

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

REGIONAL BENCH - COURT NO. 1

Service Tax Appeal No.21177 of 2015

(Arising out of Order-in-Appeal No.006 & 007/2015-ST dated 06.01.2015 passed by the Commissioner of Central Excise, Customs and Service Tax (Appeals), Cochin.)

**M/s. Popular Vehicles and
Services Ltd.**

Behind Mims Eswaramangalam Road,
Govindapuram P.O,
Calicut-673 016,
Kerala.

Appellant(s)

VERSUS

**Commissioner of Central
Excise, Customs and
Service Tax- Cochin-cce**

C.R. Building,
I.S. Press Road, Ernakulam,
Cochin-682 018,
Kerala.

Respondent(s)

APPEARANCE:

Mr. Kuryan Thomas, Advocate for the Appellant.

Mr. Vinod Kumar Garhwal, Superintendent (AR) for the Respondent.

**CORAM: HON'BLE MR. D.M. MISRA, MEMBER (JUDICIAL)
HON'BLE MRS. R. BHAGYA DEVI, MEMBER
(TECHNICAL)**

Final Order No. 22131 / 2025

DATE OF HEARING: 12.12.2025

DATE OF DECISION: 12.12.2025

PER : R. BHAGYA DEVI

This appeal is filed by the appellant M/s. Popular Vehicles and Services Ltd. against impugned Order-in-Appeal No. 006 & 007/2015-ST dated 06.01.2015 only to the extent of demand in Order-in-Original No. 95/2008-ST dated 31.12.2008.

2. Briefly the facts are that the appellant M/s. Popular Vehicles and Services Ltd. who is an authorized service station had not discharged service tax on the services rendered by

him for the period from 01.04.2005 to 30.09.2007, accordingly show-cause notice was issued and the demands were confirmed by the original authority which was upheld by the Commissioner (Appeals). Aggrieved by this, the appellant is in appeal before us.

3. The Learned Counsel submits that the appellant is an authorized dealer of Maruti Suzuki India Ltd. (MSIL) operating service centres for Maruti vehicles and also engaged in sale of refurbished 'True Value' vehicles i.e. used cars. It is submitted that when the free services are done on refurbished vehicles at the service centres, notional amount is booked as income by the service centre account which has been held to be liable to service tax. It is submitted that such notional amounts for the various other units of the very same appellant company, no service tax was demanded. It is further submitted that the issue is no longer *res integra* in as much as it stands settled by the Hon'ble High Court of Kerala in the case of **Commissioner of Central Excise, Customs and Service Tax, Ernakulam vs. Sai Service Station Ltd.: 2017 (7) GSTL 17 (Ker.)** wherein it is observed that the appellant is not liable to service tax in similar set of facts.

4. The Learned Authorised Representative reiterated the findings of the Commissioner (Appeals).

5. Heard both sides. We find that the original authority has demanded service tax under the category of automobile service and repair on the ground that the warranty claims were reimbursed by Maruti Suzuki India Ltd. against the spare parts replaced under warranty scheme as agreed in the owners' manual. This issue is no longer *res integra* it stands settled in favour of the appellant in the case of **CCE vs. Sai Service Station Ltd.** (supra).

6. In view of the above, impugned order disposing Order-in-Original No.96/2008-ST dated 31.12.2008 has been dismissed under SVLDR Scheme vide Final Order No.21194/2025 dated 08.08.2025, therefore, impugned order is partially modified only to the extent of Order-in-Original No.95/2008-ST dated 31.12.2008 on above terms and appeal is allowed with consequential relief, if any, in accordance with law.

(Operative part of this Order was pronounced in Open Court on conclusion of the hearing.)

(D. M. MISRA)
MEMBER (JUDICIAL)

(R. BHAGYA DEVI)
MEMBER (TECHNICAL)

RV