CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
CHANDIGARH

REGIONAL BENCH - COURT NO. I

Excise Appeal No. 60109 of 2016

[Arising out of Order-in-Appeal No. 59/CE/Appeal-II/Delhi/2016 dated 30.03.2016 passed by the Commissioner (Appeals-II), Central Excise, Gurgaon]

Hero Moto Corp Ltd **......Appellant**
37 KM Stone, Delhi-Jaipur Highway,
Sector 33, Gurugram, Haryana 122001

VERSUS

Commissioner of Central Goods & Service Tax, Gurugram **......Respondent**
Plot No. 36-37, Sector 32,
Gurugram, Haryana 122001

WITH

Excise Appeal No. 60242 of 2016

[Arising out of Order-in-Appeal No. 59/CE/Appeal-II/Delhi/2016 dated 30.03.2016 passed by the Commissioner (Appeals-II), Central Excise, Gurgaon]

Commissioner of Central Goods & Service Tax, Gurugram **......Appellant**
Plot No. 36-37, Sector 32,
Gurugram, Haryana 122001

VERSUS

Hero Moto Corp Ltd **......Respondent**
37 KM Stone, Delhi-Jaipur Highway,
Sector 33, Gurugram, Haryana 122001

APPEARANCE:

Mr. Srinivas Kotni and Mr. Akshay Kumar, Advocates for the Appellant/Assessee

Mr. Siddharth Jaiswal and Mr. Shantanu Kumar Meena, Authorized Representatives for the Respondent/Revenue

CORAM: HON'BLE MR. S. S. GARG, MEMBER (JUDICIAL)
HON'BLE MR. P. ANJANI KUMAR, MEMBER (TECHNICAL)

FINAL ORDER NO. 60883-60884/2025

DATE OF HEARING: 22.07.2025
DATE OF DECISION: 22.07.2025

P. ANJANI KUMAR :

Appeal No. E/60109/2016 has been filed by the appellants, M/s Hero Moto Corp Limited, for the reason that the learned Commissioner (Appeals), vide the impugned order dated 30.03.2016, has allowed the CENVAT credit availed on all the services except one service i.e. 'Repairing of Motor Vehicles'. Appeal No. E/60242/2016 has been filed by the Revenue against the allowance given by the learned Commissioner (Appeals) in respect of seven services namely 'Architect & Interior Designers Service', 'Interior Decorator Service', 'Photography Service', 'Mandap Keeper Service', 'Outdoor Catering Service', 'Works Contract Service' and 'Club or Association Service'.

2. Briefly stated facts of the case are that the appellants are engaged in manufacture and clearance of two wheelers and are availing CENVAT credit on the inputs and input services claimed to have been used in or in relation to the manufacture of motor vehicles and in appellants' business. Two SCNs, first one dated 25.04.2014 covering the period from 01.04.2013 to 30.09.2013 and another one dated 23.04.2015 covering the period from 01.04.2014 to 28.02.2015, were issued and confirmed by the original authority vide Order-in-Original dated 31.08.2015. Vide the impugned order, the

learned Commissioner (Appeals) has allowed the CENVAT credit availed on seven services i.e. 'Architect & Interior Designers Service', 'Interior Decorator Service', 'Photography Service', 'Mandap Keeper Service', 'Outdoor Catering Service', 'Works Contract Service' and 'Club or Association Service' but disallowed the CENVAT credit on one service i.e. 'Repairing of Motor Vehicles' which is disputed by the appellants; regarding the credit on 'Construction Service', the appellants have already reversed the credit availed.

3. Shri Srinivas Kotni assisted by Shri Akshay Kumar, the learned Counsel for the appellants submits that the issue involved is no longer *res integra* having been decided by this very Bench in the appellants' own case vide Final Order No. 60303-60316/2024 dated 06.06.2024.

4. On the other hand, the learned Authorized Representative for the Revenue reiterates the findings of the impugned order in respect of the disallowance of credit on 'Repairing of Motor Vehicles'. In respect of other services, he submits that these services have no nexus either with the manufacture or with the business of the appellants.

5. Heard both sides and perused the records of the case.

6. We find that the issue is no longer *res integra* as submitted by the learned Counsel for the appellants; this Bench vide **Final Order No. 60303-60316/2024 dated 06.06.2024** has allowed the appeals of the appellants holding all the services are used in or in

relation to the manufacture or in a business activity which is integral to the manufacture of the excisable products; the Bench observed as under:

> *"**8**. Heard both sides and perused the records of the case. The dispute in these appeals is about to various input services i.e. Construction Service, Works Contract Service (for ISD), Interior Decorator's Service (for plant and ISD), Architect and Interior Designer Service (for plant), Mandap Keeper's Service (for ISD), Pandal and Shamiana Service (for plant and ISD), Mandap with Catering Service (for plant), Photography Service (for plant and ISD), Club Association Service (for ISD), Repairing of Motor Vehicles (for ISD), Architect Service (for ISD), Outdoor Catering Service (for ISD), After Sale Service (for plant), Insurance Auxiliary Services, Broadcasting Services, Fashion Designing Services, On-Line information and data base access/ retrieval, Share transfer Agent, Asset Portfolio and fund management.*
>
> ***9.** …….*
>
> ***10.** ……*
>
> ***11.** Further, we find that, as submitted by the learned Counsel for the appellants, the Show Cause Notices issued in this regard do not bring out the reasons as to why credit availed by the appellants on certain services is not admissible to them. There is a bare reproduction of the definition of "Input Service" and averment that in view of the same, the services utilized by the appellants do not have any relation with the activity of the appellants up to the point of delivery/ removal as the case may be. The Adjudicating Authority also confirms the demands on the vague allegations leveled in the SCNs and presumptions. No investigation is done to ascertain the various services availed and the utility of the same to the business of the appellants. Under these circumstances, the impugned orders cannot be sustained on this legal point also, in addition to the fact that in view of our discussion as above, the services availed by the appellants are integrally connected to the furtherance of their business of manufacture and sale of two-wheelers. In view of the above, we find that the appellants succeed to the extent of the appeals preferred by them. However, amounts*

confirmed by the impugned orders and not agitated by the appellants like demand of credit of Rs. 1,08,463/- on Rent-a-Cab Service etc. shall have to be held to be payable by the appellants. The penalties imposed are, however, liable to be set aside."

7. We also find that recently this Bench vide **Final Order No. 60849/2025 dated 11.07.2025** passed in appellants' own case, has decided the dispute in favour of the appellants.

8. In view of the above, we find that nothing survives in the appeal of the Revenue; the appeal of the appellants survives. Consequently, Appeal No. E/60109/2016 filed by the appellants is allowed; Appeal No. E/60242/2016 filed by the Revenue is dismissed.

(Dictated and pronounced in the open court)

(S. S. GARG)
MEMBER (JUDICIAL)

(P. ANJANI KUMAR)
MEMBER (TECHNICAL)

RA_Saifi