

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

REGIONAL BENCH-COURT NO. 2

Service Tax Appeal No. 10557 of 2020 – DB

(Arising out of OIA-VAD-EXCUS-001-APP-01-APP-038-2020-21 dated 30.06.2020 passed by Commissioner, (Appeals), CGST & Central Excise -VADODARA-I)

CHECKMATE SERVICES PVT LTD
GF-6-10 AMAN TOWER SUVAS COLONY
VADODARA, GUJARAT

.....Appellant

VERSUS

Commissioner of C.E. & S.T.-VADODARA-I
1ST FLOOR...CENTRAL EXCISE BUILDING,
RACE COURSE CIRCLE,
VADODARA, GUJARAT-390007

.....Respondent

APPEARANCE:

Shri Saurabh Dixit, Advocate appeared for the appellant
Shri NeilPrakash G Makwana, Superintendent (AR) appeared for the department

CORAM:

HON'BLE MEMBER (JUDICIAL), DR. AJAYA KRISHNA VISHVESHA
HON'BLE MEMBER (TECHNICAL), MR. SATENDRA VIKRAM SINGH

Final Order No. 10154/2026

DATE OF HEARING: 07.11.2025
DATE OF DECISION: 27.02.2026

SATENDRA VIKRAM SINGH

1. The appellant (M/s. Checkmate Services Pvt. Ltd.), Fatehganj, Vadodara were providing following services under, "Pandheet DeenDayal Upadhyay-Grameen Kaushalya Yojna" (DDU-GKY) :-

- (i) Offer skilling courses to rural youth who satisfy the eligibility criteria specified in the DDU-GKY Guidelines,
- (ii) Undertake mobilization, counselling and selection of candidates before a training course is commenced;
- (iii) Involve institutions of the poor established under DDU-GKY as well as Gram Panchayats, to the extent possible, with the assistance of SRLM;
- (iv) Provide counselling session to candidate and his/her parents or guardians, including counselling on the nature of work in the sector/trade, availability of jobs, deliverables by the employer, entitlements, growth prospects and risks involved;
- (v) Maintain an exclusive website for the project on which list of candidates selected on the basis of aptitude tests (psychometric and

others) and counselling (by trained counsellors) in the center was to be displayed and to make uploads on its websites;

(vi) To check the center before counselling to ensure the compliance of each prescribed parameters;

(vii) To provide placement to the trained candidates etc.

1.1 During audit of their records, it was found that they were not paying any service tax on the said services provided to M/s.Gujarat Livelihood Promotion Company Ltd. as the said services fall under "Commercial Training and Coaching Services". After conducting inquiry, the department issued a show cause notice dated 01.04.2019 demanding service tax of RS.17,41,470/- from them under Section 73 (1) of the Finance Act, 1994 along with interest under Section 75 of the Finance Act,1994 and penalty under Section 77 and 78 of the said Act.

1.2 The said show cause notice was adjudicated vide Order-in-Original dated 12.02.2020 wherein, the adjudicating authority confirmed the above service tax on the appellant along with interest and also imposed an equal penalty under Section 78 (1) of the Finance Act, 1994 and a penalty of Rs.10,000/- under Section 77 of the said Act. Aggrieved with the said order, the appellant filed appeal before Commissioner (Appeal) who vide impugned order dated 30.06.2020 reduced the service tax demand on the appellant from Rs.17,41,470/- to Rs.2,47,818/- along with interest. Likewise, she also reduced the penalty to Rs.2,47,818/- and maintained penalty of Rs.10,000/- under Section 77 of the Finance Act, 1994. Aggrieved with the above order, the appellant filed the present appeal.

2. In their appeal, the appellant took the following grounds: -

- a) The appellant had received grant-in-aid under "Pandeet DeenDayal Upadhyay- Grameen Kaushalya Yojna" (DDU-GKY) through M/s.Gujarat Livelihood Promotion Company Ltd. and under the said scheme, they were providing activity of training and finding placement for the candidates. The Revenue Authorities have treated this service under "Commercial Training and Coaching Services" and demanded service tax from them. The consideration received by them was from M/s.Gujarat Livelihood Promotion Company Ltd. and not from the candidates to whom the training was provided.
- b) The Appellate Authority has granted them relief for the portion of service tax demanded from them for the period 2014-2015 and 2015-2016 in

view of Notification No.01/2019-ST dated 06.03.2019 which granted them benefit from payment of service tax for the past period.

