

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
ALLAHABAD**

REGIONAL BENCH - COURT NO.I

Service Tax Appeal No.70080 of 2020

(Arising out of Order-in-Original Nos.7-12/COMMISSIONER/G.B.NAGAR/2019-20 dated 28.11.2019 passed by Commissioner of Central Tax & Central Excise, Gautam Buddh Nagar)

M/s Samsung Electronics India Pvt. Ltd.,Appellant
(B-1, Sector-81, Phase-II, Noida)

VERSUS

**Commissioner of Central Taxes &
Central Excise, Gautam Buddh Nagar**Respondent
(3rd Floor (Wegmens Business Park), K.P.-III,
Greater Noida)

WITH

Service Tax Appeal No.70202 of 2020

(Arising out of Order-in-Original No.14/COMMISSIONER/G.B.NAGAR/2019-20 dated 02.01.2020 passed by Commissioner of Central Tax & Central Excise, Gautam Buddh Nagar)

M/s Samsung Electronics India Pvt. Ltd.,Appellant
(B-1, Sector-81, Phase-II, Noida)

VERSUS

**Commissioner of Central Taxes &
Central Excise, Gautam Buddh Nagar**Respondent
(3rd Floor (Wegmens Business Park), K.P.-III,
Greater Noida)

APPEARANCE:

Shri Kapil Vaish, Chartered Accountant & Ms. Daliya Singh, Advocate
for the Appellant

Shri A. K. Choudhary, Authorized Representative for the Respondent

**CORAM: HON'BLE MR. P.K. CHOUDHARY, MEMBER (JUDICIAL)
HON'BLE MR. P. ANJANI KUMAR, MEMBER (TECHNICAL)**

FINAL ORDER NOs.- 70168-70169/2026

DATE OF HEARING : 10.03.2026
DATE OF PRONOUNCEMENT : 19.05.2026

P. K. CHOUDHARY:

Service Tax Appeal No.70202/2020 has been filed by M/s Samsung Electronics India Pvt. Ltd. against Order-in-Original No.14/Commissioner/G.B. Nagar/2019-20 dated 02.01.2020 and Service Tax Appeal No.70080/2020 has been filed against Order-in-Original No.7-12/Commissioner/G.B. Nagar/2019-20 dated 28.11.2019. As the issues involved in both the appeals are same, they are being disposed of by this common order.

2. The brief facts of the case are that the Appellants are the manufacturer of electronic goods falling under Chapter 85 of Central Excise Tariff Act, 1985. During the course of audit conducted by the Departmental Officers, it was observed that the Appellants had paid certain amounts in foreign currency to foreign companies and had debited the same under the head "Advertisement and Sales Promotion Charges". It was alleged that the Appellants were liable for payment of Service Tax on Reverse Charge Mechanism¹ basis as they had received such services in India, provided from outside India as per Section 66A of Finance Act, 1994. Accordingly, following show Cause Notices² / statements of demand had been issued.

Date	Period	Service tax proposed to be demanded (Rs.)
20-10-2011	April 2006 - March 2010	1,03,65,405
17-10-2012	April 2010 - March 2012	2,26,47,089
15-05-2014	2012 -13	5,30,83,530
02-03-2015	2013-14	6,51,36,185
23-03-2016	2014-15	10,77,89,494
20-03-2018	2015-16	19,46,22,281
06-03-2019	April 16 - June 17	31,77,19,613
	Total	77,13,63,597

SCN dated 20.10.2011 had been adjudicated vide OIO dated 19.10.2012 and the demand proposed in SCN had been confirmed. Similarly, SCN dated 17.10.2012 had been adjudicated vide OIO dated 10.03.2014. SCNs dated 15-05-

¹ RCM

² SCN

2014, 02-03-2015 & 23-03-2016 had been adjudicated vide common OIO dated 28-03-2016. In both the orders, demands as proposed in the SCNs had been confirmed. Appeals against OIO dated 10-03-2014 and 28-03-2016 had been decided vide Final Order Nos.70321-70322/2018 dated 19-01-2018. Both the appeals had been disposed of by way of remand with direction to the Adjudicating Authority to consider C.A. certificate, issue of availability of Cenvat Credit etc. Appeals against OIO dated 19-10-2012 had also been disposed of by way of remand vide Final Order No.71673-71674/2018 dated 30-07-2018.

