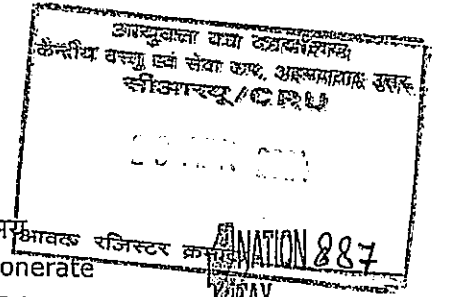




सत्यमेव जयते

आयुक्त का कार्यालय  
Office of the Commissioner  
केंद्रीय जीएसटी, अपील अहमदाबाद आयुक्तालय  
Central GST, Appeals Ahmedabad Commissionerate  
जीएसटी भवन, राजस्व मार्ग, अम्बावाड़ी, अहमदाबाद-380015  
GST Bhavan, Ambawadi, Ahmedabad-380015  
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E-Mail : [commrappl1-cexamd@nic.in](mailto:commrappl1-cexamd@nic.in)  
Website : [www.cgstappealahmedabad.gov.in](http://www.cgstappealahmedabad.gov.in)



**By SPEED POST**

DIN:- 20240364SW000012171C

(क)	फाइल संख्या / File No.	GAPPL/COM/STP/4403/2023/3304
(ख)	अपील आदेश संख्या और दिनांक / Order-In -Appeal and date	AHM-EXCUS-002-APP-255/23-24 and 27.02.2024
(ग)	पारित किया गया / Passed By	श्री ज्ञानचंद जैन, आयुक्त (अपील) Shri Gyan Chand Jain, Commissioner (Appeals)
(घ)	जारी करने की दिनांक / Date of Issue	05.03.2024
(ङ)	Arising out of Order-In-Original No. CGST/WT07/RAJ/74/2022-23 dated 29.4.2022 passed by The Deputy Commissioner, CGST Division-VII, Ahmedabad North	
(च)	अपीलकर्ता का नाम और पता / Name and Address of the Appellant	Hetalben Anchalkumar Mehta 76, 1st Floor, Parasmani Tenament Ranna Park, Ghatlodiaing Ahmedabad - 380061

कोई व्यक्ति इस अपील-आदेश से असंतोष अनुभव करता है तो वह इस आदेश के प्रति यथास्थिति नीचे बताए गए सक्षम अधिकारी को अपील अथवा पुनरीक्षण आवेदन प्रस्तुत कर सकता है, जैसा कि ऐसे आदेश के विरुद्ध हो सकता है।

Any person aggrieved by this Order-in-Appeal may file an appeal or revision application, as the one may be against such order, to the appropriate authority in the following way.

भारत सरकार का पुनरीक्षण आवेदन:-

**Revision application to Government of India:**

(1) केन्द्रीय उत्पादन शुल्क अधिनियम, 1994 की धारा अतत नीचे बताए गए मामलों के बारे में पूर्वोक्त धारा को उप-धारा के प्रथम परन्तुक के अंतर्गत पुनरीक्षण आवेदन अधीन सचिव, भारत सरकार, वित्त मंत्रालय, राजस्व विभाग, चौथी मंजिल, जीवन दीप भवन, संसद मार्ग, नई दिल्ली: 110001 को की जानी चाहिए :-

A revision application lies to the Under Secretary, to the Govt. of India, Revision Application Unit Ministry of Finance, Department of Revenue, 4<sup>th</sup> Floor, Jeevan Deep Building, Parliament Street, New Delhi - 110 001 under Section 35EE of the CEA 1944 in respect of the following case, governed by first proviso to sub-section (1) of Section-35 ibid :-

(क) यदि माल की हानि के मामले में जब ऐसी हानिकार खाने से किसी भण्डागार या अन्य कारखाने में या किसी भण्डागार से दूसरे भण्डागार में माल ले जाते हुए मार्ग में, या किसी भण्डागार या भण्डार में चाहे वह किसी कारखाने में या किसी भण्डागार में हो माल की प्रक्रिया के दौरान हुई हो।

In case of any loss of goods where the loss occur in transit from a factory to a warehouse or to another factory or from one warehouse to another during the course of processing of the goods in a warehouse or in storage whether in a factory or in a warehouse.

