



सत्यमेव जयते

आयुक्त का कार्यालय, (अपीलस)

Office of the Commissioner,

केंद्रीय जीएसटी, अहमदाबाद आयुक्तालय

Central GST, Appeal Commissionerate- Ahmedabad

जीएसटी भवन, राजस्व मार्ग, अम्बावाड़ी अहमदाबाद ३८००१५.

CGST Bhavan, Revenue Marg, Ambawadi, Ahmedabad 380015

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क फाइल संख्या : File No : V2(ST)35&38/North/Appeals/2019-20/13096, 76 | 3100

ख अपील आदेश संख्या : Order-In-Appeal No. AHM-EXCUS-002-APP- 96-97 -19-20

दिनांक Date : 30/10/2019 जारी करने की तारीख Date of Issue 28/11/2019

श्री गोपी नाथ, आयुक्त (अपील) द्वारा पारित

Passed by Shri Gopi Nath Commissioner (Appeals)

ग Arising out of Order-in-Original No. STC/21/JC/08-09& STC/68/ADC/09 Dated 12/08/2008 & 29/01/2010 Issued by Joint / Additional Commissioner, Service Tax , Div- , Ahmedabad.

ध अपीलकर्ता का नाम एवं पता
Name & Address of The Appellants

M/s Shree Swaminarayan Travels

इस अपील आदेश से असंतुष्ट कोई भी व्यक्ति उचित प्राधिकारी को अपील निम्नलिखित प्रकार से कर सकता है:-

Any person aggrieved by this Order-in-Appeal may file an appeal to the appropriate authority in the following way :-

सीमा शुल्क, उत्पाद शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण को अपील:-
Appeal To Customs Central Excise And Service Tax Appellate Tribunal :-

वित्तीय अधिनियम, 1994 की धारा 86 के अंतर्गत अपील को निम्न के पास की जा सकती:-
Under Section 86 of the Finance Act 1994 an appeal lies to :-

पश्चिम क्षेत्रीय पीठ सीमा शुल्क, उत्पाद शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण ओ. 20, न्यू मैन्टल हास्पिटल कम्पाउण्ड, मेघाणी नगर, अहमदाबाद-380016

The West Regional Bench of Customs, Excise, Service Tax Appellate Tribunal (CESTAT) at O-20, New Mental Hospital Compound, Meghani Nagar, Ahmedabad - 380 016.

(ii) अपीलीय न्यायाधिकरण को वित्तीय अधिनियम, 1994 की धारा 86 (1) के अंतर्गत अपील सेवाकर नियमावली, 1994 के नियम 9 (1) के अंतर्गत निर्धारित फार्म एस.टी- 5 में चार प्रतियों में की जा सकेगी एवं उसके साथ जिस आदेश के विरुद्ध अपील की गई हो उसकी प्रतियाँ भेजी जानी चाहिए (उनमें से एक प्रमाणित प्रति होगी) और साथ में जिस स्थान में न्यायाधिकरण का न्यायपीठ स्थित है, वहाँ के नामित सार्वजनिक क्षेत्र बैंक के न्यायपीठ के सहायक रजिस्ट्रार के नाम से रेखांकित बैंक ड्राफ्ट के रूप में जहाँ सेवाकर की मांग, ब्याज की मांग और लगाया गया जुर्माना रूपए 5 लाख या उससे कम है वहाँ रूपए 1000/- फीस भेजनी होगी। जहाँ सेवाकर की मांग, ब्याज की मांग और लगाया गया जुर्माना रूपए 5 लाख या 50 लाख तक हो तो रूपए 5000/- फीस भेजनी होगी। जहाँ सेवाकर की मांग, ब्याज की मांग और लगाया गया जुर्माना रूपए 50 लाख या उससे ज्यादा है वहाँ रूपए 10000/- फीस भेजनी होगी।

(ii) The appeal under sub section (1) of Section 86 of the Finance Act 1994 to the Appellate Tribunal Shall be filed in quadruplicate in Form S.T.5 as prescribed under Rule 9(1) of the Service Tax Rules 1994 and Shall be accompany ed by a copy of the order appealed against (one of which shall be certified copy) and should be accompanied by a fees of Rs. 1000/- where the amount of service tax & interest demanded & penalty levied of Rs. 5 Lakhs or less, Rs.5000/- where the amount of service tax & interest demanded & penalty levied is is



more than five lakhs but not exceeding Rs. Fifty Lakhs, Rs.10,000/- where the amount of service tax & interest demanded & penalty levied is more than fifty Lakhs rupees, in the form of crossed bank draft in favour of the Assistant Registrar of the bench of nominated Public Sector Bank of the place where the bench of Tribunal is situated.

