CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
BANGALORE

REGIONAL BENCH - COURT NO. 2

Service Tax Appeal No. 22156 of 2015

(Arising out of Order-in-Original No.COC-EXCUS-000-COM-06/15-16 dated 11.06.2015 passed by the Commissioner of Central Excise, Cochin.)

The Commissioner of Central Excise I.S. Press Road, Cochin – 682 018.	Appellant(s)

VERSUS

M/s. Euro-Tech Maritime Academy (Trust) Opposite TVS, Deshabhimani, Kaloor, Cochin – 682 017.	Respondent(s)

APPEARANCE:

Mr. Vinod Kumar Garhwal, Superintendent, Authorised Representative (AR) for the Revenue.

Mr. Anil D. Nair, Advocate for the Respondent.

CORAM:

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

Final Order No. 20685 / 2026

DATE OF HEARING: 06.05.2026
DATE OF DECISION: 06.05.2026

PER : R. BHAGYA DEVI

Briefly the facts are that the respondent M/s. Euro Tech Maritime Academy (Trust) impart coaching and training in maritime courses since 1999. Alleging that the services rendered by the respondent fall under the category of 'Commercial Training or Coaching' Service as defined under Section 65(105)(zzc) of the Finance Act, 1994, show-cause notice dated 23.04.2014 was issued demanding service tax on the same. In addition, the show-cause notice also demanded an amount of Rs.40,170/- on the value of the amount towards legal services for the period 2013-14. The Commissioner in the impugned order dropped the demand on the ground that the services rendered by the respondent were excluded from the definition of Commercial Training or Coaching Centre. However, there is no finding on the issue of 'legal services' in the impugned order. Aggrieved by both the issues, the Revenue is in appeal before us.

2. The learned Authorised Representative (AR) on behalf of the Revenue submitted that the observations of the Commissioner in the impugned order that the courses conducted by the respondent are covered under the exclusion clause of Section 65(27) of the Finance Act, 1994 cannot be justified, since the respondent was affiliated with Yashwant Rao Chauhan University, Nasik. Aslo referring to the letter dated 13.03.2013 issued by DG Shipping, submits that respondent was directed to change the affiliation of the university, hence the impugned order needs to be set aside. He further submits that the second issue on legal services has not been discussed and no findings have been given by the Commissioner in the impugned order.

3. The learned counsel for the respondent on the other hand submits that on the demand of service tax under the category of Commercial Training or Coaching Centre stands settled, since in similar set of facts, in the case of **Cochin Shipyard Ltd. Vs. Commissioner of Central Excise, Cochin** vide **Final Order No. 20199/2019 dated 25.02.2019** held that since the certificate issued after completion of the course is recognised by Director General of Shipping in terms of the said act, the certificate issued by them is recognised by law and then excluded under the said category. With regard to the second issue the respondent fairly admits that there is no finding on the issue of liability of service tax on legal services, which they admit and are willing to discharge service tax.

4. Heard both sides. The period of dispute is from January 2009 to September 2013. Section 65(27) of the Finance Act, 1994 excludes the following from levy of service tax:

- Sports Coaching Centres
- Pre-School Coaching and Training Centre
- Institute or Establishment, which issues any certificate or diploma or degree or any educational qualification recognised by law for the time being in force.

5. We find that the Commissioner in the impugned order at para 32 observed as follows:

> "32. As stated in the previous paras, the training imparted by institutes like M/s. Euro-Tech, which are approved by Director General of Shipping, are as per the syllabus prescribed by the Director General, who in turn is authorised by statute as being responsible for conducting training and assessment of aspiring seafarer, in line with requirements of STCW code. Hence the allegation in show cause notice that training imparted is in the nature of coaching / internal classes is erroneous and would not sustain."

He also notes the respondent is an institute approved by the Director General of Shipping for conduct of the courses for aspiring seafarers. It is also not in dispute that Director General of shipping is the authority vested for issue of the 'Competency Certificates' issued under Section 78 of Merchant Shipping Act, 1958. There is nothing on record to dispute these facts.

6. We also find that the Tribunal in similar set of facts in the case of **Cochin Shipyard Ltd.** (supra) held that in view of the provisions of Finance Act, 1994 and Merchant Shipping Act, 1958 the courses conducted by the appellant are within the excluded category of the definition, hence not liable to service tax. Taking into consideration the facts in the present case and above decision, we find that the respondent is not liable to pay service tax under the category of Commercial Training or Coaching Services.

7. We also agree with the Revenue that there is no finding on the second issue regarding legal services, which has been fairly admitted by the respondent. The respondent has agreed to discharge the service tax amount of Rs.40,170/- along with interest. Penalties are set aside.

Appeal is partially allowed.

(Operative portion of the order was pronounced
in Open Court on conclusion of hearing.)

(P.A. AUGUSTIAN)
MEMBER (JUDICIAL)

(R. BHAGYA DEVI)
MEMBER (TECHNICAL)

rv