

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE  
TRIBUNAL  
BANGALORE**

REGIONAL BENCH - COURT NO. 1

**Service Tax Appeal No. 25511 of 2013**

(Arising out of Order-in-Appeal No. 317/2012 dated 15.11.2012  
passed by the Commissioner of Central Excise (Appeals - II),  
Bangalore.)

**M/s. Indian Institute of  
Plantation Management**

Jnana Bharathi Campus,  
P.O. Malathalli,  
Bangalore,  
Karnataka - 560 056.

Appellant(s)

*VERSUS*

**Commissioner of Service Tax,**

No. 16/1, S P Complex,  
Lalbagh Road,  
Bangalore.

Respondent(s)

**WITH**

**Service Tax Appeal No. 25512 of 2013**

(Arising out of Order-in-Appeal No. 317/2012 dated 15.11.2012  
passed by the Commissioner of Central Excise (Appeals - II),  
Bangalore.)

**M/s. Indian Institute of  
Plantation Management**

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Appellant(s)

*VERSUS*

**Commissioner of Service Tax,**

No. 16/1, S P Complex,  
Lalbagh Road,  
Bangalore.

Respondent(s)

**APPEARANCE:**

Mr. Raghavendra. C. R, Advocate for the Appellant

Mr. Akshay Kumar, Authorised Representative (AR) for the Respondent

**CORAM:**

**HON'BLE MR. P.A. AUGUSTIAN, MEMBER (JUDICIAL)  
HON'BLE MRS. R. BHAGYA DEVI, MEMBER (TECHNICAL)**

**Final Order Nos. 21913 - 21914 / 2025**

DATE OF HEARING: 24.06.2025

DATE OF DECISION: 28.11.2025

**PER : R. BHAGYA DEVI**

Briefly the facts are that the appellant M/s. Indian Institute of Plantation of Management (IIPM) are engaged in providing training program called as 'Short Term Executive Program' and 'Reach Out Program' which are designed to the needs of the plantation and associated Agri-Business Sector. On investigation, the Revenue observed that this training falls under the category of 'Commercial Coaching or Training Services' which are liable to service tax. The Commissioner (A) in the impugned order referring to the definition of 'Commercial Coaching or Training Services' upheld the demand of service tax of Rs.37,83,694/- in respect of show-cause notice dated 19.4.2011 and demand of Rs.7,92,648/- in respect of show-cause notice dated 20.10.2011 allowing the benefit of dropping the penalty under Section 80 of the Finance Act, 1994.

2. The learned counsel on behalf of the appellant submitted that the period of dispute in the first show-cause notice is from 1.5.2005 to 31.03.2010 and the second show-cause notice is from 1.4.2010 to 31.03.2011. It is submitted that both the programs conducted by them are in the nature of workshops/seminars being conducted for various commodity boards. The definition of 'Commercial Coaching or Training Centre' prior to 1.5.2011 there was a specific exclusion of any institute / establishments which issues any certificate or diploma or degree etc., recognised by law. Since they are also engaged in conducting courses such as PG Diploma and MBA courses which are recognised by AICTE, the institute itself is clearly excluded, hence, the liability does not arise. They also rely on CBEC Circular No.59/2003 dated 20.06.2003 to claim the benefit of exclusion. With regard to suppression, it is submitted that the

first show-cause notice cannot be sustained beyond the normal period the appellant being the agency of government was under bona fide belief that they are not liable to service tax. Reliance was placed on the following case laws:

**(i) National Institute of Bank Management Vs. CCE, 2013-TIOL-1247-CESTAT-MUM**

**(ii) Vodafone Essar South Ltd. Vs. Commissioner of S.T., Bangalore 2020 (43) G.S.T.L. 249 (Tri. – Bang.)**

**(iii) M/s. Adhikrut Jabti Evam Vasuli Vs. Commissioner of Central Excise, Indore – 2017 (6) G.S.T.L. 529 (Tri. – Del.)**

**(iv) Unitech Southcity Educational Charitable Trust Vs. C.S.T (Adj.), New Delhi – 2018 (8) G.S.T. L 295 (Tri. – Del.)**

3. The Authorised Representative (AR) for the Revenue reiterating the findings of the Commissioner (A) in the impugned order submitted that the appellant is liable to pay service tax as the services rendered by them is considered as 'Commercial Coaching or Training Services'. He relied on the decision by the Larger Bench in the case of Shree Chaitanya Education Committee vs. Commissioner of Customs, CEX and ST, Guntur: 2019 (29) GSTL 712.