(iii) वित्तीय अधिनियम, 1994 की धारा 86 की उप-धाराओं एवं (2ए) के अंतर्गत अपील सेवाकर नियमावली, 1994 के नियम 9 (2ए) के अंतर्गत निर्धारित फार्म एस.टी.-7 में की जा सकेगी एवं उसके साथ आयुक्त, केन्द्रीय उत्पाद शुल्क (अपील) के आदेश की प्रतियाँ (OIA) (उसमें से प्रमाणित प्रति होगी) और अपर आयुक्त, सहायक / उप आयुक्त अथवा अधीक्षक केन्द्रीय उत्पाद शुल्क, अपीलीय न्यायाधिकरण को आवेदन करने के निदेश देते हुए आदेश (OIO) की प्रति भेजनी होगी।

(iii) The appeal under sub section (2A) of the section 86 the Finance Act 1994, shall be filed in Form ST-7 as prescribed under Rule 9 (2A) of the Service Tax Rules, 1994 and shall be accompanied by a copy of order of Commissioner Central Excise (Appeals)(OIA)(one of which shall be a certified copy) and copy of the order passed by the Addl. / Joint or Dy. /Asstt. Commissioner or Superintendent of Central Excise & Service Tax (OIO) to apply to the Appellate Tribunal.

2. यथासंशोधित न्यायालय शुल्क अधिनियम, 1975 की शर्तों पर अनुसूची-1 के अंतर्गत निर्धारित किए अनुसार मूल आदेश एवं स्थगन प्राधिकारी के आदेश की प्रति पर रु 6.50/- पैसे का न्यायालय शुल्क टिकट लगा होना चाहिए।

2. One copy of application or O.I.O. as the case may be, and the order of the adjudication authority shall bear a court fee stamp of Rs.6.50 paise as prescribed under Schedule-I in terms of the Court Fee Act, 1975, as amended.

3. सीमा शुल्क, उत्पाद शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण (कार्यविधि) नियमावली, 1982 में चर्चित एवं अन्य संबंधित मामलों को सम्मिलित करने वाले नियमों की ओर भी ध्यान आकर्षित किया जाता है।

3. Attention is also invited to the rules covering these and other related matters contained in the Customs, Excise and Service Appellate Tribunal (Procedure) Rules, 1982.

4. सीमा शुल्क, केन्द्रीय उत्पाद शुल्क एवं सेवाकर अपीलीय प्राधिकरण (सीस्तेत) के प्रति अपीलों के मामलों में केन्द्रीय उत्पाद शुल्क अधिनियम, 1984 की धारा 39फ के अंतर्गत वित्तीय(संख्या-2) अधिनियम 2014(2014 की संख्या 29) दिनांक: 06.08.2014 जो की वित्तीय अधिनियम, 1984 की धारा 23 के अंतर्गत सेवाकर को भी लागू की गई है, द्वारा निश्चित की गई पूर्व-राशि जमा करना अनिवार्य है, बशर्त कि इस धारा के अंतर्गत जमा की जाने वाली अपेक्षित देय राशि दस करोड़ रूपए से अधिक न हो

केन्द्रीय उत्पाद शुल्क एवं सेवाकर के अंतर्गत " माँग किए गए शुल्क " में निम्न शामिल है -

- (i) धारा 11 डी के अंतर्गत निर्धारित रकम
- (ii) सेनवैट जमा की ली गई गलत राशि
- (iii) सेनवैट जमा नियमावली के नियम 6 के अंतर्गत देय रकम

⇒ आगे बशर्त यह कि इस धारा के प्रावधान वित्तीय (सं. 2) अधिनियम, 2014 के आरम्भ से पूर्व किसी अपीलीय प्राधिकारी के समक्ष विचाराधीन स्थगन अर्ज़ी एवं अपील को लागू नहीं होगा।

4. For an appeal to be filed before the CESTAT, it is mandatory to pre-deposit an amount specified under the Finance (No. 2) Act, 2014 (No. 25 of 2014) dated 06.08.2014, under section 35F of the Central Excise Act, 1944 which is also made applicable to Service Tax under section 83 of the Finance Act, 1994 provided the amount of pre-deposit payable would be subject to ceiling of Rs. Ten Crores,

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

- (i) amount determined under Section 11 D;
- (ii) amount of erroneous Cenvat Credit taken;
- (iii) amount payable under Rule 6 of the Cenvat Credit Rules.

