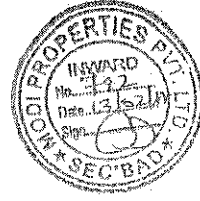


# ANNEXURE I



OFFICE OF THE ASSISTANT COMMISSIONER OF SERVICE TAX  
DIVISION-II :: SERVICE TAX COMMISSIONERATE  
Room No -600, 5<sup>th</sup> Floor:: Kendriya Shulk Bhavan, Basheerbagh  
HYDERABAD-500 004.

O.R. No. 22/2016- Adju. (ST)( JC)(AC)

तारीख Date: 30/12/2016

मूल आदेश सं. 37/2016 Adj (ST)(AC)  
ORDER-IN-ORIGINAL No. 37/2016 Adj (ST)(AC)

(Passed by Shri J. Vijaya Bhaskar, Assistant Commissioner, Service Tax)

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- 1 यह आदेश जिसके नाम जारी किया गया है, उस व्यक्ति के निजी उपयोग के लिए यह प्रति मुफ्त में दी जाती है।

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- 2 इस आदेश से किसी भी व्यक्ति को हानि पहुंचती हो तो वे यथा संशोधित वित्त अधिनियम, 1994 की धारा 85 (3A) के अधीन, इस आदेश /निर्णय की प्राप्ति की तारीख से दो महीनों के भीतर आयुक्त (अपील), मुख्यालय, सातवा तल, एल बी स्टेडियम रोड, बशीरबाग, हैदराबाद 4 -के समक्ष अपील कर सकते हैं।

Under Section 85 (3A) of the Finance Act, 1994 as amended, any person aggrieved by this order can prefer appeal within two months from the date of communication of such order/decision to the Commissioner (Appeals), Hqrs, Office, 7<sup>th</sup> floor, L. B. Stadium Road, Basheer Bagh, Hyderabad-4.

- 3 धारा 85 के अंतर्गत आयुक्त (अपील) को की जाने वाली अपील फॉर्म एस टी-4 में होगी और निर्धारित तरीके से इसका सत्यापन किया जाएगा।

An appeal under Sec.85 to the Commissioner (Appeals) shall be made in form ST-4 and shall be verified in the prescribed manner.

- 4 अपील का स्वरूप फॉर्म सं. एस टी-4 में दो प्रतियों में फाइल किया जाना है और जिस आदेश या निर्णय के विरोध में अपील की जा रही है उसकी एक प्रति भी अपील के साथ संलग्न की जानी है।

The form of appeal in Form No: ST-4 shall be filed in duplicate and shall be accompanied by a copy of the decision or the order appealed against.

- 5 अपील और जिस आदेश या निर्णय के विरोध में अपील की जा रही है उसकी एक प्रति के साथ निश्चित मूल्य का न्यायालय शुल्क टिकिट लगाना होगा।

The appeal as well as the copy of the decision or order appealed against must be affixed with court fee stamp of the appropriate amount and the appeal as well as copy of the decision or order appealed against must be affixed with court fee stamp of the appropriate amount under Section 35F Central Excise Act, 1944. The appeal also must be accompanied by mandatory pre-deposit amount of 7.5% of the duty demanded or penalty imposed or both and the amount of pre-deposit payable would

be subject to ceiling of Rs. 10 Cores.

**Sub: Service Tax - M/s.Alpine Estates, Hyderabad - Non-payment of Service Tax- Order Issued - Regarding.**

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**Brief Facts of the Case :**

M/s.Alpine Estates., 5-4-187/3 & 4, 2<sup>nd</sup> Floor, Soham Mansion, M.G.Road, Secunderabad- 500 003 (hereinafter referred to as '**M/s.Alpine**' or '**the Assessee**' for short) have registered themselves with the Service Tax Department vide **Registration No.AANFA5250FST001**, for payment of Service Tax under the categories of "Works Contract service" and "Construction of Residential Complex service".

2. As seen from the records, the Assessee entered into 1).Sale deed for sale of undivided portion of land together with semi-finished portion of the flat and 2).Agreement for construction, with their customers. On execution of the sale deed the right in a property got transferred to the customer, hence the construction service rendered by the Assessee thereafter to their customers under agreement of construction are taxable under Service Tax as there exists service provider and receiver relationship between them. As transfer of property in goods in execution of the said construction agreements is involved, it appears that the services rendered by them after execution of sale deed against agreements of construction to each of their customers to whom the land was already sold **are taxable services under "Works Contract Service"**.

