

## **Service Tax Updates for June 2009**

### **1. Steel City Securities Ltd Vs CCEX & C, Hyderabad [ 2009 (14) STR (Tri-Bang)]**

**Facts:** Appellant is engaged in the business of Stock broker services.

**Issue:** Whether service tax can be collected on handling charges collected by stock broker?

**Decision:** Tribunal held that service tax is payable only on commission or brokerage & not on handling charges.

### **2. Solitz Corporation Vs CST, New Delhi [2009 (14) STR 642 (Tri- Delhi)]**

**Facts:** Design & drawings prepared in Japan & were delivered in India through courier.

**Issue:** Whether action of Department in levying service tax under the category of consulting engineer's service is tenable in Law?

**Decision:** The Tribunal held that mere supply of design & drawing does not amount to consulting engineer's service

### **3. JR Organics Ltd Vs CCE, Allahabad [2009 (14) STR 622 (Tri – Del)]**

**Facts:** Appellant deputed staff & officials to a group company for conducting day to day activities of Group Company.

**Issue:** Whether service tax can be levied under "Management Consultancy services"?

**Decision:** Tribunal held that Deputing official to group is not liable to service tax under the category of Management consulting service.

### **4. Nipuna Services Ltd Vs CCEXC & ST, Hyderabad, [2009 (14) STR 706 (Tri-Bang)].**

**Facts:** Appellant exported services through agent. The agent received foreign exchange for services rendered by Appellant. The agent after deducting his commission pays the balance to appellants.

**Issue:** Whether receipt of foreign exchange by agent would satisfy the condition of receipt of foreign exchange?

**Decision:** Tribunal held that receipt of foreign exchange by agent on behalf of principal would be deemed to have been received by appellant.