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MONTHLY AUDIT BULLETIN – DECEMBER, 2012

**Directorate General of Audit
Customs, Central Excise & Service Tax
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CENTRAL EXCISE

(1) GIST OF THE OBJECTION : Wrong availment of CENVAT Credit on Plant and Machinery of Neutralization Plant assembled at site and attached to earth

COMMISSIONERATE : Central Excise Commissionerate, Thiruvananthapuram

**CONTROVENTION
of PROVISIONS : Circular No.58/1/2002-CX dated 15-01.2002
Rule 6(1) of the CENVAT Credit Rules,2004**

During the course of audit it was noticed that as per the Terms and Conditions of the agreement for setting up of a Neutralisation Plant with Water Recovery Module within the assessee's premises, the contractor is to construct the said Plant, and the scope of work included aspects like designing, planning, engineering, procurement, manufacturing and supply of plant and equipments, and necessary commissioning spares, construction, site fabrication, assembly at site erection and installation of plant and machinery at site, all piping and fittings, drainage, water recycling, integration and commissioning of all aspects of the plant, all civil and structural work etc. on Lump Sum Turnkey (LSTK) basis. The agreement further stated that the contractor shall be completely responsible to construct and set up the complete system on Turnkey basis. The contract price for such construction and setting up of the said plant was for Rs.32.08 Crore.

From the above, the following points are indisputable:

1. The project is on a LSTK basis
2. The said plant is an immovable property
3. The project is not a fabrication where a group of machines themselves may be combined to constitute a new machine which has its own identity/marketability
4. The project consists of entities assembled or erected at site and attached by foundation to earth, which cannot be dismantled without substantial damage to its components and thus cannot be reassembled, and therefore cannot be considered as movable.

The CBEC vide circular No.58/1/2002-CX dated 15-01.2002, has clarified that plant machinery assembled at site, and having the above (sl. No. 2 to 4) characteristics were not excisable. Such projects being non-excisable, no CENVAT Credit is eligible on the machinery, components or any other goods involved in the construction and setting up of the same, as specified under Rule 6(1) of the CENVAT Credit Rules, 2004.

On scrutiny of the Cenvat ledger and connected records including Cenvatable capital goods of M/s TTP, it was found that the assessee has availed Cenvat of Rs.47.31 lakhs totally on the various machinery and components purchased by the contractor as per the said LSTK agreement, which they are not eligible. The said ineligible credit has to be recovered along with applicable interest.

- (2) **GIST OF THE OBJECTION** : **Non-payment of duty on goods produced out of R & D activity, which had become commercially not viable and hence written off**

COMMISSIONERATE : **Central Excise Commissionerate, Bangalore I**

CONTROVENTION
of PROVISIONS : **Rule 6 of the CENVAT Credit Rules,2004**

On scrutiny of the expenditure relating to the activity of R&D by the assessee, it was noticed that an expenditure of Rs.3,39,17,558/- for the years 2008-09 to 2011-12 was shown in the books of Accounts. This expenditure is said to be relatable to projects which have become unsuccessful i.e. commercially not viable. The assessee having produced the goods of different formulations by utilising input service credit on such R&D activity, the value written off represents the value of goods deemed to have been manufactured but not cleared. The input service tax availed by the assessee is consumed in the value of product produced as a result of R &D and is not distinguishable. In the absence of any specific exemption to duty on such products, these cannot be considered as exempted good warranting invocation of Rule 6 of CCR, 2004. In the alternative, the said value represents the deemed value of the goods manufactured and written off from their stock and hence duty has to be discharged on such goods at the appropriate rate. The duty payable come to Rs.29,97,953/- including Ed cess and SHE cess.

- (3) **GIST OF THE OBJECTION** : **Non-payment of Central Excise Duty on removal of coal to washery Units**

COMMISSIONERATE : **Central Excise Commissionerate, Ranchi**

CONTROVENTION
of PROVISIONS : **Rule 8 and Rule 11 of the Central Excise Rules, 2002.**

In course of conducting audit, it was observed by the auditors that the assessee, a manufacturer of coal, had supplied coal after sizing to their three different washeries without payment of duty. These three washeries were situated beyond their mining area and were different and separate units, having separate Central Excise Registrations. The coal, after washing, was sold by the above mentioned washeries and C.Ex duty was paid by the washeries. In other words, the coal had been removed from the premises of the assessee to the washeries without payment of duty, which is in contravention of Rule 8 and Rule 11 of the Central Excise Rules, 2002. Therefore, Central Excise Duty on such removals to washeries was required to be paid by the assessee, but no such payment of duty was made. Rs. 3,05,05,731/- was involved as C.Ex. duty with the said clearances and the assessee is required to pay the same along with interest. The assessee agreed with audit objection and assured to pay duty shortly.

