

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

REGIONAL BENCH - COURT NO. 2

Service Tax Appeal No. 1764 of 2011

[Arising out of Order-in-Original No. 07/2011/ST dated 31.03.2011 passed
by the Commissioner of Central Excise, Customs & Service Tax, Cochin]

Ab Tek Constructions

Kanjirathinkal House
Kattadi Nagar, Udayamperoor P.O
Ernakulam – 682 307

..... **Appellant(s)**

VERSUS

**Commissioner of Central Excise,
Customs and Service Tax, Cochin**

C.R. Building, I.S. Press Road
Ernakulam
Cochin – 682 018

..... **Respondent(s)**

WITH

Service Tax Appeal No. 26910 of 2013

[Arising out of Orders-in-Original No. 28 & 29/2013 ST dated 21.03.2013
passed by the Commissioner of Central Excise, Customs & Service Tax,
Cochin]

Ab Tek Constructions

Kanjirathinkal House
Kattadi Nagar, Udayamperoor P.O
Ernakulam – 682 307

..... **Appellant(s)**

VERSUS

**Commissioner of Central Excise,
Customs and Service Tax, Cochin**

C.R. Building, I.S. Press Road
Ernakulam
Cochin – 682 018

..... **Respondent(s)**

AND

Service Tax Appeal No. 26911 of 2013

[Arising out of Orders-in-Original No. 28 & 29/2013 ST dated 21.03.2013
passed by the Commissioner of Central Excise, Customs & Service Tax,
Cochin]

Ab Tek Constructions

Kanjirathinkal House
Kattadi Nagar, Udayamperoor P.O
Ernakulam – 682 307

..... **Appellant(s)**

VERSUS

**Commissioner of Central Excise,
Customs and Service Tax, Cochin**

C.R. Building, I.S. Press Road
Ernakulam
Cochin – 682 018

..... **Respondent(s)**

APPEARANCE:

Mr. Rishab J., and Ms Dhanyatha R., Advocates for the Appellant
Mr. M.A. Jithendra, Authorized Representative (AR) for the Respondent

CORAM:

Hon'ble Mr. P.A. Augustian, Member (Judicial)
Hon'ble Mr. Pullela Nageswara Rao, Member (Technical)

FINAL ORDER NOS. 20452 - 20454 / 2026

Date of Hearing: 25.03.2026
Date of Decision: 25.03.2026

Per: Pullela Nageswara Rao

These 3(three) appeals are filed against the respective Orders-in-Original passed by the Commissioner of Central Excise, Customs & Service Tax, Cochin.

2. The details of the appeals are as under:

Sl. No.	Appeal No.	O-I-O No. & Date	Period involved	Amounts involved (Rs.)
1	ST/1764/2011	07/2011-ST dated 31.03.2011	10/2008 to 09/2009	Rs. 54,81,558/- a/w interest u/s 75 and penalty of Rs. 200/- per day u/s. 76 & Rs. 5000/- u/s. 77
2	ST/26910/2013	28 & 29/2013-ST dated 21.03.2013	04/2011 to 03/2012	Rs. 47,80,644/-(Works Contract) Rs. 11,05,937/- (Commercial Construction) along with interest u/s 75 and penalty of Rs. 200/- per day u/s 76 & Rs. 5,000/- u/s. 77
3	ST/26911/2013	28 & 29/2013-ST dated 21.03.2013	07/2010 to 03/2011	Rs. 34,62,213/- (Works Contract) Rs. 27,78,896/- (Commercial Construction) a/w interest u/s 75 and penalty of Rs. 200/- per day u/s. 76 & Rs. 5,000/- u/s. 77

