IN THE CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL, NEW DELHI
PRINCIPAL BENCH, COURT NO. IV

Service Tax Appeal No. 52924 of 2016 SM

[Arising out of Order-In-Appeal No. 45/ST/DLH/2016-17 dated 29.7.2016 passed by Commissioner (Appeals I), Service Tax, Delhi]

Auto Risk Management Services P Ltd. **Appellant**

Vs.

Commissioner of Central Excise **Respondent**
& ST, Delhi I

Appearance:
Ms Vibha Narang, Advocate for the Appellants
Shri S Nunthuk, AR for the Respondent

CORAM:

Hon'ble Ms. Archana Wadhwa, Member (Judicial)

Date of Hearing : 7.02.2017
Date of Decision : 14.2.2017

ORDER NO . FO/ 50842 /2017-(SM)

Per Ms. Archana Wadhwa :

The appellant is engaged in providing Insurance Auxiliary Service and is duly registered with the Service Tax department and were discharging their tax liability, after availing the input service credit.

2. The dispute in the present appeal relates to the inputs service credit availed by the appellant during the period April, 2009 to

September, 2009 from one M/s. Allied Risk Management & INS Service. By taking note of the fact that the registration number of M/s. Allied Risk Management is one under which M/s. Amit Associates is also registered, Revenue entertained a view that the input services issued by M/s. Allied Risk Management are not proper eligible inputs for the purpose of availment of credit. Accordingly, the proceedings were initiated against them by way of issuance of show cause notice dated 19.10.2010 for denial of credit of Rs.2,04,189/-, availed during the period 1.4.2009 to 30.9.2009.

3. During the course of adjudication, the appellants explained that they are availing input service from M/s. Allied Risk Management and also from M/s. Amit Associates and both the said service providers are the proprietary concern of one Shri Amit Mahendra Dhruva. Since Shri Amit Mahendra Dhruva has one PAN card and since registration is PAN card based, both the proprietary units of the same proprietor are given only one registration number. Both were paying service tax and were filing ST 3 returns under one service code number. Infact the balance sheet of both the firms are common and income tax returns were also filed in the name of proprietor of the firms. It is only subsequently, the Revenue objected to a common Registration Number of both the firms and as a result M/s. Allied Risk Management took a separate registration on 11.10.2010. As such,

they contended that inasmuch as M/s. Allied Risk Management had paid Service Tax, under a common registration number, for which the Revenue never objected, they cannot be denied the credit.

4. The above plea of the appellant was not accepted by the lower authorities who objected that since registration number given in the case of M/s. Allied Risk Management belonged to M/s. Amit Associates, the invoices cannot be held to be proper invoices so as to allow the appellant to avail the credit of the same on the basis of said invoices. Accordingly, the demand was confirmed along with confirmation of interest and imposition of penalty.

5. Hence the present appeal.

6. The facts are not in dispute. Both the service provider firms were the proprietary units of one Mr Amit Dhruva and were allotted one common registration Number by Service Tax department. It is in this scenario that both the units were using the same registration number and it is only subsequently, an objection was raised and a separate service tax registration number was allotted to M/s. Allied Risk Management. Otherwise it is not disputed on record that M/s. Allied Risk Management had paid the service tax which was collected by them from the appellants, who have utilized their services. In the absence of any doubt to that effect, denial of credit on the ground of use of single registration number which was also with the consent of

the Revenue, cannot be adopted as a ground for denial of credit, I find no justifiable reason to uphold the impugned orders. Accordingly, same are set aside and the appeal allowed with consequential relief to the appellant.

(pronounced in the open court on 14/2/17)

(Archana Wadhwa)
Member(Judicial)

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