- (4) **GIST OF THE OBJECTION** : Non- reversal of CENVAT Credit at the time of filing of refund claim under Rule 5 of the CENVAT Credit Rules, 2004
- COMMISSIONERATE** : Central Excise Commissionerate, Haldia
- CONTRAVENTION OF PROVISIONS** : Rule 5 of CENVAT Credit Rules, 2004 notification No.27/2012, dated 18.06.2012 issued under Rule 5 of the CENVAT Credit Rules, 2004

The assessee is an EOU. During the course of audit, it was observed by the auditors that the assessee had availed CENVAT Credit on inputs. But they neither had any sale of excisable goods to DTA, where such credit could have been utilized towards payment of duty, nor did they export goods on payment of duty under claim of rebate. The statute, Rule 5 of CENVAT Credit Rules, 2004 has given the opportunity to such exporters to claim refund of credit of duty/tax, subject to fulfilment of certain basic conditions. Notification No.27/2012, dated 18.06.2012 issued under Rule 5 of the CENVAT Credit Rules, 2004 also stipulates the amount that is claimed as refund under rule 5 of the said rules shall be debited by the claimant from his CENVAT Credit account at the time of making the claim. It was observed by the auditors that the assessee had lodged their claim for refund of duty of Rs. 88,32,089/- pertaining to Quarters June 2011 & Sept 2011 without debiting the amount in their CENVAT Credit account. On being pointed out by the auditors, the assessee agreed with the objection and paid duty of Rs. 88,32,089/- along with interest.

(5) **GIST OF THE OBJECTION: Erroneous CENVAT Credit taken on Bills of Entries and passed on thereafter to buyers.**

COMMISSIONERATE : Central Excise Commissionerate, Bhavnagar

CONTRAVENTION of PROVISIONS : Rule 5 of CENVAT Credit Rules, 2004

The assessee is a registered dealer and is engaged in trading of Flat Rolled products under Chapter 72. During the course of audit on going through the RG-23D register, it was observed the assessee had taken CENVAT Credit and had passed on the same to buyers under the cover of invoices. However, on scrutiny of the documents on the strength of which the said credit was taken that is certain Bills of Entry, it was noticed that the said B/Es were in the name of their Mumbai Office duly registered with the department in Mumbai. The Import-Export Code was also verified to confirm the same.

Therefore, in the instant case, the importer of the goods for which the assessee had taken the credit was their Mumbai Office and not the assessee. It was also seen that there was no endorsement made on the concerned Bills of Entry during the years 2008-09 to 2010-11 that, 'the goods are to be delivered at Bhavnagar and that the assessee will take the credit of the CVD'. The irregular credit taken involved an amount of Rs.3,53,78,809/-. As per Rule 9 of the CENVAT Credit Rules, 2004, the CENVAT Credit on the particular Bills of Entry by Bhavnagar Branch (the assessee) is inadmissible.

On being explained, the assessee did not agree to the objection.

(6) **GIST OF THE OBJECTION : Inadmissible passing on CENVAT Credit to Customers**

COMMISSIONERATE : Central Excise Commissionerate, Bhavnagar

**CONTRAVENTION of PROVISIONS : Rule 5 of CENVAT Credit Rules, 2004
Rule 2 (ij) of the CENVAT Credit Rules, 2004**

The assessee is a registered dealer and is engaged in trading of Flat Rolled products under Chapter 72. During the course of audit it was seen that in the financial year 2010-11, the assessee had taken CENVAT Credit on the invoices issued by their head office in Mumbai under the capacity of 'Importer' and further the assessee had passed the said credit by issuing Cenvatable invoices under the same capacity i.e. as Importer instead of 'First Stage Dealer'. As per Rule 2 (ij) of the CENVAT Credit Rules, 2004,

“first stage dealer” means a dealer who purchases goods directly from (i) the manufacturer under the cover of an invoice issued in terms of the provisions of Central Excise Rules, 2002 or from the depot of the said manufacturer, or from premises of the consignment agent of the said manufacturer or from any other premises from where the goods are sold by, or on behalf of the said manufacturer, under cover of an invoice; or

