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

ST/48/2008

(Arising out of Order-in-Original No. 3/2008 dated 4.1.2008 passed by the Commissioner of Service Tax, Chennai)

M/s. Moulis Advertising Services Pvt. Ltd. Appellant

Vs.

Commissioner of Service Tax, Chennai Respondent

Appearance

Ms. Vishnu Priya, Advocate for the Appellant
Shri S. Govindarajan, AC (AR) for the Respondent

CORAM

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

Date of Hearing / Decision: **18.09.2017**

Final Order No. 42128/2017

Per Bench

Facts of the case are that the appellants are rendering advertising agency service. When the advertisements for clients are released through print media, appellant collects the amount due for print media from their clients along with the commission. Department has taken a view that for the period April 2006 to December 2006, the amount paid to the print media towards the cost of publication and recovered from the client is liable to service tax on the advertisement agency service.

2. Today, when the matter came up for hearing, ld. counsel Ms. Vishnu Priya submits that they only arrange printing of

Customs, Excise & Service Tax Appellate Tribunal advertisement with the print media, the cost of which along with 15% commission they recover from the clients. As such, the amount is only being reimbursed to them, hence the judgment of the Hon'ble Madras High Court in the case of Commissioner of Service Tax Vs. Sangamitra Services Agency - 2014 (33) STR 137 (Mad.) would be squarely covered in favour of them. She also relies on the Board's Circular No. 334/4/2008 dated 5.5.2008 and the earlier orders of this very same Bench.

3. On the other hand, ld. AR Shri S. Govindarajan supports the impugned order. He also submits that the issue per se is pending decision before the Hon'ble Supreme Court in Union of India Vs. Intercontinental Consultants & Technocrats Pvt. Ltd. - 2014 (35) STR J99 (SC).

4. Heard both sides and perused the records.

5. Following the earlier decisions of this Tribunal and the judgment of Hon'ble High Court of Madras in the case of Sangamitra Services Agency (supra), we find that the demand is unsustainable. Accordingly, we set aside the impugned order and allow the appeal with consequential relief if any.

(Dictated and pronounced in open court)

(**Madhu Mohan Damodhar**)	(**Sulekha Beevi C.S.**)
Member (Technical)	Member (Judicial)

Rex

Customs, Excise & Service Tax Appellate Tribunal

प्रमाणित प्रति / Certified True Copy

सहायक पंजीकार / Asst. Registrar
सीमाशुल्क उत्पादशुल्क एवं सेवा कर
अपील अधिकारी / (CESTAT)
चेन्नै / CHENNAI