CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL BANGALORE

REGIONAL BENCH - COURT NO. 1

Service Tax Appeal No. 23318 of 2014

(Arising out of Order-in-Original No.BLR-LTUNT-000-COM-045-2014-15 dated 23.06.2014 passed by the Commissioner of Central Excise & Service Tax, Bangalore.)

M/s. Bosch Ltd.,
Hosur Road, Adugodi,
Bangalore-560 030. ....**Appellant(s)**

Versus

Commissioner of Central Excise
And Service Tax,
JSS Towers, 100 ft Ring Road,
Banashankari III Stage,
Bengaluru-560 085. ....**Respondent(s)**

APPEARANCE:

S/Shri Syed Peeran, Rohan Karia and Nischal K.M, Advocates for the Appellant.
Mr. 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. 20793 / 2026

Date of Hearing: 09.06.2026

Date of Decision: 09.06.2026

PER: R. BHAGYA DEVI

Briefly the facts are the appellant M/s. Bosch Ltd. Bangalore had availed cenvat credit on input services used for the activities of manufacturing, providing output services and for trading purpose. Since the appellant is not eligible for cenvat credit on services that are used for trading purposes which are exempted, show-cause notice was issued denying the said cenvat credit. The Commissioner in the impugned order referring to the Cenvat Credit Rules, 2004 denied cenvat credit to the extent of Rs.1,56,41,748/- for the period from May 2009 to March 2011 on the ground that the appellant was not eligible for cenvat credit attributable to trading activity. Aggrieved by this order, the appellant is in appeal before us.

2. The Learned Counsel for the appellant submitted that since the period of dispute is from May 2009 to March 2011 which is prior to amendment to Rule 2(e) of Cenvat Credit Rules, 2004 w.e.f. 01.04.2011, the trading activity cannot be considered as an exempted service, hence credit cannot be denied on the services used for the trading activities. Secondly, it was argued that the entire demand is beyond the normal period of limitation, which cannot be sustained. It is his argument that the very same issue for the previous period i.e. for the period 2007 to 2009, cenvat credit was denied for the very same trading activities in the appellant's own case and this Tribunal vide Final Order No. 22887/2017 dated 23.11.2017 had allowed the appeal on the ground that the entire demand was barred by limitation, hence, the present demand also cannot be sustained on the same ground.

3. The learned Authorised Representative (AR) for the Revenue reiterating the findings of the Commissioner in the impugned order submitted that appellant is not eligible for the cenvat credit on trading activities since it is exempted and relied on the decision rendered in the case of M/s. FL Smidth Pvt. Ltd. vs. Commissioner of Central Excise dated 20.11.2014 wherein the Hon'ble High Court of Madras had held that the appellant was not eligible for cenvat credit on trading of goods and also on limitation, it was held as follows:

> "11. On the plea of limitation, it has been considered by the Adjudicating Authority, Commissioner (Appeals) and the Tribunal and there is a clear finding that the appellant had not disclosed the availment of input service credit on commission in respect of trading activities and it came to the knowledge of the Department only on verification of the documents, such as, contract agreements, commission agreements etc. and therefore the plea of limitation was rightly rejected by the Authorities below".

4. Heard both sides. The Tribunal in the appellant's own case vide Final Order No. 22887/2017 dated 23.11.2017 had held as follows:

> "5…………Further I also find that all the details regarding trading activity was provided by the appellant in their Balance Sheet on the basis of which the Department has raised the document which shows that there is no suppression of any fact with intent to evade payment of duty. Therefore, longer period of limitation is not legally invocable in the facts and circumstances of this case. Therefore, I hold that the entire demand in the present case is barred by limitation."

5. In view of the above, since for the previous period itself, the demand was set aside on the ground of limitation, we do not find any justification in invoking suppression for the latter period as is done in the present case. Since the entire demand is beyond the normal period of limitation, we set aside the entire demand.

Appeal is allowed only on the ground of limitation.

(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….