

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

REGIONAL BENCH - COURT NO. 1

Service Tax Appeal No. 21602 of 2018

(Arising out of Order-in-Appeal No.COC-EXCUS-000-APP-503-2018 dated 25.05.2018 passed by the Commissioner of Central Tax & Central Excise (Appeals), Kochi.)

M/s. Royal Projects Group

1st Floor, Palace Arcade,
Stadium Junction,
Thripunithura,
Kochi - 682 301.

Appellant(s)

VERSUS

**The Commissioner of Central Taxes
and Central Excise**

C.R. Building, I.S. Press Road,
Cochin - 682 301.

Respondent(s)

APPEARANCE:

Shri P. Satheesan, Advocate for the Appellant.

Shri Rajashekar B.N.N, Superintendent (AR) for the Respondent.

**CORAM: HON'BLE DR. D.M. MISRA, MEMBER (JUDICIAL)
HON'BLE MRS. R. BHAGYA DEVI, MEMBER
(TECHNICAL)**

FINAL ORDER NO. 22048 / 2025

DATE OF HEARING: 17.12.2025

DATE OF DECISION: 17.12.2025

PER: DR. D.M. MISRA

Heard both sides. This is an appeal filed against Order-in-Appeal No.COC-EXCUS-000-APP-503-2018 dated 25.05.2018 passed by the Commissioner of Central Tax & Central Excise, Kochi.

2. Briefly stated the facts of the case are that the appellants are engaged in providing taxable services of 'Construction of Residential Complex', 'Works Contract' service and 'Renting of Immovable Property' service, etc. During the relevant period, they have claimed deduction from the value of the taxable services received to the extent of 16.59% while discharging service tax under 'Works Contract' service. Show-cause notice was issued to them denying the said deductions and proposal for recovery of the differential service tax amounting to Rs.5,63,300/-. On adjudication, the demand was confirmed with interest and penalty. Aggrieved by the said order, they filed an appeal before the learned Commissioner (A), who has partially allowed the appeal to the extent of allowing deductions of service tax paid by the appellant from the cum-duty price. Hence, the present appeal.

3. At the outset, the learned advocate for the appellant has submitted that in an earlier adjudication vide Order-in-Original No.227/2016-ST dated 23.09.2016 for the previous period, the adjudicating authority had allowed 12.22% as deduction from the gross amount collected by the appellant from the flat buyers which included service tax, VAT, Sales Tax and other statutory levies made by the appellant. He submits that, in the present case also, the deductions to the extent of 12.22% should have been allowed. He has fairly admitted that the Appellant had not filed any documents/evidence in support of their claim that they had discharged VAT and other statutory levies. He submits that the learned Commissioner (A) has rejected their claim only on the ground of non-production of documents/evidence indicating payment of other taxes and statutory levies and disallowed the deductions from the gross taxable value. He submits that now they have enclosed all documents evidencing payments made

towards taxes like VAT, sales tax and other statutory levies which are deductible from the gross value.

4. The learned Authorised Representative (AR) for the Revenue reiterating the findings of the learned Commissioner (A) submitted that these documents have not been placed before the original authority/first appellate authority and needs verification.

5. We find merit in the contention of the learned Authorised Representative (AR) for the Revenue. The learned Commissioner (A) in absence of supporting document/evidence rejected the claim advanced by the Appellant. Thus, the appeal is now remanded to the adjudicating authority to examine/verify the documents now placed before this Tribunal claiming deductions on account of payment of VAT, sales tax and other statutory levies in the light of earlier order dated 23.09.2016 passed by the adjudicating authority, where appellant's claim has been accepted by the department. All issues are kept open. Needless to mention a reasonable opportunity of hearing be allowed to the Appellant. Appeal is allowed by way of remand to the adjudicating authority.

(Dictated and pronounced in Open Court)

(D.M. MISRA)
MEMBER (JUDICIAL)

(R. BHAGYA DEVI)
MEMBER (TECHNICAL)

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