3. Briefly stated, the facts of the present case are that the Appellant is a partnership firm engaged in providing works contract services and had obtained Service Tax registration under service categories of "Works Contract", "Construction of Commercial or Industrial and Civil Structures", and "Construction of Residential Complex". The Appellant during the relevant period filed ST-3 returns in respect of "Works Contract Service", "Construction of Commercial or Industrial and Civil Structures", and "Construction of Residential Complex and paid Service Tax accordingly for the amounts received during the said period. The Appellant during the relevant period has entered into contract agreements with prospective customers for providing works contract services involving provision of both goods and Services. As per the agreements entered with the majority of the customers, mostly, Cement and Steel are provided by the customers of the Appellant 'free of cost' and the Appellant was required to provide all other materials for the construction. The Appellant for all of the services, except works contract, since sale of goods was involved along with provision of services, claimed eligible abatement under Notification No. 01/2006-ST dated 01.03.2006 and discharged Service Tax on the same. Additionally, the Appellant opted for payment of Service Tax under composition scheme in respect of 'Works Contract service'. The Appellant, thus had been discharging their Service Tax liability on the 'Works Contract Service' provided under the Works Contract (Composition Scheme for Payment of Service Tax) Rules, 2007 ("Composition Scheme") in respect of the ongoing projects commenced prior 01.06.2007. The Appellant also submitted a letter dated 18.02.2008 to the Respondent informing the Appellant's option to pay service tax under Composition Scheme. The Appellant during the relevant period also declared the turnover and paid tax under Kerala Value Added Tax ("Kerala VAT). The Appellant opted for payment of tax at compounded rate for the majority of the projects undertaken by them without bifurcation of the goods and service portion and paid at flat rate of 3% on the amount received.

4. The Department alleging that for the period October 2008 to September 2009, the Appellant is not eligible to opt for Composition

scheme for payment of Service Tax since the conditions laid down under the Rules are not satisfied and therefore liable to pay Service Tax under the category of "Commercial or Industrial Construction Service /Construction of residential complex service". Additionally, it was also alleged that the Appellant is not eligible for abatement since they have not included the value of cement and steel etc., provided by their customers issued a show cause notice (SCN) dated 10.03.2010. On adjudication, impugned Order dated 31.03.2011 confirmed the demand and held that; in terms of Circular No. 98/1/2008 dated 04.01.2008, vivisectioning a single composite service and classifying the same under two different taxable services depending upon the time of receipt of consideration is legally not sustainable. The same was reiterated in Circular No. 128/10/2010-ST dated 24.08.2010. Additionally, the Hon'ble Andhra Pradesh High Court in **Nagarjuna Construction Company Vs. Government of India (2010 (19) STR 321 AP)** has upheld the validity of the said Circulars. Therefore the Appellant is not eligible for the benefit of the Composition scheme. The Appellant is not eligible for the abatement provided under Notification No. 01/2006-ST dated 01.03.2006, since the cost of cement and steel provided by the Customers of the Appellant is not included in the gross amount charged. Appellant having registration under 'Construction of Commercial or Industrial and Civil Structure' has provided service under the said heading and not under "Works Contract Services". Therefore, liable to pay service tax of Rs. 54,81,558/- along with interest and proposed imposition of penalties. Further, for the period July 2010 to March 2011, on the similar grounds as stated for the earlier period, the Respondent held that the Appellant has received an amount of Rs. 3,36,13,717/- against the service provided under the category of 'Works Contract Service' and Rs. 2,69,79,570/- against the service provided under 'Construction of Commercial or Industrial and Civil Structure' and demanded a total service tax of Rs. 34,62,213/- along with interest and proposed imposition of penalties. Further for the period April 2011 to March 2012, on the similar grounds as stated for the earlier period, alleged that the Appellant has evaded the Service Tax payment of

Rs. 47,80,644/ under the category of 'Works Contract Service' (Rs. 11,05,937/-) and under the category of 'Construction of Commercial or Industrial and Civil Structure'. The Respondent has also alleged that the Appellant is not eligible for the abatement under Notification No. 1/2006-ST dated 01.03.2006 on the ground that the value of the cement and steel supplied free of cost by the customers of the Appellant is not included in the value. On adjudication the above demands were confirmed along with interest and penalties were imposed under the relevant provisions of the Finance Act, 1994. Aggrieved by the above impugned orders the Appellant filed these 3(three) appeals before the Tribunal.

5. Learned Counsel for the appellant during the hearing submits that the activity undertaken by the appellant is classifiable under the category of 'Works Contract Service' and hence the demands raised under other heads are not sustainable. Learned Counsel submitted that vide Finance Act, 2007, the concept of "works contract" was introduced vide Section 65(105)(zzzza) of the Finance Act, 1994, w,e.f 01.06.2007. The relevant portion of the said provision is extracted below:

"(zzzza) to any person, by any other person in relation to the execution of a works contract, excluding works contract in respect of roads, airports, railways, transport terminals, bridges, tunnels and dams

Explanation: For the purposes of this sub-clause, "works contract" means a contract wherein,

(i) transfer of property in goods involved in the execution of such contract is leviable to tax as sale of goods, and

