favour of the Assistant Registrar of the Bench of the Tribunal, of a branch of any Nationalized Bank located at the place where the Bench is situated and the demand draft shall be attached to the form of appeal.

7. न्यायालय शुल्क अधिनियम 1970, की अनुसूची, 1-मद 6 के अंतर्गत निर्धारित किए अनुसार संलग्न किए गए आदेश की प्रति पर 1.00 रूपया का न्यायालय शुल्क टिकट लगा होना चाहिए।

The copy of this order attached therein should bear a court fee stamp of Re. 1.00 as prescribed under Schedule 1, Item 6 of the Court Fees Act, 1970.

8. अपील पर भी रु 4.00 का न्यायालय शुल्क टिकट लगा होना चाहिए।

Appeal should also bear a court fee stamp of Rs. 4.00.

विषय: -कारण बताओ सूचना:

Subject: Proceedings initiated vide Show Cause Notice No. STC/15-152/OA/2021-22 dated 23.04.2021 issued to M/s. Shri Hanuman Poly Fab Private Limited, 7, Aman Bungalows, Near Gala Gymkhana, Opp. Basant Bihar Hospital, Bhopal, Ahmedabad - 380058 (Gujarat).

ORDER-IN-ORIGINAL NO. AHM-EXCUS - 26/2022-23

M/s. Shri Hanuman Poly Fab Private Limited, 7, Aman Bungalows, Near Gala Gymkhana, Opp. Basant Bihar Hospital, Bhopal, Ahmedabad - 380058 (Gujarat) were issued Show Cause Notice No. STC/15-152/OA/2021-22 dated 23.04.2021 by the Commissioner, Central GST & Central Excise, Ahmedabad North, Ahmedabad.

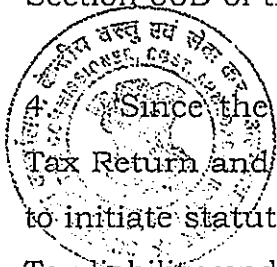
Brief facts of the case pertaining to Show Cause Notice No. STC/15-152/OA/2021-22 dated 23.04.2021 are as follows:

1. M/s. Shri Hanuman Poly Fab Private Limited, 7, Aman Bungalows, Near Gala Gymkhana, Opp. Basant Bihar Hospital, Bhopal, Ahmedabad - 380058 (Gujarat) (hereinafter referred to as the 'Assessee' for the sake of brevity) were registered under Service Tax having Registration No. AAACN5238JSD001 and were engaged in providing Services which were taxable.

2. Analysis of "Sales/Gross Receipts from Services (value from ITR)", the "Total Amount Paid/Credited under 194C, 194H, 194I, 194J) and "Gross Value of Services Provided" of the Assessee was carried out by the Central Board of Direct Taxes (CBDT) for the F.Y. 2015-16 and 2016-17. The details of the said analysis were shared by the CBDT with the Central Board of Indirect Taxes (CBIC). On the basis of the data shared by the CBDT, it appeared that the assessee had earned income by providing services on which Service Tax was leviable; it also appeared that the assessee had not reflected such income in their Service Tax Returns, thereby they had also not made the payment of applicable Service Tax.

3. With effect from 01.07.2012, the negative list regime came into existence under which all services were taxable and only those services which were mentioned in the negative list were exempted. The nature of activities carried out by the Assessee appeared to be covered under the definition of service and the same appeared to be not covered under the Negative List as given in the Section 66D of the Finance Act, 1994, as amended from time to time.

4. Since the Assessee had not declared the above income in their Service Tax Return and had not paid Service Tax on the said income, it was necessary to initiate statutory demand from the Assessee for confirmation of their Service Tax liability under the relevant provisions of the Finance Act, 1994 and Service Tax Rules, 1994. Therefore, in order to ascertain the veracity of the issue, the



assessee was given opportunity to appear for pre show-cause notice consultation on 23.04.2021, but the said assessee did not appear for the same.

5. Since the assessee did not submit the required details of services provided during the Financial Year 2015-16 and 2016-17, nor did they avail the opportunity of pre show cause consultation, the service tax liability of the service tax assessee had to be ascertained on the basis of income mentioned in the ITR returns and Form 26AS filed by the assessee with the Income Tax Department. The figures/data provided by the Income Tax Department was considered as the total taxable value in order to ascertain the service tax liability under Section 67 of the Finance Act, 1994.