⇒ Provided further that the provisions of this Section shall not apply to the stay application and appeals pending before any appellate authority prior to the commencement of the Finance (No.2) Act, 2014.

4(1) इस संदर्भ में, 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।

4(1) 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.

By Speed Post

दूरभाष : 26305065



Order In Appeal

1. M/s. Shree Swaminarayan Travel Agency, 22, Anil Kunj Complex, Paldi Char Rasta, Paldi, Ahmedabad, (herein after referred to as 'the appellant') have filed appeals along with the stay applications against OIO No. STC-68/ADC/09 dated 29-01-2010 and OIO No. STC/21/JC/08-09 dated 13-08-2008 (herein after referred to as 'the impugned orders') passed by Additional.Commissioner/Joint.Commissioner, Service Tax, Ahmedabad (herein after referred to as 'the adjudicating authority').

2. The facts of the case, In brief, are that the appellant are engaged in providing taxable services as "Tour Operator" and hold a valid service tax registration No. TMPAA6640GSTP01 since 12.12.2004. Based on the Information that the appellant is indulged in evasion of service tax, the business premises of the appellant were searched on 02.02.2007. During the course of investigation, it was observed that the appellant had started their business from March 2003 and they were operating their own buses. Scrutiny of the balance sheet and audited reports revealed that the appellant collected the passenger fare but did not collect/charge service tax separately from the passengers.

It was also observed that the appellants had paid the service tax amounting to Rs. 3,47,715/- during the period from September 2004 to February 2009. Based on the total collection of fare and abatement available to them, the service tax liability was worked out to be Rs. 22,12,046/-. Thus, considering the payment of service tax already made by the appellant, it was calculated that the appellant short paid/evaded the service tax to the tune of Rs 18,64,931/-. A Show Cause Notice (SCN) was, therefore, issued to the appellant on 11.04.2008 which was adjudicated by the Joint Commissioner vide the impugned orders. The adjudicating authority confirmed the service tax amounting to Rs. 18,64,931/- under Section 73; ordered recovery of the interest thereon under Section 75 and imposed penalties under Sections 76, 77, and Section 78 of the Finance Act, 1994.

After issuance of the above SCN, Range Superintendent, summoned the appellant for providing the receipt of the passenger fare collected from point to point bus service and other taxable services, for the period 01.10.2007 to 30.09.2008 and to give statement, on repeated Summons, the appellant responded vide letter dated 21.01.2009 and submitted that they have not paid service tax due to financial crisis, and on 16.03.2009 provided the passenger fare collection receipt figures, Based on this figures a subsequent Show Cause Notice (SCN) dated 30.03.2009 for the period 01-10-2007 to 30.09.2008 was issued to the appellant, which was adjudicated by the Additional Commissioner vide the impugned orders. The adjudicating authority confirmed the service tax amounting to Rs. 6,12,227/- under Section 73; ordered recovery of the interest



thereon under Section 75 and imposed penalties under Sections 76 and 77 of the Finance Act. `1994

