CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
NEW DELHI

PRINCIPAL BENCH - COURT NO. 1

Date of Hearing/Order: 2.3.2017

Appeal No. ST/60609/2013 -DB

(Arising out of Order-in-Original No. 32-33/COMMR/ST/ADJ/BPL-I/2013 dated 26.09.2013 passed by the Commissioner, Central Excise, Customs & Service Tax, Bhopal))

CCE, Bhopal Appellant

Vs.

The Senior Superintendent of Police Respondent

Appearance

Shri Sanjay Jain, D.R. - for the appellant

Written submission - for the respondent

CORAM: **Hon'ble Mr. Justice (Dr.) Satish Chandra, President**
Hon'ble Mr. Ashok K. Arya, Member (Technical)

Final Order No. 52197/2017

Per Justice Dr. Satish Chandra:

The present appeal is filed by the appellant (Revenue) against the impugned Order-in-Appeal No. 32-33/2013 dated 26.9.2015.

2. The brief facts of the case are that the respondent is an agency of the Madhya Pradesh Government and providing the police guard for currency chest of Banks, Financial Institutions and other State & Central Govt. owned organisations or public enterprises. The services provided by the respondent were sanctioned by Home (Police) Department of the State Government of the Madhya Pradesh. The Department has demanded the Service Tax but the Commissioner (Appeals) has dropped the demand, Being aggrieved, the Department has filed the present appeal.

4. With this background, we have heard Shri Sanjay Jain, ld. DR and perused written submissions filed by the respondent.

5. After hearing the ld. DR and on perusal of the record, it appears that an identical issue has come up for consideration before this Tribunal in the case of **Superintendent of Police vs Commissioner of Central Excise & Service Tad, Jaipur-I,** Final Order Nos. 55321-55348/2016 dated 25.11.2016, wherein it was observed that :

> *"13. On the basis of the above discussion, we conclude that police department, which is an agency of the State Govt., cannot be considered to be a person engaged in the business of running security services. Consequently, the activity undertaken by the police is not covered by the definition of Security Agency under Section 64(94) of the Act. We also find that in terms of CBEC circular on this subject, the fees collected by the police department is in the nature of fee prescribed for performing statutory function, which has been deposited into the Govt. Treasury. In the light of the CBEC circular also, there can be no levy of service tax on such activities carried out by the police department."*

6. By following the aforesaid decision (supra), we find no reason to interfere with the impugned order. Therefore, the impugned order is sustained along with the reasons mentioned therein. The appeal filed by Revenue is hereby dismissed.

(Dictated & pronounced in the open court)

(JUSTICE Dr. SATISH CHANDRA)
PRESIDENT

(ASHOK K. ARYA)
MEMBER (TECHNICAL)

RM