2.1 In remand proceedings, the jurisdictional Commissioner vide common order dated 28-11-2019 adjudicated both the remand matters as well as SCN dated 20-03-2018 and confirmed the demands to the tune of Rs.11,72,95,798/-. Appeal against the same is listed as Service Tax Appeal No.70080/2020.

2.2 SCN dated 06-03-2019 has been adjudicated vide OIO dated 02-01-2020, wherein demand of Rs.3,55,32,224/- had been confirmed. Both the appeals came up for hearing before this Tribunal on 15-10-2025. The learned Counsel of the Appellants submitted that they had made payments towards import of goods; paid service tax on reverse charge basis; made certain provisions and have incurred certain expenses outside India. If all these issues are taken into account then there may not be any demand for service tax. Vide order sheet dated 15-10-2025, the Bench ordered as under:-

"Taking note of the submissions as above we direct that a joint verification with regards to the claim made by the Appellant that relates to the payments made in the forehead as stated in Page 12 should be caused and after undertaking joint verification involving Appellant, Authorized Representative for the Revenue and the Representative from the Commissionerate a final report should be made available to the Bench at least 15 days prior to the next date of hearing. Taking into account the voluminous work involved for nearly 11 years of dispute,

matter is listed for final disposal alongwith Service Tax Appeal No.70080 of 2020 in the month of March."

2.3 As per the directions of the Tribunal, the exercise of joint verification had been carried out between the Appellant assessee on the one side and Divisional Assistant Commissioner as well as Assistant Commissioner (AR), CESTAT on the other side. They have submitted their report dated 06-03-2026 to the Bench.

3. The above appeal was heard at length when Mr. Kapil Vaish, Chartered Accountant along with Ms. Daliya Singh, Advocate appeared on behalf of the Appellants and made following specific submissions:-

- (i) Show cause notice is vague and not maintainable.
- (ii) Demand cannot be raised merely on Balance Sheet entries or without explaining the nature of Services.
- (iii) Import of goods wrongly treated as receipt of services (Demand Rs.3.83 crore).
- (iv) Service tax already discharged under Reverse Charge Mechanism (Rs.1.27 crore).
- (v) Expenses incurred outside India not liable to service tax (Rs.3.32 Crore & Rs.11.68 lacs).
- (vi) Provisioning / accrual entries not taxable (Rs.6.63 crore).
- (vii) Sponsorship of sports events outside India (Rs.1.19 lacs).
- (viii) Reimbursement of expenses does not constitute taxable service (Rs.3.81 lacs).
- (ix) Expenses incurred on behalf of Head Quarter does not constitute recipient of Services (1.30 lacs).
- (x) Currency fluctuation is not the consideration for service (Rs.8764/-).
- (xi) Entire demand is Revenue neutral.

4. The learned Departmental Authorized Representative reiterated the submissions made in joint verification report.

5. Heard both the sides and perused the appeal records.

6. The main issue involved in the above appeals is as to whether Appellants were liable for payment of service tax on reverse charge basis on the amounts paid in foreign currency. The period involved in the present case is July, 2006 to June, 2017. For the period upto 30-06-2012, Section 66A provided for payment of Service tax on services received from outside India. Relevant portion of Section 66A reads as under :-

"66A. Charge of Service tax on services received from outside India.

(1) Where any service specified in clause (105) of Section 65 is –

(a) Provided or to be provided by a person who has established a business or has a fixed establishment from which the service is provided or to be provided or has his permanent address or usual place of residence, in a country other than India, and

(b) Received by a person (hereinafter referred to as the recipient) who has his place of business, fixed establishment, permanent address or usual place of residence in India.

