

CUSTOMS EXCISE & SERVICE TAX APPELLATE TRIBUNAL
West Block No.2, R. K. Puram, New Delhi, Court No. 1

Date of hearing/decision: 27.06.2017

Service Tax Appeal No. 53379 of 2014

(Arising out of order in appeal No. 24(VC)ST/JPR-I/2014 dated 27.02.2014 passed by the Commissioner (Appeals) Central Excise & Customs, Jaipur-I).

M/s Chokhi Dhani Resorts Pvt. Ltd. Appellant

Vs.

CCE, Jaipur-II

Respondent

Appearance:

Sh. Rachit Jain, Advocate for the appellant

Sh. Ranjan Khanna, AR for the Revenue

Coram:

Hon'ble Mr. Justice (Dr.) Satish Chandra, President

Hon'ble Mr. V. Padmanabhan, Member (Technical)

Final Order No. 54645 /2017

Per: **Justice (Dr.) Satish Chandra:**

The present appeal has been filed by the appellant against order in appeal No. 24(VC)ST/JPR-I/2014 dated 27.02.2014 passed by the Commissioner (Appeals) Central Excise & Customs, Jaipur-I.

2. The brief facts of the case are that the appellant is registered for providing taxable services falling under the category of "convention services" and are paying the service tax under that category. All such convention centres normally book rooms for staying purpose. Revenue was of the view that the room rent and the charges for food provided to the participants were required to be included in the value of convention service for the purpose of service tax. Since the appellant did not pay service tax on such value, revenue, after issue of show cause notice, confirmed the demand of service tax of Rs. 7,15,152/- alongwith penalty. Being aggrieved, the appellant has filed the present appeal.

3. In this background we heard Sh. Rachit Jain, ld. Advocate for the appellant and Sh. Ranjan Khanna, ld. AR for the Revenue.

4. On perusal of record, it appears that the identical issue has come up before the Tribunal in appellant's own case reported as **CCE, Jaipur-I vs. Chokhi-Dhani Resorts Pvt. Ltd. -2017-TIOL-878-CESTAT-DEL** and **Chokhi Dhani Resorts (P) Ltd. vs. CCE, Jaipur-I** vide Final Order No. **52330/2017 dated 23.01.2017** where it was observed that there is no justification to add the room rent to the value of the convention service for the purpose of levy of service tax especially when for the food items such as meals and beverages to the participants separate bills were raised the same cannot be added to the value of the taxable service. The Tribunal observed as under:

"3. The undisputed fact is that while rendering convention services, the respondent has provided food items such as meals and beverages to the participants. The participants were also housed in the rooms made available by the respondent. The respondent raised separate bills for the food items supplied as well as room rent. However, they did not include such items in the value of the taxable services reckoned for payment of service tax under convention services. The Revenue's view is that the services for providing rooms as well as supply of food is part of the service rendered by the respondent in connection with the convention services. Accordingly, the service tax demand was raised. The organisers of the conference, no doubt, booked the rooms for the stay of the participants. However, the contention of the respondent is that the room rent is not part of the convention services. In the impugned order, the Commissioner (Appeals) has taken the view that providing of rooms on rent is a distinct, separate and independent activity, which has no relation to the convention service. He has further held that giving the room on rent cannot be considered as a part of convention service. Accordingly, there is no justification to add the room rent to the value of the convention service for the purpose of levy of service tax. We find no infirmity in the view taken by the Id. Commissioner (Appeals) in this regard".

5. By following our earlier decision (supra), we find no justification to sustain the impugned order, the same is hereby set-aside.

6. In the result, the appeal filed by the appellant is allowed.

(Dictated and pronounced in the open Court).

(V. Padmanabhan)
Member (Technical)

Justice (Dr.) Satish Chandra
President

Pant

