CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL HYDERABAD

Division Bench – Court No. – I

Service Tax Appeal No. 27076 of 2013

(Arising out of Order-in-Original No.33/2013 S.Tax dt.29.03.2013 passed by Commissioner of Customs, Central Excise & Service Tax, Guntur)

M/s Master Minds
D.No.5-25-72, 3/11, Brodipet,
Guntur, Andhra Pradesh – 522 002 **……Appellant**

VERSUS

Commissioner of Central Excise & Service Tax, Guntur
PB No.331, CR Building, Kannavari Thota,
Guntur, Andhra Pradesh – 522 004 **……Respondent**

WITH

Service Tax Appeal No. 23370 of 2014

(Arising out of Order-in-Original No.GUN-EXCUS-000-COM-052-14-15-ST (Denovo) dt.14.08.2014 passed by Commissioner of Customs, Central Excise & Service Tax, Guntur)

M/s Master Minds
D.No.5-25-72, 3/11, Brodipet,
Guntur, Andhra Pradesh – 522 002 **……Appellant**

VERSUS

Commissioner of Central Excise & Service Tax, Guntur
PB No.331, CR Building, Kannavari Thota,
Guntur, Andhra Pradesh – 522 004 **……Respondent**

AND

Service Tax Appeal No. 21360 of 2015

(Arising out of Order-in-Original No.GUN-EXCUS-000-COM-096-14-15-ST dt.11.03.2015 passed by Commissioner of Customs, Central Excise & Service Tax, Guntur)

M/s Master Minds
D.No.5-25-72, 3/11, Brodipet,
Guntur, Andhra Pradesh – 522 002 **……Appellant**

VERSUS

Commissioner of Central Excise & Service Tax, Guntur
PB No.331, CR Building, Kannavari Thota,
Guntur, Andhra Pradesh – 522 004 **……Respondent**

Appearance

Shri Y. Sreenivasa Reddy, Advocate for the Appellant.
Shri J. Rajanish, AR for the Respondent.

Coram: **HON'BLE MR. P. ANJANI KUMAR, MEMBER (TECHNICAL)**
HON'BLE MR. ANGAD PRASAD, MEMBER (JUDICIAL)

FINAL ORDER No. A/30421-30423/2026

Date of Hearing: 06.07.2026
Date of Decision: 28.07.2026

[Order per: ANGAD PRASAD]

The Appeals have been filed by M/s Master Minds against the Orders-in-Original, whereby, the service tax amounting to Rs.35,40,895/- and other connected demands have been confirmed under the category of 'Commercial Training or Coaching service' along with interest and penalties under the Finance Act, 1994.

2. Since common questions of fact and law arise in all the appeals, they are taken up together and disposed of by this common order.

3. The facts, in brief, are that the appellant is engaged in imparting coaching to the students preparing for Charter Accountancy (CA), Cost Accountancy (ICWA) and Intermediate (10+2) examinations. The appellant was registered with the Service Tax department under the category of 'Commercial Training or Coaching Centre'.

4. The Notification No.33/2011-ST dt.25.04.2011 grants exemption to coaching or training leading to grant of a certificate, diploma, degree or educational qualification recognized by law.

5. The department entertained the view that coaching provided for CA-CPT, ICWA-foundation and Intermediate (10+2) did not satisfy the conditions of the notification and accordingly, issued SCNs proposing recovery of service tax.

6. The adjudicating authority accepted that coaching relating to CA-IPCC, CA-Final and ICWA-Final was exempt but confirmed the demand in respect

of CA-CPT, ICWA-foundation and Intermediate coaching. Hence, the present appeals.

7. Learned Counsel for the appellant has submitted that every stage of CA education is governed by the Chartered Accountants Act, 1949 and the regulations framed thereunder. CPT is not merely a screening examination but is the first statutory stage of CA education. Unless a candidate qualifies CPT, he cannot enter IPCC. Likewise, ICWA-foundation forms an integral part of the statutory professional course.