6. By the act of non-compliance and non-submission of any information to the department, it appeared that the Assessee had contravened the following provisions of Chapter-V of the Finance Act, 1994, the Service Tax Rules, 1994:

- i. Section 67 of the Finance Act, 1994 in as much as they had failed to determine the correct value of taxable service provided by them
- ii. Section 70 of the Finance Act, 1994 read with Rule 6 & 7 of the Service Tax Rules 1994 in as much as they had failed to assess their tax liability and also failed to furnish returns in such form i.e. ST3 Returns, in such manner and at such frequency as mandated
- iii. Section 66B and Section 68 of the Finance Act, 1994 read with Rules 2 & 6 of the Service Tax Rules, 1994 in as much as they had failed to pay the Service Tax at the appropriate rate within the prescribed time and in such manner as provided under the said provision
- iv. Section 77 of the Finance Act, 1994, in as much as they had failed to file correct and true ST3 Returns,

7. All these acts of contravention of the provisions of Section 68 and 70 of the Finance Act, 1994 read with Rule 6 and 7 of Service Tax Rules, 1994 appeared to be liable for penalty under the provisions of Section 78 of the Finance Act, 1994 as amended from time to time. The said assessee also appeared liable to pay interest at the appropriate rates for the period from due date of payment of service tax till the date of actual payment as per the provisions of Section 75 of the Finance Act, 1994.

8. The assessee had failed to furnish the information in their Service Tax Returns and contravened various provision of Finance Act, 1994 and Rules

made there under, and thereby rendered themselves liable for penalty under Section 77(1)(c) and 77(2) of the Finance Act, 1994.

9. Therefore, as per the analysis shared by the CBDT the Service tax payable on the basis of value of "sales of services under Sales/Gross Receipts From Services (Value from ITR)" or "Total Amount Paid/Credited Under Section 194C, 194I, 194H, 194J" for the financial year 2015-16 and 2016-17 was assessed as below:-

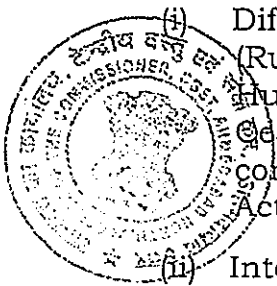
(Amount in Rs)

Sr. No.	F.Y.	Value Difference n ITR & STR/TDS & STR (whichever is higher) (In Rs.)	Resultant Service Tax short paid (in Rs.)
1	2015-16	15,05,97,401/-	2,10,11,266/-
2	2016-17	4,64,09,620/-	69,22,663/-
TOTAL		19,70,07,021/-	2,79,33,929/-

10. It appeared that the assessee had not paid the service tax by way of suppression of facts and in contravention of provision of the Finance Act, 1994 and rules made there under relating to levy and collection of service tax, with intent to evade payment of service tax. Hence, the service tax amounting to Rs. **2,79,33,929/-** appeared to be recoverable from the assessee, under the provisions of Section 73(1) of the Finance Act, 1994 by invoking extended period of time, along with interest thereof at appropriate rate under the provisions of Section 75 of the Finance Act, 1994. The provisions of Finance Act, 1994 read with Service Tax Rules, 1994 framed there under, were saved by the Section 174(2) of the CGST Act, 2017.

11. The Assessee was also given the opportunity for pre-SCN consultation on 23.04.2021, but they did not avail the same.

12. Therefore, a Show Cause Notice STC/15-152/OA/2021-22 dated 23.04.2021 was issued by the Commissioner, Central GST & Central Excise, Ahmedabad North to the Assessee M/s. Shri Hanuman Poly Fab Private Limited asking them as to why;



(i) Differential amount of Service Tax amounting to Rs.2,79,33,929/- (Rupees Two Crore Seventy Nine Lakh Thirty Three Thousand Nine Hundred Twenty Nine only) (inclusive of Edu. Cess and S&H Edu. Cess) short paid/not paid by them, should not be confirmed/demanded under proviso to Section 73(1) of the Finance Act, 1994.

(ii) Interest at the appropriate rates should not be recovered from them as prescribed under Section 75 of the Finance Act, 1994 from the due date on which the Service Tax was liable to be paid till the date on which the said Service Tax is paid.

- (iii) Penalty should not be imposed upon them under Section 76 of the Finance Act, 1994 for the failure to make payment of service tax payable by them within prescribed time-limit.
- (iv) Penalty should not be imposed upon them under Section 77 of the Finance Act, 1994 for the failure to assess the correct tax liability.
- (vi) Penalty should not be imposed upon them under Section 78 of the Finance Act, 1994 as amended for suppressing and not disclosing the value of the said taxable service provided by them before the department with an intent to evade payment of service tax.