3. Accordingly, the following Show Cause Notice had been issued to the Assessee:

Sl. No.	SCN OR No. & date	Period	Amount of Service Tax demanded (Rs.)	Status
1.	HQPOR No.82/2010-Adjn(ST) dated 16.06.2010	01/2009 to 12/2009	31,10,377	Confirmed vide OIO No.44/2010-St dt.15.10.2010. Party's appeal was dismissed vide OIA No.08/2011-(H-II) dt.31.01.2011. CESTAT granted Stayvide Misc.Order No.21860-21877/2014 dated 31.04.2014.
2.	OR No.62/2011-Adjn(ST) dt.23.04.2011	01/2010 to 12/2010	35,03,113	Confirmed vide OIO No.49/2012-Adjn(ST)(ADC) dt.31.08.2012. Ordered Denova by the Commr.(Appeals) vide OIA No.38/2013-(H-II) S.Tax dt.27.02.2013 for re-quantification of the service tax payable.

3.	OR No.51/2012- Adjn.(ADC) dt.24.04.2012	01/2011 to 12/2011	48,33,495	Confirmed vide OIO No.49/2012-Adjn(ST)(ADC) dt.31.08.2012. Ordered Denova by the Commr.(Appeals) vide OIA No.38/2013-(H-II) S.Tax dt.27.02.2013 for re-quantification of the service tax payable.
4.	OR No.82/2013- Adjn.(ST)(ADC) dt.02.12.2013	01/2012 to 06/2012	30,39,597	Pending Adjudication
5.	OR No.161/2014- Adjn.(ST)(Commr , dt.26.09.2014	07/2012 to 03/2014	1,23,37,565	Confirmed vide OIO No.HYD-S.TAX-COM- 03/2015 dated 31.08.2015. Assessee preferred appeal before Hon'ble CESTAT, Bangalore.

4. As per the information furnished by the Assessee vide their letter dated Nil received by the Jurisdictional Range Superintendent on 31.03.2016, it is seen that **"the Assessee"** have rendered taxable services under the category of "Works Contract Services" during the period April, 2014 to March, 2015. The Assessee had rendered services for a taxable value of Rs.1,50,71,694/- (Rupees One Crore Fifty Lakhs Seventy one thousand Six Hundred and Ninety four only). After deduction of VAT of Rs.21,18,795/- the taxable value works out to Rs.1,29,52,899/- on which service tax (including cesses) works out to Rs.6,40,391/- for the services rendered during the said period, as detailed below:

	Before Occupancy Certificate is obtained	After Occupancy Certificate is obtained	Total
Gross Receipts	5,79,618	1,44,92,076	<b>1,50,71,694</b>
Less: Construction Agreement Value	79,173	4,900	
Gross Sale Deed Value	-	1,28,68,826	
Less: VAT & Registration	5,00,445	16,18,350	<b>21,18,795</b>
Net Taxable Value	79,173	1,28,73,726	<b>1,29,52,899</b>
Tax Rate	4.944%	4.944%	
Service Tax Payable	3914	6,36,477	<b>6,40,391</b>

5. Vide Finance Act, 2012 sub section (1A) was inserted in Section 73 which reads as under:

**SECTION 73(1A)** - Notwithstanding anything contained in sub-section (1), the Central Excise Officer may serve, subsequent to any notice or notices served under that sub-section, a statement, containing the details of service tax not levied or paid or short levied or short paid or erroneously refunded for the subsequent period, on the person chargeable to service tax, then, service of such statement shall be deemed to be service of notice on such person, subject to the condition that the grounds relied upon for the subsequent period are same as are mentioned in the earlier notices.

6. The section **65B, 66B, 66D** as inserted in the Finance Act, 1994 by the Finance Act, 2012 w.e.f. 01.07.2012 are reproduced below:

**6.1. SECTION 65B(44):** "service" means any activity carried out by a person for another for consideration, and includes a declared service, but shall not include— (a) an activity which constitutes merely,— (i) a transfer of title in goods or immovable property, by way of sale, gift or in any other manner; or (ii) a transaction in money or actionable claim; (b) a provision of service by an employee to the employer in the course of or in relation to his employment; (c) fees taken in any Court or tribunal established under any law for the time being in force.

**6.2. SECTION 66B:** There shall be levied a tax (hereinafter referred to as the service tax) at the rate of twelve per cent on the value of all services, other than those services specified in the negative list, provided or agreed to be provided in the taxable territory by one person to another and collected in such manner as may be prescribed.

