



Vasudev Mehta

Issue: Whether the companies are right in not paying service tax on the free telephone provided to their employees and friendly users from whom they do not recover any charges, but pay service tax only on line laying charges which represents value of calls made through the network other than cellular phone. ? Held : No Brief Facts of the Case : Cellular telephone operators provides services to a category called "friendly users" which is mainly provided to its sister concerns and to their employees from whom they do not recover any air time charges and only recover "land line charges" which represents the value of the calls made. The assessee is providing call free allowance to its employees. The value of these charges, as per their policy, is at a reduced rate from market price. whether the concessional rate of fee col.....