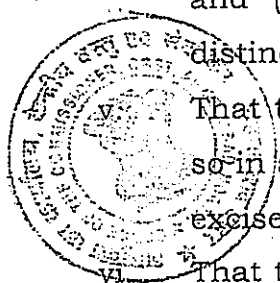
DEFENCE REPLY:

13. The assessee vide their letter dated 03.05.2022 (submitted to the department on 04.05.2022) submitted their reply to the Show Cause Notice dated 23.04.2021, wherein they have inter alia stated as under –

- i. That they are trader of textile fabrics and are also providing services of textile processing.
- ii. That trading of textile fabrics is merely trading of goods and Service Tax is applicable only on the provision of service and not on trading of goods.
- iii. That so far as textile processing (job work service) is concerned, as per Notification No. 25/2012-Service Tax dated 20.06.2012, any intermediate production process as job work (textile processing) not amounting to manufacture or production in relation to textile is exempt from payment of service tax. They also quoted entry No. 30 of the Notification No. 25/2012-Service Tax dated 20.06.2012 and contended that the services provided by them is merely a Job Work service i.e. Textile Processing which does not tantamount to Manufacture. Hence the services provided by them namely (1) Dyeing on grey fabrics and (2) Printing on dyed fabrics, are exempt from payment of service tax.
- iv. They also quoted the text of Notification No. 214/86 dated 25.03.1986 of the Central Excise defining the meaning of job work. Further they stated that the activity of (1) Dyeing on grey fabrics and (2) Printing on dyed fabrics does not give the fabrics a distinctive name, character or use to the fabrics.

That the textile items are also exempt from levy of Central Excise, so in any case, they are neither liable to pay service tax nor central excise.

That the TDS deducted u/s 194C pertains to the job work services only.



- vii. That they were also dealing in trading of goods during the said period; that the VAT returns for the relevant period are submitted for ready reference; that the income part which pertains to purely trading income and for which VAT returns are filed does not come under the gamut of Service Tax.
- viii. That they are also submitting the reconciliation of the income for the period 2015-16, 2016-17 and 2017-18 as below –

Sl. No.	Year	Nature of Transaction	Amount (Rs.)	Remarks
1	2015-16	Trading of Goods	22,54,76,362/-	Appearing in VAT return as exempt item as VAT was not applicable on sale of fabrics
2		Job work on textile fabrics	15,84,06,092/-	Appearing in VAT return as exempt item as VAT was not applicable on provision of service (and TDS deducted u/s 194C of the Income Tax Act)
3	2016-17	Trading of Goods	28,30,82,243/-	Appearing in VAT return as exempt item as VAT was not applicable on sale of fabrics
4		Job work on textile fabrics	4,89,64,402/-	Appearing in VAT return as exempt item as VAT was not applicable on provision of service (and TDS deducted u/s 194C of the Income Tax Act)
5	2017-18	Trading of Goods	11,84,13,415/-	Appearing in VAT return as exempt item as VAT was not applicable on sale of fabrics
6		Job work on textile fabrics	0	Appearing in VAT return as exempt item as VAT was not applicable on provision of service (and TDS deducted u/s 194C of the Income Tax Act)

13.1 The assessee, in support of the arguments put forth by them, has submitted the following documents –

- 26AS [FY 2015-16, FY 2016-17]
- ITR with statement of total income [FY 2015-16, FY 2016-17]
- Job work Income ledger [FY 2015-16, FY 2016-17]
- Audit Report [FY 2015-16, FY 2016-17]
- VAT returns [FY 2015-16, FY 2016-17]
- Income Tax returns [FY 2015-16, FY 2016-17]

PERSONAL HEARING:

14. Personal hearings were granted to the assessee on, 09.05.2022, 26.05.2022, 22.06.2022, 28.07.2022 and 09.09.2022. However the Assessee did not appear for personal hearing on any of the above mentioned dates. Finally the personal hearing was fixed on 18.10.2022 and the same was attended by Shri Janak Tanna, Chartered Accountant on behalf of the Assessee. During the course of personal hearing, Shri Deepak Shah reiterated the contents of their written submission dated 03.05.2021. He also stated that

the Assessee is engaged in the business of doing job-work of textile processing, and thus they are exempt under Sl.No. 30 of Notification No. 25/2012-ST.

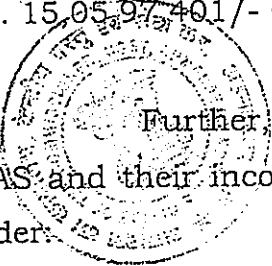
DISCUSSION AND FINDINGS:

15. I have carefully gone through the facts of the case and records available in the case file, the Show Cause Notice dated 23.04.2021, the defense reply dated 03.05.2021 (submitted to the department on 04.05.2021), the documents submitted alongwith the defense reply dated 03.05.2021 and oral submissions made by the assessee during the course of personal hearing on 18.10.2022. Accordingly, I find that the following issues are required to be decided by me as an adjudicating authority –

- i. Whether the Service Tax has been correctly demanded vide the Show Cause Notice dated 23.04.2021.
- ii. Whether the contention of the Assessee that the services provided by them are exempted as per Notification No. 25/2012 dated 20.06.2012 is sustainable or not.