(ii) an importer or from the depot of an importer or from the premises of the consignment agent of the importer, under cover of an invoice;”

Since the assessee is purchasing goods under the cover of invoices from an importer, they are required to pass on the CENVAT Credit under the cover of invoices issued under the capacity of “First Stage Dealer”, hence passing of CENVAT Credit on certain invoices were not found to be proper as the CENVAT Credit further passed on the strength of assessee’s sales invoices by the second stage dealer would automatically become the third stage dealer and accordingly will be ineligible to issue cenvatable invoices. The credit so passed on, is required to be recovered from the assessee which was worked out to be Rs.1,80,49,640/-. The assessee did not agree to the objection and have not paid the amount.

(7) GIST OF THE OBJECTION : Evasion of Central Excise duty by Oil Companies by transferring duty free Superior Kerosene Oil (SKO)-PDS to the depot/refinery situated in Northeastern Region

COMMISSIONERATE : Central Excise Commissionerate, Delhi

**CONTROVENTION of PROVISIONS : Notification No.4/2006-CE dated 1-3-2006
Notification No. 29/2002, dated 13.05.2002**

Oil Refining Company was found transferring duty free Superior Kerosene Oil (SKO)-PDS from their other refineries to the depot/refinery situated in Northeastern Region availing the provisions of notification No. 4/2006-CE, dt.01.03.06 where under SKO meant for supply through Public Distribution (PDS) is exempt from payment of duty. Some portion of such duty free SKO was however being cleared for non-PDS purpose after payment of concessional Central Excise duty in terms of the notification No. 29/2002, dated 13.05.2002, which provides for 50% of duty exemption in case of Clearances of refineries located inside Northeastern Region. Such SKO meant for supply through Public Distribution (PDS) could not have not been sold for non-PDS purpose at concessional rate of 50% as the goods were not manufactured in the refinery specified in the notification No.29/2002, dated 13.05.2002.

Further, the Oil company situated in Northeastern Region received duty free SKO (PDS) from refineries situated outside the Northeastern Region in terms of notification No. 04/2006-CE, dated 01.03.2006 through 'Railway Tank Wagons' which was unloaded in their storage tanks by using the common pipe line installed in their factory for unloading of SKO and REFORMATE. Before unloading SKO(PDS), they used to clean the common pipe by using a portion of SKO(PDS) which is termed as 'Flushing'. This portion of SKO(PDS) flushed by them was further utilized for blending into HSD Oil. Thus, it was found that they used portion of SKO(PDS) for flushing /blending for industrial purpose on which they were require to pay the applicable Central Excise duty.

- (8) **GIST OF THE OBJECTION** : **Non-discharging of duty liability on value addition in respect of traded goods**
COMMISSIONERATE : **Central Excise Commissionerate, Raigad**
CONTROVENTION of PROVISIONS : **Section 4(1) of the Central Excise Act, 1994**

During the course of audit, it was observed that the assessee was purchasing certain components, assemblies etc. from open market and subsequently cleared the same to concerned projects at enhanced value on which they did not discharge duty liability. Any additional consideration received has to be included in the transaction value as per explanation to Section 4(1) of the Central Excise Act, 1994 which was inserted with effect from 14.05.2003. Accordingly, the value addition and duty liability is computed as under (the below figures are extracted from the database submitted by the assessee):

SUMMARY OF VALUE ADDITION ON TRADING SALES				
YEAR	GROSS PURCHASE VALUE	GROSS SALES VALUE	VALUE ADDITION	Ex. Duty @10.3%
2008-09	100394744.46	118962981.00	18568236.54	1912528.364
2009-10	662937344.90	801994673.40	139057328.42	14322904.83
2010-11	205348703.10	259781566.90	54432863.83	5606584.974
2011-12	322602659.70	398323074.70	75720415.01	7799202.746
	7799202.746	1460099315	287778843.80	29641220.91

SERVICE TAX

- (1) **GIST OF THE OBJECTION : Non-payment of Service Tax on International in bound Roaming service**
COMMISSIONERATE : Central Excise Commissionerate, Jaipur-I
CONTROVENTION of PROVISIONS : Export of Service Rules, 2005