4. Heard both sides. The period of dispute is from 01.04.2010 to 30.09.2011 and the dispute is whether the service falls under the category of Commercial Training or Coaching Service as defined under Section 65 (26) read with 65 (27) of the Finance Act, 1995. During the relevant period. Whereas, as per Section 65(26) of the Act "commercial training or coaching means any training or coaching provided by a commercial training or coaching centre; Whereas, as per Section 65(27) of the Act, "commercial training or coaching centre" means any institute or establishment 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

preschool coaching and training centre or any institute or establishment which issues any certificate or diploma or degree or any educational qualification recognised by law for the time being in force; Whereas, as per Section 65(105)(zxc) of the Act the 'taxable service' means to any person, by a commercial training or coaching centre in relation to commercial training or coaching;.

[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.

4.1. Therefore, as per the above definition only 'any institute or establishment which issues any certificate or diploma or degree or any educational qualification recognized by law was excluded. So, the only question arises is whether the services rendered by the appellant fall under the above excluded category. It is fact that the appellant conducted Short Term Executive Programmes (STEP) and Reach Out Programmes to the planters and officials of Commodity Board of India namely Tea Board of India, Species Board and Rubber Board. The only claim made by the appellant is that the above programmes are not in the nature of Training and Coaching but are in nature of workshops sponsored by the respective boards.

5. The Larger Bench in the case of Great Lakes Institute of Management Ltd. Versus Commr. of S.T., Chennai - 2013 (32) S.T.R. 305 (Tri. - LB) dated 20-9-2013 in similar set of facts observed as follows:-

"25. On the aforesaid analysis, we answer the reference as follows :

- (i) The taxable service of “commercial training or coaching” occurs when any institute or establishment is engaged in the activity of imparting skill, knowledge or lessons on any subject or field (excluding sports), irrespective of whether such imparting of skill, knowledge or lessons is in respect of particular discipline or a broad spectrum of disciplines/academic areas; irrespective of the nomenclature or description of the institute or establishment, as a coaching or training centre or an educational institution; regardless of whether an institute or establishment is incorporated by or registered under any law; and irrespective of distinctions on the basis of curriculum, course content, teaching methodology, course duration or otherwise. Activities of imparting skills, knowledge, lessons on any subject or field or when provided by any entity, institution or establishment which is excluded by a specific and legislated exclusionary clause would alone be outside the fold of the taxable activity”.

The above judgment is not relevant to the present set of facts since the Larger Bench in the above case dealt with the inclusive clause of the definition of Commercial Training or Coaching Service while the appellant herein claims the benefit of the exclusion clause of the above definition.

6. The Tribunal (Larger Bench) in the case of **Shri Chaitanya Educational Committee Vs. Commissioner of Customs, C. Ex. and ST, Guntur** observed as follows:-

“53. In our opinion, for an institute to claim that it is not a ‘commercial training or coaching centre’, it must also be issuing certificates recognized by law for the time being in force. The appellant does not issue the certificates. In such circumstances, it is clearly a ‘commercial training or coaching centre’ providing ‘commercial training or coaching’. It is providing a taxable service. All decisions of the Tribunal taking a contrary view stand overruled”.

In view of the above, since there is nothing on record to show that the institute is issuing any certificates recognized by law they clearly do not fall under the exclusion clause, hence, liable to pay service tax.