Such service shall, for the purposes of this Section, be the taxable service, and such taxable service shall be treated as if the recipient had himself provided the service in India, and accordingly all the provision of this chapter shall apply."

7. Pursuant to aforesaid Section 66A, Notification No.11/2006-ST dated 19-04-2006 taxation of services (Provided from Outside India and Received in India) Rules, 2006 have been notified. With effect from 01-07-2012, Notification No.28/2012-ST notified Place of Provision of Service Rule, 2012, in supersession of Notification No.11/2006-ST dated 19-04-2006. These provisions shall be appropriately considered hereunder. Section 68(2) of Finance Act, 1994 provides that the Central Government may notify the taxable services, the service tax on which shall be paid by such person as may be prescribed. Notification No.30/2012-ST dated 20-06-2012 notifies for the

various services on which service tax is payable by recipient of service to the extent specified. Sl. No.10 of the table annexed to the said notification provides that in respect of any taxable services provided or agreed to be provided by any person who is located in non-taxable territory and received by any person located in the taxable territory, the entire service tax is payable by the person receiving the service. It is relevant to mention that Section 68(2) as well as Notification No.30/2012 provides for the mechanism for collection of tax. But service should essentially be liable for payment of service tax.

8. We deal with each of the issue as under:-

A- Import of goods – Demand Rs.3,82,64,393/-

Appellants have claimed that they had made payment of Rs.31.71 crore (involving Service tax demand Rs.3.83 crores) towards import of goods. The payment being not relating to import of service, service tax on the same is not payable. The learned Chartered Accountant submitted that there is no dispute that they have produced all the documents (BOE, invoices) etc., with regard to import of goods valued at Rs.21.73 crore involving Service tax Rs.2.67 crore. In remaining cases, they have submitted C.A. Certificate certifying that the corresponding payments related to purchase of goods. They have also produced some of the documents like BOE or invoice. He further submits that the difference is on account of ancillary cost such as freight, customs duty and related charges. He further submits that there can be no presumption that these transactions are related to services. We find that Revenue has already accepted that the Appellants have submitted import documents with regard to demand of Rs.2,66,67,137/-. With regard to remaining demand, Appellants have submitted C.A. Certificate in all the cases, besides some documents like BOE or invoice or bank letter. We also find that as per Section 66A or Notification No.30/2012-ST dated 20-06-2012, Service tax is payable on reverse charge basis on import of service. It cannot be demanded on the payment made in foreign currency towards import of goods. Appellants have vehemently submitted that the payments have

been made towards import of goods. In the absence of proper document, Revenue has presumed it to be the payment towards service. It is the settled law that Service tax cannot be demanded on such presumption. We also note that this Tribunal in the case of Gopi Krishna Processors Pvt. Ltd. vs. CCE, Jalandhar reported in 2007 (210) E.L.T. 529 (Tri.-Del.) has taken the view that Chartered Accountant being an expert having training and knowledge of accounting system, his certificate cannot be overlooked. Similar view has been taken by this Tribunal in case of High Polymer Labs Ltd. Vs. Commissioner of Central Excise, Indore reported in 2002 (140) E.L.T. 134 (Tri.-Del.). In the absence of any evidence, it cannot be presumed that payments have been made towards import of service. In view of our above observation, we hold that demand of service tax Rs.3,82,64,393/- being not related to import of service, is liable to be set aside.

B- Tax already paid on reverse charge basis of Rs.1,27,13,411/-.

Appellants have claimed that they had already made payment of service tax Rs.1,27,13,411/-. In the joint verification report, the Revenue has contended that taxpayer has provided copies of challan amounting to Rs.1,22,11,851/- but have not produced copies of challans for Rs.4,89,690/-. The learned Chartered Accountant submitted that they have made payment through various challans and the data being related to more than 10 years, they could not trace challans for Rs.4,89,690/-. However, as per their records, they have made payment of service tax of Rs.1,27,13,411/- on reverse charge basis. He further emphasized that entire demand is Revenue neutral, besides being time bar. We find that the Appellants have admittedly produced challans for Rs.1,22,11,851/-. Therefore demand of service tax for the said amount is liable to be dropped. With regard to remaining amount of Rs.4,89,690/- admittedly it is related to import of service. Therefore, the demand of Rs.4,89,690/- is maintainable. However, the Appellants

contention on the issue of Revenue neutrality and time bar would be considered separately.

