

**Customs, Excise & Service Tax Appellate Tribunal
West Zonal Bench at Ahmedabad**

REGIONAL BENCH-COURT NO. 2

Service Tax Appeal No. 11733 of 2018- DB

(Arising out of OIA-CCESA-AUDIT-SRT-VK-096-2017-18 dated 24/04/2018 passed by the Commissioner (Appeals), CGST & Central Excise- Surat)

N D Enterprises

206, Sant Darshan Apartment,
Chanod Colony,
Vapi, Gujarat

.....Appellant

VERSUS

**COMMISSIONER OF CGST & CENTRAL EXCISE –
CGST & Central Excise Surat**

New Central Excise Building, Opp. Gandhi Baug,
Chowk Bazar,
Surat, Gujarat- 395001

.....Respondent

With

Service Tax Appeal No. 10723 of 2018- DB

(Arising out of OIA-CCESA-SRT-APPEALS-PS-281-2017-18 dated 20/11/2017 passed by the Commissioner (Appeals), CGST & Central Excise- Surat)

Singh Labour Contractor

Flat No. 101, Maa Co-op Housing Society,
Chharwada Road,
Vapi, Gujarat

.....Appellant

VERSUS

**COMMISSIONER OF CGST & CENTRAL EXCISE –
CGST & Central Excise Surat**

New Central Excise Building, Opp. Gandhi Baug,
Chowk Bazar,
Surat, Gujarat- 395001

.....Respondent

APPEARANCE:

Shri Vipul Khandhar, Chartered Accountant for the Appellant

Shri Neilprakash G. Makwana, Superintendent & Shri Himanshu P Shrimali,
Superintendent (AR) for the Respondent

CORAM:

HON'BLE Dr. AJAYA KRISHNA VISHVESHA, MEMBER (JUDICIAL)

HON'BLE MR. SATENDRA VIKRAM SINGH, MEMBER (TECHNICAL)

Final Order No. 11443-11444/2025

DATE OF HEARING: 01.09.2025

DATE OF DECISION: 24.12.2025

SATENDRA VIKRAM SINGH

M/s N D Enterprises, Vapi (Appellant-1) are a proprietorship concern engaged in Manpower Supply Service. During investigation, Central Excise officers of Daman noticed that the Appellant-1 was providing services to M/s Valson Polyesters Ltd, Vapi but they were not paying any service tax on the said amount. They recorded the statements dated 15.10.2010 of Shri.

Rohitashwa Chahhar, Authorised signatory of M/s Valson Polyesters who stated to have engaged Appellant-1 for dyeing and hydro processes on the yarn on per kg basis. The requisite machinery and equipments and the raw material, consumables etc. for the above processes are also provided by them. The officers also recorded the statements dated 13.09.2011 of Smt. Najadi Devi Durbal Yadav Proprietor of Appellant-1 wherein she stated that her firm is engaged in Jobwork (dyeing and hydro processing) for M/s Valson Polyesters Ltd, Vapi on per kg basis in the premises of the said manufacturing unit. She stated that they are not providing any labour to the company and are doing only job work on textiles which falls under "Business Auxiliary Service" which was exempt in terms of Notification No. 14/2004-ST dated 10.09.2004.

1.1 On the basis of documents collected during investigation, including contracts entered into with M/s Valson Polyesters Ltd, Vapi, the department alleged that during the period from 2009-10 to 2010-11, the Appellant-1 has received consideration of Rs. 49,42,354/- on which they did not pay appropriate service tax. A show cause notice dated 13.06.2014 was issued demanding service tax of Rs. 5,09,062/- (including education cess and secondary & higher education cess) under Proviso to Section 73(1) of the Finance Act, 1994 along with interest under Section 75 and penalty under Section 77 and 78 of the said Act. In adjudication, the Additional Commissioner vide order dated 22.03.2016 confirmed service tax demand of Rs. 5,09,062/- under proviso to section 73(1) of the Finance Act, 1994 along with interest and imposed equal penalty under Section 78 besides a penalty of Rs, 10,000/- each under Section 77(1)(a), 77(1)(b) and 77(2) of the Finance Act, 1994.

1.2 Aggrieved with the above order, the appellant filed appeal before Commissioner (Appeals) who vide impugned order dated 24.04.2018 upheld the order of the lower authority and rejected their appeal. Hence, the present appeal before the Tribunal.