16. I find that the genesis of the demand has risen from the analysis of the 26AS and ITR of the Assessee by the CBDT and the same being shared with the department for the period 2015-16 and 2016-17. The CBDT found that during the year 2015-16 and 2016-17, the Assessee has rendered services and had received income on such services. Therefore for verification of the apparent non-payment of Service Tax by the Assessee, the department, prior to the issuance of Show Cause Notice, had given the opportunity for pre-SCN consultation to the Assessee on 23.04.2021, but they did not avail the same. Therefore, the department had no option but to issue a formal demand for recovery of unpaid Service Tax from the Assessee. Accordingly SCN dated 23.04.2021 was issued to the Assessee demanding service tax of **Rs. 2,79,33,929/-** (Rs. 2,10,11,266/- + Rs. 69,22,662/-) on the value of total taxable service, provided by the Assessee amounting to Rs. **19,70,07,021/-** (Rs. 15,05,97,401/- + Rs. 4,64,09,620/-) for F.Y. 2015-16 and 2016-17.

17. Further, the income of the assessee as per 194(C) reflected in Form 26AS and their income as per the P&L Account for the relevant period is as under:



Sl. No.	Name of the source	2015-16	2016-17
1	Total Income as per Form 26AS as per 194(C)	15,05,97,401/-	4,64,09,620/-
2	Income as per Profit & Loss Account	15,84,06,092/-	4,89,64,402/-

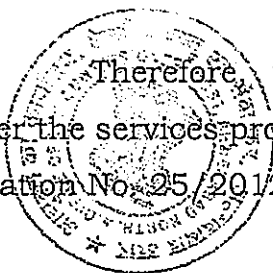
17.1 I also find that the demand for the year 2015-16 and 2016-17 in the Show Cause Notice has been raised based on the income reflected in the 26AS of the Assessee for the relevant F.Y. 2015-16 and 2016-17, and therefore, for the sake of consistency in computation of tax, I would also rely on the Income reflected in the 26AS for the period 2015-16 and 2016-17.

17.2 Accordingly, I find that the issue which requires determination as of now is whether the assessee is liable to pay service tax on the taxable value of Rs. **19,70,07,021/-** for the Financial Year 2015-16 and 2016-17.

18. I find that the Assessee has not contested the computation of the value of taxable services in the SCN and there is no dispute as far as the receipt of the consideration for provision of service by the assessee is concerned. The only contention of the Assessee is that they are engaged in activity of textile processing of fabrics and the services provided by them are exempted services; that accordingly they were not liable to pay service tax on provision of such services. Therefore I find that there is no dispute as far as the provision of services as well as receipt of income on provision of such services by the assessee for the period from 2015-16 and 2016-17 as given below:

Sl. No.	Year	Total Taxable Value (Rs.)
1	2015-16	15,05,97,401/-
2	2016-17	4,64,09,620/-
	TOTAL	19,70,07,021/-

19. Therefore, the subsequent issue that needs to be decided is whether the services provided by the assessee were eligible for exemption under Notification No. 25/2012-ST or otherwise as claimed by the assessee.



19.1 The Assessee has claimed that they are engaged in activity of providing services of textile processing and the services provided by them are exempted services falling under entry No. 30 of Notification 25/2012-ST dated 20.06.2012. To appreciate the issue in the correct perspectives, relevant extracts/entries of Notification No. 25/2012-ST under which the services rendered by the Assessee falls, are reproduced as follows:

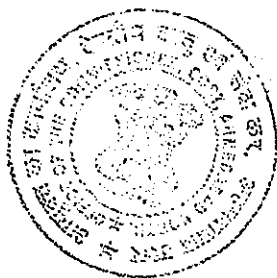
Relevant Entry Numbers of Notification No. 25/2012-ST dated 20.06.2012:

“30. Carrying out an intermediate production process as job work in relation to -
(a) agriculture, printing or textile processing;”

19.2 Further, I find that the Assessee, in support of the arguments put forth by them, have submitted records as detailed below –

Sl. No.	Year	Documents submitted	Amount (Rs.)	Remarks
1	2015-16	VAT Returns	15,84,06,092/-	Along with several Job-work invoices
		Profit & Loss statement	15,84,06,092/-	
		Job Work Sales ledger	15,84,06,092/-	
2	2016-17	VAT Returns	4,89,64,402/-	
		Profit & Loss statement	4,89,64,402/-	
		Job Work Sales ledger	4,89,64,402/-	

Relevant page of the VAT Returns for the year 2015-16 and 2016-17 is reproduced below for reference -





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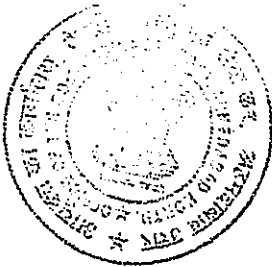
VAT FORM-205

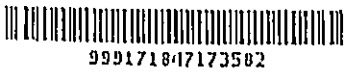
Dealer Name SHRI HANUMAN POLY FAB PRIVATE LTD Dealer TIN 24074302409
Returns From Date 01/04/2015 To Date 31/03/2016