(ख) भारत के बाहर किसी राष्ट्र या प्रदेश में निर्यातित माल पर या माल के विनिर्माण में उपयोग शुल्क कच्चे माल पर उत्पादन शुल्क के रिबेट के मामलों में जो भारत के बाहर किसी राष्ट्र या प्रदेश में निर्यातित है।



In case of rebate of duty of excise on goods exported to any country or territory outside India of on excisable material used in the manufacture of the goods which are exported to any country or territory outside India.

(ग) यदि शुल्क का भुगतान किए बिना भारत के बाहर (नेपाल या भूटान को) निर्यात किया गया माल हो।

In case of goods exported outside India export to Nepal or Bhutan, without payment of duty.

(घ) अंतिम उत्पादन की उत्पादन शुल्क के भुगतान के लिए जो ड्यूटी क्रेडिट मान्य की गई है और ऐसे आदेश जो इस धारा एवं नियम के मुताबिक आयुक्त, अपील के द्वारा पारित वो समय पर या बाद में वित्त अधिनियम (नं 2) 1998 धारा 109 द्वारा नियुक्त किए गए हो।

Credit of any duty allowed to be utilized towards payment of excise duty on final products under the provisions of this Act or the Rules made there under and such order is passed by the Commissioner (Appeals) on or after, the date appointed under Sec.109 of the Finance (No.2) Act, 1998.

(2) केन्द्रीय उत्पादन शुल्क (अपील) नियमावली, 2001 के नियम 9 के अंतर्गत विनिर्दिष्ट प्रपत्र संख्या इए-8 में दो प्रतियों में, प्रेषित आदेश के प्रति आदेश प्रेषित दिनांक से तीन मास के भीतरमूल-आदेश एवं अपील आदेश की दो-दो प्रतियों के साथ उचित आवेदन किया जाना चाहिए। उसके साथ खाता इ का मुख्य शीर्ष के अंतर्गत धारा 35-इ में निर्धारित फी के भुगतान के सबूत के साथ टीआर-6 चालान की प्रति भी होनी चाहिए।

The above application shall be made in duplicate in Form No. EA-8 as specified under Rule, 9 of Central Excise (Appeals) Rules, 2001 within 3 months from the date on which the order sought to be appealed against is communicated and shall be accompanied by two copies each of the OIO and Order-In-Appeal. It should also be accompanied by a copy of TR-6 Challan evidencing payment of prescribed fee as prescribed under Section 35-EE of CEA, 1944, under Major Head of Account.

(3) रिविजन आवेदन के साथ जहाँ संलग्न रकम एक लाख रूपये या उससे कम होतो रूपये 200/- फीस भुगतान की जाए और जहाँ संलग्नरकम एक लाख से ज्यादा हो तो 1000/- की फीस भुगतान की जाए।

The revision application shall be accompanied by a fee of Rs.200/- where the amount involved is Rupees One Lac or less and Rs.1,000/- where the amount involved is more than Rupees One Lac.

सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवा कर अपीलीय न्यायाधिकरण के प्रति अपील:-  
Appeal to Custom, Excise, & Service Tax Appellate Tribunal.

(1) केन्द्रीय उत्पादन शुल्क अधिनियम, 1944 की धारा 35-बी/35-इ के अंतर्गत:-  
Under Section 35B/ 35E of CEA, 1944 an appeal lies to :-

(2) उक्तलिखित परिच्छेद में बताए अनुसार के अलावा की अपील, अपीलो के मामले में सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण (सिस्टेट) की पश्चिम क्षेत्रीय पीठिका, अहमदाबाद में 2<sup>nd</sup> माला, बहुमाली भवन, असरवा, गिरधरनागर, अहमदाबाद-380004।

To the west regional bench of Customs, Excise & Service Tax Appellate Tribunal (CESTAT) at 2<sup>nd</sup> floor, Bahumali Bhawan, Asarwa, Girdhar Nagar, Ahmedabad: 380004. In case of appeals other than as mentioned above para.