During the course of audit of records of the assessee, it was observed that the assessee had provided international in bound roaming service to subscribers of foreign telecom operators and received payment from the foreign telecom operators whose subscribers, during their visit to India use the network of the assessee. The assessee had been discharging Service Tax on the payments received from foreign telecom operators for providing international in-bound roaming services to subscribers of foreign telecom operators for the period 01.04.2008 to 15 Oct. 2010 under the taxable service category of "Telecommunication Services". But they stopped payment of Service Tax on International In-bounding roaming charges from 16 Oct. 2010 treating it as an Export of services which does not require payment of Service Tax. However the plea of the assessee is not correct as in the instant matter, the services have been delivered in India to the subscribers of foreign mobile phone subscribers visiting India and have been used by them in India. The services provided to the foreign mobile operators by the assessee are not covered under Export of Service Rules, 2005. The assessee, therefore, was required to pay Service Tax on the amount received from foreign mobile phone operators during the period from 16.10.2010 to 31.03.2012. The same has not been paid involving an amount of Rs. 2,15,40,298/- for the period 01.11.2010 to 31.03.12.

The amount is recoverable from the assessee.

- 2) **GIST OF THE OBJECTION : Non-payment of Service Tax on Intellectual Property Services.**
COMMISSIONERATE : Service Tax Commissionerate, Ahmedabad
**CONTROVENTION of PROVISIONS : Export of Service Rules, 2005
Circular No. 111/05/2009-ST dated 24.02.2009**

Assessee is engaged in providing services of Technical Testing and Inspection, BAS, Scientific and Technical consultancy, Intellectual Property Service, Transport of Goods by

Road, Sponsorship service, Advertising Agency, Renting of Immovable Property Service and Management Consultancy Service. During the course of audit, it was noticed that the assessee has entered into an agreement with some company located at Singapore. It has been narrated in the said agreement that the said company was also engaged in the business of manufacturing & marketing pharmaceutical products & was in the process of setting up a state of art manufacturing facility at Pune Biotech Park, Pune for manufacturing & marketing various Bio-pharmaceutical products & in view thereof, the said company was desirous of receiving from the assessee on license basis, Technical Know-how required for pharmaceutical products meeting the specifications. Assessee agreed that they shall grant in favour of the said company, a technical Know-how license to enable the said company only to manufacture & market products using this license.

As per the agreement, assessee granted the licence to the said company to manufacture & market the products using the said Know-how at its (the company's) facilities (currently in Pune) &/or on licensing or third party contract manufacturing basis at a facility of the said company's choice subject to prior consent from the assessee. In view of the above, assessee had provided a Technical Know-how at the said company's facility (currently in Pune) to enable to manufacture the products by using the said license. As consideration for the license granted by the assessee to the said company under the said agreement, the said company undertook to pay to the assessee license fee, which is chargeable to Service Tax under head "Intellectual Property Services" w.e.f. 10.09.2004 which comes to Rs. 74,99,857/-

It was noticed that the assessee had not paid any Service Tax on services provided by them, considering the said service as 'Export Service'. The contentions of the assessee treating the above said service provided to the said company is totally wrong & intended to evade Service Tax liability.

In the instant case, the above said service was provided from India by the assessee and has been used in India. In this way, the basic condition "used outside India" to be considered as Export was not satisfied. The term used "outside India" has been clarified in detail vide CBEC circular No. 111/05/2009-ST dated 24.02.2009.

In view of the above, it is proved that the service provided to the said company, Pune cannot be considered as 'Export service' & therefore, amount of Rs. 74,99,857/- is required to be recovered.

On being pointed out, assessee agreed to the objection and paid the amount along with interest.

- (3) **GIST OF THE OBJECTION : Short payment of service tax under 'Restaurant Service'**
COMMISSIONERATE : Central Excise Commissionerate, Visakhapatnam I
CONTROVENTION : Circular No. 139/8/2011-TRU dated 10.05.2011;
of PROVISIONS

During the course of audit on the accounts of the tax payer, the audit verified the ledgers and observed that the tax payer was serving food outside the restaurants in the open area, on pool side etc., on special occasions or weekends and was charging under the Head 'Food Sales Festival (GL Code 10657), but was not discharging service tax liability on the income received there from. The audit pointed out that as per the Board's circular No. 139/8/2011-TRU dated 10.05.2011; the taxable services provided by a restaurant in other parts of the hotel attached to the restaurant are also liable to service tax. The said charges are includible in the taxable value of the 'Restaurant services' [Section 65 (105) (ZZZZV)] provided by the tax payer.