Basic Details	
Original/Revised	Original
Date of original return	
Acknowledgement No. of original return	
Attach a note explaining the revisions	

Turnover of Sales and Purchases		
Description of sales and purchases	Sales	Purchases
Total turnover	383882454	419710482
Deduct		
Exempted from tax under section 5(1)	225476362	352598330
Exempted from tax under section 5(2)	0	0
Branch transfer or consignment to and from outside the State	0	0
(a) of the goods manufactured	0	
Others	0	0
Purchases not qualifying for tax credit as per section 11(8) read with section 11(5)		67112152
Reduction as per item 37 of Annexure-III	0	0
Charges towards labour, service and other charges referred to in sub-clause (c) of clause (30) of section 2	158406092	
Total Deduction	383882454	419710482
NET Taxable Turnover (Net Turnover - Total Deduction)	0	0

Output Tax							
Tax Rate	Tax Type	Commodity Name	HSN Code	Turnover Excluding Tax	Amount of tax payable	Additional Tax	Turnover Including Tax
Total of Output Tax							
TOTAL				0	0	0	0
Total Output Tax							0
Total Tax Payable on Purchase of taxable goods under section 9							0
Tax Liability							0





999171847173582

VAL FORM 205

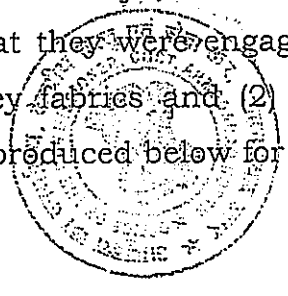
Dealer Name SHRI HANUMAN POLY FAB PRIVATE LTD Dealer TIN 24074302409
 Returns From Date 01/0-1/2016 To Date 31/03/2017

Basic Details	
Original/Revised	Original
Date of original return	
Acknowledgement No. of original return	
Attach a note explaining the revisions	

Turnover of Sales and Purchases		
Description of sales and purchases	Sales	Purchases
Total turnover	332046645	208670910
Deduct		
Exempted from tax under section 5(1)	283082243	185289547
Exempted from tax under section 5(2)	0	0
Branch transfer or consignment to and from outside the State	0	0
(a) of the goods manufactured	0	
Others	0	0
Purchases not qualifying for tax credit as per section 11(8) read with section 11(5)		23381363
Reduction as per item 37 of Annexure-III	0	0
Charges towards labour, service and other charges referred to in sub-clause (c) of clause (30) of section 2	48964402	
Total Deduction	332046645	208670910
NET Taxable Turnover (Net Turnover - Total Deduction)	0	0

Output Tax							
Tax Rate	Tax Type	Commodity Name	HSN Code	Turnover Excluding Tax	Amount of tax payable	Additional Tax	Turnover Including Tax
Total of Output Tax							
				0	0	0	0
TOTAL							0
Total Output Tax							0
Total Tax Payable on Purchase of taxable goods under section 9							0
Tax Liability							

On analysis of the documents submitted by the Assessee, particularly the Job Work Sales Ledger and Job-work invoices, it is observed that they were engaged in the activity of Textile Processing viz. (1) Dyeing on grey fabrics and (2) Printing on dyed fabrics. Sample copies of invoices are reproduced below for sake of reference -



ICD

I N V O I C E
I N V O I C E

SHRI HANUMAN POLY FAB PVT LTD
SHRI HANUMAN POLY FAB PVT LTD

B-177 SHAHWADI, OLD OCTRAINAKA, SHAHWADI NAROL
B-177 SHAHWADI, OLD OCTRAINAKA, SHAHWADI NAROL
AHMEDABAD-382405 (GUJARAT)
AHMEDABAD-382405 (GUJARAT)

M/S, MANGLAM CORPORATION	S3M43	Bill No. : J-678	Dt :14/09/2016
M/S, MANGLAM CORPORATION	S3M43	Bill No. : J-678	Dt :14/09/2016
85 NO. G.F.			
NEW CLOTH MARKET			
AHMEDABAD-			
Ph :		Challan:	
Agent : BIREN SHAH -9898110142		Transport:	

DESCRIPTION	BALE NUMBER	DESIGN	PCS	QUANTITY	PER	RATE	AMOUNT
DYED FABRICS	29436 TO 29455	COFFI	23	1970.25	METER	20.93	41237.33
WIDTH 140 CMS	29372 TO 29381	OG	14	978.00	METER	20.93	20469.54
JOB CHARGE ONLY	29354 TO 29363	BLACK	12	984.50	METER	20.93	20605.59
LOT NO.15741	29252 TO 29270	CREEM	23	1909.75	METER	20.93	39971.07
GREY MTR.10079	29163 TO 29172	CHIKU	14	989.00	METER	20.93	20699.77
	29428 0	FR		168.00	METER	20.93	3516.24
	29752 TO 29761	BLUE	13	967.75	METER	20.93	20255.01
	29727 0	FR		38.25	METER	20.93	800.57
	30393 TO 30402	CHIKU	15	993.50	METER	20.93	20793.95
	29429 0	FR		57.00	METER	20.93	1193.01
	29364 TO 29371	RUST	9	770.00	METER	20.93	16116.10