(ii) Such contract is for the purposes of carrying out,-

(a) Erection, commissioning or installation of plant, machinery, equipment or structures, whether pre-fabricated or otherwise, installation of electrical and electronic devices, plumbing, drain laying or other installations for transport of fluids, heating, ventilation or air-conditioning including related pipe work, duct work and sheet metal work, thermal insulation, sound

insulation, fire proofing or water proofing, lift and escalator, fire escape staircases or elevators;

(b) Construction of a new building or a civil structure or a part thereof, or of a pipeline or conduit, primarily for the purposes of commerce or industry, or

(c) Construction of a new residential complex or a part thereof, or

(d) Completion and finishing services, repair, alteration, renovation or restoration of, or similar services, in relation to (b) and (c); or

(e) Turnkey projects including engineering, procurement and construction or commissioning (EPC) projects;"

[emphasis supplied]

6. The Learned Counsel submits that on perusal of the aforesaid provision, it can be understood that works contract intends to cover activities which involve -

- a. Transfer of property in goods,
- b. Construction of new building, residential apartment, etc.,

7. The Learned Counsel submits that on a perusal of the aforesaid definition, it can be concluded that the activity undertaken by the Appellant which involves both sale of goods and construction of buildings would be covered by the same. In this regard, reliance is placed on the case of **Commissioner of C. Ex. and Cus., Kerala Vs. Larsen & Toubro, [2015 (39) STR 913 (SC)]**, wherein it was held as follows:

"17. We find that the assesseees are correct in their submission that a works contract is a separate species of contract distinct from contracts for services simpliciter recognized by the world of commerce and law as such, and has to be taxed separately as such. In Gannon Dunkerley, 1959 SCR 379, this Court recognized works contracts as a separate species of contract as follows:-

"To avoid misconception, it must be stated that the above conclusion has reference to works contracts, which are entire and indivisible, as the contracts of the respondents have been held by the learned Judges of the Court below to be. The several forms which such kinds of contracts can assume are set out in Hudson on Building Contracts, at p. 165. It is possible that the parties might enter into distinct and separate contracts, one for the transfer of materials for money consideration, and the other for payment of remuneration for services and for work done. In such a case, there are really two agreements, though there is a single instrument embodying them, and the power of the State to separate the agreement to sell, from the agreement to do work and render service and to impose a tax thereon cannot be questioned, and will stand untouched by the present judgment."

8. The Learned Counsel submits that the aforesaid decisions have been followed in the following cases-

- (i) Commissioner of Central Excise and Service Tax Vs. Interarch Buildings Products Pvt. Ltd. - 2023 (73) GSTL 433 (SC)**
- (ii) M/s. Jyoti Sarup Mittal Vs. Commissioner of Central Tax, GST, Delhi-East, (2024) 14 Centax 122 (Tri. - Del.)**
- (iii) Bajrang Lal Gupta Vs. Commissioner of Central Excise (2023) 9 Centax 199 (Tri. - Chan.)**

9. Learned Counsel also placed reliance on the decision of this Hon'ble Tribunal in Appellant's own case for the period 10.09.2004 to 30.09.2007 and 16.06.2005 to 30.09.2007, wherein the Appellant had challenged the Order demanding Service Tax under 'Commercial Construction' and 'Residential Construction'. This Hon'ble Tribunal observed that the contracts entered into by the Appellant with its customers are composite contracts and includes portion of goods and

services therefore held that demand of tax on the same prior to introduction of works contract service is not sustainable.

10. The Learned Counsel submits that on a perusal of the aforesaid submissions, the activity undertaken by them, i.e, a contract which involves both sale of goods and materials as well as provision of service, would qualify as 'works contract'. The activity undertaken by the appellant does not come within the scope of "Commercial or Industrial Construction" and "Construction of Residential Complex".