The appeal to the Appellate Tribunal shall be filed in quadruplicate in form EA-3 as prescribed under Rule 6 of Central Excise(Appeal) Rules, 2001 and shall be accompanied against (one which at least should be accompanied by a fee of Rs.1,000/-, Rs.5,000/- and Rs.10,000/- where amount of duty / penalty / demand / refund is upto 5 Lac, 5 Lac to 50 Lac and above 50 Lac respectively in the form of crossed bank draft in favour of Asstt. Registrar of a branch of any nominate public sector bank of the place where the bench of any nominate public sector bank of the place where the bench of the Tribunal is situated.

(3) यदि इस आदेश में कई मूल आदेशों का समावेश होता है तो प्रत्येक मूल आदेश के लिए फीस का भुगतान उपर्युक्त ढंग से किया जाना चाहिए इस तथ्य के होते हुए भी कि लिखा पढी कार्य से बचने के लिए यथास्थिति अपीलीय न्यायाधिकरण को एक अपील या केन्द्रीय न्यायाधिकरण को एक आवेदन किया जाता है।



In case of the order covers a number of order-in-Original, fee for each O.I.O. should be paid in the aforesaid manner notwithstanding the fact that the one appeal to the Appellant Tribunal or the one application to the Central Govt. As the case may be, is filed to avoid scriptoria work if excising Rs. 1 lacs fee of Rs.100/- for each.

(4) न्यायालय शुल्क अधिनियम 1970 यथा संबोधित की अनुसूची -1 के अंतर्गत निर्धारित किए अनुसार उक्त आवेदन या मूलआदेश यथास्थिति निर्णयन प्राधिकारी के आदेश में से प्रत्येक की एक प्रतिपर रू 6.50 पैसे का न्यायालय शुल्क टिकट लगा होना चाहिए।

One copy of application or O.I.O. as the case may be, and the order of the adjournment authority shall a court fee stamp of Rs.6.50 paise as prescribed under scheduled-I item of the court fee Act, 1975 as amended.

(5) इन और संबंधित मामलों को नियंत्रण करने वाले नियमों की ओर भी ध्यान आकर्षित किया जाता है जो सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण (कार्याविधि) नियम, 1982 में निहित है।

Attention is invited to the rules covering these and other related matter contended in the Customs, Excise & Service Tax Appellate Tribunal (Procedure) Rules, 1982.

(6) सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण (सिस्टेट) एके प्रति अपील के मामले में कर्तव्यमांग (Demand) एवं दंड (Penalty) का 10% पूर्व जमा करना अनिवार्य है। हालांकि, अधिकतम पूर्व जमा 10 करोड़ रुपए है। (Section 35 F of the Central Excise Act, 1944, Section 83 & Section 86 of the Finance Act, 1994)

केन्द्रीय उत्पाद शुल्क और सेवाकर के अंतर्गत, शामिल होगा कर्तव्य की मांग (Duty Demanded)।

- (40) खंड (Section) 11D के तहत निर्धारित राशि;
- (41) लिया गलत सेनवैट क्रेडिट की राशि;
- (42) सेनवैट क्रेडिट नियमों के नियम 6 के तहत देय राशि।

यह पूर्व जमा 'लंबित अपील' में पहले पूर्व जमा की तुलना में 'अपील' दाखिल करने के लिए पूर्व शर्त बना दिया गया है।

For an appeal to be filed before the CESTAT, 10% of the Duty & Penalty confirmed by the Appellate Commissioner would have to be pre-deposited, provided that the pre-deposit amount shall not exceed Rs.10 Crores. It may be noted that the pre-deposit is a mandatory condition for filing appeal before CESTAT. (Section 35 C (2A) and 35 F of the Central Excise Act, 1944, Section 83 & Section 86 of the Finance Act, 1994).

Under Central Excise and Service Tax, "Duty demanded" shall include:

- (xl) amount determined under Section 11 D;
- (xli) amount of erroneous Cenvat Credit taken;
- (xlii) amount payable under Rule 6 of the Cenvat Credit Rules.

(6) (i) इस आदेश के प्रति अपील प्राधिकरण के समक्ष जहाँ शुल्क अथवा शुल्क या दण्ड विवादित हो तो माँग किए गए शुल्क के 10% भुगतान पर और जहाँ केवल दण्ड विवादित हो तब दण्ड के 10% भुगतान पर की जा सकती है।

In view of above, an appeal against this order shall lie before the Tribunal on payment of 10% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute."