**6.3. SECTION 66D:** Contains the negative list of services. It appears that services provided by the Assessee are not covered under any of the services listed therein.

**6.4. SECTION 66E:** Contains declared service and work contract is covered under 66E(h) of the Finance Act, 1994.

**6.5.** Further, Notification No.25/2012-ST, dated 20.06.2012, as amended specified services which were exempt from payment of Service Tax. It appears that services provided by the Assessee are not covered under any of the services listed therein.

7. The grounds as explained in the Show Cause cum demand notices issued above are also applicable to the present case; the legal position in so far as "Works Contract Service" is concerned, the said service and its taxability as defined under Sub-clause (zzzza) of Clause 105 of Section 65 of the Finance Act, 1994 as existed before 01.07.2012 stands now covered by 65B(54) whereby the said service being declared service under Section 66E(h) of Finance Act, 1994 and for not being in the Negative List prescribed under 66D, continues to be a taxable service. But for the said changes in legal provision, the status of Service and the corresponding tax liability remained same. Hence, this statement of demand/show cause notice is issued in terms of Section 73(1A) of the Finance Act, 1994 for the period April, 2014 and March, 2015.

8. In view of the above, M/s. Alpine Estates, Hyderabad are hereby required to show cause to the Joint Commissioner of Service Tax, Office of the Principal

Commissioner of Service Tax, Hyderabad Service Tax Commissionerate, 11-5-423/1/A, Sitaram Prasad Towers, Red Hills, Hyderabad-4, and vide Corrigendum dated 19.10.2016 to Show Cause Notice issued vide O.R. No.22/2016(ST)(JC) dated 15.04.2016, show cause notice is made answerable to Assistant Commissioner Division-II, Service Tax Commissionerate, Hyderabad within 30 (thirty) days from the date of receipt of this notice .

- i). an amount of Rs.6,40,391/- (Rupees Six Lakhs Forty thousand Three hundred and Ninety one only)(including Cesses) should not be demanded as per Para-4 above towards "Works Contract Service" rendered by them during April, 2014 to March, 2015, in terms of Section 73 (1) of the Finance Act, 1994; on the grounds discussed supra; and
- ii). Interest should not be demanded at (i) above, under Section 75 of the Finance Act, 1994; and
- iii). Penalty should not be imposed on them under Section 76 of the Finance Act, 1994, for the contravention of Rules and provisions of the Finance Act, 1994; and
- iv). Penalty should not be imposed on them under Section 77 of the Finance Act, 1994.

**9. Personal Hearing :**

A personal hearing was conducted on 20.12.2016, Sri P. Venkata Prasad, C.A. and Shri K. Lakshman Kumar authorized representatives of M/s Alpine Estates, appeared before me. They have contended that for the purpose of computing service tax liability the value of sale deed was included which legally is not includable. Further, they claim to have paid service tax for the relevant period for which there is no proposal for appropriation in the SCN and requested to appropriate the service tax already paid by them against the demand confirmed if any.

**Findings and Discussions :**

10. The assesseees were issued a show cause notice vide HQPOR No. 82/2010-Adjn(ST) dated 16.06.2010 for the period January'09 to December'09. The demand was confirmed vide Order in Original No.44/2010-ST dated 15.10.2010 and the appeal filed by the assessee was dismissed vide Order in Appeal No.08/2011(H-II) dated 31.01.2011. Aggrieved by the said order, assessee preferred an appeal before Hon'ble CESTAT and operation of Order in Original was stayed vide Misc.Order No.21860-21877/2014 dated 31.04.2014.

11. Further, M/s Alpine Estates, were issued two show cause notices vide OR No. 62/2011-Adjn(ST) dated 23.04.2011 and OR No. 51/2012-Adjn(ST)(SDC) dated 24.04.2012 covering subsequent period viz., January'10 to December'10 and January'11 to December'11 respectively. Both the notices were taken up

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for adjudication and a common order was passed, confirming the demand raised in the said notices. The said Order in Original No. 49/2012-Adjn(ST)(ADC) dated 31.08.2012 was appealed against, before the appropriate appellate authority. The Commissioner (Appeals) while upholding the confirmation of demand, remanded the case to the lower authority, for re-quantification of service tax payable vide OIA No. 38/2013 (H-II)S.Tax dated 27.02.2013. Another Show Cause Notice for the subsequent period July, 2012 to March, 2014 was issued vide OR No. 161/2014-Adjn(ST)(Commr) and the same was adjudicated by the Commissioner vide Order in Original No. 03/2015 dated 31.08.2015.