2. Likewise, during audit of the records of M/s Valson Industries Ltd, Vapi it was found out that they have engaged M/s Singh Labour Contractor, Vapi (Appellant-2) for supply of Manpower. The officers recorded the statements of Shri Vijay M Shah, Authorised signatory of M/s Valson Industries on 28.02.2011 wherein he admitted to have engaged Appellant-2 for doing certain textile processing viz texturizing, twisting, weaving, knitting etc. on job work basis. They were providing required raw materials, consumables etc to Appellant-2 for completing various processes in their factory premises by using their machinery & equipments. The officers also recorded the statements of Shri Sheshnaath B Singh Proprietor of Appellant-2 on 04.03.2011 wherein he accepted to be doing textile processing for M/s Valson Industries. He also stated that he neither obtained service tax registration nor paid any service tax as the job work of textile processing is exempt under service tax law. The department alleged that the appellant-2 should have obtained service tax registration and paid appropriate service tax as they are providing Manpower Supply Service.

2.1 After completing investigation, show cause notice dated 19.01.2012 was issued to Appellant-2 demanding service tax of Rs. 16,71,355/- for the period from January, 2011 to September, 2011 under Proviso to Section 73(1) along with interest and penalty under Section 78 of the Finance Act, 1994. The appellant had also been issued a show cause notice dated 24.06.2011 for the period 01.04.2006 to 31.12.2010 by the Commissioner, Central Excise, Customs & ST, Daman on the same issue. In adjudication, the Additional Commissioner vide OIO dated 30.11.2015 confirmed the above demand of service tax under proviso to Section 73 (1) along with interest under Section 75 and equal penalty under section 78 of the Finance Act, 1994.

2.2 Aggrieved with the above order, the Appellant-1 filed appeal before the Commissioner (Appeals) who vide impugned order dated 20.11.2017, upheld

the order of the lower authority and rejected their appeal. Hence, the present appeals before the Tribunal.

3. In their appeal, the appellant-1 took the following grounds:-

- a) The issues are whether they are providing man power supply service or providing job work services relating to textile processing in the matter and whether they are liable to pay service tax on the amount of consideration received by them?
- b) As per Section 65(105) (k) of the Finance Act, 1994, a contract for completing textile processing job work within the premises of various textile companies is not covered as man power recruitment or supply agency service. They entered into job work agreement with M/s Valson Polyesters Ltd which is specific and the scope of work to be executed relates to processing of yarn such as dyeing and hydro.
- c) The agreement clearly mentions that the work is not for supply of manpower. Essence of a contract is material for determining the nature of transaction as held by Hon'ble Supreme Court in the case of Super Poly Fabriks Ltd Vs. CCE Punjab reported at 2008 (10) STR 545 (SC). Similar finding was given by Hon'ble Apex court in the case of State of AP Vs. Kone Elevators (India) Ltd. - 2005 (181) E.L.T. 156 (S.C.) and UOI v. Mahindra & Mahindra Ltd. - 1995 (76) E.L.T. 481 (S.C.).
- d) The processing of goods for, or on behalf of, the client where activity amount to manufacture is not included in the definition of 'Business Auxiliary Service'. Here, "Manufacture" has the same meaning as assigned to it in clause (f) of Section 2 of the Central Excise Act, 1994.
- e) In following cases, it has been held that lump sum work or job work are not covered under "Man Power Recruitment or Supply Agency service":-
 - S.S.Associates Versus CCEx., Bangalore reported in 2010 (19) S.T.R.438 (Tri. Bang)
 - Divya Enterprises Vs. CCEx., Manglore Reported in 2010 (019) S.T.R. 0370 (Tri-Bang)