**ORDER-IN-APPEAL**

The present appeal has been filed by M/s. Hetalben Anchalkumar Mehta, 76, 1<sup>st</sup> Floor, Parasmani Tenament, Ranna Park, Ghatlodia, Ahmedabad-380061, (hereinafter referred to as "the appellant") against Order-in-Original No. CGST/WT07/RAJ/74/2022-23 dated 29.04.2022 (hereinafter referred to as "the impugned order") passed by the Deputy Commissioner, Central GST, Division VII, Ahmedabad North (hereinafter referred to as "the adjudicating authority").

2. Briefly stated, the facts of the case are that the appellant are holding PAN No. AAVPD9410C. On scrutiny of the data received from the Central Board of Direct Taxes (CBDT) for the FY 2014-15, it was noticed that the appellant has shown income from services in their ITR reflected under the heads "Gross Receipt from sales of services (Value from ITR)" filed with Income Tax department. Details of the same are as under:

F.Y.	Gross Receipt from sales of services(as per ITR)	Service Tax Rate	Service tax not/ Short paid
2014-15	18,22,000/-	12.36%	2,25,199/-

Accordingly, it appeared that the appellant had earned the said substantial income by way of providing taxable services but had neither obtained the Service Tax registration nor paid the service tax. The appellant were called upon to submit copies of required documents for assessment for the said period. However, the appellant had not responded to the letters issued by the department.

2.1 Subsequently, the appellant were issued Show Cause Notice No. CGST/AR-I/Div-VII/A'bad North/12/Hetalben/20-21 dated 26.09.2020 demanding Service Tax amounting to Rs. 2,25,199/- for the period F.Y. 2014-15 under proviso to Section 73 of the Finance Act, 1994. The SCN also proposed recovery of interest under Section 75 of the Finance Act, 1994; and imposition of penalties (i) under Section 77 (1), 77(2) Section 78 of the Finance Act, 1994.

2.2 The Show Cause Notice was adjudicated ex parte vide the impugned order by the adjudicating authority wherein the demand of Service Tax amounting to Rs. 2,25,199/- was confirmed under proviso to Sub-Section (1) of Section 73 of the Finance Act, 1994



along with Interest under Section 75 of the Finance Act, 1994 for the period FY 2014-15 . Further (i) Penalty of Rs. 2,25,199/- was imposed on the appellant under Section 78 of the Finance Act, 1994; (ii) Penalty of Rs. 10,000/- was imposed on the appellant under Section 77(1)(a)(c) of the Finance Act, 1994 and (iii) Penalty of Rs. 10,000/- was imposed on the appellant under Section 77(2) of the Finance Act, 1994.

3. Being aggrieved with the impugned order passed by the adjudicating authority, the appellant have preferred the present appeal, inter alia, on the following grounds:

- They were not aware of the SCN and the impugned OIO. They have left their earlier premises. The matter came to their notice when the people staying there informed to the appellant about the officers visit for recovery of service tax. They were also unable to collect the SCN & OIO As the appellant's son was hospitalized at that time. They visited the adjudicating authority's office where they were denied to provide the copy of OIO.
- The appellant filed a special leave application bearing no 3341/2023 in the High Court of Gujarat with a prayer for quashing the SCN and OIO. The Hon'ble High Court vide its order dated 13.04.2023 directed that the appeal is available in the statute, the appellant is required to exhaust the said statutory remedy of appeal. The appellant was relegated to avail the said alternate remedy. As regards to question of limitation as in filing the appeal before appellate authority the bench observed that as regards to limitation time spent in the pendency shall be treated as bona-fide. The appellant submitted that in light of the above direction of the High Court, the present appeal is to be treated as filed within time and any delay is required to be condone and the appeal is required to be decided on merits.
- The appellant submitted that they were a proprietorship firm working as a pre-school namely "K for Kids" which was the only source of income during the subject period. The activity is covered under negative list and Noti. No 25/2012-ST dated 20.06.2012.They are not liable to pay service tax on the said income.
- Further they stated that the impugned OIO is illegal and against the settled legal position and in violation of the natural justice. The demand can't be raised solely on the basis of income declared under the income tax act. The impugned order is



also violation of the CBIC instruction dated 01.04.2021 issued from F. No. 137/47/2020-ST wherein it is directed that the SCN based on the ITR-TDS data and the service tax returns to be issued only after proper verification.

