



ISO 9001 : 2015
Reg. No. RQ91/5487



JSL INDUSTRIES LTD.

Registered Office & Works

Village: Mogar - 388 340, Tal. & Dist.: Anand, Gujarat (India)

Phone no.: 02692 - 280224 | Email: jsl@jسلمogar.com

Website: www.jسلمogar.com | CIN No.: L31100GJ1966PLC001397

By Electronic Mode

September 27, 2024

To,
BSE Limited
P. J. Towers,
Dalal Street,
Mumbai - 400 001

Scrip Code: 504080

Subject: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

Pursuant to Regulation 30 read with Para B of Part A of the Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July, 2023, we wish to inform you the details of the order passed by CESTAT in Service Tax case (Case No. SERVICE TAX/0011730/2017) in Annexure 1.

This is for your information and records.

Thanking you,

Yours faithfully,

For JSL Industries Limited

Yogiraj Hemant Atre
Company Secretary & Compliance Officer
M. No.: ACS 67439

Encl: As above



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Annexure 1

Additional Details required as per SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July, 2023

Sr. No.	Particulars	Details
1.	Brief details of litigation viz a) Name(s) of the opposing party b) Court/ tribunal/ agency where litigation is filed c) Brief details of dispute/ litigation	<p>C.C.E. & C. Anand CESTAT Ahmedabad</p> <p>The brief facts of the case are that the appellant in their books of account under the head legal and professional expenses booked certain expenditure of legal and professional fees. The case of the department is that since all the expenditure are booked under the head of legal and professional fees the appellant is liable to pay Service Tax under Section 68(2) of the Finance Act, 1994 read with Notification No. 30/2012-ST dated 20.06.2012 (Sr. No. 5)</p> <p>As per the department, the entire expenditures booked under legal and professional fees since it is towards legal and professional fees the appellant are liable to pay Service Tax under Reverse Charge Mechanism.</p>
2.	Expected financial implications, if any, due to compensation, penalty, etc.:	As the matter is very strong on merits, there will be no financial implication on the Company.
3.	Quantum of claims, if any:	As stated above



**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
AHMEDABAD**

REGIONAL BENCH, COURT NO. 3

SERVICE TAX APPEAL NO. 11730 OF 2017

[Arising out of OIA-VAD-EXCUS-003-APP-093-2017-18 dated 17/05/2017 passed by
Commissioner (Appeals) Commissioner of Central Excise, Customs and Service Tax-
VADODARA-I]

JSL INDUSTRIES LTD

Mogar, Anand
Gujarat

Appellant

Vs.

C.C.E. & C. -ANAND

Office of the Commissioner, Central Excise, Customs &
Service Tax, Central Excise Building, Nr. Juna Dadar,
Behind Old Bus Depot, Anand,
Gujarat-388001

Respondent

Appearance:

Shri Abhay Y Desai, Advocate for the Appellant
Shri Anoop Kumar Mudvel, Superintendent (AR) for the Respondent

**CORAM: HON'BLE MR. RAMESH NAIR, MEMBER (JUDICIAL)
HON'BLE MR. C. L. MAHAR, MEMBER (TECHNICAL)**

FINAL ORDER NO. 12211/2024

Date of Hearing : 31.07.2024
Date of Decision : 26.09.2024

RAMESH NAIR

The brief facts of the case are that the appellant in their books of account under the head legal and professional expenses booked certain expenditure of legal and professional fees. The case of the department is that since all the expenditure are booked under the head of legal and professional fees the appellant is liable to pay Service Tax under Section 68(2) of the Finance Act, 1994 read with Notification No. 30/2012-ST dated 20.06.2012 (Sr. No. 5)

As per the department, the entire expenditures booked under legal and professional fees since it is towards legal and professional fees the appellant are liable to pay Service Tax under Reverse Charge Mechanism.

2. Shri Abhay Y Desai learned counsel appearing on behalf of the appellant at the outset submits that the entire amount shown in legal and professional expenditure is not towards the legal fees whereas all the professional fees such as fees paid to Chartered Accountant, Chartered Engineer and others professions including the legal fees paid to the advocate have been booked under the head of legal and professional expenses. It is a submission that wherever they have paid the actual legal fees to the legal professional such as advocate they have discharged the Service Tax. It is a submission that in respect of all the professional which are other than legal professional the Service Tax is payable on forward charges by the professionals for the same appellant is not liable to pay Service Tax. He referred to chart submitted along with his submission dated 31th July, 2024 wherein he submits that out of the total expenses towards the legal and professional charges the bifurcation is clearly given that which amount pertains to advocate and which pertains to other than advocate. On the query from the bench he submits that this bifurcation has not been submitted before the adjudicating authority. He also submits that during the relevant period the appellant was engaged in the manufacture of excisable goods and if it all any Service Tax is payable under Reverse Charge Mechanism the same is available as Cenvat Credit instantly after making the payment of Service Tax therefore there was no malafide intention on the part of the appellant. Accordingly the demand for extended period and the entire penalty is not payable by the appellant. He placed reliance on the following judgments:

- M/S Futura Polyester Ltd. v. Commissioner of Central Excise, 2013 (1) TMI 658 (Tri Chennai)
- M/S KJS Cement Ltd. v. Commissioner of CGST, 2023 (12) TMI 903-CESTAT NEW DELHI

- Indian Manufacturers Machine Tools Association V. Commissioner of Central Excise, Panchkula, (2023) 11 Centax 213 (Tri.-Chan)
- Synergy Audio Visual Workshop P. Ltd. v. Commissioner of S.T., Bangalore, 2008 (10) S.T.R. 578 (Tri.-Bang.)
- M/S. Go Bindas Entertainment Pvt. Ltd. v. Commissioner of Service Tax, 2019 (5) TMI 1487 CESTAT ALLAHABAD
- Commissioner of C. Ex. vs. Kitply Industries Ltd. 2011 (267) ELT 289 (S.C.)
- Jay Yuhshin Ltd. v. CCE 2000 (119) E.L.T. 718 (Tribunal - LB)
- CCE v. Indeos ABS Limited 2010 (254) E.L.T. 628 (Guj.)
- Kansai Nerolac Paints Ltd. v. CCE-1 2016 (339) E.L.T. 467 (Tri. - Ahmd.)
- CCE v. Gujarat Glass Pvt. Ltd. 2013 (290) E.L.T. 538 (Guj.) Precot Mills Ltd. v. CCE 2014 (313) E.L.T. 789 (Tri. - Bang.)
- Alembic Ltd. v. CCE, Vadodara-1 2014 (308) E.L.T. 535 (Tri. - Ahmd.)
CCE v. Special Steel Ltd. 2015 (329) E.L.T. 449 (Tri. Mumbai)
(maintained vide 2016 (334) E.L.T. A123 (S.C.))
- Mahindra & Mahindra Ltd. v. CCE 2016 (333) E.L.T. 124 (Tri. Mumbai)
- V.E. Commercial Vehicles Ltd. v. CCE 2018 (15) G.S.T.L. 291 (Tri. Del.) (maintained vide 2019 (31) G.S.T.L. J96 (S.C.))
- Mahindra & Mahindra Ltd. v. CCE, Mumbai 2019 (368) E.L.T. 105 (Tri. Mumbai) (maintained vide 2019 (368) E.L.T. A41 (S.C.))
- Reliance Securities Ltd. v. CST. 2019 (20) G.S.T.L. 265 (Tri. Mumbai)

3. Shri Anoop Kumar Mudvel learned Superintendent AR appearing on behalf of the revenue reiterates the findings of the impugned order.

4. On careful consideration of the submissions made by both the sides and perusal of records. We find that the appellant has made out a prima facie case in as much as they have clearly shown the bifurcation of the

expenses booked under the head of legal and professional charges in their books of account. We are of the view that merely because the appellant have booked the expenses of various professional under one head that is legal and professional charges this cannot be the reason to demand Service Tax from the appellant under Reverse Charge Mechanism on the assumption that all the expenses booked under the said head is towards the legal fees. The appellant have produced the chart whereby it is explicit that the major amount pertains to various other professions such as Chartered Accountant, Chartered Engineer etc. for which the appellant is not liable to pay Service Tax under Reverse Charge Mechanism in terms of Section 68(2) read with Notification No. 30/2012-ST. however, this clear bifurcation has not been submitted by the appellant before the adjudicating authority therefore the matter needs to be reconsidered by the adjudicating authority on all the issues.

5. Therefore, we set aside the impugned order and allow the appeal by way of remand to the adjudicating authority. Since the appeal pertains to very old period of 2017 and the period involved is July-2012 to November-2015 the adjudicating authority shall pass de novo order within a period of two months from the date of this order.

(Order pronounced in the open Court on 26.09.2024)

(RAMESH NAIR)
MEMBER (JUDICIAL)

(C. L. MAHAR)
MEMBER (TECHNICAL)