CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL, MUMBAI

REGIONAL BENCH - COURT NO. I

Service Tax Misc. Application No. 86201 of 2024
(on behalf of Respondent)

in

Service Tax Appeal No. 85006 of 2017

(Arising out of Order-in-Original No. 35/STC-I/SM/16-17 dated 25.09.2016 passed by the Commissioner of Service Tax-I, Mumbai).

Bank of Baroda **.... Appellants**
Baroda Corporate Centre,
C-26, G Block, Bandra Kurla Complex (BKC)
Bandra (East), Mumbai – 400 051.

Versus

Commissioner of Service Tax - I **....Respondent**
14th Floor, Air India Building
Marine Drive, Nariman Point
Mumbai – 400 021.

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APPEARANCE:

Shri Mehul Jivani, Chartered Accountant for the Appellants
Shri S.K. Yadav, Authorized Representative for the Respondent

CORAM:

HON'BLE MR. S.K. MOHANTY, MEMBER (JUDICIAL)
HON'BLE MR. M.M. PARTHIBAN, MEMBER (TECHNICAL)

FINAL ORDER NO. A/86227/2025

Date of Hearing: 21.07.2025
Date of Decision: 08.08.2025

Per: M.M. PARTHIBAN

This appeal has been filed by M/s Bank of Baroda, Mumbai (herein after, referred to as "the appellants", for short) assailing the Order-in-Original No. 35/STC-I/SM/16-17 dated 25.09.2016 (herein after, referred to as "the impugned order") passed by the Commissioner of Service Tax-I, Mumbai.

2. The miscellaneous application being No. 86201/2024 has been filed by the Revenue seeking change in the name and address of the respondent to "*Principal Commissioner of Central Goods Service Tax and Central Excise, Mumbai East Commissionerate*" having the office of the Commissionerate at the address "*9th Floor, Lotus Info Centre, Station Road, Parel (East), Mumbai-400 012*", due to change in the territorial jurisdiction after introduction of GST regime vide Notification No.13/2017-C.E. (N.T) dated 09.06.2017 and as the appellants-assessee falls in their jurisdiction. As the revised name and address of the respondent correctly reflect the revised jurisdictional departmental authorities under whose jurisdiction the appellants-assessee is functioning for the purpose of Service Tax, the miscellaneous application is allowed. Registry is directed to carry out the necessary changes for record purpose.

3.1 The brief facts of the case are that the appellants herein is *inter alia*, engaged in providing amongst various services, 'Banking and Other Financial Services' which are taxable services under Chapter V of the Finance Act, 1994. For the purpose of payment of Service Tax and for compliance with service tax statute, they are registered with the jurisdictional Commissionerate under service tax centralized registration No. AAACB1534FST378.

3.2 In case of export, the appellants provide services to the exporters for collection of the remittances made by the overseas buyers towards the proceeds of export which involve three different types of transactions. These are (i) 'Do Not Send' - document sent directly by Indian exporter to foreign importer (ii) 'Bank to customer' - document directly sent through bank situated in India to overseas importer through approved courier, and (iii) Bank to Bank - document sent by Indian exporters' bank to overseas importers' bank. During the course of collection of foreign remittances, the foreign banks deduct charges and remit the net amount to the bank situated in India. In this regard, the Department had called for various

details/documents for the purpose of ascertaining the taxability of the above transaction. On the basis of the verification, the Department had interpreted that in cases where the foreign banks are recovering certain charges for processing of import/export documents regarding remittances of foreign currency, the banks in India are the recipient of service. Therefore, the Department had proceeded against the banks in India, being a recipient of service, for demand of service tax under the provisions of Notification No. 30/2012-Service Tax dated 20.06.2012.

2.2 Accordingly the Department had issued Show Cause Notice (SCN) vide No. 1425/Commr./2014-15 dated 08.10.2014 by treating the appellants as recipient of service provided by foreign banks and proposing for demand of service tax for the period July, 2012 to March, 2014 under Section 73(1) read with Section 66B, 68 of the Finance Act, 1994 along with interest and for imposition of penalty on the appellants under Section 76 & 77 *ibid.*

2.3 The afore said SCN was adjudicated by the learned Commissioner of Service Tax-I, Mumbai by confirming all the proposals made in the SCN vide Order-in-Original dated 25.09.2016. In the said order dated 25.09.2016, which is impugned herein, the adjudicating authority has confirmed the demand of CENVAT credit of Rs. 17,06,94,271/- along with interest; imposed penalty of Rs. 1,70,69,427 and Rs.10,000/- under Section 76 and 77 *ibid* respectively on the appellants. Feeling aggrieved with the impugned order, the appellants have filed these appeals before the Tribunal.