The audit further found that the tax payer charges certain amounts under the heads "Soft Drink Sales, Mini Bar Account, , Food sales mini bar account, sales room service account Cigars and Cigarette sales room service account, wines and spirits sales room service account etc., but did not pay service tax on the said charges. Since the license for the liquor is issued for the entire premises of the hotel, the audit pointed out that the said charges are includible in the tax able value of restaurant services and that the tax payer is liable to pay service tax of Rs.2.49 lakhs on the said amounts, along with interest and penalty for the period from 01.05.2011 to 31.03.2012.

- (4) **GIST OF THE OBJECTION: Simultaneous availment of CENVAT Credit on the capital goods and input services and availment of abatement under Notf. No.01/2006 ST dated 01.3.06**

COMMISSIONERATE : Central Excise Commissionerate, Ranchi
CONTROVENTION : Notification No. 01/2006 ST. dt. 01.03.2006
of PROVISIONS : Rule 6 of CENVAT Credit Rules, 2004.
Notification. No. 12/2003 S.Tax dt. 20.06.2003.

During the course of audit of the assessee and on scrutiny of ST-3 returns, CENVAT Credit statements and Cenvat invoices/Bills for the above period, it has been found that the assessee have been availing abatement of 67% on value of the services i.e. construction and works contract service under Notification No. 01/2006 ST. dt. 01.03.2006 as amended and also simultaneously availing CENVAT Credit on the capital goods and inputs services under the CENVAT Credit Rules, 2004.

In the said notification it has been provided that this notification shall not apply in cases where:

i. The CENVAT Credit of duty on inputs or capital goods or the CENVAT Credit of service tax on inputs services, used for providing such taxable services has been taken under the provision of the CENVAT Credit Rules,2004;

ii. The service provider has availed the benefit under the notification of the Govt. Of India in the Ministry of Finance (Department of Revenue) No. 12/2003 S.Tax dt. 20.06.2003.

Thus, simultaneous availment of CENVAT Credit and abatement is irregular as per the provision of the said notification. The assessee had availed /utilized CENVAT Credit of Rs 1127054/- and also availed abatement amounting to Rs.36453604/- during the above period.

Since the assessee is availing CENVAT Credit on capital goods and input services in respect of works contract service and also availing abatement simultaneously , they are liable to pay/ reverse Rs. 11,27,054/- along-with interest as per rule 6 of CENVAT Credit rule 2004.

(5) **GIST OF THE OBJECTION: Non-levy of Service Tax on services provided from outside India and received in India.**

COMMISSIONERATE : Service Tax Commissionerate, Kolkata

CONTROVENTION of PROVISIONS : Rule 2(1)(d)(iv) of the Service Tax Rules 1994, import of taxable services

During audit it was observed that the assessee had incurred 'Expenses' Rs.5,52, 20, 000/- during the period 2007-08 to 2011-12 under the head of 'Professional Fee and Travelling & Conveyance', and the said transaction, in Foreign Currencies, took place with their Related Parties situated in different foreign countries.

Considerable part of such expenses is due to Consultancy fees, Professional fees, reimbursement of Staff Cost and related travelling / accommodation expenses, Audit fees, certification fees etc.

According to Taxation of Services (Provided from outside India and received in India) Rules 2006 read with Rule 2(1)(d)(iv) of Service Tax Rules 1994, import of taxable services falling under the category of 'Management or Business Consultancy Services' [65(105)(r)], 'Technical Inspection and Certification Services' [65(105)(zzi)J, 'Manpower Recruitment or Supply Agency's Service 165(105)(k)] etc. are subjected to levy of Service Tax in the hand of recipient of service(s).

Therefore, being a recipient of taxable services, provided by foreign service providers, the assessee is liable to pay Service Tax amounting to Rs.65,60,490/-along with interest.