- c) The demand of service tax for the period 2016-2017 up to June 2017 was confirmed by the learned Appellate Authority without extending the benefit of Entry No.9D of the Notification No.25/2012- ST as amended vide Notification 09/2016-ST dated 01.03.2016. If benefit of this entry is also provided to them, there will be no service tax liability upon them and consequently, neither there will be interest liability nor any penalty on them. The appellant prayed to set aside the impugned order and grant them relief.

3. During hearing, learned Advocate mentioned that the appellant is entitled to the benefit of Notification No.01/2019-ST read with corrigendum vide Notification No.137/14/2018-ST dated 22.05.2019 and Entry No.9D inserted in Notification No.25/2012-ST vide Notification No. 09/2016-ST dated 01.03.2016. The said Notification No.01/2019-ST dated 06.03.2019 is reproduce below for ease of reference:-

"Services provided by way of offering skill or vocational training courses – Exemption to skill or vocational training courses certified by the National Council for Vocational Training during the period from 1-7-2012 to 29-2-2016

Whereas, the Central Government is satisfied that in the period commencing on and from the 1st day of July, 2012 and ending with the 29th day of February, 2016 (hereinafter referred to as the said period), according to a practice that was generally prevalent, there was non-levy of service tax, on the services provided by training providers (project implementation agencies) under the Deen Dayal Upadhyaya Grameen Kaushalya Yojana under the Ministry of Rural Development by way of offering skill or vocational training courses certified by the National Council for Vocational Training, and this service was liable to service tax, in the said period, which was not being paid according to the said practice.

Now, therefore, in exercise of the powers conferred by section 11C of the Central Excise Act, 1944 (1 of 1944), read with section 83 of the Finance Act, 1994 (32 of 1994), and clause (e) of sub-section (2) of section 174 of the Central Goods and Services Tax Act, 2017 (12 of 2017), in respect of things done or omitted to be done before the coming into force of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby directs that the service tax payable under section 66B of the Finance Act, 1994 (32 of 1994), on the services provided by training providers (project implementation agencies) under the Deen Dayal Upadhyaya Grameen Kaushalya Yojana under the Ministry of Rural Development by way of offering skill or vocational training courses certified by the National Council for Vocational Training, in the said period, but for the said practice, shall not be required to be paid.

[Notification No. 1/2019-S.T., dated 6-3-2019]"

He highlighted that if benefit of both the Notifications are extended to them, there will not be any service tax liability on the appellant and consequently, no interest and penalty. He therefore, prayed for granting relief to the appellant by setting aside the impugned order.

4. Learned AR reiterated the finding of the Appellate Authority and prayed for dismissing the appeal, filed by the party. On being specifically asked whether benefit of both the Notifications is available to the appellant and if so, whether the entire period under the show cause notice is covered by these Notifications, he fairly agrees to them.

5. We have heard the rival submissions. We find that Notification No.09/2016-ST dated 01.03.2016 amended the Notification No.25/2012-ST dated 20.06.2012 vide which entry 9D was inserted. This entry reads as under:-

"9D. services provided by training providers (Project implementation agencies) under Deen Dayal Upadhyaya Grameen Kaushalya Yojana under the Ministry of Rural Development by way of offering skill or vocational training courses certified by National Council For Vocational Training.";

As per this entry, services provided by training providers under this scheme were granted full exemption from payment of service tax for the period from 01.04.2016 till June 2017. We have also seen Notification 01/2019, according to which service tax on the above activity has been exempted retrospectively. If both the Notifications are considered, then the entire period covered under the show cause notice is fully exempted and therefore, we are of the view that the appellant were not liable to any service tax on their activity of training under the scheme DDU-GKY. Accordingly, the impugned order of the Appellate Authority rejecting relief of service tax for the period 01.04.2016 to 30.06.2017 is set aside in view of entry 9D inserted in Notification No.25/2012 dated 20.06.2012 as amended vide Notification No. 09/2016-ST dated 01.03.2016.

6. The appeal is allowed.

(Pronounced in the open court on 27.02.2026)

**(DR. AJAYA KRISHNA VISHVESHA)
MEMBER (JUDICIAL)**

**(SATENDRA VIKRAM SINGH)
MEMBER (TECHNICAL)**