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Metal Development Company Vs. Commissioner of Cen. Excise

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Mumbai

Decided On : Feb-21-2006

Reported in : (2006)(113)ECC79

Judge : J Balasundaram, Vice, A T K.K.

Appellant : Metal Development Company

Respondent : Commissioner of Cen. Excise

Judgement :

1. The applicants herein do not dispute liability to pay Service Tax as they have rendered services of Market Research Agency to M/s. Kalyani Carpenter Special Steels Ltd. However, they submit that the amount received by them from M/s. Kalyani Carpenter Special Steels Ltd. was only Rs. 4,50,000/- and Service Tax being payable at the rate of 5%, they would be liable to pay tax of Rs. 22,500/- and not Rs. 45,000/- as confirmed against them. They also pray for waiver of penalties of Rs. 500/- under Section 75, penalty of Rs. 45,000/- under Section 76 and penalty of Rs. 1000/- under Section 77 and Rs. 45,000/- under Section 78 of the Finance Act, 1994.

2. On hearing both sides, we find that prima facie there is force in the contention of the applicants regarding liability to the Service Tax being to the extent of Rs. 22,500/- as seen from page 23 of the Paper Book where the receipt by them was Rs. 4,50,000/-. We, therefore, direct pre-deposit of Rs. 22,500/-(Rupees Twenty two Thousand Five Hundred only) within a period of four weeks from today and on

such pre-deposit the balance tax and penalties shall stand waived and recovery thereof stayed, pending the appeal. Failure to comply with this direction shall result in vacation of stay and dismissal of appeal without prior notice.

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