7. Similar view was held in the case of **I2IT Pvt. Ltd. vs. CCE, Mumbai: 2014 (34) S.T.R. 214 (Tri.-Mum.)** wherein it was observed as:

**5.4** The view taken by this Tribunal in the case of *ICFAI* [2009 (14) S.T.R. 220 (Tri.-Bang)] and *Indian School of Business* (ISB in short) reported in 2010 (17) S.T.R. 83 (Tri.-Bang.) was that imparting knowledge and conducting courses at higher level such as post graduate level cannot be termed as commercial training or coaching centre irrespective of whether the degrees so offered were recognized by law or not. In these cases, it was further held that since the institutions were registered under Societies Registration Act for educational purposes (in the case of ICFAI) and was a non-profit company (in the case of ISB), their activities could not be considered as "commercial". However, these decisions of the Tribunal were set aside by the Hon'ble Apex Court vide order dated 14-5-2010 in Civil Appeal No. 579 of 2010 (*Commissioner v. ISB*) [2010 (19) S.T.R. 481 (S.C.)] and order dated 14-2-2011 in Civil Appeal Nos. 4820-4823 of 2009 (*Commissioner v. ICFAI Institutions*) [2013 (30) S.T.R. J176 (S.C.)]. These cases were remanded back to the Tribunal for fresh consideration in the light of the newly inserted Explanation in Section 65(105)(zzc) of Finance Act, 1994 by Finance Act, 2010, which was made effective from 1st July, 2003. This decision of the Apex Court was in pursuance to the earlier decision of the Hon'ble Supreme Court where a three judges bench of the Court allowed the appeal filed by the Commissioner of Service Tax against the order of this Tribunal in the case of *Great Lakes Institute of Management* reported in 2010 (19) S.T.R. 481. It is in the context of remand by the Hon'ble Apex Court that the matter was once again considered by the South Zonal Bench of this Tribunal at Bangalore in the case of *ICFAI, Hyderabad and Others* vide Final Order Nos. 514-520/2012, dated 31-7-2012 [2013 (30) S.T.R. 273 (Tri. - Bang.)]. All the averments made before us in the present case were also made before the Tribunal in the case of *ICFAI* with respect to the educational nature of the activity undertaken and this Tribunal observed as follows :-

*"12. We have given careful consideration to the submissions. The substantive issue which has arisen before us in these de novo proceedings is whether the assesseees can claim exemption from service tax liability under Section 65(105)(zzc) read with the i definition of 'commercial training or coaching' under Section 65(26) and the definition of 'commercial training or coaching centre' under Section 65(27) of the Finance Act, 1994 (as this provision stood*

*during the period of dispute) in respect of the fees/charges collected by them from the students who underwent various courses offered by the assessee during the period of dispute.*

*13. The above issue has got to be examined on the facts of these cases in the light of the explanation added by the Finance Act, 2010 to Section 65(105)(zxc) of the Finance Act, 1994 with retrospective effect from 1-7-2003. As per this explanation, the expression 'commercial training or coaching centre' appearing in Section 65(26) and (27) of the Finance Act, 1994 shall include -*

- any centre or institute, by whatever name called,*
- where training or coaching is imparted for consideration, with or without profit motive,*
- whether or not such centre or institute is registered as a trust or a society or similar other organization under any law for the time being in force.*

*Certain aspects which, before the above amendment, were material to consideration of the question whether a given centre or institute would fit in the definition of "commercial training or coaching centre" under Section 65(27) and whether its activities would fit in the definition of "commercial training or coaching" under Section 65(26) have been rendered immaterial by the amendment. Whether or not the centre or institute is registered as a trust or a society or a similar organization under any law is immaterial now. The name of the centre or institute is immaterial. Whether the activity of the centre or institute is with or without profit motive is also immaterial. Upon the above amendment, what matters is whether the centre or institute has imparted training or coaching for a consideration. If it has done so, it will get covered by the definition of "commercial training or coaching centre" and its activity will get covered by the definition of "commercial training or coaching". The consideration for training or coaching per se determines the commercial character of the activity. To the same effect is the Budget instruction noted in para (5) of this order. What is reflected in the amendment seems to be a conceptual change with regard to the term "commercial" used in Section 65(26) and (27). The change of law, which is substantial, has come about with retrospective effect from 1-7-2003. We must now proceed to determine whether the ICFAI entities, the ISB, the SIFT and the IIRM had been imparting training or coaching to their students for a consideration during the respective periods of dispute.*