C- Service tax demand of Rs.6,63,44,186/- in respect of transactions pertaining to accrual entries.

The Appellants have contended that at each year end they pass accounting entries for anticipated expenses when corresponding invoice is not received. In the subsequent year, the said provisions are reversed and service tax is paid as and when the invoice is received or payment is made. He submits that service tax is not payable at the time of making said provisional entries. As per Rule 7 of Point of Taxation Rule 2007, the point of taxation in respect of the persons who are required to pay tax on reverse charge basis is the date on which payment is made. Provided that where the payment is not made within period of 3 months of the date of invoice, the point of taxation shall be the date immediately following the said period of 3 months. In the joint verification report, the Revenue has contended that there is no dispute of records / documents. In other words, Revenue accepts that Service tax demand of Rs.6.63 crore is relating to accrual entries which had been reversed in the subsequent year. C.A. Certificate dated 20-02-2026 produced by the Appellants before the Revenue Authorities certifies that "these provisional/accrual entries have been reversed subsequently in the immediately following FYs, at the time when the actual corresponding expenses were booked in the books of account on receipt of vendor invoices." It further states that "it is a normal business and accounting practice of the company to record provisional expenses on estimated basis. When company receives actual invoices towards such expenses then the corresponding provision is reversed and expense is booked under the same head. Therefore, such provisional entries are on estimates and not against any actual expense/invoices in the respective F/Y". As pointed out by the learned counsel, we find that in terms of Rule 7 of Point of Taxation Rule, service tax is payable on reverse charge basis only after making payment or within 3 months from the date of invoice, whichever is earlier.

Revenue has not disputed the Appellants contention that in the present case neither the Appellants had made payment in foreign currency nor the corresponding invoice. Therefore demand of Rs.6,63,44,186/- is not maintainable and is hereby set aside.

D- Reimbursement of expenses to the Ho for FIFA world cup – Rs.11,68,308/-

Expenditure incurred for event outside India – service tax demand Rs.3,32,02,737/- Sponsorship of sports events held outside India – Rs.1,19,289/-

The Appellants have contended that service tax of Rs.3,32,02,737/- + Rs.11,68,308/- + Rs 1,19,289 = Rs.3,44,90,334/- have been demanded on the expenses incurred relating to events, exhibition and accommodation services availed outside India. They have also reimbursed certain expenses for FIFA world-cup. It has further been contended that since the services were performed and consumed outside India the same are not liable to payment of service tax under the provisions of Finance Act, 1994. Revenue in its verification report has contended that there is no dispute of records/documents. In other words Revenue accepts that service tax demand of Rs.3,32,02,737/-, Rs.11,68,308/- & Rs.1,19,289 is relating to those expenses/events exhibition and accommodation services which has been availed and consumed outside India. We note that Finance Act, 1994 extended to whole of India except the State of J & K further Section 66B provides for levy of tax on the value of all services provided or agreed to be provided in the taxable territory. In terms of Section 65B(52) read with Section 64 of Finance Act, 1994 taxable territory means the whole of India except J & K. The combined reading of Section 64, 65B and 66B makes it clear that service tax is leviable only if the services are provided in India (except J & K). After implementation of negative list, Section 66C provides that the Central Government may by rules determine the place where such services are provided or deemed to have been provided. In exercise of the power conferred under Section 66C, Rules for Place of Provision

of service had been notified. Rule 5 & 6 of said Rules read as under :-

"Rule – 5 Place of provision of services relating to immovable property.- *The place of provision of services provided directly in relation to an immovable property, including services provided in this regard by experts and estate agents, provision of hotel accommodation by a hotel, inn, guest house, club or campsite, by whatever, name called, grant of rights to use immovable property, services for carrying out or co-ordination of construction work, including architects or interior decorators, shall be the place where the immovable property is located or intended to be located".*