8. It has been further argued that Notification No.33/2011-ST nowhere distinguishes between qualifying examinations and final examinations. Once the coaching leads to educational qualification recognized under law, exemption cannot be denied.

9. He has also submitted that identical demands for subsequent periods have already been dropped and accepted by the department itself. Excess tax collected was even refunded. Therefore, the Revenue cannot adopt contradictory stands for different periods. Reliance has been placed upon the following cases:

a) Sri Chaitanya Educational Committee Vs CCE, Guntur [2018 (4) TMI 664 – CESTAT Hyderabad]
b) Academy for Professional Excellence Vs CGST & CE, Howrah [2020 (37) GSTL 334 (Tri-Kol)]
c) Asian School of Media Studies Vs CCGST, Noida [2021 (11) TMI 514 (Tri-All)]
d) Pr. CC, GST & CX, Delhi Vs IILM Undergraduate Business School [2025 (4) TMI 1333 – CESTAT New Delhi]

10. Learned AR has reiterated the findings in the impugned order.

11. We have heard and considered the rival submissions of both parties and perused the records.

12. The short question requiring determination is whether coaching imparted by the appellant leads to grant of educational qualification recognized by law within the meaning of Notification No.33/2011-ST.

13. The Notification exempts coaching leading to grant of certificate, diploma, degree or educational qualification recognized by law. The notification nowhere restricts the exemption only to final stage of educational programme. The CA Act and the regulations framed thereunder constitute complete statutory scheme governing CA education. CPT is the mandatory first stage of the statutory course. A candidate cannot proceed to IPCC unless he successfully clears CPT. Thus, CPT is not an independent or optional examination but forms an inseparable component of the statutory educational qualification. Similarly, ICWA-Foundation is also a statutory stage prescribed under the Cost Accountancy Regulations. Merely because the certificate issued at the CPT stage enables progression to the next level, it cannot deprive it of the character of an educational qualification recognized by law.

14. This Tribunal in the case of Sri Chaitanya Educational Committee Vs CCE, Guntur (supra), examined Notification No.33/2011-ST and held that coaching imparted for recognized educational qualifications is not liable to service tax. The same principle has subsequently been followed in the case of Academy for Professional Excellence Vs CGST & CE, Howrah (supra), Asian School of Media Studies Vs CCGST, Noida (supra) and Pr. CC, GST & CX, Delhi Vs IILM Undergraduate Business School (supra), wherein the Tribunals consistently held that educational coaching leading to recognized qualification cannot be subjected to service tax. The relevant paras in the case of Sri Chaitanya Educational Committee Vs CCE, Guntur (supra) are as under:

> *“12. In our view, the issues raised in these appeals need to be addressed yearwise and we do so herein under:-*
>
> *FOR THE PERIOD 2011-2012*
>
> *13. For the period w.e.f. 1-5-2011, the definition of ‘commercial training or coaching centre’ as defined under Section 65(27) has been amended and reads as follows :*
>
> > *“65(27) “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.”*

14. The amendment of definition was simultaneously accompanied by exemption Notification No. 33/2011-S.T., dated 25-4-2011 (effective from 1-5-2011) which reads as under :

> *In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994), the Central Government on being satisfied that it is necessary in the public interest so to do, hereby exempt, -*
>
> *(i) Any pre-school coaching and training;*
> *(ii) Any coaching or training leading to grant of a certificate or diploma or degree or any educational qualification which is recognized by any law for the time being in force;*
>
> *When provided by any commercial coaching or training centre from the whole of the service tax leviable thereon under Section 66 of the Finance Act, 1994.*
>
> *2. This notification shall come into force on the 1st day of May, 2011.*

15. The effect of the amendment was that while even an institution/establishment providing formal education came to be categorized as a 'commercial training or coaching centre', the non-leviability of service tax on 'coaching or training' leading to grant of a certificate/diploma/degree or educational qualification recognized by any law continued by way of the exemption notification.