- Ritesh Enterprise Vs. CCEx., Bangalore reported in 2010 (18) S.T.R. 17 (Tri. -Bang.)
 - In the case of Rameshchandra C. Patel v/s CST [2012(25) STR 471(Tri-Ahmd)]
- f) Entire demand is time barred as the show cause notice has been issued on 13.06.2014 covering demand for the period from 01.07.2009 to 31.03.2011 whereas there are no ingredients to invoke extended period of limitation. They were under bona fide belief that the job work of textile processing under taken by them is exempt from service tax under Notification 14/2004 -ST and Notification No. 29/2008-ST and Notification No. 01/2009-ST.
- g) Penalty cannot be imposed on them under Section 78 of the Finance Act, 1994 as there is no element of suppression, misstatement in their case. It has been held by Hon'ble Gujarat High Court in the case of Steel Cast Ltd. 2011 (21) STR 500 (Guj) that appellant is entitled to entertain the belief that activities were not taxable and therefore, suppression cannot be invoked by the department. Penalty under Section 77 of the Finance Act, 1994 can also not be imposed on them as there is no short payment of service tax. For imposing penalty, there should be an intention to evade payment of service tax on their part which is clearly absent. They rely on the decision of Hon'ble Supreme Court in the case of Hindustan Steel Ltd. v The State of Orissa reported in AIR 1970 (SC) 253 and Pushpam Pharmaceuticals Company Vs. CCE 1995 (78) ELT 401 (SC).
- h) The issue in the present case is of interpretation of statutory provisions and therefore, for this reason also, penalty cannot be imposed on them. They rely on the following cases:-
- Bharat Wagon & Engg. Co. Ltd. v. Commissioner of C.Ex., Patna, (146) ELT 118 (Tri. - Kolkata),
 - Goenka Woollen Mills Ltd. v. Commissioner of C.Ex., Shillong, 2001 (135) ELT 873 (Tri. - Kolkata)

- Bhilwara Spinners Ltd. v. Commissioner of Central Excise, Jaipur, 2001 (129) ELT 458 (Tri. - Del.)

In view of the above, they prayed for allowing their Appeals and setting aside the impugned order.

4. M/s Singh Labour Contractor (Appellant -2) filed appeal before this Tribunal taking the same grounds as in the case of M/s N D Enterprises which for the sake of brevity, are not reproduced. Facts in both the cases are similar and difference is only in respect of processes being undertaken by both the Appellants. The contract in both the cases are for undertaking job work processes in the premises of the principal manufacturer with the help of machinery, raw materials and consumables provided by the principal. Both the matters involving same issue, are therefore taken up together.

5. During hearing, learned Counsel highlighted various case laws to impress that Jobwork Agreements entered into by them with respective Principal manufacturers were for textile processing and not for supply of manpower service. He argued that in case of man power supply service, labour is under the control of the recipient and the consideration is received on per person basis whereas in the instant cases, consideration amount is received on the basis of quantum of work done. As per the contract(s), they are free to use as much man power as required to complete the Jobwork subject to the condition that the work is done by the skilled manpower and is of good quality and completed on time. In case of any damage/ loss to material or to the machines, they, as the job worker are held responsible. He also pleaded that there are catena of judgments in which similar services have been treated as job work and demand of service tax raised by the department under man power supply service have been set aside by the Tribunal. He specifically mentioned final order No. A/11778/2023 dated 23.08.2023 passed by Ahmedabad bench in the case of Shesnath B Singh proprietor of M/s Singh Labour wherein matter has been decided in favour of the appellant by treating

the activity as jobwork instead of manpower supply service as alleged by the department. He pleaded that both the appellants deserve justice in the case and prays for allowing their appeals by setting aside the impugned orders.

6. Countering the arguments, learned AR reiterated the findings of the lower authorities and argued that the appellants have given a list of manufacturing processes claiming to be carried out by them, some of which are related to manufacture but it has not been convincingly proved by the appellant(s) that they have carried out such activity. The appellants have obtained registration with Labour Department for supply of manpower on contract basis and in accordance with that, they have supplied manpower which were at the disposal of the manufacturer, for carrying out the manufacturing activity. As per him, the activity of the appellant is covered under manpower supply service and is liable to service tax.

6.1 Regarding time bar issue, he states that the *bona fide* belief of the Appellants is ill founded as on one hand, they claim to be engaged in Jobwork which amounts to manufacture but at the same time, they claim to be covered by service tax exemption notifications. The appellants were fully aware of the provisions of service tax and knowingly, suppressed the fact of providing services against consideration from the department which Justifies invocation of extended period of limitation. On the same ground, he justifies penalty on the appellants. He relies on the decision of Mumbai Tribunal in the case Viner systems Vs. Commissioner of Central Excise and Customs, Pune – 2005 (191) ELT 105 (Tri.- Mub.) wherein it was held that “blind belief cannot be a substitute for bona fide belief.” Similar finding was given by the Tribunal in the case of Camline Ltd Vs. Commissioner of Central Excise, Mumbai-IV reported at 2009(239) ELT 346 (Tri.- Mumbai). He prayed for upholding the orders of the Commissioner (Appeals) by dismissing both the appeals.