"Rule – 6 Place of provision of services relating to events.- *The place of provision of services provided by way of admission to, or organization of, a cultural, artistic, sporting, scientific, educational, or entertainment event, or a celebration, conference, fair, exhibition, or similar events, and of services ancillary to such admission, shall be the place where the event is actually held."*

From perusal of aforesaid Rule 5 and 6, it is clear that in case of expenses on events, exhibition and accommodation services etc., the place of provision of service is the location of said event. As the place of provision in these cases is outside India, we hold that services have not been received or imported into India. Therefore, the Appellants are not liable for payment of service tax on the expenses incurred on these events outside India. Demand of Rs.3,44,90,334/- is therefore hereby set aside.

E- Reimbursement of expenses to Head Quarter for expenses incurred outside India – Rs.3,81,339/-.

The Appellants have submitted that their group entities such as Samsung Electronics have incurred certain expenses outside India. Appellants have reimbursed the same and that such

reimbursement does not involve any element of service. In the grounds of appeal, it has been mentioned that Appellants have incurred expenses on account of services/goods consumed by their dealers outside India and as the source of such service is outside India, no service tax is payable on the same. In the joint verification report, it has been mentioned that there is no dispute of records/documents and therefore no verification is required. It also mentions that the period involved is 2009-10. In other words, the joint verification report accepts that the demand pertains to reimbursement of expenses which had been incurred outside India and that too for the period prior to negative list. We note that prior to negative list, there was specific list of taxable services, SCN allege it to be business auxiliary service. We are of the view that reimbursement of expenses on food etc., cannot be considered to be receipt of business auxiliary services. Moreover, services had been consumed outside India. Therefore, it cannot be considered to be import of service. We therefore hold that Appellants were not liable for payment of service tax Rs.3,81,339/-.

F- Expenses incurred on behalf of Head Quarter – Service Tax Rs.1,30,984/-.

The Appellants incurred certain expenses on behalf of its head office for services/goods consumed outside India. These expenses had first been incurred by the Appellants and then had claimed its reimbursement from Head Quarter. The demand pertains to the period 2009-10. In the joint verification report it has been mentioned that Appellants has submitted a C.A. Certificate and that no verification/document are required. In other words, the joint verification report accepts that the amount has not been paid towards receipt of any service. Rather it is a case of reimbursement of expenses. It is the settled law that for the period prior to 14-05-2015, service tax was not leviable on reimbursement of expenses. By relying on the decision of the Hon'ble Supreme Court in the case of UOI Vs. Intercontinental Consultants and Technocrats Pvt. Ltd. reported in 2018 (10)

G.S.T.L. 401 (SC), we hold that Appellants were not liable for payment of service tax Rs.1,30,984/-.

G- No documentary evidences provided - Service tax demanded Rs.11,71,274/-

Currency fluctuations - Service tax demanded – Rs.8,764/-.

The joint verification report observes that no verification was required as there was no dispute of records/documents. Appellants have submitted that service tax cannot be demanded on account of currency fluctuations. They further submitted that the show cause notice has proposed to demand service tax of about Rs.77 crore. They have submitted details and corresponding records in respect of all the transaction except the payment relating to service tax demand of Rs.11,71,274/-. It was however submitted that Department has not identified the nature of service. All payments in foreign currency cannot be considered to be towards receipt of taxable services. They also pleaded the issue of Revenue neutrality. While the issue of Revenue neutrality is being examined separately, we find that in respect of above demand Revenue has not identified the nature of service. There can be no presumption that all payments in foreign currency are towards receipt of taxable service. We therefore hold that demand of service tax Rs.11,71,274/- & Rs.8,764/- is not maintainable and is therefore set aside.