3.1 Learned Chartered Accountant submitted that the issue under dispute has been decided in favour of the appellants in a number of cases by various Benches of the Tribunal; Hon'ble High Court of Madras and by the Referral Bench of the Tribunal in favour of the appellants in the case of *State Bank of Bikaner & Jaipur Vs. Commissioner of Central Excise & Service Tax, Alwar* vide Order dated 05.08.2020 in Appeal No. ST/51138 of 2017 reported in 2021 (45) G.S.T.L. 293 (Tri. Del.). The judgement dated 22.11.2019 delivered by Hon'ble Madras High Court in the case of *BGR Energy Systems Limited Vs. Addl. Commissioner of GST & C. Ex., Chennai* – 2020 (32) G.S.T.L. 186 (Mad) also supports their case.

3.2 He further submitted that during the course of collection of foreign remittances for the exporters in India, the foreign banks deduct charges

from the remittance amount due to the exporter and remit the net amount to the banks in India, as the appellants Indian banks act as an agent of their customer-exporter. Therefore, he stated that the appellants bank is not the service recipient; and no services have been received by them. He also stated that even in case, where such value of deduction by foreign banks has been alleged by the department to be part of the service, it is well settled law now that such re-imbursement expenditure will not be included in the value of services as held by the Hon'ble Supreme Court in the case of Intercontinental Consultants and Technocrats. Further, he stated that Trade Notice No.20/2013-14-ST-I dated 10.02.2014 issued by the Commissioner of Service Tax-I, Mumbai on the basis of certain decisions of the Tribunal are more in the nature of stay orders in favour of the appellants and these have no application to the present facts of the case, where final orders have been passed in favour of the appellants therein.

3.3 Learned Chartered Accountant had relied upon the follows case laws:

(i) *Commissioner of Central Goods and Service Tax, Excise and Customs, Bhopal Vs. Central Bank of India*– 2025 (1) TMI. 538 (CESTAT DELHI)

(ii) *Union of India* Vs. *Intercontinental Consultants and Technocrats Private Limited – 2018 (10) G.S.T.L. 401 (S.C.)*

(iii) *Commissioner of Service Tax Vs. Bhyana Builders (P) Ltd.* – Judgement dated 19.02.2018 – 2018 (10) G.S.T.L. 118 (S.C.).

In view of the above, he submitted that the appeal may be allowed in favour of the appellants.

4. On the other hand, the learned AR appearing for the Revenue reiterated the findings recorded in the impugned order.

5. Heard both sides and carefully examined the case records.

6. The short issue for determination before the Tribunal in this case is as under:

(i) whether the appellants banks in India are the recipient of service, in an export transaction involving transfer/exchange of documents and transfer of money on behalf of their client exporters or otherwise;

(ii) whether the appellants banks in India are liable to pay service tax on 'foreign bank charges' paid to foreign correspondent banks or foreign intermediary banks, under Reverse Charge Mechanism?

7. We find that on the aforesaid issue of liability to pay service tax on 'foreign bank charges', both during pre-negative list period and post 0.07.2012 have been examined in detail by the Co-ordinate Bench of this Tribunal in the case of *State Bank of Bikaner & Jaipur* (supra), wherein it was held that the banks in India are not the recipient of any service rendered by foreign banks in the export transaction for settling the foreign remittances, and there is no liability of payment of service tax thereon on Reverse Charge Mechanism (RCM) basis. The relevant paragraphs of the said Order of Tribunal dated 05.08.2020 is extracted and given below:

> *"**2.** The Appellant Bank has been providing various financial services in India under the category of "banking & other financial services" as defined under Section 62(12) of the Finance Act. Amongst the various services it provides, the Appellant Bank also provides banking services to the importers/exporters by facilitating the settlement of payment between them in connection with the import and export of goods/services. The Foreign Exchange Management Regulations require all foreign trade transactions to be necessarily routed through normal banking channels. For settlement of payment between the importer and exporter, banks of importer and exporter have to play their role in making and collecting the payments. If the banks of the importer and exporter are different, then the settlement transactions are governed by the URC 522 and UCP 600 protocols issued by International Chamber of Commerce. The protocols define the obligations of each party (i.e. exporter, importer and their respective banks) to International trade. In the absence of any specific agreement to the contrary, all contracts are governed by these protocols.*
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> *xxx xxx xxx xxx*
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> ***19.** As noticed above, the issue that needs to be decided is whether the Foreign Banks have provided any service of transfer/exchange of documents and transfer of money relating to exports made by the exporters in India, who receive money through the Appellant Bank against the said exports. According to the Department, the Foreign Bank provides "banking and other financial services", as defined under Section 65(12) of the Finance Act, which is taxable under Section 65(105)(zm) of the Finance Act at the hands of the Appellants under a reverse charge mechanism. The contention of the Appellant Bank is that no service has been provided by the Foreign Bank or the Foreign Intermediary Bank to the Appellant Bank and, therefore, the Appellant Bank cannot be asked to pay service tax on reverse charge mechanism and in any case there is no flow of consideration from the Appellant Bank to the Foreign Bank or the Foreign Intermediary Bank so as to make the alleged service to the Appellant Bank taxable.*
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> ***20.** To appreciate the aforesaid issue, it will be necessary to understand the nature of the transaction that takes place. The Appellant Bank has been providing banking services to the exporters by facilitating the settlement of payments relating to the export of goods. All such foreign trade transactions have necessarily to be routed through normal banking channels as is provided for in the Foreign Exchange Management Regulations. The banks of the exporter and the banks of*

the importer, therefore, have an important role to play. There may be a situation where the banks of the exporter and the banks of the importer are different. In such a situation, the settlement of transaction is governed by the URC 522 and UCP 600 protocols issued by the International Chambers of Commerce. As per the specific instructions of the Indian exporters, the Appellant Bank provides services like sending of export documents to the banks of the exporter's buyers, for which the Appellant Bank charges commission/fees and pays service tax on such services provided to the exporter. There is no dispute on this issue. The dispute is with regard to the charges collected by the Foreign Bank or the Foreign Intermediary Bank.

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34. *The issue that needs to be decided is whether the Appellant Bank is the recipient of the service said to have been provided by the Foreign Bank. The nature of the transactions that take place when an exporter in India exports goods to an importer outside India has been described in the preceding paragraphs. The Appellant Bank provides service to the exporters by sending the export documents to the bank of the importer abroad and collects payment. Thus, the role of the Appellant Bank is to settle the payment relating to export/import of trade. For performance of such activity, the Appellant Bank charges service tax to the exporters and there is no dispute about the said charges in this Appeal. The Appellant Bank cannot be said to be the recipient of service for the activities undertaken by the Foreign Banks situated outside India, the charges for which are deducted at source on the export bill. The Appellant Bank merely acts on behalf of the Indian exporter and facilitates the service. The Appellant Bank, therefore, would not be liable to pay service tax under the reverse charge mechanism.*

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36. *It is, thus, clear that where service tax is chargeable on any taxable service with reference to its value, then such value shall be determined in the manner provided for in (i), (ii) or (iii) of sub-section (1) of Section 67. What needs to be noted is that each of these refer to "where the provision of service is for a consideration", whether it be in the form of money, or not wholly or partly consisting of money, or where it is not ascertainable. In either of the cases, there has to be a "consideration" for the provision of such service. Explanation to sub-section (1) of Section 67 defines "consideration" to include any amount that is payable for the taxable services provided or to be provided, or any reimbursable expenditure, or any amount retained by the lottery distributor or selling agent. It is clear from the aforesaid definition of "consideration" that only an amount that is payable for the taxable service will be considered as "consideration".*

37. *A Larger Bench of the Tribunal in Bhayana Builders (P) Ltd. v. Commissioner of Service Tax [2013 (32) S.T.R. 49 (Tri. - LB)] observed that "implicit in the legal architecture is the concept that any consideration whether monetary or otherwise, should have flown or should flow from the service recipient to the service provider and should accrue to the benefit of the latter." In the said decision, the Larger Bench made reference to the concept of "consideration", as was expounded in the decision pertaining to Australian GST Rules, wherein a categorical distinction was made between "conditions" to a contract and*

"consideration". It has been prescribed under the said GST Rules that certain "conditions" contained in the contract cannot be seen in the light of "consideration" for the contract and merely because the service recipient has to fulfil such conditions would not mean that this value would form part of the value of the taxable services that are provided.