7. We have heard both the sides. We find that this Tribunal in the case of Sheshnath B Singh Proprietor of M/s Singh Labour (who is also appellant in

this case) vide final order No. A/11778/2023 dated 23.08.2023 has held that the services provided by the appellant were of a job worker and not a manpower recruitment or supply service. In the referred case, the appellant during the period from April 2006 to March 2011 was engaged for carrying out various textile processes namely coning, dyeing, hydro, drying and rewinding of Polyester filament yarn, texturizing, twisting, weaving, knitting etc. on behalf of M/s Valson Industries, Vapi on lump sum contract basis.

7.1 We find that services of textile processing on job work basis are involved in both the appeals. The appellants have produced copy of job work contract with their Principals. Salient features of contract dated 27/06/2009 entered into between M/s N D Enterprises and M/s Valson Polyester Ltd for the period 01.07.2009 to 31.06.2010 (which was subsequently extended from 01.07.2010 to 30.12.2010 and thereafter, from 01.01.2011 to 31.12.2011 on same terms and conditions with some variance in Jobwork rates) is as under:-

IT IS AGREED TO ENTER INTO AGREEMENT BETWEEN THE PARTIES ON THE FOLLOWING TERMS AND CONDITIONS:

01. That this agreement is valid for a period of one year commencing from 01/07/2009 to 30/06/2010 which will stand terminated at the end of period unless otherwise extended and or renewed by mutual consent. However, the parties are free to negotiate revised terms and conditions at the time of renewal.
02. That company will pay job work charges per month as per Annexure - I attached to this agreement for Dyeing of Grey yarn and Hydro work of our dyed yarn for different qualities. Revision of the rate would be mutually decided and accordingly payment would be made based on revised Annexure-I effective from decided date.
03. That the Jobworker agrees to execute, fulfill and discharge the work and obligations hereinafter provided in the matter hereinafter agreed, to the entire satisfaction of the Company.
04. That Jobworker will execute and efficiently handle the work entrusted to him in accordance with the specifications to be correctly executed and efficiently handled until it is approved by the Company.
05. That Company will give the grey yarn or dyed yarn cones for dyeing or hydro purpose and machinery required for the purpose of execution of work entrusted to the Jobworker and the Jobworker will properly account for the yarn material as entrusted by the Company and will return the finished product as per specifications.
06. That the Jobworker will do the work in accordance with the sizes, designs and specification as may be given/directed/advised by the Company from time to time. The Jobworker shall adhere to the production schedules made available to him by the Company. If the work done for any of the said goods connected with manufacturing is not up to the required standard and quality of which the Company is the sole judge, the Jobworker shall remake, repair or modify the said goods without any

additional remuneration / compensation or consideration or shall compensate the loss, if any, caused to the Company by negligence or otherwise.

07. That the Jobworker shall take all necessary precautions like a prudent man and shall abide by law and in case any such damage is caused due to the negligence, carelessness, deliberate act or due to the inefficiency by the Jobworker or its worker(s) then the Jobworker shall be responsible for all losses. Any loss caused or suffered by the Company, the Company has right to recover the same with interest from the personal assets of the Jobworker.
08. The Jobworker will maintain proper account of the yarns received for Dyeing and Hydro, provided by the Company for execution and completion of the jobs.
09. That the Company shall not be responsible at all, if any worker or sub jobworker directly or indirectly engaged or working for and on behalf of the Jobworker is injured during working hours by his own negligence/deliberate act or by the negligence of the other associate workers, whether or not engaged by the same jobworker. The Jobworker shall be responsible for all liabilities compensations and other benefits provided under the law to the workers employed/engaged under him. The Jobworker shall not claim any amount in this respect from the Company and Company shall not be liable to pay the same to the Jobworker.
10. The Company will not be entitled to retain any control, supervision or the manner of the discharge, dismissal or retrenchment or re employment of the workers of the Jobworker.
11. The Jobworker will be liable for due observation and implementation of the statutory conditions or requirements of labour laws as applicable to him as well as to his workers.
12. The Jobworker will be free to work anywhere else or to undertake any Jobwork and can also rotate his workers provided that he will remain responsible to the Company for the proper and efficient execution of the jobs entrusted to him.
13. In case the Jobworker or his workers are allowed to work at the premises of the Company, the Jobworker will have no right or lien whatsoever upon the premises and the Jobworker and his workers will move out of the premises at the instance of the Company.
14. The Jobworker shall submit the bills, in a span of monthly basis, for the work executed as per this deed of jobwork. The Company shall effect the verifications of the work executed through the competent person and shall clear the bills within seven days of the verification by the said competent person. The Company shall have all rights to make adjustments from the bills in respect of the amounts due to it from the jobworker of any kind whatsoever,
15. That the Jobworker shall get himself registered under the Acts/Schemes as applicable to him time to time & abide by the same.