16. For applicability of the exemption, post-1-5-2011, plain reading of the notification is that the 'coaching or training' should lead to issue of a certificate/degree/diploma or educational qualification recognized by law. It is significant that, post-1-5-2011, even the controversy relating to 'issue of certificate/degree, etc.' is settled in favour of the appellant as the notification clearly provided that the coaching or training should 'lead' to issue of a certificate, etc.

17. It is settled law that if the plain meaning of the exemption notification covers the assessee, the benefit should be allowed.

18. In fact, the Commissioner himself admits that the appellants are not liable to pay service tax in respect of the 'intermediate courses' but are liable to pay service tax on the coaching/training provided for entrance examinations. As there is no break-up of the fees for Intermediate and entrance courses, the demand stands confirmed on the entire fees collected by the appellants.

19. It is submitted that the fees collected by the appellants cannot be artificially split and a portion thereof allowed exemption from service tax and another portion cannot be subject to service tax. In the case of Commissioner of Central Excise v. Larsen & Toubro Ltd. - 2015 (39) S.T.R. 913 (S.C.), the Apex Court has held with reference to composite works contracts, that in absence of a mechanism a composite activity cannot be vivisected for the purpose of levying service tax.

20. Reading of prospectus and other materials indicate that the training/coaching provided by the appellants in the Intermediate Colleges are composite and an integrated course, whereby the students become eligible for intermediate qualification and simultaneously become prepared for taking the entrance examinations. Such a course cannot be *artificially split as intermediate and entrance coaching and more particularly demanding service tax on even the intermediate coaching citing inability to split the course fee. The demand raised on the appellants is thus in total disregard to the consistent principle of the Government not to subject formal education to service tax.*

21. Further, the appellants also derive strength to their contentions in this regard from the principles of classification of taxable services. In terms of Section 65A(2) of the Finance Act, 1994, where an activity appears to fall under two different categories, such activity shall be classified under the service which gives the activity its essential character. The core activity of the appellants is providing formal education.

22. On reading of various materials on record, we find that even if courses can be artificially split as intermediate and entrance coaching, the essential character flows from the intermediate training and hence the appellants are eligible for the exemption under Notification No. 33/2011-S.T. with effect from 1-5-2011."

15. We also find considerable force in the appellant's submission that for subsequent periods, the department itself accepted the exemption in respect of similar coaching and even refunded the excess tax paid. Appellant has filed Order-in-Original No. 28/2014 dt.12.02.2014 in support of his contention. In the absence of any change either in facts or in law, the Revenue cannot adopt inconsistent stands for different periods. Consistency in tax administration is an important facet of Article 14 of the Constitution.

16. The adjudicating authority has denied the exemption merely on the ground that CPT is only qualifying examination. Such reasoning cannot be sustained because the notification does not employ the expression 'final qualification'. It merely requires that the coaching should lead to an educational qualification recognized by law. Reading an additional condition into the exemption notification would amount to re-writing the notification, which is impermissible.

17. Likewise, denial of exemption in respect of Intermediate (10+2) coaching on the ground that fees collected exceeded the prescribed fee or that affiliation was not proved is beyond the scope of Notification No. 33/2011-ST. The notification contains no such conditions. A taxing statute or exemption notification has to be interpreted strictly according to its language and no additional conditions can be imparted. The findings recorded in the impugned orders are therefore, not sustainable both on merits and in law.

18. In view of the statutory scheme governing CA and ICWA education, the language implied in Notification No. 33/2011-ST and the consistent judicial precedents relied upon by the appellant, we hold that coaching imparted for CA-CPT, ICWA-Foundation and Intermediate (10+2) examinations is eligible for exemption under Notification No. 33/2011-ST.

19. Accordingly, the demands of service tax confirmed in the impugned orders, together with interest and penalties, are liable to be set aside. Therefore, the impugned Orders-in-Original are set aside and the appeals filed by the appellant are allowed including refund, if otherwise admissible under law.

(Pronounced in the Open Court on 28.07.2026)

(P. ANJANI KUMAR)
MEMBER (TECHNICAL)

(ANGAD PRASAD)
MEMBER (JUDICIAL)

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