12. In view of the above, I take up the adjudication proceedings for the notice issued vide OR No. 22/2016-Adjn(ST)(JC).

13. I find that these notices are periodical show cause notices. The demand for the past period was confirmed vide OIO No.44/2010-ST dated 15.10.2010 and the same was also upheld by Commissioner (Appeals) vide OIA No.08/2011 H-II dated 31.01.2011 and **OIA No. 38/2013 (H-II)S.Tax dated 27.02.2013.**

14. I have gone through the Show Cause Notice issued vide OR No. 22/2016-Adjn(ST)(JC) dated 15.04.2016. It is pertinent to note that the subject notice is also periodical in nature and the notice is issued as per Section 73(1A) of the Finance Act, 1994. Hence, the observations and implications discussed in the earlier notices alleging non payment of service tax need not be reiterated in the notices issued periodically.

15. The assessee in their correspondence with the department, vide letters dated 26.09.2013 and 29.04.2013, claimed certain deductions viz., Receipts towards value of sale deed; Receipts towards payment of VAT, Stamp duty etc. In respect of taxable service provided by the assessee, the valuation is governed by the provisions of Rule 2(A) of the Service Tax (Determination of Value) Rules, 2006 issued vide Notification NO. 24/2012-ST dated 20.06.2012. As seen from the notice, the value arrived at for demanding service tax is in consonance with the provisions mentioned above. The issue has been discussed in subsequent discussions.

16. At the outset, it is evident that the assessee is engaged in the activity of construction, and there is no dispute about it. Admittedly, the assessee has executed a residential complex project having more than 12 flats and layout of the project was approved by the civic authorities. Therefore, the project satisfies

the definition of 'residential complex' as defined in the statute.

17. Various flats have been sold by them to various customers in two steps. First, they have executed a 'sale deed' at semi-finished stage by which the ownership of the semi-finished flats was transferred to the customer. Appropriate stamp duty was paid on sale deed value. After execution of sale deed, they have entered into another agreement with the customer for completion of the said flats.

18. The second agreement, (written or oral) and by whatever name is called, involve supply of material and labour to bring the semi-finished flat to a stage of completion. As it is a composite contract involving labour and material, it clearly satisfies the definition of Works Contract Service'. Therefore, the classification under work contract service and the same shall be preferred in view of the Section 65 A of the Act. The Board vide Circular No. 128/10/2010- ST dated 24.08.2010, at para 2 has also clarified as under :

*"2. The matter has been examined. As regards the classification, with effect from 01.06.2007 when the new service 'Works Contract' service was made effective, classification of aforesaid services would undergo a change in case of long term contracts even though part of the service was classified under the respective taxable service prior to 01.06.2007. This is because 'works contract' describes the nature of the activity more specifically and, therefore, as per the provisions of section 65A of the Finance Act, 1994, it would be the appropriate classification for the part of the service provided after that date."*

19. In view of the above, I hold that the impugned activity is classifiable under Work Contract Service' and it is also pertinent to mention that the aspect of taxability under Works Contract has been upheld by the Commissioner (Appeals) in his orders in Appeal mentioned above.

20. With effect from 01.07.2012, certain changes were made in the provisions and definitions of the Service Tax Act 1994, which are relevant in the present case are reiterated as under :

**Section 65B (44) :** "service" means any activity carried out by a person for another for consideration, and includes a declared service, but shall not include-

(a) an activity which constitutes merely,—

(i) a transfer of title in goods or immovable property, by way of sale,

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gift or in any other manner; or

(ii) a transaction in money or actionable claim;

(b) a provision of service by an employee to the employer in the course of or in relation to his employment;

(c) fees taken in any Court or tribunal established under any law for the time being in force.

**SECTION 66B.** - There shall be levied a tax (hereinafter referred to as the Service Tax ) at the rate of twelve per cent on the value of all services, other than those services specified in the negative list, provided or agreed to be provided in the taxable territory by one person to another and collected in such manner as may be prescribed.

**SECTION 66D :** Contains the negative list of services. It appears that services provided by the assessee are not covered under any of the services listed therein.

**SECTION 66E :** Contains declared service which includes service pertain in the execution of works Contract.

21. As per Section 66(E)(b) Works Contract means : construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration is received after issuance of **completion-certificate** by the **competent authority**.

