

**IN THE CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL,  
KOLKATA**

REGIONAL BENCH – COURT NO.2

**Service Tax Appeal No.77557 of 2018**

(Arising out of Order-in-Appeal No.141/RAN/2018 dated 19.03.2018 passed by Commissioner (Appeals) of CGST & Excise, Ranchi)

**M/s Kanoi Textile Agency**

Court Road By Lane, Near Bihar Club, Kutchery Road, Ranchi-834001

**Appellant**

*VERSUS*

**Commissioner of CGST & Excise, Ranchi**

C.R.Building, 5A-Main Road, Ranchi-834001

**Respondent**

**APPEARANCE :**

Ms. Jyoti Todi, Consultant for the appellant

Shri J.Chattopadhyay, Authorized Representative for the Respondent

**CORAM:**

**HON'BLE MR.ASHOK JINDAL, MEMBER (JUDICIAL)**

**FINAL ORDER NO...75155/2023**

DATE OF HEARING : 23.03.2023

DATE OF DECISION : 23.03.2023

**Per Ashok Jindal :**

The appellant is in appeal against the impugned order for imposition of penalty under Section 78 of the Finance Act, 1944.

2. Facts of the case are that initially proceedings were initiated against the appellant for demand of service tax on TDS and reimbursement expenses incurred by the appellant. Before issuance of show-cause notice, the appellant paid the service tax on TDS and demand of service tax on account of reimbursement expenses has been dropped by the adjudicating authority, but while adjudicating the case, the Id.Commissioner (Appeals) imposed penalty on the appellant under Section 78 of the Finance Act, 1994. Against the said order, the appellant is before me.

3. Heard the parties.

**S.Tax Appeal No.77557/18**

4. Considering the fact that it is on record that the appellant has paid the service tax before issuance of show-cause notice. In that circumstances, penalty under Section 78 of the Finance Act, 1994, was not required to be imposed on the appellant.

5. In view of the above observations, I drop the penalty against the appellant and allow the appeal with consequential relief, if any.

(Dictated and pronounced in the open court)

Sd/-  
**(Ashok Jindal)**  
**Member (Judicial)**

mm