

GIB/KN/SOBHA Developer/04.03.2020/HC-145

High Court Category : Others

State : Karnataka

Order No.: GIB/KN/SOBHA Developer/04.03.2020/HC-145

Name of Entry :

COMMISSIONER OF SERVICE-TAX VERSUS SOBHA DEVELOPERS LTD.

Date : 04-03-2020

Breif Issue :

Fact Issue of Case:

Respondent "Sobha Developers" is engaged in the business of construction of complex and roads under the category "construction of complex services and works contract service" under the Finance Act, 1994. On the ground that respondent was rendering taxable service under the category of "Club or Association Service" as defined under Section 65(105)(zzze) of the Finance Act, 1994 and liable for payment of service tax, which is said to have come to limelight during the course of audit and observations having been made that agreements entered into by the respondent with their customers for the purpose of residential apartments and certain amounts are collected as non-refundable deposits towards "Club House and Swimming Pool".

Decision of Advance Ruling Authority :

Decision:

In the light of the authoritative pronouncement of Hon'ble Apex Court in Calcutta Club Ltd. holding that the companies and co-operative societies which are registered under the respective Acts can be said to be constituted under those Acts and the clubs or associations incorporated prior to 1.7.2012 were not included in the service tax net, necessarily, we have to answer the substantial questions of law against the revenue and in favour of the respondent-assessee and accordingly, it is ordered - Appeals are dismissed by answering the substantial questions of law in favour of respondent-assessee and against appellant-revenue.