38. *The Supreme Court in Commissioner of Service Tax v. M/s. Bhayana Builders [2018 (2) TMI 1325 = 2018 (10) G.S.T.L. 118 (S.C.)], while deciding the appeal filed by the Department against the aforesaid decision of the Tribunal, also explained the scope of Section 67 of the Act, both before and after the amendment, in the following words :*

> *"The amount charged should be for "for such service provided": Section 67 clearly indicates that the gross amount charged by the service provider has to be for the service provided. Therefore, it is not any amount charged which can become the basis of value on which service tax becomes payable but the amount charged has to be necessarily a consideration for the service provided which is taxable under the Act. By using the words "for such service provided" the Act has provided for a nexus between the amount charged and the service provided. Therefore, any amount charged which has no nexus with the taxable service and is not a consideration for the service provided does not become part of the value which is taxable under Section 67. The cost of free supply goods provided by the service recipient to the service provider is neither an amount "charged" by the service provider nor can it be regarded as a consideration for the service provided by the service provider. In fact, it has no nexus whatsoever with the taxable services for which value is sought to be determined."*
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> *(emphasis supplied)*

39. *The aforesaid view was reiterated by the Supreme Court in Union of India v. Intercontinental Consultants and Technocrafts [2018 (10) G.S.T.L. 401 (S.C.)] and it was observed :*

> *"23. Obviously, this Section refers to service tax, i.e., in respect of those services which are taxable and specifically referred to in various sub-clauses of Section 65. Further, it also specifically mentions that the service tax will be @ 12% of the "value of taxable services". Thus, service tax is reference to the value of service. As a necessary corollary, it is the value of the services which are actually rendered, the value whereof is to be ascertained for the purpose of calculating the service tax payable thereupon.*
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> *24. In this hue, the expression "such" occurring in Section 67 of the Act assumes importance. In other words, valuation of taxable services for charging service tax, the authorities are to find what is the gross amount charged for providing "such" taxable services. As a fortiori, any other amount which is calculated not for providing such taxable service cannot a part of that valuation as that amount is not calculated for providing such "taxable service". That according to us is the plain meaning which is to be attached to Section 67 (unamended, i.e., prior to May 1, 2006) or after its amendment, with effect from, May 1, 2006. Once this interpretation is to be given to Section 67, it hardly needs to be emphasised that Rule 5 of the Rules went much beyond the mandate of Section 67. We, therefore, find that High Court was right in interpreting Sections 66 and 67 to say that in the valuation of taxable service, the value of taxable service shall be the gross amount charged by the service provider "for such service" and the valuation of tax service cannot be anything more or less than the consideration paid as quid pro qua for rendering such a service.*

25. This position did not change even in the amended Section 67 which was inserted on May 1, 2006. Sub-section (4) of Section 67 empowers the rule making authority to lay down the manner in which value of taxable service is to be determined. However, Section 67(4) is expressly made subject to the provisions of sub-section (1). Mandate of sub-section (1) of Section 67 is manifest, as noted above, viz., the service tax is to be paid only on the services actually provided by the service provider."

40. *What follows from the aforesaid decisions is that "consideration" must flow from the service recipient to the service provider and should accrue to the benefit of the service provider and that the amount charged has necessarily to be a consideration for the taxable service provided under the Act. It should also be remembered that there is marked distinction between "conditions to a contract" and "considerations for the contract". A service recipient may be required to fulfil certain conditions contained in the contract but that would not necessarily mean that this value would form part of the value of taxable services that are provided.*

41. *The Appellant Bank has not paid any consideration to the Foreign Bank as is clear from the factual position emerging out of the export trade and, therefore, also the Appellant Bank cannot be said to be the recipient of any service by the Foreign Bank.*

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43. *At this stage, it will be useful to reproduce the relevant portion of the Trade Notice dated February 10, 2014 issued by the Chief Commissioner, Central Excise, Mumbai Zone-I, as it is this Trade Notice that has been relied upon in the decisions referred to by the Learned Authorized Representatives. The relevant portion of the Trade Notice is reproduced below :*