9. The learned Chartered Accountant vehemently argued that the entire demand is Revenue neutral in as much as service tax if any payable was eligible for Cenvat credit. Therefore in such a case, where entire issue involves dispute on interpretation of provisions of service tax law, particularly Place of Provision of Service Rules, entire demand should be set aside on the ground of Revenue neutrality alone. In this connection he referred following decisions :-

(a) Indus Valley Partners (India) Ltd. Vs. CCE, Noida reported in 2024 (17) Centax 114 (Tri.-All).

(b) Jet Airways India Ltd. Vs. C & ST, Mumbai reported in 2016 (44) S.T.R. 465 (Tri.-Mum.).

(c) CCE, Pune Vs. Coca-Cola India Pvt. Ltd. reported in 2007 (213) E.L.T. 490 (S.C.).

10. The learned Departmental Authorized Representative has also not disputed the Appellants contention that the service tax payable on import of service was available as Cenvat credit to the Appellants.

11. We find that the Hon'ble Supreme Court in the case of Coca-Cola India Pvt. Ltd. (Supra) held that in the cases where excise duty payable on final product and modvat credit available to the buyer is identical, consequence of payment of excise duty after availing modvat credit was Revenue neutral. Para 5, 6 and 7 of the order reads as under :-

"5. *The assessee in paragraph No. 3 of its counter-affidavit has stated, as under :*

"3. The present appeal has no Revenue implication. The dispute relates to classification of beverage bases/concentrates manufactured by the Respondent, which are supplied to bottlers, who in turn use the same as raw material in the manufacture of beverages. The duty payable in respect of beverage basis/concentrates is modvatable. Since the duty payable by the Respondent is modvatable, there is no revenue implication. The issue of classification is therefore, academic. No purpose would be served by entertaining the present appeal."

(page 86 of the Paper book)

6. *It is stated by the learned counsel for the assessee that the excise duty paid and the Modvat credit availed under Notification No. 5/94-C.E.(N.T.), dt. 1-3-1994 were identical and therefore consequences of payment of excise duty after availing Modvat credit was revenue neutral.*

7. *In view of the stand taken by the assessee in the counter-affidavit and the statement made by the learned counsel for the assessee, the appeals are dismissed leaving the question of law open. However, there shall be no order as to costs."*

12. Similarly in the case of Jet Airways India Ltd. (Supra) this Tribunal set aside the demand of service tax on the ground of Revenue neutrality. Relevant portion of the order reads as under:-

"4.1.....He would submit that the limitation and aspect apply to at least one show cause notice wherein the show cause notice is dated 23-10-2008 issued for the period 1-7-2003 to 31-3-2008 and in one show cause notice which is dated 21-10-2011 for the period 1-4-2010 to 31-3-2011 is time-barred as this show cause notice was issued for taxing entry under 'Business Support Services'; subsequently corrigendum dated 19-3-2012 was issued for the same period seeking to order the classification to the current classification of the services. It is his further submission that in a revenue neutral situation, larger period of limitation cannot be invoked and no penalty or interest is payable."

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"10. *On the issue of revenue neutrality, very many arguments were put forth by both sides. Learned Sr. Counsel submitted that appellant herein is also rendering taxable services of transport of passengers through air and other services on which they are discharging the service tax as output service provider hence any amount which need to be paid as service tax liability under reverse charge mechanism was eligible to be availed as Cenvat credit. Per contra learned A.R. had argued that the appellant had rendered taxable as well as exempted services hence could not have availed the Cenvat credit as per the provisions of Cenvat Credit Rules, 2004 and Cenvat Credit Rules need to be gone into detail as to come to a conclusion whether the appellant is eligible for the entire Cenvat credit.*

10.1 *We find that the arguments put forth by learned Sr. Counsel on the Revenue neutrality may merit acceptance for more than one reason.*

10.2 *Firstly, it is undisputed that the service tax liability on the payments made by appellant to CRS Companies is on reverse charge mechanism as if the appellant is a service provider. The said service tax liability has arisen on the tickets issued by the CRS Companies to various customers of appellant. It is also undisputed that the*

appellant herein has discharged the service tax liability as an output service provider in respect of the services rendered by the appellant under the category of, "transport of passenger by air and other services". If that be so, appellant is eligible to avail the Cenvat credit on all the services on which service tax is paid and utilized for rendering such output service.

