

**Basti Sugar Mills Vs. Commissioner of Central Excise**

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**SooperKanoon Citation :** [sooperkanoon.com/41192](http://sooperkanoon.com/41192)

**Court :** Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

**Decided On :** Dec-19-2005

**Judge :** R Abichandani, S T T.V.

**Appellant :** Basti Sugar Mills

**Respondent :** Commissioner of Central Excise

**Judgement :**

1. We have heard both the sides. The learned Counsel for the applicant has drawn our attention to the Technical and Financial Services Agreement made on 28-9-2001. Running through the several clauses, we noticed basically the applicants have been approached by M/s. Indo Gulf Industries to run the factory with their management expertise and resources as per the terms contained in the said agreement. The learned authorised representative of the department draws our attention to the clarification contained in the CBEC Circular dated 27-6-2001 according to which the term management is generally understood to mean running the affairs of an organisation in an organised and systematic manner.

To be able to do this efficiently and effectively, management typically involves carrying out a host of activities, functions and tasks and at different levels. Thus management encompasses both strategic and operational level functioning and would include tasks such as planning, organising, staffing, directing, controlling and co-ordinating.

Management also invariably involves designing organisational structure around functions such as marketing, manufacturing, research and development and finance and/or business area such as product groups or geographical markets. Thus management of any organisation involves carrying out a wide variety of clearly defined activities across a number of organisational sub-units in a coherent and co-ordinated manner. Since the expression "Management" is an inclusive term, 'management consultant' would also be equally encompassing expression, and would include any adviser who renders services on any aspect of management.

2. In view of the above, we do not find any reason for total waiver of dues for the purpose of hearing of the appeal. Mainly, we find that some of the clauses reflect the consultancy aspect as well. It is ordered that there shall be interim stay of the impugned order on the condition that the applicant deposits fifty percent of the tax demanded from them within eight weeks from today failing which the appeal will stand dismissed. On the amount being deposited as directed above, the pre-deposit of the rest of the amount (penalty, etc.) will stand waived. Post the matter for compliance on 27-2-2006. This application stands disposed of accordingly.

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