

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL  
West Zonal Bench At Ahmedabad**

REGIONAL BENCH- COURT NO.3

**SERVICE TAX Appeal No. 11477 of 2013**

(Arising out of OIA-PJ/461/VDR-I/2012-13 dated 25.02.2013 passed by  
Commissioner of Central Excise, Customs and Service Tax-VADODARA-I)

**SOPHISTICATED INSTRUMENTATION**

CENTRE FOR APPLIED RESEAECH & TESTING,  
CHAROTAR VIDYA MANDAL, VALLABH VIDYANAGAR,  
ANAND-GUJARAT

**...Appellant**

*VERSUS*

**C.C.E. & S.T.-VADODARA-I**

1ST FLOOR...CENTRAL EXCISE BUILDING,  
RACE COURSE CIRCLE,  
VADODARA, GUJARAT-390007

**...Respondent**

**APPEARANCE:**

Shri Mrugesh Pandya, Advocate appeared for the Appellant  
Shri P. Ganesan, Superintendent (Authorized Representative) for the  
Respondent

**CORAM:**

**HON'BLE MEMBER (JUDICIAL), MR. RAMESH NAIR  
HON'BLE MEMBER (TECHNICAL), MR. RAJU**

**Final Order No. 12093 /2023**

DATE OF HEARING: 15.09.2023  
DATE OF DECISION: 22.09.2023

**RAJU**

This appeal has been filed against demand of service tax under the head of "Commercial Training or Coaching Service". The demand pertains to the period 2006-2007 under the head of Commercial Training or Coaching Centers in respect of a total income Rs. 2,73,022/- received by them.

2. Learned counsel for the appellant pointed out that the appellants are run and managed by Charutar Vidya Mandal, a non profit organization registered as public charitable trust under Public Charitable Trust Act, 1950. The appellants are sponsored by department of Science and Technology, Government of India and are recognized by Charutar Vidya Mandal and Sardar Patel University. It was argued that the appellants are not coaching classes but provide facilities to the students of institute of Science and Technology for advance studies and Research

and students of Charutar Vidya Mandal by providing training. The students do not pay any fee to the appellants however a certain fee is paid by Charutar Vidya Mandal. Learned counsel pointed out that the vide the Finance Act, 2010, an explanation was inserted for removal of doubts retrospectively w.e.f. 01.07.2003 in the definition of Taxable Service of "Commercial Training or Coaching Centre". The said explanation stated that even not profit organization shall be included within scope of the service "commercial training or coaching centre service". In the background learned counsel pointed that invocation of extended period is not justified.

3. Learned Authorized Representative relies on the impugned order.

4. We have considered the rival submissions. We find that the Commercial Training and Coaching Centre has been defined under clause 27 of Section 65 as follows:

"(27) "Commercial training or coaching centre" means any institute or establishment fees providing commercial training or coaching for imparting skill or knowledge or lessons on any subject or field other than the sports, with or without issuance of a certificate and includes coaching or tutorial classes but does not include pre- school coaching and training centre or any institute or issues any certificate or diploma or degree or any educational qualification La recognised by law for the time being in force;"

Vide Finance Act, 2010, the following explanation was added:

"Explanation. For the removal of doubts, it is hereby declared that the expression "commercial training or coaching centre" occurring in this sub-clause and in clauses (26), (27) and (90a) shall include any centre or institute, by whatever name called, where training or coaching is imparted for consideration, whether or not such centre or institute is registered as a trust or a society or similar other organisation under any law for the time being in force and carrying on its activity with or without profit motive and the expression "commercial training or coaching" shall be construed accordingly;"

From the above, it is apparent that prior to 2010, there was a confusion regarding the nature of institute which are covered under the definition of Commercial Training or Coaching Centre. In the instant case, the appellant happen to be a charitable trust and held a belief that they are not a 'Commercial' Training or Coaching Centre and therefore, did not discharge the service tax. In these circumstances, invocation of

extended period of limitation is not justified. The impugned order is, therefore, set aside and appeal is allowed on the ground of limitation.

(Pronounced in the open court on 22.09.2023)

**(RAMESH NAIR)**  
**MEMBER (JUDICIAL)**

**(RAJU)**  
**MEMBER (TECHNICAL)**

Neha