11. The Learned Counsel submits that they are not engaged in providing services which are taxable under 'commercial construction' or 'residential construction'. In this regard, he submitted that the relevant definitions of the said services as provided under the Finance Act reads as under:

Sl. No.	Section	Definition
1.	Section 65(25b)	<i>"commercial or industrial construction" means-</i> <i>(a) construction of a new building or a civil structure or a part thereof, or</i> <i>(b) construction of pipeline or conduit; or</i> <i>(c) completion and finishing services such as glazing, plastering, painting, floor and wall tiling, wall covering and wall papering, wood and metal joinery and carpentry, fencing and railing, construction of swimming pools, acoustic applications or fittings and other similar services, in relation to building or civil structure; or</i> <i>(d) repair, alteration, renovation or restoration of, or similar services in relation to, building or civil structure, pipeline or conduit, which is-</i> <i>(i) used, or to be used, primarily for; or</i> <i>(ii) occupied, or to be occupied, primarily with; or</i> <i>(iii) engaged, or to be engaged, primarily in, commerce or industry, or work intended for commerce or industry,</i>

		<i>but does not include such services provided in respect of roads, airports, railways, transport terminals, bridges, tunnels and dams;</i>
2.	Section 65(30a)	<i>"construction of complex" means- (a) construction of a new residential complex or a part thereof, or (b) completion and finishing services in relation to residential complex such as glazing, plastering, painting, floor and wall tiling, wall covering and wall papering, wood and metal joinery and carpentry, fencing and railing, construction of swimming pools, acoustic applications or fittings and other similar services; or (c) repair, alteration, renovation or restoration of, or similar services in relation to, residential complex;</i>

12. The Learned Counsel submits that on perusal of the above definitions, it is clear that only service simpliciter which does not involve transfer of goods will be covered under the said category. In this regard, he placed reliance on Hon'ble Supreme Court's decision in **Commissioner of C. Ex. and Cus., Kerala Vs. Larsen & Toubro (supra)**, wherein it was held that works contract is special species of contract distinct from a contract of service simpliciter. It was held in this case that the "gross amount charged" is applicable for services provided and not the gross amount of the works contract as a whole:

"41.... Further, the finding that Section 67 of the Finance Act, which speaks of "gross amount charged", only speaks of the "gross amount charged" for service provided and not the gross amount of the works contract as a whole from which various

deductions have to be made to arrive at the service element in the said contract. We find therefore that this judgment is wholly incorrect in its conclusion that the Finance Act, 1994 contains both the charge and machinery for levy and assessment of service tax on indivisible works contracts."

13. The Learned Counsel submits that the manner of classification of services is specifically provided in Section 65A of the Finance Act and classification of a service must be done in accordance with the provision of the said section. The relevant portion of section 65A is extracted below:

65 A. Classification of taxable services;

(1) For the purpose of this Chapter, classification of taxable services shall be determined according to the terms of the sub clauses of clause (105) of Section 65.

(2) When for any reason, a taxable service is, prima facie, classifiable under two or more sub-clause of clause (105) of section 65, classification shall be effected as follows:

(i) the sub-clause which provides the most specific description shall be preferred to sub-clauses providing a more general description;

(ii) composite services consisting of a combination of different services which cannot be classified in the manner specified in clause (a), shall be classified as if they consisted of a service which gives them their essential character, in so far as this criterion is applicable;

(iii) when a service cannot be classified in the manner specified in clause (a) or clause (b), it shall be classified under the sub-clause which occurs first among the sub-clauses which equally merit consideration."

14. Learned Counsel for the Appellant submitted that the contracts entered into by the Appellant are composite in nature and by applying the Section 65A, *ibid*, the services provided by the Appellant are liable to be classified under 'works contract service' alone. Thus, demand confirmed under the category of 'Commercial or Industrial Construction' or "Construction of Residential Complex" is not sustainable.

15. The learned Counsel for Appellant submits that the activity undertaken by them is under the category of 'Works Contract service' which is completely different from the head under which the service tax demand is raised, hence making the entire demand liable to be quashed. The Learned Counsel for the Appellant in this regard, placed reliance on the decision of the Hon'ble CESTAT, Mumbai bench in the case of **M/s. Ajit India Pvt. Ltd. Vs. Commissioner of Service Tax reported in 2018 (19) GSTL 659 (Tri. Mumbai)**, wherein the Hon'ble Tribunal concluded that the demand of tax does not sustain, since it had not been raised under the correct head for the period after 01.06.2007. Further, the Hon'ble Supreme Court has upheld the order of the Tribunal in **Commissioner of Service Tax Vs. Ajit India Pvt. Ltd. reported in (2023) 8 Centax 152 (SC)**. Learned Counsel further placed reliance on the Hon'ble CESTAT, Chandigarh Bench in the decision of **Raj Inter Décor Pvt. Ltd. Vs. Commissioner of Central Excise and Service Tax reported in - (2023) 17 Centax 116 (Tri. - Chan)**, wherein the Hon'ble Tribunal recognized that the service rendered by the appellant therein was under a composite contract and further the demand raised for the subsequent period i.e. after 01.06.2007 cannot also be sustained having been raised under a wrong head. He submits that the above decisions are squarely applicable to the facts and circumstances of the case of the Appellant and that in the present case, the learned Commissioner erred in raising the tax demand under the head 'Commercial or Industrial Construction Services' although the activity undertaken by the Appellant comes under "Works Contract Services". In the light of the above, it is submitted that the Appellant is not liable to pay any tax demanded under 'Commercial or

Industrial Construction Services' as the said tax demand is raised and confirmed under the wrong head.