**Explanation.**— For the purposes of this clause,—

(I) the expression "competent authority" means the Government or any authority authorized to issue completion certificate under any law for the time being in force and in case of non-requirement of such certificate from such authority, from any of the following, namely:— (A) architect registered with the Council of Architecture constituted under the Architects Act, 1972; or (B) chartered engineer registered with the Institution of Engineers (India); or (C) licensed surveyor of the respective local body of the city or town or village or development or planning authority; (II) the expression "construction" includes additions, alterations, replacements or remodeling of any existing civil structure;

**Section 67 :** Valuation of taxable services for charging Service tax –

(1) Subject to the provisions of this Chapter, service tax chargeable on any taxable service with reference to its value shall,—



(i) in a case where the provision of service is for a consideration in money, be the gross amount charged by the service provider for such service provided or to be provided by him;

(ii) in a case where the provision of service is for a consideration not wholly or partly consisting of money, be such amount in money, with the addition of service tax charged, is equivalent to the consideration;

(iii) in a case where the provision of service is for a consideration which is not ascertainable, be the amount as may be determined in the prescribed manner.

(2) Where the gross amount charged by a service provider, for the service provided or to be provided is inclusive of service tax payable, the value of such taxable service shall be such amount as, with the addition of tax payable, is equal to the gross amount charged.

(3) The gross amount charged for the taxable service shall include any amount received towards the taxable service before, during or after provision of such service.

(4) Subject to the provisions of sub-sections (1), (2) and (3), the value shall be determined in such manner as may be prescribed.

22. Further, Notification No. 25/2012-ST, dated 20-06-2012, as amended specified services which were exempt from payment of Service Tax. It appears that services provided by the assessee are not covered under any of the services listed therein.

**SERVICE TAX (DETERMINATION OF VALUE) RULES, 2006 :**

**Rule 2A.** Determination of value of service portion in the execution of a works contract.- Subject to the provisions of section 67, the value of service portion in the execution of a works contract, referred to in clause (h) of section 66E of the Act, shall be determined in the following manner, namely:-

- (i) Value of service portion in the execution of a works contract shall be equivalent to the gross amount charged for the works contract less the value of property in goods transferred in the execution of the said works contract. Explanation.- For the purposes of this clause,-
- (a) gross amount charged for the works contract shall not include value

added tax or sales tax, as the case may be, paid or payable, if any, on transfer of property in goods involved in the execution of the said works contract;

**(b)** value of works contract service shall include, -

(i) labour charges for execution of the works;

(ii) amount paid to a sub-contractor for labour and services;

(iii) charges for planning, designing and architect's fees;

(iv) charges for obtaining on hire or otherwise, machinery and tools used for the execution of the works contract;

(v) cost of consumables such as water, electricity, fuel used in the execution of the works contract;

(vi) cost of establishment of the contractor relatable to supply of labour and services;

(vii) other similar expenses relatable to supply of labour and services;

(viii) profit earned by the service provider relatable to supply of labour and services;

**(c)** Where value added tax or sales tax has been paid or payable on the actual value of property in goods transferred in the execution of the works contract, then, such value adopted for the purposes of payment of value added tax or sales tax, shall be taken as the value of property in goods transferred in the execution of the said works contract for determination of the value of service portion in the execution of works contract under this clause.

**(ii)** Where the value has not been determined under clause (i), the person liable to pay tax on the service portion involved in the execution of the works contract shall determine the service tax payable in the following manner, namely:-

**(A)** in case of works contracts entered into for execution of original works, service tax shall be payable on forty per cent of the total amount charged for the works contract;

**(B)** in case of works contract entered into for maintenance or repair or reconditioning or restoration or servicing of any goods, service tax shall be payable on seventy percent of the total amount charged for the works contract;

**(C)** in case of other works contracts, not covered under sub-clauses (A) and (B), including maintenance, repair, completion and finishing services such as glazing, plastering, floor and wall tiling, installation of electrical fittings of an immovable property, service tax shall be payable on sixty per cent. of the total amount charged for the works contract;

Secunderabad- 500 003.

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Copy to:

1. The Assistant Commissioner of Central Excise (Service Tax), Division-II, Service Tax Commissionerate, Hyderabad for information and necessary action.
2. The Superintendent, Service Tax, Range-IIA, Service Tax Commissionerate, with direction to serve the Notice on the assessee and submit dated Acknowledgement to this office.
3. The Superintendent of Service Tax (<sup>Review</sup>Adjudication), Service Tax Commissionerate, along with copies of all relied documents.