10.3 *Secondly, it is nobody's case that the service tax liability on "online information and database access or retrieval service" is paid by the appellant in respect of the tickets issued which are directly linkable to the output services provided by the appellant.*

10.4 *In our considered view the appellant could have availed Cenvat credit of the service tax paid on reverse charge mechanism as they are liable to pay tax on output service hence, Revenue neutral situation arises wherein appellant pays the tax and takes the credit. We note that the issue as to confirmation of service tax liability arose on the payment made to CRS Company, as decided by majority decisions, in three cases namely British Airways, Thai International Public Co. Ltd. and Austrian Airways wherein the question of revenue neutrality arose, which was answered in favour of assesses therein. It is trait law that question of Revenue Neutrality is a good ground, more so when the tax liability is being discharged under reverse charge mechanism. This very plea of revenue neutrality in an identical issue was raised in British Airways case and decided also. It is settled law when an issue is raised and decided in a judgement, the ratio applies.*

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10.7 *In our considered view, we have to read the order holistically, i.e., British Airways case; on merits is against the appellant in this case while on the issue of revenue neutrality the order of British Airways supports appellant's case. The ratio of the Bench applies clearly to the case in hand accordingly respectfully following to ratio, we have to hold that the appellant has made out a case in their favour on the question of revenue neutrality. In view of a direct decision on the self same issue, we are not recording any findings on other case laws relied upon by both sides on the question of revenue neutrality."*

13. In the case of Indus Valley Partners (India) Pvt. Ltd. reported in 2024 (17) Centax 114 also, this Tribunal has set aside the demand on the ground of Revenue neutrality. Para 9 of the order reads as under :-

"9. We find that the main contention of the Appellant in the present case is regarding revenue neutrality. Service tax on all four services, namely 'legal services', 'rent-a-cab service', 'clouding service' and purchasing licence use of Geneva brand product', relevant to this case was payable under reverse charge mechanism. Legal services and rent-a-cab services were specified services under Notification No. 30/12-ST dated 20.06.12 on which service tax was payable by the service recipient under reverse charge mechanism. Clouding services and Authorisation for use of Geneva product were provided by entities located abroad, i.e., non-taxable area. So, service tax on said services was payable by service recipient under reverse charge mechanism. We further find that the Appellant was a registered person under service tax and was eligible for taking Cenvat credit paid on input services. It is a fact that all said services were input services for the Appellant. Whatever tax was paid on said services, the Appellant would have taken back as Cenvat credit. Thus there was no gain to the government exchequer in that case. It is a case of revenue neutrality. We find that the issue of the applicability of revenue neutrality in the circumstances of charging service tax under reverse charge mechanism has been settled in catena of judgments."

14. We note that in the above cases, demands had also been raised for the normal period of limitation but entire demand has been set aside on the ground of Revenue neutrality. By respectfully following the above decisions, we hold that entire demand being Revenue neutral is liable to be set aside on this ground also.

15. On the issue of limitation, it has been contended that part of the demand is beyond the normal period of limitation. We find that the entire case relates to interpretation of provisions relating to import of service Consequently Appellants liability for payment of service tax on reverse charge basis & rules and Place

of Provision of Service Rules. Therefore, we hold that extended period of limitation could not have been invoked.

16. In view of above discussions, the entire demand of service tax is hereby set aside. As the demand itself is being set aside, demand of interest and penalties under various Sections are also set aside.

17. In view of the above, both the appeals are allowed with consequential relief, if any, as per law.

(Order pronounced in open court on - **19.05.2026**)

Sd/-
(P. K. CHOUDHARY)
MEMBER (JUDICIAL)

Sd/-
(P. ANJANI KUMAR)
MEMBER (TECHNICAL)

LKS