Customs, Excise & Service Tax Appellate Tribunal
West Zonal Bench at Ahmedabad

REGIONAL BENCH-COURT NO. 3

Service Tax Appeal No. 12796 of 2018-DB

(Arising out of OIA-VAD-EXCUS-001-APP-289-2018-19 dated 30/08/2018 passed by Commissioner (Appeals), Central Excise, Customs and Service Tax-VADODARA-I)

Centre For Operation Research & Training **...... Appellant**
4th Floor, Woodland Apartment,
Race Course,
Vadodara, Gujarat

VERSUS

Commissioner of C.E. & S.T.-Vadodara-I **......Respondent**
1st Floor...Central Excise Building,
Race Course Circle,
Vadodara, Gujarat- 390007

APPEARANCE:
Shri Saurabh Dixit, Advocate for the Appellant
Shri H P Shrimali, Superintendent (AR) for the Respondent

CORAM:
HON'BLE MEMBER (JUDICIAL), MR. SOMESH ARORA
HON'BLE MEMBER (TECHNICAL), MR. SATENDRA VIKRAM SINGH

Final Order No. 10515/2025

DATE OF HEARING: 09.06.2025
DATE OF DECISION: 09.06.2025

SOMESH ARORA

The appellant M/s Center for Operations, Research and Training, Vadodara (holding service Tax Registration No. ADBPK9607MST001) were providing Market research agency services to National AIDS Centre organization(NACO), Gujarat AIDS Control Society(GSACS), Ahmedabad Municipal AIDS Contral Society (AMCACS) and Daman & Diu State AIDS Control Society (DDSACS) by training their employees for various AIDS control programs. The period involved is from 2012-13 to 2015-16 during which the appellant received an amount of Rs. 16,45,690/- from above agencies for imparting training. The department has demand service tax of Rs. 2,03,407/- on this amount vide SCN dated 31.05.2017. The SCN was decided vide O-I-O dated 26.02.2018 which confirmed the charges made in the SCN. The appellant filed appeal before the Commissioner (Appeals) who vide impugned order dated 30.08.2018 rejected their appeal. Hence, the present appeal before this Tribunal.

2. The twin defence offered by the Advocate for the appellant is that for the period upto May, 2015, the decision of the Apex Court in the case of Intercontinental Consultants and Technocrats Pvt. Ltd reported in 2018 (10) GSTL 401 (SC) which has held that reimbursements are not taxable prior to 14th May, 2015 and has also struck down Rule 5(1) of the Service Tax Rules. The learned Advocate points out that for whatever period of 2015-16 which is beyond 13th May, 2015 and rather for the entire period, his arguments is that rendering of service by them as agent to the Government bodies which were engaged in public health programs is exempt by virtue of entry No. 25 of Notification No. 25/2012-ST dated 01.07.2012 which, *inter alia,* includes public health services. It was his point of emphasis that providing of wholesome training program including facility to stay, meal, etc. are basically meant for training of public health program of the Government and local authorities. Therefore, the same is very much exempted and has been wrongly taxed. It was therefore emphasized by him that demand for the entire period is not sustainable on merits as well as by the decision of the Apex Court (cited supra).

3. Learned AR confronted with the situation, reiterates the finding of the lower authority and specially emphasized para 11 of the impugned order.

4. We have considered rival submissions. We find that, per se, there is no objection by the lower authorities on the aspects to these societies which were implementing AIDS program of the government were not providing service to the government organizations. However, the learned Authority has given

limited meaning to the expression 'in relation to' and has decided that the training program organized by the appellants on reimbursement basis would not fall within the expression "in relation to public health". We find that such limited meaning assigned to the expression "in relation to" in the exemption granted for public health cannot be sustained. The expression is wide enough and shall include the training provided by the appellant to the persons involved in helping implementation of the AIDS program. We also find that CBIC vide Circular No. 210/02/2018-ST dated 30th May, 2018 has clarified the meaning of "**in relation to**" public health and have mentioned that even the Ambulance service provided by private service providers to government is not liable to service tax. It has been mentioned that the provision of Ambulance Services to State Governments under the NHM (National Health Mission) is a service provided to government by way of public health and hence exempted under Notification No. 25/2012-ST dated 20.06.2012. We therefore find that even the demand for the period from 14.05.2015 to 31.03.2016 is also not sustainable. In view of the foregoing, we are inclined to allow the appeal in this matter.

5. Appeal is allowed.

(Dictated and pronounced in the open court)

(SOMESH ARORA)
MEMBER (JUDICIAL)

(SATENDRA VIKRAM SINGH)
MEMBER (TECHNICAL)

Raksha