



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:- 20240264SW000000AB5E

(क)	फ़ाइल संख्या / File No.	GAPPL/COM/STP/4393/2023 / 1556
(ख)	अपील आदेश संख्या और दिनांक / Order-In -Appeal and date	AHM-EXCUS-002-APP-212/23-24 and 30.01.2024
(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	05.02.2024
(ङ)	Arising out of Order-In-Original No. 127/DC/D/VM/22-23 dated 27.2.2023 passed by The Deputy Commissioner, CGST, Division-III, Ahmedabad North	
(च)	अपीलकर्ता का नाम और पता / Name and Address of the Appellant	Mayurkumar Jayantilal Patel Proprietor of M/s. M. J. Enterprise Room No. 216, Pathan Vas, Chharodi Taluko Sanand, Dist: Ahmedabad - 382170

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 गये 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 रिवेट 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 भीतरमूल-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 सवृत 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 रूपये या उससे कम होतो रूपये 200/- फीस भुगतान की जाए और जहाँ संलग्नरकम 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.

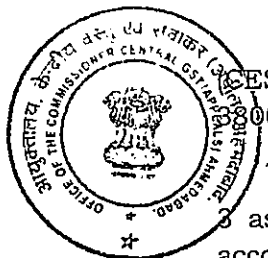
सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवा कर अपीलीय न्यायाधिकरण के प्रति अपील:-  
Appeal to Custom, Excise, & Service Tax Appellate Tribunal.

(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) उक्तलेखित 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-8 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 एक 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 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 अपीलो 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।

यदि पूर्व जमा 'लंबित अपील' में पहले पूर्व जमा की तुलना में 'अपील' दाखिल करने के लिए पूर्व शर्त बना दिया गया है।

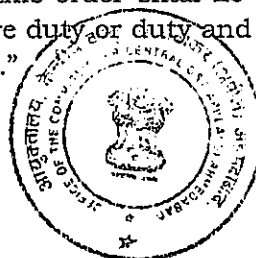
For an appeal to be filed before the CESTAT, 10% of the Duty & Penalty confirmed by the Appellate Commissioner would have to be pre-deposited, provided that the pre-deposit amount shall not exceed Rs.10 Crores. It may be noted that the pre-deposit is a mandatory condition for filing appeal before CESTAT. (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 अधिनियम 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. Mayurkumar Jayantilal Patel, Proprietor of M/s M.J. Enterprises, Room No 216, Pathan Vas, Chharodi, Taluka Sanand, Ahmedabad - 382110 (hereinafter referred to as "the appellant") against Order-in-Original No. 127/DC/D/VM/22-23 dated 27.02.2023 (hereinafter referred to as "the impugned order") passed by the Deputy Commissioner, Central GST, Division III, Ahmedabad North (hereinafter referred to as "the adjudicating authority").

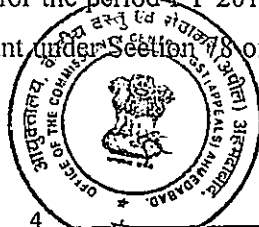
2. Briefly stated, the facts of the case are that the appellant is engaged in the business activity of service provider holding STC No. ATVPP1564GSD001. On scrutiny of the data received from the Central Board of Direct Taxes (CBDT) for the FY 2016-17, it was noticed that the appellant had not filed ST-3 and not shown any taxable income whereas figures are shown as "Total Amount Paid/Credited under 194C, 194H, 194I, 194J" and "Sales of Services" in their ITR filed with the Income Tax department as under:

Year	Value as per ST-3 Returns	Value of "Sales of Services" shown in ITR	Difference of value between ST-3 & ITR
2016-17	Not Filed	Rs. 2,47,25,790/-	Rs. 2,47,25,790/-

Accordingly, it appeared that the appellant had earned the said substantial income by way of providing taxable services but has not paid the applicable service tax thereon. The appellant were called upon to submit copies of Balance Sheet, Profit & Loss Account, Income Tax Return, Form 26AS, for the said period. However, the appellant had not responded to the letter issued by the department.

2.1 Subsequently, the appellant were issued a Show Cause Notice No. III/SCN/AC/Mayur/189/21-22 dated 21.10.2021 demanding Service Tax amounting to Rs. 37,08,869/- for the period FY 2016-17, under provisions 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), Section 77(2) and Section 78 of the Finance Act, 1994.

2.2 The Show Cause Notice was adjudicated vide the impugned order by the adjudicating authority wherein the demand of Service Tax amounting to Rs. 37,08,869/- 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 FY 2016-17. Further, (i) Penalty of Rs. 37,08,869/- was 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) of the Finance Act, 1994; and (iii) Penalty of Rs. 10,000/- was imposed on the appellant under Section 77(2) of the Finance Act, 1994.