3. Being aggrieved with the impugned orders, the appellant preferred the present appeals, contended that for the levy of service tax on tour operator, the vehicle should be "contract carriage" and all three conditions of the contract in relation to contract carriage, are required to be satisfied whereas in the case of the appellants none of the conditions was satisfied; that registration under the category of tour operator does not mean that the appellant are liable to pay tax; that under Section 73 of the Act powers are required to be exercised by "Central Excise Officer"; and in the present case the same have been exercised by the Joint / Additional Commissioner and therefore the impugned orders is bad in law; that there was no legal necessity to invoke the provisions of Section 73(1) of the Act as the situation of either of fraud or collusion or willful misstatement or suppression of facts come into play when something is declared in the returns whereas in the present case the appellants had not filed any returns and therefore, the provisions of extended period of limitation do not apply and the proceedings are therefore time barred; that the levy of service tax on tour operator service was ambiguous since its inception and the appellants being illiterate were under confusion regarding the levy; that the issue regarding cenvat credit available to the appellant had not been dealt with; that the adjudicating authority decided the matter ex-parte and the appellant did not get the chance to present their case and therefore requested to set aside the impugned order.
4. The present appeals were kept pending, as the department had preferred an appeal in a similar case of M/s Patel Tours & Travels (Tax Appeal No.1065/2011) in High Court of Gujarat . The said tax appeal now has been decided by the Hon'ble High Court and hence the present appeals are being taken up for disposal.
5. Hearing was granted on 20-08-2019 wherein Shri Gopal Krishna Laddha, chartered Accountant, on behalf of the appellant appeared and tabled before me the submissions in addition to their earlier representation and reiterated that appellant are engaged in business of running their own buses on point to point basis from one city to another city; they are not engaged in planning , scheduling, organizing or arranging tour; they have not entered into any agreement with any group for planning of tour and hence they are not liable to pay service tax under taxable category " Tour operator Service" ; they have not used the vehicle as tourist vehicle and merely because the bus has a permit as a contract carriage it does not becomes a tourist vehicle. The appellant has relied upon the following judgments :



1. Commissioner of Service Tax, Ahmedabad Vs. Patel Tours & Travels [2010(20)STR 698 (Tri. Ahmedabad)].
2. Commissioner of Central Excise, Vadodara-II Vs. Gandhi Travels-2009(13)STR 597 (HC Guj.)
3. Sharma Travels Vs. CCE, Jaipur-I[2017(52) STR 272 (Tri. Del.)]

Further, the appellant relied on Notification No. 20/2009 ST dated 07.07.2009 and board circular No. 334/13/2009-TRU dated 06.07.2009 which had clarified that private bus operators undertaking point to point transportation of passengers in a vehicle bearing contract carriage permit is being exempted from service tax.

4. I have carefully gone through the facts of the case on records, grounds of appeal in appeal memorandum and submission made at the time of personal hearing.

5. The issue to be decided in this case is whether the service provided by the appellant can be classified under 'Tour Operator Service'. The definition of 'Tour Operator' given under Section 65(115) of the Finance Act,

'Tour Operator'

means any person engaged in the business of planning, scheduling, organizing or arranging tours (which may include arrangements for accommodation, sightseeing or other similar services) by any mode of transport, and includes any person engaged in the business of operating tourist vehicle covered by a permit granted under the Motor Vehicles Act, 1953 or the rules made there under,

'taxable service' as per Section 65(105)(n)

means any service provided or to be provided to any person by a tour operator in relation to a tour,

it is alleged that the appellant is operating tourist vehicle, which is adopted under "contract carriage. The tourist vehicle is defined as:

'Tourist vehicle' is defined under Section 2(43) of the Motor Vehicles Act, 1986 means a *contract carriage*, which in turn is defined under section 2(7) of the Motor Vehicles Act.

'contract carriage' means a motor vehicle which carries passenger or passengers for hire or reward and is engaged under a contract, whether expressed or Implied, for the use of such vehicle as a whole for carriage of



passengers mentioned therein and entered into by a person with a holder of a permit in relation to such vehicle or any person authorized by him in this behalf on a fixed or an agreed rate or sum on a time basis, whether or not with reference to any route, (b) or distance (C) or from one point to another, and in either case, without stopping to pick up or set down passengers not included in the contract anywhere during the journey, and includes (i) maxi-cab; and (ii) a motor-cab notwithstanding that separate fares are charged for its passengers.

As per above definitions, the contract should be for the use of vehicle as a whole. On perusal of tickets issued to passengers, it can be seen that the entire bus is not contracted to a single party and the passengers are independent commuters and the buses are not contracted to such passengers, rather any person can buy a ticket and board the bus and disembark at any point. Thus the buses are actually being used as stage carriage, as defined under section 2(40) of the Motor Vehicles Act, 1988, which says that '**stage carriage**' means a 'motor vehicle constructed or adapted to carry more than six passengers, excluding the driver, for hire or reward at separate fares paid by or for individual passengers, either for the whole journey or for stages of the journey'.

It is clear from the records as well as from the study of the activity of the appellant though the bus has a permit as a contract carriage it does not fulfill the condition of a tourist vehicle for the purpose of levy of service tax. In the present case, it is clear that though the buses obtain permits for operating as contract carriage, but in actual they operated as stage carriage. Merely fixing timings for their daily services does not amount to planning, scheduling organizing etc.