23. In view of the above provisions and the discussions, it is evident that the activity performed by M/s Alpine Estates, is rightly classifiable under 'Works Contract Service' and the valuation has to be adopted as per the provisions of Service Tax (Determination of Value) Rules 2006. Further in the absence of documentary evidence to segregate the service value portion, the correct method is to follow composite method and the tax liability is to be calculated on 40% of the Gross value.

24. I have gone through the records and submissions made by the assessee. The show cause notice has clearly discussed the activity of the assessee. The assessee in his correspondence has submitted that they have paid service tax on the amounts, as calculated by them after deducting certain amounts. Such voluntary compliance would have been appreciated if the taxable value has been arrived as per the prescription of Law. The assessee has devised their own methods to arrive at the tax liability without following the provisions of Service Tax (Determination of Value ) Rules 2006.

25. The assessee is not new to the taxation and the provisions relating to Service Tax Law. The assessee has executed several construction projects and is well aware of Law. In spite of having knowledge about valuation under Works Contract Service, the assessee has deliberately attempted to vivisect the composite service into different instances and tried to exploit the illustrative description of service under Law. Such an act cannot be classified as Bonafide in nature. I rely on the following pronouncement by the Hon'ble Tribunal :

*TANZEEM SCREENARTS vs COMMISSIONER OF CENTRAL EXCISE, MUMBAI-2006 (196) E.L.T. 209 (Tri. - Mumbai)-Belief - Bona fide belief - Blind belief - A blind belief that what one is doing is right does not make it a bona fide belief. [para 7].*

26. With regard to interest and penalty, the notice has elaborately provided the grounds for invoking penal provisions under Section 75, 77 and 78 of the Finance Act, 1944. The acts and omissions discussed in the earlier notices has rendered the assessee liable for penal action. Penalty is a preventive as well as deterrent measure to defeat recurrence of breach of law and also to discourage non-compliance to the law of any willful breach. Of course, just because penalty is prescribed that should not mechanically be levied following Apex Court's decision in the case of *Hindusthan Steel Ltd. v. State of Orissa* reported in 1978 (2)ELT (J159) (S.C.) = AIR 1970 S.C. 253. Section 80 of the Act having made provision for excuse from levy of penalty under section 76 if the assessee proves that there was a reasonable cause for failure under that section no other criteria is mandate of Law to exonerate them from penalty. In view of the above reliance is placed on the following case laws for imposition of Penlaty:-

- (i) 2007 (6) S.T.R. 32 (Tri. - Kolkata) -CCE., KOLKATA-I Versus GURDIAN LEISURE PLANNERS PVT. LTD.
- (ii) 2010 (18) S.T.R. 492 (Tri. - Del.)- GORA MAL HARI RAM LTD.Vs COMMISSIONER OF SERVICE TAX, NEW DELHI-----Reasonable cause not shown and penalty waiver not grantable - Impugned case being one of abuse of process of law, impugned order sustainable - Sections 75, 76 and 80 of Finance Act, 1994. [para 5].

27. Accordingly, I hold that penalty under section 76 and 77 of the Finance Act, 1994, is imposable as they have contravened the provisions of law.

28. In view of the findings and discussions detailed above, I pass the following order :

ORDER

- (i) I confirm an amount of Rs.6,40,391/- (Rupees Six Lakhs Forty thousand Three hundred and Ninety one only) (including Cesses) towards "Works Contract Service" rendered by them during April, 2014 to March, 2015 **in terms of** sub-section (2) of Section 73 of the Finance Act 1994;
- (ii) I demand interest at the applicable rates on the amount demanded at (i) above under Section 75 of the Finance Act, 1994
- (iii) I impose a penalty of Rs.: 64,039/- being 10% of service tax amount demanded at (i) above, under Section 76 of the Finance Act, 1994, provided that where service tax and interest is paid within a period of thirty days of the date of receipt of the order of the Central Excise Officer determining the amount of service tax under sub-section (2) of Section 73, the penalty payable shall be 25% of the penalty imposed in that order, only if such reduced penalty is also paid within such period.
- (iv) I impose **Penalty of RS. 10,000/- on them under** Section 77 of the Finance Act, 1994.

OC No. 22/2016

  
30/12/2016

(J.VIJAYA BHASKAR)

ASSISTANT COMMISSIONER

To

M/s. Alpine Estates.,

Address: 5-4-187/3 & 4, 2<sup>nd</sup> Floor,

Soham Mansion,

M.G.Road,

//By SPEED POST//