IN THE CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
EASTERN ZONAL BENCH : KOLKATA

REGIONAL BENCH – COURT NO. 1

Service Tax Appeal No. 75267 of 2015

(Arising out of Order-in-Original No. 03/COMMR/ST/GHY/2014-15 dated 12.09.2014 read with Order-in-Original No. 08/COMMR/ST/GHY/2014-15 dated 12.09.2014 (as amended by corrigendum to the former) passed by the Commissioner, Central Excise and Service Tax, Guwahati Sethi Trust Building, 5th Floor, G.S. Road, Bhangagarh, Guwahati – 781 005)

Commissioner of Central Excise and Service Tax : Appellant
Guwahati Sethi Trust Building, Bhangagarh,
Guwahati – 781 005
Assam

VERSUS

M/s. Centenary Distilleries Private Limited : Respondent
N.H. 37, Industrial Area, Paschim Boragaon,
Kamrup – 781 021
Assam

APPEARANCE:

Shri P.K. Ghosh, Authorized Representative for the Appellant

None for the Respondent

CORAM:

HON'BLE SHRI ASHOK JINDAL, MEMBER (JUDICIAL)
HON'BLE SHRI K. ANPAZHAKAN, MEMBER (TECHNICAL)

FINAL ORDER NO. 75211 / 2024

DATE OF HEARING / DECISION: 09.02.2024

Order : [Per Shri Ashok Jindal]

The Revenue is in appeal against the impugned order.

2. The facts of the case are that the respondent is registered with the Department and they are a manufacturer of alcoholic beverages (Indian-made Foreign Liquor), paying Service Tax under the category of 'business auxiliary service' and 'transport of goods by road service'. As per the agreement with

the brand owners, a part of the amount of sale proceeds was retained by the appellant and the remaining amount was transferred to the brand owners.

3. The Revenue is of the view that the amount paid to the brand owners is nothing but reimbursable expenses paid by the appellant to the brand owners and on these reimbursable expenses, the respondent is liable to pay Service Tax. Therefore, the impugned proceedings were initiated and demand was also raised against the respondent for inward freight, outward freight,printing charges, courier charges, etc.

4. The matter was adjudicated by the ld. adjudicating authority dropping the demand on account of reimbursable expenses with regard to inward freight, printing and courier charges in terms of Notification No. 39/2009-S.T. dated 23.09.2009. The Revenue is in appeal against the said order.

5. Heard the Ld. Authorized Representative appearing for the Revenue and perused the records.

6. The issue involved in this appeal with regard to Service Tax payable by the respondent on reimbursable expenses has been settled by this Tribunal in the case of *M/s. Blossom Industries Limited v. Commissioner of Central Excise, Customs and Service Tax, Daman [2016 (41) S.T.R. 872 (Tri. – Ahmd.)]* wherein it has been held that on reimbursable charges paid to Contract Bottling Units (CBU), no Service Tax is required to be paid. Therefore, the issue is no more *res integra* and therefore, with regard to dropping the demand of Service Tax against the respondent on reimbursable charges, we uphold the impugned order.

7. Further we find that the ld. adjudicating authority has relied on the C.B.E.C. Notification No. 39/2009-S.T. dated 23.09.2009 and Clarification issued in letter F.No. 332/17/2009-T.R.U. dated 30.10.2009.

8. In the circumstances, we hold that the respondent is not required to pay Service Tax on inward freight, printing and courier charges.

9. Therefore, we do not find any infirmity in the impugned order. The same is upheld.

10. The appeal filed by the Revenue is dismissed.

(Dictated and pronounced in the open court)

Sd/-
(K. ANPAZHAKAN)
MEMBER (TECHNICAL)

Sd/-
(ASHOK JINDAL)
MEMBER (JUDICIAL)

Sdd