16. Learned Counsel submits that they have discharged Service Tax under Composition scheme. Further, the Appellant has discharged Kerala VAT for the majority portion under compounded rate of tax and therefore is eligible for the abatement of 67% with respect to the value of the goods portion in the composite contract. The learned Counsel for the Appellant submitted that for the purposes of paying Service Tax, the Appellant was entitled to avail benefit provided under Notification No. 1/2006-ST dated 01.03.2006. The said Notification provides for abatement of 67% from the gross amount charged for the purpose of payment of Service Tax. In this regard, the learned Counsel for the Appellant placed reliance on the decision of the Hon'ble Ahmedabad Tribunal in the case of **P&H Associates Vs. Commissioner of Central Excise and Service Tax, Vadodara reported at (2024) 15 Centax 411 (Tri-Ahm.)** wherein it was held that for the period 2008 to 2012, assessee therein was eligible for abatement of 67% under Notification No. 1/2006-ST dated 01.03.2006 from the gross value charged from their client. In this regard also he placed reliance on the decision of the Calcutta Tribunal in the case of **Heavy Engineering Corporation Ltd Vs. Commissioner of CGST and Excise, Ranchi reported at (2023) 8 Centax 287 (Tri-Cal)** wherein it was held that for the period post 01.06.2007, works contract service was eligible for availing 67% abatement under Notification No. 1/2006-ST dated 01.03.2006. The aforesaid decision of the Hon'ble Tribunal has been affirmed by the Hon'ble Supreme Court in the case of **Principal Commissioner of CGST and Excise, Ranchi Vs. Heavy Engineering Corporation Ltd reported at (2003) 8 Centax 288 (SC)**. Learned Counsel submits that in line with the above decisions, the Appellant is eligible for an abatement of 67% from the gross value charged. Accordingly, after applying this abatement, the 4% Service Tax paid by the Appellant exceeds the amount of Service Tax that was actually payable.

17. Learned Counsel submits that the value of materials (steel and cement) supplied to them free of cost by the service recipient is not includible in the taxable value. The Respondent in impugned order has confirmed the demand of Service Tax on 100% of the gross amount charged contending that eligibility to abatement is lost when free supplies are received. In this regard, the learned Counsel for the appellant placed reliance on the decision in the case of **M/s. Bhayana Builders (P) Ltd. v. Commissioner of Service Tax, Delhi, 2013 (32) STR 49 (Tri. -LB)** affirmed by the Hon'ble Supreme Court in **Commissioner of Service Tax v. Bhayana Builders (P) Ltd. 2018 (10) GSTL 118 (SC)**, wherein the core issue was similar in nature i.e.:

"whether Notification No. 15/2004-ST. as amended by Notification No. 4/2004-S.T. and in particular, the 'Explanation' thereby appended to Notification No. 15/2004-ST requires the value of "free supplies" by the service recipient to be added to the gross value of the service (as the gross amount charged), for availment of abatement benefits under Notification No. 15/2004-ST."

The Larger Bench in the abovementioned case has held as follows:

"16. In conclusion we answer the reference as follows:

(a) The value of goods and materials supplied free of cost by service recipient to the provider of the taxable construction service, being neither monetary or non-monetary consideration paid by or flowing from the service recipient, accruing to the benefit of service provider, would be outside the taxable value or the gross amount charged, within the meaning of the later expression in Section 67 of the Finance Act, 1994; and

(b) Value of free supplies by service recipient do not comprise the gross amount charged under Notification No. 15/2004-S.T., including the Explanation thereto as introduced by Notification No. 4/2005-S.T."

18. In the light of the above, the learned Counsel for the Appellant submits that the value of goods and materials obtained 'free of cost' from their customers are rightly not includible in the gross amount charged. It is further submitted that an exemption Notification cannot enjoin a condition that the value of free supplies must also go into the gross amount charged for valuation of the taxable service.

