

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

REGIONAL BENCH - COURT NO. 2

Service Tax Appeal No.20524 of 2019

(Arising out of Order-in-Appeal No.TVM-EXCUS-000-APP-18-2019 dated 22.01.2019 passed by the Commissioner of Central Tax, Central Excise and Customs (Appeals), Kochi.)

M/s. GAV Enterprises,
API/343 B, Aroor,
Alappuzha-688005,
Kerala.

Appellant(s)

VERSUS

**Commissioner of Central Tax
and Central Excise,**
C.R. Building, I.S. Press Road,
Cochin-682 018.
Kerala.

Respondent(s)

APPEARANCE:

Mr. Jos Jacob, Advocate for the Appellant.

Mr. Vikalp Jain, Superintendent (AR) for the Respondent.

CORAM:

**HON'BLE MR. P.A. AUGUSTIAN, MEMBER (JUDICIAL)
HON'BLE MRS. R. BHAGYA DEVI, MEMBER (TECHNICAL)**

FINAL ORDER NO. 21981 / 2025

DATE OF HEARING: 21.11.2025
DATE OF DECISION: 21.11.2025

PER: R. BHAGYA DEVI

Briefly the facts are that the appellant M/s. GAV Enterprises are engaged in the business of selling of sea food products, supplying of manpower etc. The show-cause notice was issued demanding service tax under the category of

Manpower Recruitment and Supply Agency services for the period from 2011-12 to 2013-14. Before the Commissioner (Appeals), the dispute was regarding valuation and whether the peeling activity was exempted service and the Commissioner (Appeals) confirmed the demand on peeling activity alone w.e.f. 01.07.2012, on this the appellant has filed this appeal.

2. The Learned Counsel has submitted that peeling service is an exempted service on the ground that it is covered under the negative list under Section 66D(d) of the Finance Act, 1994.

3. The Authorised Representative reiterated the findings of the Commissioner (Appeals).

4. Heard both sides. The only ground on which the authorities considered that the peeling services do not qualify as exempted service is on the ground that the appellants activities are not carried out in an agricultural farm but in a factory. Further, Notification No. 25/2012 -ST is denied on the ground that if only the shrimps are produced by agriculture were allowed for the exemption. For better appreciation, Section 66D(d) and Section 65B(3), 65B(5) of the Finance Act, 1994 are reproduced below:

Section 66D(d) – Services relating to agriculture or agricultural produce by way of

(iii) processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market;”

Section 65B(3) – ‘agriculture’ means the cultivation of plants and rearing of all life forms of animals except the rearing of horses, for food, fibre, raw material or other similar products;

Section 65B(5) ‘agriculture produce’ means any produce of agriculture on which either no processing is done or such processing is

done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market.

[Notification No. 25/2012-S.T., dated 20-6-2012]

In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the said Act) and in supersession of notification number 12/2012-Service Tax, dated the 17th March, 2012, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R. 210(E), dated the 17th March, 2012, the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts the following taxable services from the whole of the service tax leviable thereon under section 66B of the said Act, namely :-

30. Carrying out an intermediate production process as job work in relation to -

(a) agriculture, printing or textile processing;

5. From the above definitions and the notification there is no doubt that peeling of shrimps is an intermediate production process for making it marketable. The notification clears exempts such services. The appellant has also placed on record an affidavit dated 12.10.2017 filed before the Commissioner (Appeals) to state that the peeling process is from the certified farms. We find that the appellant is eligible for the benefit of the notification. Accordingly, the impugned order is set aside and the Appeal is allowed.

(Operative portion of the order was pronounced
in Open Court on conclusion of hearing.)

**(P.A. AUGUSTIAN)
MEMBER (JUDICIAL)**

**(R. BHAGYA DEVI)
MEMBER (TECHNICAL)**