"5. The views of the banks that services provided by the foreign bank are received by the importer or exporter in India is not factually and legally correct because, for a person to be treated as recipient of service, it is necessary that he should know who the service provider is and there should be an agreement to provide service, which may be oral or written. In the present case, the importer and exporter does not even know who the service provider is, as they are not aware of the identity of the foreign banks which would be providing services. Exporter or importer in India does not have any formal or informal agreement with the foreign bank. Importer or exporter in India does not even know the quantum of charges which the foreign bank would be recovering. Therefore, in view of the above mentioned factual position and also in view of the various articles of URC 522/UCP 600, it is clear that services are provided by the foreign bank to the bank in India. Further, Tribunals have also prima facie held that in such cases, services are provided by the foreign bank to the Indian bank and not to the Indian Exporter. [M/s. Gracure Pharmaceuticals Ltd. v. Commissioner of Central Excise, Jaipur-I - 2013 (32) S.T.R. 249 (Tri. - Del.), M/s. Gujarat Ambuja Exports Ltd. v. Commissioner of Service Tax, Ahmedabad - 2013 (30) S.T.R. 667 (Tri. - Ahmd.)].

6. It is therefore clarified that, in cases where the foreign banks are recovering certain charges for processing of import/export documents regarding remittance of foreign currency, the banks in India would be treated as recipient of service and therefore required to pay Service Tax.

7. All the banks are requested to follow the abovementioned clarifications and to also pay tax for the past period.

8. This Trade Notice is issued with the approval of Chief Commissioner, Central Excise, Mumbai-Zone-I."

[emphasis supplied]

44. *The aforesaid Trade Notice dated February 10, 2014 places reliance upon two interim orders passed by the Principal Bench at Delhi in Gracure Pharmaceuticals Ltd. v. Commissioner of Central Excise, Jaipur-I [2013 (32) S.T.R. 249 (Tri. - Del.)] and by the Ahmedabad Bench of the Tribunal in Gujarat Ambuja Exports Ltd. v. Commissioner of Central Excise, Ahmedabad [2013 (30) S.T.R. 667 (Tri. - Ahmd.)]. Thus, it is based on prima facie views expressed by the Benches in the interim orders. It is also not clear whether the Appeals have been decided or not.*

45. *The aforesaid Trade Notice dated February 10, 2014 was examined by the Madras High Court in BGR Energy Systems Limited [2020 (32) G.S.T.L. 186 (Mad.)] wherein the Writ Petitioner was an exporter who had entered into an agreement to export certain goods to an oil company situated in Iraq. For due performance of the contract, the Indian exporter was required to issue Advance Bank Guarantee as well as Performance Bank Guarantee. Both these guarantees had to be issued by a Bank in Iraq in favour of overseas customer of the Indian exporter. It was sought to be contended by the Writ Petitioner that in view of the Trade Notice dated February 10, 2014, only the Indian Bank was liable to pay service tax and not the exporter. On the other hand, it was sought to be contended by the Respondent that the Trade Notice relied upon by the Writ Petitioner was issued by the Mumbai Commissionerate in view of a stay order passed by the Tribunal and the Appeal was still pending before the Tribunal. The Madras High Court referred to the decision of the Supreme Court in Commissioner of Central Excise, Bhopal v Minwool Rock Fibres Ltd. [2012 (278) E.L.T. 581 (S.C.)] and held that Departmental Circulars were not binding on the assessee or quasi judicial authority or courts. The High Court then examined whether the exporter or its Indian banker was liable to pay service tax for the service rendered by the Foreign Bank or the Foreign Intermediary Bank and in this connection observed that though the Indian exporter had not made any remittance to the Foreign Intermediary banks directly, but there could be no dispute that the expenses met out for rendering of such service to the Indian Bank were borne by the Indian exporter. Thus, it cannot be said that the bank of the exporter in India was the recipient of service provided by the Intermediary Bank or the Foreign Bank situated in Iraq. In fact, the Indian Bank of the exporter had only facilitated the service to be rendered by the Foreign Bank for the purpose of providing Bank Guarantee on behalf of the exporter. Thus, the Indian exporter could not shirk from its liability of paying service tax relatable to the bank guarantee, commission and realization charges involved in the case. The relevant portion of the judgment of the Madras High Court is reproduced below :*