19. Learned Counsel further submits that the Parliament derives the powers to levy Service Tax from Entry 92C of List-I of the Seventh Schedule to the Constitution of India and consequently the States are barred from demanding any sales tax on such activities as they are covered by the said Entry. It is submitted that Article 246 of the Constitution of India has clearly divided the powers of legislation by the Union Government and the State Governments and in respect of matters enumerated in List I of the Seventh Schedule, it is only the Parliament which has exclusive power to make laws and State Governments cannot make any laws and pursuant to the same under Article 246 read with List I of the Seventh Schedule, the Parliament has enacted the Finance Act, 1994 which levies service tax on service portion of various activities. Any attempt on the part of the State Government to levy value added tax on the same activity which is already covered by the entry in List I of the Seventh Schedule to the Constitution, would be ultra vires Article 246 of the Constitution of India and consequently, the State Government would not be empowered to levy VAT and vice versa, i.e the Parliament is not authorized to levy Service Tax on the value attributable to sale of goods.

20. Learned Counsel further submits that in the present case, however, the Department by rejecting abatement has demanded tax on the entire receipt from 'works contract services' which is clearly contrary to settled position of law. In this regard, the learned Counsel for the Appellant placed reliance on the following decisions-

- i. Sobha Developers Ltd. Vs. Commissioner of Central Excise and Service Tax, Bangalore reported at 2010 (19) S.T.R. 75 (Tri-Bang),** affirmed by Hon'ble Supreme Court in

**Commissioner Vs. Sobha Developers Ltd., - 2017 (49)
S.T.R. J26 (S.C.).**

**ii. Bharat Sanchar Nigam Ltd. Vs. Union of India, - 2006 (2)
S.T.R. 161 (S.C.).**

**iii. Commissioner of Service Tax, Delhi Vs. Quick Heal
Technologies Ltd., - 2022 (63) GSTL 385 (SC)**

**iv. Ocean Interior Ltd. Vs. Commissioner of GST and Central
Excise, Chennai - (2023) 10 Centax 208 (Tri-Mad)**
affirmed by the Hon'ble Supreme Court in case of
**Commissioner of GST and Central Excise, Chennai Vs.
Ocean Interior Ltd. - (2023) 10 Centax 209 (SC)**

21. The learned Authorized Representative for the Revenue reiterated the findings of the Commissioner in the impugned orders.

22. Heard both sides and perused the records.

23. We find that and all the 3(three) cases the period involved is after 01.07.2007 that is after the introduction of 'works contract service'. We find that the demands were raised under the service category of 'commercial and industrial construction' / 'Construction of Complex' CICS/CoC services as per the details mentioned in Para 2, supra. We also find that the appellant has paid service tax under works contract service after availing the benefit of abatement under Notification No. 01/2006-ST dated 01.03.2006. The case of the department is that the appellant has availed the composition scheme while paying the service tax under the category of works contract service and that they are not eligible for the benefit of composition scheme as they have been supplied with 'free of cost' material, cement and steel by their customers. Therefore, the value of the free supply material needs to be added to the taxable value for payment of service tax. As a consequence of the above the differential service tax payable has been computed as detailed in table at Para 2, supra. We find that the appellant is eligible for the abatement of 67% in respect of the works contracts wherein the service tax is paid on 'commercial and industrial construction' service. Further, we find that the appellant is also eligible

for deduction of value of free supply material from the taxable value following the decision in the case of **Bhayana Builders**, supra affirmed by the Hon'ble Apex Court. Further we find that the demand is computed taking the value of sale of goods on which the appellant has discharged value added tax (VAT) and the demand was confirmed rejecting the abatement on the entire receipt of amount for works contract service which is not tenable following the decision in the case of **Sobha Developers Ltd.**, affirmed by the Hon'ble Apex Court, **Bharat Sanchar Nigam Ltd.**, **Quick Heal Technologies Ltd.**, and **Ocean Interior Ltd.**, affirmed by the Hon'ble Apex Court, supra.

24. In view of the above discussion we find that the impugned orders are unsustainable and liable to be set aside. Accordingly, the impugned orders are set aside, and the appeals are allowed with consequential relief, if any as per law.

*(Operative portion of the order was pronounced open court
on conclusion of hearing)*

(P.A. Augustian)
Member (Judicial)

(Pullela Nageswara Rao)
Member (Technical)

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