- The appellant prayed to set aside the impugned OIO and allow their appeal.

4. Personal hearing in the case was held on 22.02.2024. Shri Hemanshu Shah, Chartered Accountant, appeared on behalf of the appellant for personal hearing. He reiterated the contents of the written submission and requested further time till 26.02.2024 to make additional written submission which has been received on dated 22.02.2024.

5. I have carefully gone through the facts of the case, grounds of appeal, submissions made in the Appeal Memorandum and documents available on record. The issue to be decided in the present appeal is whether the impugned order passed by the adjudicating authority, confirming the demand of service tax against the appellant along with interest and penalty, in the facts and circumstance of the case, is legal and proper or otherwise. The demand pertains to the period F.Y. 2014-15.

6. I find that in the SCN in question, the demand has been raised on the basis of the Income Tax Returns filed by the appellant as the appellant failed to reply of the departmental letters in time. Further they also failed to filed reply of SCN and the adjudicating authority decided the mater ex parte. Further, the appellant filed special leave application bearing no 3341/2023 in the High Court of Gujarat. The Hon'ble High Court vide its order dated 13.04.2023 directed the appellant to file the appeal before appellate authority and held that time spent in the pendency shall be treated as bonafide. The appellant on the behalf of the same filed the present appeal which is to be decided on the merits.

7. Now, as per submission before me, It is observed that the appellant was a proprietor of a pre-school working in name of "K for Kids" during the F.Y. 2014-15 and received the total consideration Rs. 18,22,000/- for the same. They were providing pre-school education to kids and charging for the same in the name of "K for Kids". The same was shown in the ITR. The activity performed by them during the said period is



exempted from service tax as per Noti. No 25/2012-ST dated 20.06.2012 further amended vide Noti. No 06/2014-ST dated 11.07.2014.Relevant Extract are as under:

"9. Services provided,-  
by an educational institution to its students, faculty and staff;  
....

The pre-school fits in the definition of the Educational institution defined in clause (oa) of definitions in the above Noti. No 6/2014-ST dated 11.07.2014


8. In view of the above discussion, I am of the considered view that the appellant is eligible for the benefit of above Notifications and not liable to pay any service tax for the activity performed during F.Y. 2014-15. Since the demand of Service Tax is not sustainable on merits, there does not arise any question of charging interest or imposing penalties in the case.

9. In view of above, I hold that the impugned order passed by the adjudicating authority confirming demand of Service Tax, in respect of income received by the appellant during the F.Y. 2014-15, is not legal and proper and deserve to be set aside.

10. Accordingly, I set aside the impugned order and allow the appeal filed by the appellant.

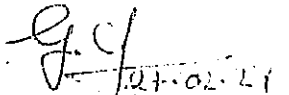
11. अपील कर्ता द्वारा दर्ज की गई अपील का निपटारा उपरोक्त तरीके से किया जाता है |  
The appeal filed by the appellant stands disposed of in above terms.

Attested

  
Manish Kumar  
Superintendent(Appeals),  
CGST, Ahmedabad

**By RPAD / SPEED POST**

To,  
M/s. Hetalben Anchalkumar Mehta,  
76,1<sup>st</sup> Floor, Parasmani Tenament,  
Ranna Park,Ghatlodia, Ahmedabad-380061.

  
(ज्ञानचंद जैन)

आयुक्त (अपील्स)  
Date : 27.02.24



Appellant

Respondent

The Deputy Commissioner,  
CGST, Division-VII,  
Ahmedabad North

Copy to :

- 1) The Principal Chief Commissioner, Central GST, Ahmedabad Zone
- 2) The Commissioner, CGST, Ahmedabad North
- 3) The Deputy
- 4) Commissioner, CGST, Division VII, Ahmedabad North
- ✓ 5) The Assistant Commissioner (HQ System), CGST, Ahmedabad North  
(for uploading the OIA)
- 6) Guard File
- 7) PA file

