CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
NEW DELHI

PRINCIPAL BENCH – COURT NO. 3

SERVICE TAX APPEAL NO. 50712 OF 2020

[Arising out of Order-in-Appeal No. 403 (CRM)/ST/JPR/2019dated 02.12.2019 passed by the Commissioner (Appeals), Central Excise and Central Goods and Service Tax, NCR Building, Statue Circle, C–Scheme, Jaipur (Raj.) 302005]

M/s. Satya Buildcon ……... Appellant
33, Sachivalaya Colony, Barkat Nagar
Jaipur (Raj.)302012

vs.

Commissioner (Appeals)
Central Excise& Central Goods and Service
NCR Building, Statue Circle,
Jaipur (Raj.)302005 …......Respondent

APPEARANCE:

Mr. Bipin Garg and Ms. J. Kainaat, Advocates
Mr. Rajeev Kapoor, Authorized Representative for the Respondent

CORAM: HON'BLE MR. ASHOK JINDAL, MEMBER (JUDICIAL)
HON'BLE MR. K. ANPAZHAKAN, MEMBER (TECHNICAL)

Date of Hearing :May 8, 2026

Date of Pronouncement :June 12, 2026

FINAL ORDER NO. 51046/2026

PER: MR. ASHOK JINDAL

The appellant is in appeal against the impugned order where demand of service tax has been confirmed on account of rendering of construction service for the period 01.04.2012 to 31.03.2013 by issuance of a Show Cause Notice dated 25.04.2018.

2. The appellant is engaged in the activity of management and repair service, construction of commercial and industrial services and works contract service. On the basis of Form 26AS wherein it was found that Income Tax Department has deducted TDS on Rs.60,26,865/-. The

impugned Show Cause Notice was issued to the appellant by invoking extended period of limitation to demand service tax from the appellant alleging that appellant is providing taxable service and not paying service tax thereon. The matter was adjudicated. The payment of service tax was confirmed. Aggrieved from the said order, the appellant is before us.

3. The Ld. Counsel for the appellant submits that appellant was engaged in the services relating to construction, repair, maintenance of roads, renovation and laying of GI Water supply pipe, construction of development work related to Kisan Bhawan etc. for government sector such as Malviya National, Resident Engineer Division XIII Rajasthan Housing Board, Rajasthan State Agri Marketing Board, Rajasthan State Road Transport Corporation. The construction of road is an activity exempted from payment of service tax. Further, the services of construction of road, bridge and tunnel are specifically exempted under S. No. 13 (a) of Notification No. 25/2012–ST dated 20.06.2012. Prior to 01.07.2012, these services were specifically excluded from levy of serviced tax in clause (zzzza) of Section 65(105) read with Section 65(25b)of the Finance Act, 1994. Furthermore, the Show Cause Notice has been issued beyond the time limitation as same was issued on 25.04.2018 for the period 01.04.2012 to 31.03.2013. Therefore, most of the demand is beyond the period of five years and rest of the demand is beyond normal period of limitation. As the activity of the appellant was known to the Department, therefore, the Show Cause Notice issued to the appellant is barred by limitation.

4. On the other hand, Authorised Representative supported the impugned order.

5. Heard both the sides.

6. We find that in this case demand has been raised against the appellant on the basis of Form 26 AS without ascertaining the fact what activity the appellant is providing. In fact, the appellant has provided services of repairs and maintenance of service structure of commercial industries for the state of Rajasthan. The said activity prior to 01.07.2012 was exempted in terms of Clause (zzzza) of Section 65(105) read with Section 65(25b) of the Finance Act, 1994. Further, after 01.07.2012, the said activity is exempted under S. No. 13 (a) of Notification No. 25/2012–ST dated 20.06.2012. Therefore, as appellant is providing exempted services no service tax is payable by the appellant.

7. Further, we find that the Show Cause Notice has been issued after five years of the impugned period. In that circumstance also, the demand is barred by limitation.

8. In view of the above, we set aside the demands and also set aside the impugned order.

9. In result, we allow the appeal.

[Order pronounced on 12.06.2026]

(ASHOK JINDAL)
MEMBER (JUDICIAL)

(K. ANPAZHAKAN)
MEMBER (TECHNICAL)

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