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

- The appellant submitted that they have provided manpower services to the companies and they are not liable to service tax payment as the same is covered under RCM. The adjudicating authority didn't considered their submission and passed the order.
- The appellant submitted that Manpower recruitment or supply agency service is defined us 65(68) of the Finance Act, 1994. This services enumerated in the reverse charge mechanism vide notification no 30/2012 under Sr. No 8 as "any service provided or agreed to be provided by way of supply of manpower for any purpose or security service." Vide notification 7/2015 dated 1st march-2015 it has been substituted from 75% to 100% under RCM. Hence for the FY 2016-17 it is 100% under RCM. During the FY 2016-17 they have provided whole services under the head "Manpower recruitment or supply agency service is defined us 65(68) and it is the liability of recipient of services and appellant is service provider hence not liable to pay service tax.
- Further they stated that they are maintaining regular books of account and the same were audited by chartered accountants. They are filing regular Service tax returns and paying service tax. Service tax audit of their record was also conducted for the period January-2012 to September-2015. Even after above the adjudicating authority invoked the extended period of limitation which is against the law. They requested to allow their appeal.

4. Personal hearing in the matter was held on dated 11.01.2024. Shri Narendra Singh Sankhla, tax Consultant, appeared on behalf of the appellant. He stated that the client supplies manpower service in which 100% of tax liability is on the service receiver. Hence the appellant is not liable to pay service tax.

5. 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 of service tax 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 2016-17.



6. I find that in the SCN in question, the demand has been raised for the period FY 2016-17 based on the Income Tax Returns filed by the appellant. The appellant didn't responded to the letter issued by the department. Therefore the impugned SCN was issued considering the differential value of "ST-3" return and "Sales of Services" value provided by the Income Tax Department. Further the appellant neither filed their submission nor attended the personal hearing. Therefore, the adjudicating authority adjudicated the matter ex parte.

7 Now, as the written & verbal submission by the appellant has been made before me . As per submission filed by the appellant, the appellant was engaged in providing Security and Manpower Supply Services to its various clients and the 100% service tax liability in this case comes upon the service recipient as the services provided are covered under Reverse Charge Mechanism as per Notification No 30/2012-St dated 20.06.2012 further amended vide Noti. No 07/2015 dated 01.03.2015. They have furnished the ledgers , sample copy of invoices and other relevant documents in supports their claim. From the submission it is seen that they have provided the manpower supply services to various Ltd. Companies during the relevant period and as per Notification No 30/2012-ST dated 20.06.2012, further amended vide Noti. No 07/2015 dated 01.03.2015 the 100% service tax liability comes upon the recipient of service details of which are as under:

Sr. No.	Name of the client	Amount Received
1	Ball Pvt. Ltd.	531345
2	Imperial Auto Industries ltd.	2562298
3	Jaya Hind Montupet Pvt. Ltd.	184786
4	Lumax Industries Ltd.	36410
5	Rico Aluminium and ferrous auto components Ltd.	489494
6	Rucha Engineers Pvt. Ltd.	13328521
7	Subros Limited	611346

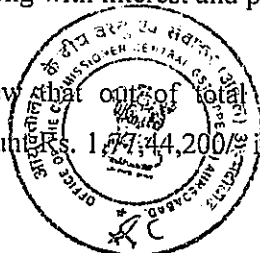
Therefore, the contention made by the appellant appears to be sustainable.

Further, the appellant has also provided the manpower supply services to "Auto Kit" who does not fit in the definition of the body corporate and does not fulfill the condition of the Notification No 30/2012-ST dated 20.06.2012, further amended vide Noti. No 07/2015 dated 01.03.2015.details are as under:

Sr. No.	Name of the client	Amount Received
1	Auto Kit	69,52,697/-

Therefore, the benefit of the same can't be extended to them and the service tax on the taxable value Rs. 69,52,697/- is recoverable from them along with interest and penalty.

8. In view of above, I am of the considered view that out of total taxable value considered in impugned OIO Rs. 2,46,96,897/-, the amount of Rs. 1,74,44,200/- is exempted as



per Notification No. 30/2012-ST dated 20.06.2012, further amended vide Noti. No 07/2015 dated 01.03.2015 and the appellant is liable to pay service tax only Rs. 10,42,905/- on the Rs. 69,52,697/- received against services provided to "Auto Kit".

9. Accordingly, I pass the following order:

9.1 I uphold service tax to the extent of Rs. 10,42,905/- only;

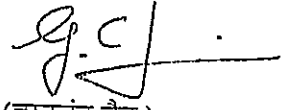
9.2 Interest as applicable, under section 75 of the Finance Act,1994 is also recoverable on the service tax amount as per para 9.1;

9.3 I uphold the penalties under section 77(1) & 77(2) and

9.4 I uphold the penalty under section 78 of the Finance Act,1994, equal to the service tax upheld in para 9.1 above.

10. 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.

  
(जानचंद जैन)

आयुक्त (अपील्स)

Date : 30.01.2024

Attested

  
(Manish Kumar)  
Superintendent(Appeals),  
CGST, Ahmedabad



By RPAD / SPEED POST

To,

M/s. Mayurkumar Jayantilal Patel,  
Proprietor of M/s M.J. Enterprises,  
Room No 216, Pathan Vas, Chharodi,  
Taluka Sanand, Ahmedabad - 382110

Appellant

The Deputy Commissioner,  
CGST, Division-III,  
Ahmedabad North

Respondent

Copy to :

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



F.No. GAPPL/COM/STP/4393/2023-Appeal

(for uploading the OIA)

5) Guard File

6) PA file