14. *It has been argued on behalf of the assesseees that they are educational institutions and were imparting education, and not training or coaching, to the students. Per contra, it has been argued on behalf of the Revenue that "education" necessarily includes the process of imparting knowledge or lessons on any subject and hence the same would get covered within the ambit of the expression "training or coaching" appearing under clauses (26), (27) and (105)(zcc) of Section 65 of the Finance Act, 1994. In this connection, the learned Special Consultant has relied on P. Ramanatha Aiyer's "THE MAJOR LAW LEXICON" wherein some connotations of the word "education" have been provided. The learned counsel has referred to "WHARTON'S LAW LEXICON". It cannot be disputed that the act of imparting skill or knowledge or lessons on any subject or field (other than sports) is the stated purpose of "commercial training or coaching" vide Section 65(27) of the Act. Both the law lexicons cited before us present various shades of meaning of "education". According to one meaning appearing in MAJOR LAW LEXICON, "education" means the act or process of imparting or acquiring particular knowledge or skills and it is the result produced by instruction, training or study. (This meaning is seen culled out from Padmanav Dehury v. State of Orissa [AIR 1999 Orissa 99].) WHARTON'S LAW LEXICON quotes Swamy Vivekananda : The end of all education, all training, should be man-making. The end and aim of all training is to make the man grow. The training by which the current and expression of will are brought under control and become fruitful is called education. As rightly submitted by the learned Special Consultant, education can be seen as the result of study, instruction, training, coaching etc. and the websites of at least two "ICFAI" varsities have been shown to acknowledge this. Therefore a line cannot be drawn to separate "education" from. "training or coaching". It is also pertinent to note that Section 65(27) as it stood during the period of dispute excludes institutes/establishments which issue any certificate or diploma or degree or any "educational qualification" recognized by law for the time being in force. The converse of this would be that institutes/establishments which do not issue any certificate or diploma or degree or any "educational qualification" recognized by law for the time being in force as well as institutes/establishments which issue certificates/diplomas/degrees/educational qualifications not*

*recognized by law stand included in the definition of "commercial training or coaching centre" under Section 65(27) of the Act. Institutes and establishments issuing educational qualifications can certainly be called educational institutions. But the ICFAI entities before us were imparting lessons or skills or knowledge in various subjects to students by collecting fees and other charges but they did not issue to them any certificate, diploma, degree or other educational qualification recognized by law for the time being in force on account of which they were not covered by the exclusion clause of Section 65(27) and remained within the definition of*

*"commercial training or coaching centre". Institutions which -*

- *are established by, or under, or in accordance with, any law to impart education;*
- *offer one or more courses of study with specific curriculum for each course and specific syllabus for each subject;*
- *conduct examinations periodically and evaluate them;*
- *organize extracurricular activities to develop skills in arts, sports etc.;*
- *create various fora to help the students imbibe social and democratic values;*
- *issue certificates or diplomas or degrees recognized by law, to the successful students;*

*are generally perceived as "educational institutions". In our view, only such institutions were covered by the exclusion clause of the definition of "commercial training or coaching centre" under Section 65(27) of the Finance Act, 1994 as this provision stood during the period of dispute.*

*15. Any certificate/diploma/degree issued in the name of "ICFAI UNIVERSITY" as a consortium or conglomerate of the ICFAI institutions cannot be held to have been issued by any of these institutions and also cannot be considered to be a certificate/diploma/degree recognized by law inasmuch as the so-called "ICFAI UNIVERSITY" has not been shown to be a legally constituted body authorized by law to issue the same. We have, thus, found great force in the submissions made by the learned Special Consultant. As regards other assesseees, it has not been established that the degrees/certificates/diplomas issued by them to their students during the relevant period were recognized by law. Acceptance of any such degree/certificate/diploma by any varsity or*