Actual Meters :

Total :	100 Bales	123	9826.00	205658.18
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Add: Cartage Packing Others

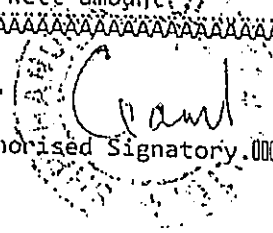
LR No:
LR Date:
G.P. No:

Total Less:	4113.00
Round Off...:	-0.19
Nett amount :	2,01,544.99
Nett amount :	2,01,544.99

- N.B. (1) No deduction prior to our sanction.
 (2) Payment by payee's A/C cheque or draft only.
 (3) Subject to Ahmedabad jurisdiction.

E.&O.E.
UCH

Checked By

Authorised Signatory. 



I N V O I C E
I N V O I C E

SHRI HANUMAN POLY FAB PVT LTD
SHRI HANUMAN POLY FAB PVT LTD

B-177 SHAHWADI, OLD OCTRAINAKA, SHAHWADI HAROL
B-177 SHAHWADI, OLD OCTRAINAKA, SHAHWADI HAROL
AHMEDABAD-382405 (GUJARAT)
AHMEDABAD-382405 (GUJARAT)

AA
M/S, SHREE MARUTI ENTERPRISE S3M34 Bill No. : J-13 Dt : 04/04/2016
M/S, SHREE MARUTI ENTERPRISE S3M34 Bill No. : J-13 Dt : 04/04/2016
B/132 GRAND FLOOR
SUMEL-2
AHMEDABAD-
GUJARAT Ph :
Agent : GOPAL SHARMA 9375238204

Challan:
Transport:

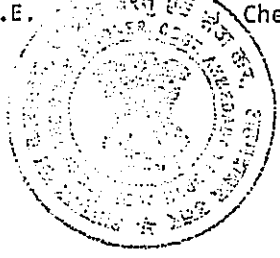
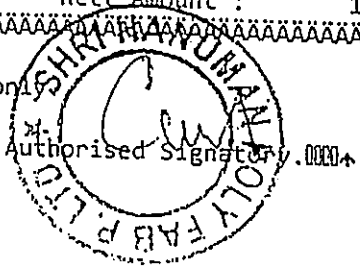
DESCRIPTION	BALE NUMBER	DESIGN	PCS	QUANTITY	PER	RATE	AMOUNT
PRINTED FABRICS	69634 0	FR		79.00	METER	30.00	2370.00
WIDTH 140 CMS	69635 0	SEC.		67.00	METER	30.00	2010.00
JOB CHARGE ONLY	69637 TO 69642	CREAM	8	576.75	METER	30.00	17302.50
LOT NO.12820	69649 TO 69654	COFFI	11	565.75	METER	30.00	16972.50
GREY MTR.4718	69655 TO 69660	CHIKU	10	539.50	METER	30.00	16185.00
-1.63%	69616 TO 69621	COFFI	10	582.50	METER	30.00	17475.00
	69622 TO 69627	BLACK	10	557.25	METER	30.00	16717.50
	69628 TO 69633	CREAM	9	564.25	METER	30.00	16927.50
	SAMPLE 0	SAMPL		16.00	METER	30.00	480.00
	69610 TO 69615	CHIKU	9	560.25	METER	30.00	16807.50
	69643 TO 69648	BLACK	10	626.75	METER	30.00	18802.50

Actual Meters :
AA
Total : 50 Bales 77 4735.00 142050.00
AA
Add: Cartage Packing Others

LR No: Total Less: 2841.00
LR Date: Round Off...:
G.P. No: Nett amount : 1,39,209.00
Nett amount : 1,39,209.00

N.B. (1) No deduction prior to our sanction.
(2) Payment by payee's A/C cheque or draft only
(3) Subject to Ahmedabad jurisdiction.

