

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE  
TRIBUNAL  
BANGALORE**

REGIONAL BENCH - COURT NO. 2

**Service Tax Appeal No. 20267 of 2015**

(Arising out of Order-in-Appeal No.592/2014-S.T. dated 30.10.2014  
passed by the Commissioner of Central Excise, Customs & Service  
Tax (Appeals-III), Kochi.)

**M/s. Muthoot Fincorp Ltd.**

Muthoot Centre, Punnen Road,  
Thiruvananthapuram - 695 034,  
Kerala.

Appellant(s)

*VERSUS*

**Commissioner of Central Excise,  
Customs and Service Tax,**

T.C.No.26/334 (1&2),  
I.C.E. Bhavan, Press Club Road,  
Trivandrum - 695 001.  
Kerala.

Respondent(s)

**WITH**

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**APPEARANCE:**

Mr. Syed Peeran and Tushar Sharma, Advocates for the Appellant.

Shri M.A. Jithendra, Asst. Commissioner (AR) for the Respondent.

**CORAM:**

**HON'BLE MR. P.A. AUGUSTIAN, MEMBER (JUDICIAL)**  
**HON'BLE MRS. R. BHAGYA DEVI, MEMBER (TECHNICAL)**

**FINAL ORDER NO. 22078 - 22079 / 2025**

DATE OF HEARING: 25.11.2025

DATE OF DECISION: 25.11.2025

**PER: R. BHAGYA DEVI**

Briefly the facts are that the appellant is a non-banking finance company engaged in retail money lending business and providing services to M/s. Weizmann Forex Ltd. who is a representative of Western Union in India. The Commissioner (A) in the impugned order confirmed the demand of service tax under the category of 'Business Auxiliary Service' on the ground that for the period from 12.2006 to 30.10.2007 based on agreement dated 19.5.2004 the appellant was required to transfer money in Indian currency to various recipients based on the instructions from Western Union. Aggrieved against this order, appellant is in appeal before.

2. The Learned Counsel for the appellant at the time of hearing submits that the issue is no longer *res integra* inasmuch as in their own case in a similar of facts and circumstances, this Tribunal as reported at **2009 (8) TMI 236-CESTAT-Bangalore** wherein it is held that the services rendered by the appellant are Export of Service and the same cannot be taxed under 'Business Auxiliary Service'. Also relied on the decision in the case of **Paul Merchants Ltd. & Ors. Vs. CCE, Chandigarh: 2013 (29) STR 257 (Tri.-Del.)**. It is also submitted that based on the above decisions, the authorities have dropped the demand for the period prior to 1.7.2003 to 31.01.2006 and post 1.10.2007 to 30.06.2017.

3. The learned Authorised Representative (AR) for the Revenue reiterated the findings of the commissioner (A) in the impugned order.

4. Heard both sides. The issue is no longer *res integra* inasmuch as in appellant's own case this Tribunal has observed as follows:

"11. We find strong forces in the contentions raised by the Id. Counsel that the issue is now squarely covered in favour of the assessee by the decision of this Bench in the case of *Nipuna Services Ltd. v. CCE & ST, Hyderabad: 2009 (14) S.T.R. 706 (Tri.-Bang.)*. We may reproduce the ratio of the said decision as under:

*14.2 We had already stated in the earlier paragraph that EOSR 2005 categorized the services into three categories. By this amendment, in respect of the services relating to categories in Rule 3(1) and 3(2), the above conditions have been inserted to deem such services as export of service. It is very clear that the services rendered by the appellants would not come under Rule 3(1) and Rule 3(2) of EOSR, 2005. Consequently, the condition with regard to the receipt of payment in convertible foreign exchange would continue to inapplicable. We mentioned that there was some change in sub-rule (3) but that change is not relevant for us. Thus, it can be seen the Government has deliberately not amended Rule 3(3) while amending Rule 3(2) and 3(1) providing for receipt of payment in convertible foreign exchange to deem the services relating to said rule as export of service. The conclusion is that Notification 28/2005-S.T., dated 7-6-2005 has not changed the position with regard to the services rendered by the appellant from what was obtaining in terms of Notification No. 9/2005-S.T., dated 3-3-2005."*

And also taking note of the fact that the Revenue itself has dropped the demands against the appellant for various period

referred above, we do not find any reason to sustain the impugned order. Consequently, appeals are allowed.

(Operative portion of the order was pronounced in Open Court on conclusion of hearing.)

**(P.A. AUGUSTIAN)**  
**MEMBER (JUDICIAL)**

**(R. BHAGYA DEVI)**  
**MEMBER (TECHNICAL)**

rv