

Vasudev Mehta

Issue : Whether Service Tax can be levied on the Cost Sharing among the group companies? Held : No  
Brief Facts of the Case : The brief facts of the case are that the appellants had incurred expenditure on behalf of the group companies and such expenditure/ cost is shared among the group Companies at the agreed ratio. The Appellants had collected such amount and recorded the same in its statutory records, including in the Profit & Loss Account under the heading “Establishment uses charge”. The Learned Commissioner vide Order-in-Original imposed Service Tax on the said transaction. Conclusion : The appellant incurred expenditure on behalf of the group companies and such expenditure has been shared among the group Companies at the ratio a.....