16. That in case Jobworker fails to complete the work assigned to him from time to time or any customer complaint to the Company regarding material processed by the Jobworker, he shall be liable for all liquidated and calculated damages suffered or likely to be suffered by the Company and the Company shall be entitled to deduct, the amount due, to the Jobworker, if any, or otherwise.
17. The either party can dissolve this agreement by giving one month advance notice to each other during the agreement period.
18. In the event of non-compliance or breach of any terms of the contract or unsatisfactory or inefficient working, the Company will be at liberty to revoke the contract by a week's notice in writing.
19. The Jobworker is liable to indemnify the Company in respect of any cost or claims that may arise at any time during the tenancy of the contract.

ANNEXURE - 1 TO AGREEMENT EFFECTIVE 01/07/2009.

NATURE/ TYPE OF JOB UNDER TAKEN	RATE PER K.G. (IN RUPEES)
(1) Dyeing Process of Yarn	1.25
(2) Hydro Process of Yarn	1.00
(3)	
(4)	
(5)	

<p>SIGNED FOR AND ON BEHALF OF M/S. N. D. ENTERPRISES</p> <p style="text-align: center;"><i>N. D.</i></p> <hr style="width: 80%; margin: auto;"/> <p style="text-align: center;">(PROPRIETOR)</p>	<p>SIGNED FOR AND ON BEHALF OF M/S. VALSON POLYESTER LIMITED,</p> <p style="text-align: center;"><i>[Signature]</i></p> <hr style="width: 80%; margin: auto;"/> <p style="text-align: center;">(GENERAL MANAGER)</p>
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7.2 Similar contract(s) exist between M/s Singh Labour Contractor and M/s Valson Industries Ltd, Vapi mentioning the terms of the agreement, scope of the work to be done by the Appellant-2 and the jobwork rates. We find that these contracts were analyzed in detail by this Tribunal in the case of the appellant decided vide final order No. A/11778/2023 dated 23.08.2023. Relevant para 4 of the said order is reproduced below:-

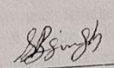
"4. We have carefully considered the submission made by both sides and perused the records. As regard the issue that various activities of textile processing of the appellant in the factory of the service recipient whether classifiable under Manpower Recruitment or Supply Agency Service, we find that as per the contract with Valson Industries, the salient terms of the contract is that the contract is a job work contract which includes the activity of warping,

weaving, mending, knitting and packaging of grey and finished fabrics and texturizing, twisting, reeling, coning, rebinding and packing of grey and dyed finished yarn for different qualities. As per the contract, the charges for job work is as under:

ANNEXURE - 1 TO AGREEMENT EFFECTIVE 01/04/2011.


NATURE/ TYPE OF JOB UNDER TAKEN	RATE PER Meter / K.G. (IN RUPEES)
(Polyester, Cotton and blended Yarn)	
(1) Textile Production	3.65
(2) Knitting	3.75
(Polyester Oriented Yarn & Nylon Filament Yarn)	
(1) Texturising	1.00
(Polyester and Nylon Yarn)	
(1) Twisting of Yarn (Multiple Count)	1.75
(2) Twisting of Yarn (Single Count)	2.80
(3) Twisting of Yarn (Single Count) High Twist	4.05
(4) Twisting of Yarn (Heavy Count)	2.25
(5) Conning (Single Count)	2.45
(6) Conning (Single Count)	2.00
(7) Reeling (Single Count)	3.50
(8) Reeling (Multi Count)	2.45
(9) Nylon Conning (Single Count)	3.50
(10) Nylon Conning (Multi Count)	2.45
(11) Rewinding	3.50

SIGNED FOR AND ON BEHALF OF
OFM/S. SINGH LABOUR CONTRACTORS



(PROPRIETOR)

SIGNED FOR AND ON BEHALF
M/S. VALSON POLYESTER LIMITED,



(GENERAL MANAGER)

4.1 From the nature of job work and the service charge therefor, it is clear that the contract remotely does not indicate that the activity of the appellant is of Manpower supply or recruitment service. As per the contract, the appellant is supposed to carry out various textile processing activities for which, payment is fixed on per metre/per kg basis irrespective of the number of manpower deputed for the said job work. This issue has been clarified by the board vide Circular No. 190/2015 – ST dated 15.12.2015. The same is reproduced below: -

"Sub:- Applicability of service tax on the services received by apparel exporters in relation to fabrication of garments - reg.