6. I find that the State Undertakings run buses, which run on the same route carrying passengers, are not subjected to service tax as these buses bear 'stage carriage permit'. In order to bring parity between the two, the services provided by the tour operators undertaking point-to-point transportation of passengers in a vehicle bearing contract carriage permit is being fully exempted from service tax, provided such transportation is not in relation to tourism or conducted tours, or charter or hire, vide Notification No. 20/209-ST dated 07.07.09. The notification read as below:

"G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service referred to in sub-clause (n) of clause (105) of



section 65 of the Finance Act, provided or to be provided to any person, by a tour operator having a contract carriage permit for inter-state or intrastate transportation of passengers, excluding tourism, conducted tours, charter or hire service, from whole of the service tax leviable thereon under section 66 of the said Finance Act."

Further, the statutory provisions of the Finance Act, 2011 granted retrospective effect to the said notification from 01-04-2000.

7. I further find that Hon'ble Tribunal Ahmedabad in case of Commissioner of Service Tax, Ahmedabad Vs. M/s Patel Tours & travels had held as under:-

1. Para 7.1 - "that to bring a person to the fold of 'tour operator service' the person should have been engaged in the business of operating tours in a tourist vehicle covered by a permit granted under Motor Vehicles Act, 1988. The definition has three important ingredients. Firstly, a person must have been engaged in the business of operating tours. The second ingredient is that tour must be conducted using a tourist vehicle. The third ingredient is that the vehicles must have been under the grant of the permit under Motor Vehicles Act to conduct tourism business. The learned Commissioner has rightly observed that merely **because the bus has the permit under 'contract carriage', it does not become the tourist vehicle**".

2. Para 7.2- "the same view was taken by the same bench in the case of Ghanshyam Travels, wherein it was held that unless the vehicle of the contract carriage permit holder fulfills the requirement as mentioned in Central Motor Vehicles Rules of a 'tourist vehicle', merely because he is holding the contract carriage permit, he does not become liable to tour operator service, The similar and consistent view has been taken by the same tribunal in the case of Gatulal V Patel and Gandhi Travels, which has been affirmed by the Hon'ble High Court of Gujarat in the case of Commissioner of Central Excise, Vadodara-II Vs. Gandhi Travels-2009 (13) STR 597 (Guj.). Hence I follow the same and hold that merely because the bus has the permit under 'contract carriage permit' as in the case of the appellant it does not become tourist vehicles and does not become liable to tour operator service".

8. I further find that the department's tax appeal No 1065/2007 in the High Court (Gujarat) against the decision of Tribunal- Ahmedabad in the case of Commissioner of Service Tax, Ahmedabad Vs. M/s Patel Tours & travels

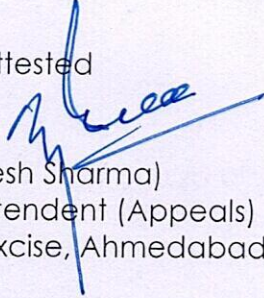


[2010(20)STR 698 (Tri. Ahmedabad)] has been dismissed as not maintainable by the Hon'ble High Court (Gujarat).

ORDER

9. In view of the foregoing discussions, I set aside the Impugned orders and allow the appeals filed by the appellant with consequential relief. The appeals are disposed off accordingly.

Attested



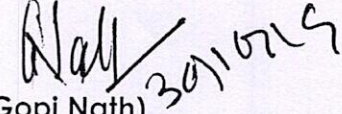
(Brijesh Sharma)
Superintendent (Appeals)
Central Excise, Ahmedabad

By Speed Post / Regd. Post.A.D

To,
M/s. Shree Swaminarayan Travels,
22, Anil Kunj Complex,
Paldi Char Rasta, Paldi, Ahmedabad.

Copy to :

- 1 The Pr. Chief Commissioner, CGST and Central Excise, Ahmedabad.
- 2 The Pr. Commissioner CGST and Central Excise, Ahmedabad (South).
3. The Deputy Commissioner, CGST & C.Ex, Division Rakhail, Ahmedabad-South.
4. The Deputy Commissioner (Systems), Central Excise, Ahmedabad (South).
- ✓ 5. Guard file
6. PA File


(Gopi Nath) 30/07/19
Commissioner (Appeal)