*other institution abroad cannot mean recognition thereof by Indian law. Thus a conspectus of facts presented to us would clearly disclose the real character of the assessee's "activity" training or coaching for a consideration.*

*16. It was argued by the learned counsel that the ICFAI Universities, Dehradun and Tripura, were established under the respective State Acts and recognized by the UGC and should ipso facto be considered to be establishments authorized to issue certificates, degrees etc. Though it is true that these universities were, by UGC's notification, included in the list of private/self-financed universities under Section 2(f) of the UGC Act, there is no evidence of any of them having issued any certificate, diploma, degree or other educational qualification to the students from whom they collected fees and other charges during the period of dispute. It was not even shown that these so-called universities were authorized, by or under the State Acts, to issue certificates/diplomas/degrees/other educational qualifications to the students. It was claimed that the certificates, degrees, etc. were issued to the students by these universities in the name of "ICFAI UNIVERSITY". We have already rejected this claim as untenable, given the fact that what was called ICFAI UNIVERSITY was a legally unrecognized consortium or conglomerate of the ICFAI societies and universities, with no legal sanction to issue such certificates, degrees etc. Therefore, none of the so-called universities can claim immunity to levy of service tax under Section 65(105)(zxc) of the Finance Act, 1994 on the ground of being covered by the exclusion clause of the definition of "commercial training or coaching centre" under Section 65(27) of the Act.*

*17. For the reasons already stated, we hold that the assessee was providing to their students "training or coaching" for a consideration and would ipso facto fall within the ambit of "commercial training or coaching centre" envisaged in the explanation to Section 65(105)(zxc) of the Finance Act, 1994. As this explanation has retrospective effect from 1-7-2003, the activities undertaken by all the assessee during the periods of dispute would get covered within the meaning of the phrase "training or coaching imparted for consideration" occurring in the text of the explanation. In other words, the explanation to Section 65(105)(zxc) of the Act has very wide scope to encompass the activities of the assessee and render them exigible to service tax*

*under Section 65(105)(zxc) of the Act. In the result, the assesseees have no case on merits.*

**5.7** In the case before us, as can be seen from the course catalogues, training is imparted in specific areas relating to information technology/management applicable in various fields. These are not general-purpose courses but are designed to impart specific skills and knowledge in certain specialized areas. For example, the curriculum for Dual Country MBA program includes Accounting, Quantitative Methods, Managerial Communication, Computer Programming, Organizational Behaviour, Financial Management, Marketing Management, Systems Analysis and Design and so on. Similarly, the Master's Program in Advanced Information Technology with Specialization in Computational Fluid Dynamics covers computer architecture and operating systems, Computer knowledge, computer program, software engineering and project management and so on. Thus, each course is designed to impart specific skills and training in specific areas. Therefore, the activities undertaken will come within the category of "training or coaching". Every education results in enhancement of skills and entails training or coaching. Thus there cannot be any artificial distinction between training and coaching and education in general.

**5.8** In view of the above and the order dated 31-7-2012 of the co-ordinate bench of this Tribunal at Bangalore in the case of *ICFAI Institutions and ISB, Hyderabad*, (which we are bound to follow as a matter of judicial discipline), we are of the considered view that the activities undertaken by the appellant would merit classification under "commercial training or coaching" as defined in the Finance Act, 1994".

8. In the instant case, the appellant was providing short term courses to the planter of officials of various Commodity Boards for which consideration is received. It is also on record that various attempts made by the appellant to the Ministry have failed in getting the exemption. Therefore, since these training conducted by the appellant do not fall under the exclusion clause, they are liable to discharge service tax.

9. However, taking into consideration various larger bench decisions due to different opinions on the issue, considering that these are interpretation issues the question of invoking extending period of limitation does not arise.

10. Appeal is allowed partially by confirming the demand for the normal period and by setting aside the penalties.

(Order pronounced in Open Court on 28.11.2025.)

**(P.A. AUGUSTIAN)**  
**MEMBER (JUDICIAL)**

**(R. BHAGYA DEVI)**  
**MEMBER (TECHNICAL)**

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