E.&.O.E. Checked By



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I N V O I C E
I N V O I C E

SHRI HANUMAN POLY FAB PVT LTD
SHRI HANUMAN POLY FAB PVT LTD

B-177 SHAHWADI, OLD OCTRAINAKA, SHAHWADI NAROL
B-177 SHAHWADI, OLD OCTRAINAKA, SHAHWADI NAROL
AHMEDABAD-382405 (GUJARAT)
AHMEDABAD-382405 (GUJARAT)

M/S, JAIUDIT SUTING P.LTD	S3J11	Bill No. : J-2024	Dt :09/03/2016
M/S, JAIUDIT SUTING P.LTD	S3J11	Bill No. : J-2024	Dt :09/03/2016
DUDU WALA COMPOUND B/H			
D-BLOCK TEXTILE MARKET			
BHILWADA-			
Ph :		Challan:	
Agent : RAMESH BHAI 8000002540		Transport:	

DESCRIPTION	BALE NUMBER	DESIGN	PCS	QUANTITY	PER	RATE	AMOUNT
DYED FABRICS	65310 0	FR		184.00	METER	16.75	3082.00
WIDTH 137 CMS	65311 0	FR		107.50	METER	16.75	1800.63
JOB CHARGE ONLY	65168 TO 65183	COFFI	23	1676.50	METER	16.75	28081.38
LOT NO.12741	65185 TO 65200	MUSTR	25	1684.75	METER	16.75	28219.56
GREY MTR.10495	65202 TO 65217	CHIKU	24	1646.50	METER	16.75	27578.88
-2.18%	65218 TO 65233	RUST	24	1604.50	METER	16.75	26875.38
	65234 TO 65249	BLACK	28	1682.00	METER	16.75	28173.50
	65250 TO 65265	CREAM	23	1668.00	METER	16.75	27939.00
	SAMPLE 0	SAMPL		12.00	METER	16.75	201.00

Actual Meters :

Total :	98 Bales	147 10265.75	171951.33
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Add: Cartage Packing Others

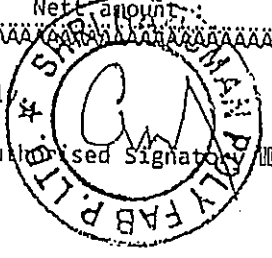
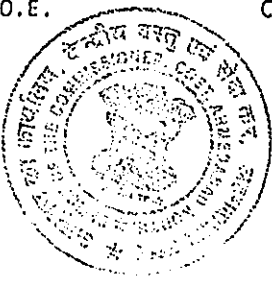
LR No:
LR Date:
G.P. No:

Round Off...: -0.33
Nett amount : 1,71,951.00
Nett amount : 1,71,951.00

H.B. (1) No deduction prior to our sanction.
(2) Payment by payee's A/C cheque or draft only
(3) Subject to Ahmedabad jurisdiction.

E.&.O.E. Checked By

Authorized Signatory

I N V O I C E
I N V O I C E

[SHRI HANUMAN POLY FAB PVT LTD]
[SHRI HANUMAN POLY FAB PVT LTD]

B-177 SHAHWADI, OLD OCTRAINAKA, SHAHWADI NAROL
B-177 SHAHWADI, OLD OCTRAINAKA, SHAHWADI NAROL
AHMEDABAD-382405 (GUJARAT)
AHMEDABAD-382405 (GUJARAT)

AA
M/S, SAVLON SULZ P.LTD. S3S64 | Bill No. : J-2025 Dt :10/03/2016
M/S, SAVLON SULZ P.LTD. S3S64 | Bill No. : J-2025 Dt :10/03/2016
G-100 TO 102 RICCO 4 PHASE

BHILWADA-
RAJASTHAN Ph : 01482260285

Agent : SAILESH TRIVEDI-

Challan:

Transport:

DESCRIPTION	BALE NUMBER	DESIGN	PCS	QUANTITY	PER	RATE	AMOUNT
PRINTED FABRICS	65463 0	FR		169.00	METER	29.08	4914.52
WIDTH 137 CMS	65493 0	FR		133.75	METER	29.08	3889.45
JOB CHARGE ONLY	65436 TO 65440	BLUE	9	559.75	METER	29.08	16277.53
LOT NO.12675	65441 TO 65445	BLACK	10	555.50	METER	29.08	16153.94
GREY MTR.5009	65471 TO 65475	CHIKU	8	542.75	METER	29.08	15783.17
-2.58%	65476 TO 65480	CREAM	9	591.00	METER	29.08	17186.28
	65458 TO 65462	CHIKU	8	496.00	METER	29.08	14423.68
	65464 0	CHIKU	2	108.00	METER	29.08	3140.64
	65465 TO 65470	CREAM	7	567.25	METER	29.08	16495.63
	65481 TO 65487	BLACK	11	679.00	METER	29.08	19745.32
	65488 TO 65492	BLUE	11	461.75	METER	29.08	13427.69
	SAMPLE 0	SAMPL		16.00	METER	29.08	465.28

Actual Meters :

AA
Total : 46 Bales 75 4879.75 141903.13
AA

Add: Cartage Packing Others

LR No:

LR Date:

G.P. No:

Round Off...: -0.13

Nett amount : 1,41,903.00

Nett amount : 1,41,903.00

N.B. (1) No deduction prior to our sanction.

(2) Payment by payee's A/C cheque or draft only.

