

IN THE CUSTOMS, EXCISE & SERVICE TAX
APPELLATE TRIBUNAL
SOUTH ZONAL BENCH AT CHENNAI

ST/212/2009

(Arising out of Order-in-Original No. 58/2008 dated 19.12.2008
passed by the Commissioner of Service Tax, Chennai).

M/s. Force 1 Guarding Services Pvt. Ltd. : Appellant

Vs.

CCE & ST, Chennai : Respondent

Appearance

Shri M. Kannan, Advocate,
for the Appellant

Shri K. Veerabhadra Reddy, JC (AR)
for the Respondent.

CORAM :

Hon'ble Ms. Sulekha Beevi, Member (Judicial)
Hon'ble Shri Madhu Mohan Damodhar, Member (Technical)

Date of Hearing/Decision: **01.05.2018**

FINAL ORDER No. **41432/2018**

Per Bench

Appellants are providing 'Security Agency Service'. Pursuant to audit conducted by the department it appeared that the appellant had not filed service tax returns for the period October 2006 to September 2007, not paid service tax during the period July 2006 to November 2007 and also had not paid interest for delayed payment of service tax for the period April 2005 to July 2006. Proceedings initiated against the appellants were culminated in impugned order dated 19.12.2008

demanding a sum of Rs. 1,43,69,829/- being service tax not paid by the appellant along with interest thereon and also equal penalty under Section 78 of the Finance Act, 1994. The appellants are before this forum only against imposition of penalty under Section 78 ibid.

2. Today when the matter came up for hearing, the Ld. Advocate, Shri M. Kannan submits that the appellants are only pleading for not being given the benefit of reduced penalty of 25% under the proviso to Section 78.

3. The Ld. AR, supports the impugned order.

4. After hearing both sides, we find that the benefit of reduced penalty is inbuilt under Section 78 ibid. Hence, the same cannot be denied to the appellant. The appeal is therefore partly allowed by way of allowing the appellants to pay reduced penalty calculating at 25% of the penalty imposed under Section 78 ibid, provided they fulfil all the other conditionalities of that Section. No interference is made with any other part of the impugned order.

5. Appeal is partly allowed as above.

(Order dictated and pronounced in the open Court)

(MADHU MOHAN DAMODHAR)
MEMBER (TECHNICAL)
BB

(SULEKHA BEEVI C.S.)
MEMBER (JUDICIAL)