

Indus Communication Vs. Commissioner of C. Ex.

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : Dec-05-2005

Judge : R Abichandani, S T T.V.

Appellant : Indus Communication

Respondent : Commissioner of C. Ex.

Judgement :

1. The appellants, M/s. Indus Communication are engaged in the service of publications job and non-publication job. An order issued by the Deputy Commissioner, Service Tax on 28-11-2001 confirmed a demand of Rs. 24,337/- plus interest in respect of advertising services provided by them during October, 1998 to March, 1999.

2. Being aggrieved, the appellants filed the appeal before the Commissioner (Appeals). They pleaded before him that the adjudicating authority has wrongly calculated the service tax at 5% on all the services, while they were engaged in the services of publication and non-publication job whose rate should be 0.75% and 5% respectively.

They relied upon a circular issued by Advertising Agencies Association of India to its members. Though they could not cite any Notification issued by the Government in this regard, they pleaded that the rate should be 0.75% on publication job and 5% on non-publication job. The Commissioner (Appeals) found that appellants had provided services amounting to Rs. 11,07,910/- and the

service tax in respect of advertising services at the rate of 5% during that period. Now, the appellants are before us.

3. We have carefully examined the case records available and heard both sides. We find that the demand was raised by the Department taking into consideration, a sum of Rs. 11,07,910/- as the value of service provided by the appellants during the period. This fact was never questioned before the lower authorities, nor before us now. What is questioned here is the applicable rate of service tax. Instead of 5%, the appellants seek to pay at the rate of 0.75%. We do not find any justification for this claim in view of the fact that the appellants have failed to produce any exemption notification issued by the Government to issue an order in favour of their contention. In the result, the appeal is dismissed.

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