"18. In this case, there is no dispute to the fact that the petitioner's bank in this country namely Indian Bank, Adyar has not furnished the bank guarantee to the foreign supplier of the petitioner. On the other hand, the Indian Bank approached the intermediary banks which are admittedly located outside this country, which in turn approached the bank situated in Iraq only for the purpose of furnishing bank guarantee on behalf of the petitioner to its foreign supplier at Iraq. Therefore,

there is no doubt that though the event of furnishing the bank guarantee had taken place in three parts, the chain of events connecting those three parts will undoubtedly lead to an irrebuttable conclusion that all those three events were aimed only to provide the service to the petitioner, namely furnishing of bank guarantee to its foreign supplier. As rightly pointed out by the authorities who passed the impugned order, the petitioner had incurred expenditure in foreign currency towards bank guarantee commission and export proceeds realisation charges paid to the intermediary banks situated outside India. Certainly, a taxable service has been provided to the petitioner namely, banking or other financial services. It is the categorical finding of the authorities who passed the impugned orders that taxable service by way of issuing bank guarantee to the petitioner's customer at Iraq and by way of remitting the exports proceeds to the petitioner, had been performed by the intermediary banks for the petitioner. Therefore, the petitioner cannot claim that they are not the recipient of the service. Though the petitioner had not made any remittance to the foreign intermediary banks directly, there cannot be any dispute that the expenses met out towards rendering of such service by the Indian Bank were borne by the petitioner. In other words, at no stretch of imagination, it can be said that the petitioner's Bank at Chennai, namely, Indian Bank, Adyar, is recipient of the service provided by the intermediary bank or the foreign bank situated in Iraq. Needless to say that the Indian Bank, Adyar, namely, the banker of the petitioner has facilitated the service to be rendered by the intermediary banks and the foreign bank in Iraq only for the purpose of providing bank guarantee on behalf of the petitioner. Therefore, the petitioner is not justified in shirking its liability to pay Service Tax relatable to the bank guarantee commission and realisation charges involved in this case.

19. Further, as rightly pointed out by the Appellate Authority in his order made in Appeal Nos. 489-492/2018, dated 17-9-2018, the recipient of service involved in this case namely, furnishing of bank guarantee, is only the petitioner and not the banker. Since the service receiver is the petitioner and the place of provision of such service is also the location of the petitioner, which is within India, the Service Tax liability is rightly fastened on the petitioner, with which, I find no reason to interfere. Since the only point raised in this writ petition is based on the trade circular issued by the Mumbai Commissionerate and that the said issue is answered against the petitioner as discussed supra, I find that both the writ petitions are devoid of any merit. Accordingly, both the writ petitions are dismissed. No costs. Consequently, connected miscellaneous petitions are closed"

[emphasis supplied]

46. *Thus also, neither the aforesaid Trade Notice dated February 10, 2014 nor the decisions relied upon by the Learned Authorized Representatives based on the said Trade Notice can come to the aid of the Department.*

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50. *The inevitable conclusion that follows from the above discussion is that the Indian Bank is not the recipient of any service rendered by the Foreign Bank and, therefore, there is no liability to pay service tax on a reverse charge mechanism."*

8. We also find that Co-ordinate Bench of the Tribunal in the case of *Central Bank of India* (supra) in Final Order No. 59933/2024 dated 10.12.2024 in dismissing the appeal filed by the department against the relief given in favour of the appellants, have relied upon the case of State Bank of Bikaner & Jaipur and held that banks in India are not liable to pay service tax under RCM basis, in respect of export transactions conducted on behalf of their client exporters.

9. In view of the foregoing and on the basis of the order passed by the Co-ordinate Bench of the Tribunal in the case of *State Bank of Bikaner & Jaipur* (supra), and judgement delivered by the Hon'ble High Court of Madras in the case of *BGR Energy Systems Ltd.,* (supra), confirmation of service tax liability on appellants banks in India, in an export transaction involving transfer/exchange of documents and transfer of money on behalf of their client exporters, on RCM basis, does not stand the legal scrutiny. Therefore, the adjudged demands along with interest and imposition of penalty on the appellants, in the impugned order dated 25.09.2016, is not legally sustainable and thus it is liable to be set aside.

10. In the result, the impugned order dated 25.09.2016 passed by the learned Commissioner of Service Tax-I, Mumbai is set aside and the appeal filed by the appellants is allowed in their favour.

(Order pronounced in open court on 08.08.2025)

(S.K. MOHANTY)
MEMBER (JUDICIAL)

(M.M. PARTHIBAN)
MEMBER (TECHNICAL)

Sinha