(3) Subject to Ahmedabad jurisdiction.

E.&.O.E.

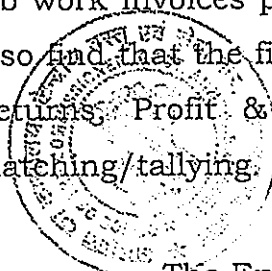
Checked By

Authorised Signatory

ECH



Accordingly, I find that the description of activity mentioned in the job work invoices pertains to textile processing as claimed by the Assessee. I also find that the figures of income from the textile processing reflected in VAT Returns, Profit & Loss Account and Job-work Sales ledger are exactly matching/tallying.



The Entry No. 30 of Notification No. 25/2012-ST dated 20.06.2012 also states that "intermediate production process as job work in relation to textile processing" is exempt from Service Tax. Therefore I hold that the services rendered by the Assessee, is exempted in terms of Entry No. 30 of Notification No. 25/2012-ST dated 20.06.2012

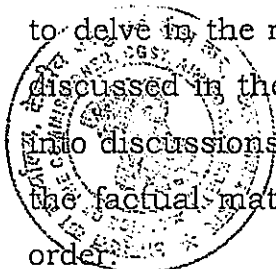
19.3 On the basis of the documentary evidence produced by the Assessee, I find that the value of Services for which the Assessee has produced the documentary evidence claiming exemption, is more than the value of Service, on which the demand has been raised in the SCN. The summary of figures is given in the table below:

Sl. No.	Year	Gross Total Taxable Value as per SCN (Rs.)	Value deductible on the basis of documents given
1	2015-16	15,05,97,401/-	15,84,06,092/-
2	2016-17	4,64,09,620/-	4,89,64,402/-
	TOTAL	19,70,07,021/-	20,73,70,494/-

Therefore there is no taxable value of services provided by the Assessee on the basis of which the Service Tax can be confirmed.

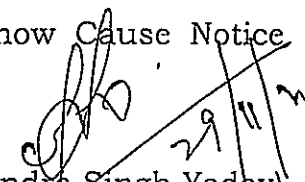
20. Now, as discussed in foregoing paras, I find that the Assessee has submitted substantial documentary evidence viz. VAT Returns, Profit & Loss Accounts, Job-work Sales Ledger and Job-work Sales invoices for the period of 2015-16 and 2016-17, to prove that the services rendered by them are exempt in terms of Entry No. 30 of Notification No. 25/2012-ST dated 20.06.2012. The demand has also been made vide the subject SCN merely on the grounds that these incomes have not been reflected in their ST-3. Apart from the charge of non-reflection of income in the ST-3 returns, no other documentary evidence was adduced by the department to substantiate the allegations. Whereas the Assessee has sufficiently proved that the income received by them are for provision of exempted services i.e. Textile Processing, as discussed in the preceding paras. Accordingly, I hold that the Assessee is not liable to pay the Service Tax on the demand raised against them vide the SCN dated 23.04.2021.

21. In view of the facts and circumstances pertaining to the case, I find that the demand is not tenable. Accordingly I also do not consider it necessary to delve into the merits of invoking extended period of limitation which has been discussed in the SCN at length. For the same reasons, I am also not entering into discussions on the need or otherwise of imposing penalty. Therefore, from the factual matrix as discussed in the foregoing paras, I pass the following order.



ORDER

I drop the proceedings initiated against M/s. Shri Hanuman Poly Fab Private Limited, 7, Aman Bungalows, Near Gala Gymkhana, Opp. Basant Bihar Hospital, Bhopal, Ahmedabad - 380058 (Gujarat), vide Show Cause Notice STC/15-152/OA/2021-22 dated 23.04.2021

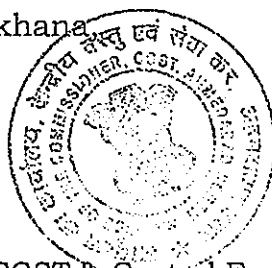

(Upendra Singh Yadav)
Commissioner
Central Excise & CGST,
Ahmedabad North

By Registered Post AD/By Hand Delivery

F.No. STC/15-152/OA/2021-22

Date: __.11.2022.

To,
M/s. Shri Hanuman Poly Fab Private Limited,
7, Aman Bungalows, Near Gala Gymkhana,
Opp. Basant Bihar Hospital,
Bhopal,
Ahmedabad - 380058 (Gujarat)



Copy for information to:

1. The Principal Chief Commissioner of CGST & Central Excise, Ahmedabad Zone.
2. The Deputy/Asst. Commissioner, Division-VI, CGST & C.Ex., Ahmedabad North.
3. The Superintendent, Range-I, Division-VI, CGST & C.Ex., Ahmedabad North.
- ✓ 4. The Superintendent (Systems), Hq., CGST & C.Ex., Ahmedabad North.
5. Guard File.