

Customs, Excise and Gold Tribunal - Calcutta

Tiger Intelligence And Security ... vs Commr. Of Central Excise on 13 June, 2007

Bench: S T Chittaranjan, D Panda

ORDER Chittaranjan Satapathy, Member (T)

1. Heard Shri Sanjib Mishra, Id. Advocate appearing for the appellants. No one is present on behalf of the Department. Shri Mishra explains that the appellants are the suppliers of security services to the Public Sector Unit. Initially, when the appellants entered into contract with the Public Sector Unit in the year, 1998, there was no levy of service tax on the supplier of security services. However, from 1999 such services have been brought under the tax net. He states that the concerned Public Sector Units who are the clients of the appellants have not paid any tax to the appellants and hence they have not in turn paid any tax to the Government. He also pleads financial difficulties in making the required predeposit.

2. We find that the appellants are prima-facie liable to service tax. In the event, they have not collected the tax amount from the concerned Public Sector Unit, at the most, the amount received can be treated as value of service + tax amount, which will reduce the tax liability of the appellants to some extent. Considering the facts that the tax demanded is Rs. 10,62,705/- and there is an equal amount of penalty on the appellants, and considering the financial difficulties pleaded by the appellants, we direct the appellants to predeposit an amount of Rs. 2.50 lakhs (Rupees two lakhs fifty thousand) only within a period of six weeks from today and report compliance on 31st July, 2007. Subject to compliance with the above direction, the predeposit of the balance amount shall remain waived during the pendency of the appeal.

Dictated and pronounced in the open Court.