

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL,  
WEST ZONAL BENCH : AHMEDABAD**

REGIONAL BENCH - COURT NO. 3

**SERVICE TAX Appeal No. 90 of 2012-DB**

[Arising out of Order-in-Original/Appeal No COMMR-A--74-VDR-II-2011 dated 22.02.2011 passed by Commissioner of Central Excise, Customs and Service Tax-VADODARA-II]

**S A Engineering Works**

**.... Appellant**

C-62, Tulsishyam Tenament, B/h Padma Park Society,  
Makarpura, VADODARA, GUJARAT-390010

*VERSUS*

**Commissioner of Central Excise & ST, Vadodara-ii**

**.... Respondent**

1st Floor, Room No.101, New Central Excise Building,  
Vadodara, Gujarat-390023

**APPEARANCE :**

Ms. Shamita Patel & Shri Rahul Gajera, Advocates for the Appellant  
Shri P. Ganesan, Superintendent (AR) for the Respondent

**CORAM: HON'BLE MR. RAMESH NAIR, MEMBER (JUDICIAL)  
HON'BLE MR. C.L. MAHAR, MEMBER (TECHNICAL)**

DATE OF HEARING : 22.03.2023

DATE OF DECISION: 15.06.2023

**FINAL ORDER NO. 11260/2023**

**RAMESH NAIR :**

The present appeal has been filed by M/s S.A. Engineering Works being aggrieved with the impugned Order-in-Appeal No. Commr(A)/74/VDR-II/2011 dated 22.02.2011 passed by the Learned Commissioner (Appeals), whereby the demand of service tax of Rs. 1,27,404/- for the period July 2005 to February 2007 has been confirmed.

2. Briefly stated, the facts of the case are that during the audit of M/s Flexican Bellows & Hoses Pvt. Ltd., Vadodara, it was noticed by the revenue that the Appellant have provided manpower/ Labour supply services to them. However appellant failed to obtain service tax registration during the period July 2005 to Feb. 2007 of providing services and failed to pay service tax on the amount of Rs. 12,49,057/- received from M/s Flexican Bellows. A

Show Cause notice dated 28.05.2009 was issued to the Appellant demanding Service tax of Rs. 1,27,404/- alongwith interest and also seeking to impose penalties under Section 77 & 78 of the Finance Act, 1994. In adjudication, demand was confirmed by the adjudication authority vide OIO dated 24.12.2009. Being aggrieved with the OIO appellant filed appeal before the Commissioner (Appeals), who vide impugned order-in-appeal dated 22.02.2011 rejected the appeal of appellant and upheld the Order passed by the Adjudicating authority. Hence the present appeal filed by the Appellant.

3. Ms. Shamita Patel with Mr. Rahul Gajera Learned counsel appearing on behalf of the Appellant submits that during the period July 2005 to February 2006 the Appellant had carried out the production of bellows on Job work basis for the principal manufacturer Flexican Bellows & Hoses Pvt. Limited in the premises of the Principal manufacturer. The Appellant produced the said bellows on Job Work basis using the raw materials and consumables provided by the said Flexican Bellows & Hoses Pvt. Limited for the said job work the appellant employed its own team of experienced technicians who had years of experience in the bending, cutting, slitting, welding, fabrication, testing etc. of engineering products. The fact that the said activity was carried out on Job Work basis is evident from the agreement dated 01.12.2004 entered into by the Appellant with the said Flexican Bellows & Hoses Pvt. Ltd.

4. She also submits that the issue whether Job work carried out by the assessee can be said to be manpower supply services is covered by the decisions of Tribunal in Nishkarsh Industrial Services vs. CCE 2022 (9)TMI 901-CESTAT. She also placed reliance on the following decisions.

- (i) Donyolo Udyog Limited vs. CCE & ST -2023(3)TMI539-CESTAT New Delhi
- (ii) Bhagyashree Enterprises vs. CCE 2017(3)GSTL 515(Tri. Mumbai)
- (iii) Dhanashree Enterprises vs. CCE -2017(5)GSTL 212

5. Shri P. Ganesan, Ld. Superintendent (AR) appearing on behalf of the Revenue reiterates the findings of the impugned order.

6. We have considered the submission made by both the sides and perused the records. We find that the issue involved in this case is regarding demand of service tax under the category of manpower Recruitment and Supply Services. On perusal of the sample copy of bills and agreement entered into by the appellant with M/s Flexicon Bellows & Hoses Pvt. Ltd., it is seen that the amount being paid to the Appellant for the activity of Job works.

7. We find that M/s Flexicon Bellows & Hoses Pvt. Ltd. has entered into agreement with the appellant for manufacture of Flexicon Bellow on job-work basis. The appellant was paid for carrying out such activities. The workmen deployed by the appellant for carrying out such activities were under the supervision and control of the appellant. The ultimate manufacturer, who entrusted the job to the appellant was no way concerned with the workmen deployed by the appellant. It is also noticed that over and above paying the amount for manufacturing activities undertaken by the appellant on job-work basis, the said service receiver had not paid any specific price to the workmen/ Labour deployed by the appellant. Thus, under such circumstances, it cannot be said that the appellant had provided the Manpower Recruitment and Supply Agency Service. The documents submitted by the appellant indicate a lump sum charge for the work undertaken by them. There is no evidence of supply of manpower with

details of number and nature of manpower, duration and other conditions for such supply. In absence of such evidence, the job work charges cannot be taxed under "Manpower Recruitment and Supply Agency Service". Hence, we are of the considered view that the adjudged demand confirmed on the appellant cannot be sustained.

8. Therefore, we do not find any merits in the impugned order. Accordingly we set aside the impugned order and allow the appeal with consequential relief, if any, as per law.

*(Pronounced in the open court on 15.06.2023)*

**(Ramesh Nair)**  
**Member (Judicial)**

**(C L Mahar)**  
**Member (Technical)**

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