It has come to the notice of the Board that certain field formations are taking a view that service tax is payable on services received by the apparel exporters from third party for job work. Apparently field formations are taking a view that the services received by apparel exporters is of manpower supply, which neither falls under the negative list nor is specifically exempt. However, trade is of the view that the services received by them is of job work involving a process amounting to

manufacture or production of goods, and thus would fall under negative list [section 66D (f)] and hence would not attract service tax.

2. The matter has been examined. The nature of manpower supply service is quite distinct from the service of job work. The essential characteristics of manpower supply service are that the supplier provides manpower which is at the disposal and temporarily under effective control of the service recipient during the period of contract. Service provider's accountability is only to the extent and quality of manpower. Deployment of manpower normally rests with the service recipient. The value of service has a direct correlation to manpower deployed, i.e., manpower deployed multiplied by the rate. In other words, manpower supplier will charge for supply of manpower even if manpower remains idle.

2.1 On the other hand, the essential characteristics of job work service are that service provider is assigned a job e.g. fabrication/stitching, labeling etc. of garments in case of apparel. Service provider is accountable for the job he undertakes. It is for the service provider to decide how he deploys and uses his manpower. Service recipient is concerned only as regard the job work. In other words service receiver is not concerned about the manpower. The value of service is function of quantum of job work undertaken, i.e. number of pieces fabricated etc. It is immaterial as to whether the job worker undertakes job work in his premises or in the premises of service receiver.

3. Therefore, the exact nature of service needs to be determined on the facts of each case which would vary from case to case. The terms of agreement and scope of activity undertaken by the service provider would determine the nature of service being provided. A typical agreement that has been forwarded by the Apparel Export Promotion Council in respect of outsourced services contains following terms and condition,-

- a. The contractor (service provider) is engaged for undertaking specific jobs.*
- b. The contractor is at liberty to decide the number of workers which are required for undertaking the jobs.*
- c. The job worker may undertake job in his premises or in the premises of service receiver;*
- d. Value of service is payable on per piece basis, depending upon item and style;*
- e. Service provider is liable to compensate the service recipient if the work is not as per the standard norm;*

f. In case the work is executed by service provider at the site of service recipient, the service provider would indemnify the service receiver of any loss to inputs and infrastructure

g. The employee deployed for the assigned job would be under the control/supervision of the service provider.

h. Payment would be at agreed piece rate basis.

Plain reading of this agreement makes it an agreement of job work applying the criterion outline in para 2 above.

4. However, every job work is not covered under the negative list. If the job work involves a process on which duties of excise are leviable under section 3 of the Central Excise Act, 1944, it would be covered under negative list in terms of Section 66D(f) read with section 65B (40) of the Finance Act, 1994.

5. The issue of applicability of service tax may accordingly be decided taking into account the nature of agreement/contract and the service being provided.

6. All concerned are requested to acknowledge the receipt of this circular.

7. Trade Notice/ Public Notice to be issued. Difficulty if any, in the implementation of the circular should be brought to the notice of the Board. Hindi version would follow"

4.2 It is observed that the appellant have fulfilled all terms and conditions as prescribed under Para 3 of the above circular. Accordingly, the activity of the appellant clearly does not fall under the service of Manpower supply or recruitment service. Therefore, the demand on this count is not sustainable.

7.3 We find that the issue is no more res-integra as the matter has been decided by the Tribunal in several other cases as well as by this Tribunal in one of the cases of the Appellant-2. As the terms and conditions of the contract in present case are same as discussed in above referred decision, we find no reason to differ with above findings. Aggreging with the above, we hold that demand of service tax on both the appellants is not sustainable on merits. Therefore, without going into limitation issue, we set aside orders-in-appeal bearing No. CCESA-SRT-APPEALS-PS-281-2017-18 dated 20.11.2017 & CCESA-AUDIT-SRT-VK-096-2017-18 dated 24.04.2018 and allow both the appeals.

8. Appeals are allowed.

(Pronounced in the open court on 24.12.2025)

**(Dr. AJAYA KRISHNA VISHVESHA)
MEMBER (JUDICIAL)**

**(SATENDRA VIKRAM SINGH)
MEMBER (TECHNICAL)**

Raksha