- (6) **GIST OF THE OBJECTION** : **Non-payment of Service Tax on Optional extended Warranty Service under Motor Vehicle Related Service from 01.05.2011 to 30.06.2012.**
- COMMISSIONERATE** : **Service Tax Commissionerate, Delhi**
- CONTROVENTION of PROVISIONS** : **section 65(105) of the Finance Act, 1994.**

It was found that the assessee has not discharged Service Tax liability on the income of optional extended warranty fee charged through their dealers from the ultimate customers in respect of the vehicles manufactured and sold by them, for the third year or third and fourth year warranty, in addition to normal warranty period of two years. The dealers collect the amount of extended warranty from the customers on behalf of assessee and remit he same to assessee after deducting their commission amount and Service Tax thereon. The said warranty is a mechanical and electrical breakdown warranty designed to assist towards the cost of repairs/replacement of any specified parts covered in the said warranty. Therefore, the assessee is obliged under the extended warranty policy to provide free service of repair or replacement of defective mechanical or electrical part of the vehicle at no cost to the customer for parts or labour. The said service is provided by assessee through their dealers, who charge the cost of labour and replaced parts from the assessee and pay Service Tax on the labour cost only. The plea taken by the party was that till 30.06.2012, the sale of extended warranty was

not covered under any of the taxable services, and that with effect from 01.07.2012 consequent upon introduction of negative list of Services, they have started charging and collecting Service Tax on sale of optional extended warranty to the customers. In this connection, it was observed that upto 30.04.2011, only the service provided or to be provided to any person, by an authorized Service Station in relation to any service, repair, etc. of specified motor vehicles was taxable. However, with effect from 01.05.2011, any service provided or to be provided to any person, by any other persons, in relation to any service for repair, reconditioning, restoration or decoration or any other similar services, of the specified motor vehicle was made taxable w.e.f. 01.05.2011, by substituting clause (zo) of section 65(105) of the Finance Act, 1994. Since the vehicles under the extended warranty period are required to be repaired by the assessee, which are got repaired by them through their dealers, the said service of repair/ replacement of defective parts under extended warranty period is provided or to be provided by one person (i.e. assessee) to another person (i.e. customer), and as such the said repair service provided or to be provided by assessee under the extended warranty period appears to be covered as a taxable service under sub-clause (zo) of clause (105) of section 65 of the Finance Act, 1994 as amended, w.e.f. 01.05.2011. Thus, the party was required to discharge Service Tax liability on the said taxable service provided by them from 01.05.2011 onwards, but they did not do so till 30.06.2012. Accordingly, Demand-cum-Show Cause Notice for Rs.24,35,69,720/- for the period 01.05.2011 to 30.06.2012 has since been issued to the assessee.

(7) **GIST OF THE OBJECTION : Non-payment of Service Tax on Subvention income**

COMMISSIONERATE : Service Tax-I Commissionerate, Mumbai

CONTROVENTION of PROVISIONS : Section 65(19) of the Finance Act, 1994.

As per Section 65(19) of Finance Act, 1994, definition and scope of service: "Business Auxiliary Service" means any service in relation to, —

(i) *promotion or marketing or sale of goods produced or provided by or belonging to the client; or*

(ii) *promotion or marketing of service provided by the client; or*

[Explanation – For the removal of doubts, it is hereby declared that for the purposes of this sub-clause, "service in relation to promotion or marketing of service provided by the client" includes any service provided in relation to promotion or marketing of games of chance.

organised, conducted or promoted by the client, in whatever form or by whatever name called, whether or not conducted online, including lottery, lotto, bingo;]

(iii) any customer care service provided on behalf of the client; or

(iv) procurement of goods or services, which are inputs for the client; or

[Explanation — For the removal of doubts, it is hereby declared that for the purposes of this sub-clause, “inputs” means all goods or services intended for use by the client;]

(v) production or processing of goods for, or on behalf of the client; or

(vi) provision of service on behalf of the client; or

(vii) a service incidental or auxiliary to any activity specified in sub-clauses (i) to (vi), such as billing, issue or collection or recovery of cheques, payments, maintenance of accounts and remittance, inventory management, evaluation or development of prospective customer or vendor, public relation services, management or supervision, and includes services as a commission agent, but does not include any activity that amounts to “manufacture” of excisable goods.

It was noticed from the Trial Balance submitted by the assessee that they have received commission in the form of subvention income from various dealers for promoting their business. As per the definition of ‘Business Auxiliary Services’, it appears that the service provided by the assessee to the various dealers is classifiable under ‘Business Auxiliary Services’ and taxable under Section 65(105)(zzb) of Finance Act, 1994, In view of above assessee is required to pay Service Tax. Amount involved is Rs. 23,54,23,205 /- + Interest.