CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
BANGALORE

REGIONAL BENCH - COURT NO. 2

Service Tax Appeal No. 27989 of 2013

(Arising out of Order-in-Appeal No. 175/2013 dated 23.07.2013 passed by the Commissioner (Appeals), LTU, Bangalore.)

M/s. Texas Instruments (India) Pvt. Ltd.
Bagmane Tech Park,
66/3, LRDE, Byrasandra,
C. V. Raman Nagar Post,
Bangalore – 560 093.

Appellant(s)

VERSUS

The Commissioner of Central Tax
Large Tax Payers Unit,
100 Feet Ring Road,
JSS Towers, Banashankari-III Stage,
Bangalore – 560 085.

Respondent(s)

APPEARANCE:

Ms. Meghna Lal and Ms. Vani Dwevedi, Advocates for the Appellant.

Shri Maneesh Akhoury, Asst. Commissioner (Authorised Representative) for the Respondent.

CORAM: HON'BLE MRS. R. BHAGYA DEVI, MEMBER (TECHNICAL)

Final Order No. 20961 / 2026

DATE OF HEARING: 10.07.2026
DATE OF DECISION: 20.08.2026

PER : R. BHAGYA DEVI

Briefly the facts are that the appellant M/s. Texas Instruments India Pvt. Ltd. is a wholly owned subsidiary of Texas Instruments Inc., USA and are engaged in the business of semiconductor design and developing software for use with semi-conductor devices. During the period from October 2010 to March 2011, appellants availed cenvat credit on various input services and on examination, it was noticed that the cenvat credit was availed either on invalid documents and in certain cases, there was no nexus with the output services; hence show-cause notice was issued and the Commissioner (Appeals) in the impugned order upholds the demand of cenvat credit on the ground of invalid documents and also on the ground of nexus between the input services and the output services. Aggrieved by this order, the appellant is in appeal before the bench.

2. The learned counsel submits that the appellant had entered into a Software Development Agreement with Texas Instruments Inc; USA for development of semiconductor designs and semiconductor related software for the group entity. The appellant had filed a refund claim for the period from October 2010 to December 2010 and for the period from January 2011 to March 2011 which were partially rejected by the order dated 18.04.2012 and upheld by the Commissioner (Appeals) vide Order in Appeal No. 167 to 170/2013 dated 19.07.2013. Against this order, the appellant filed an appeal before this Tribunal and this Tribunal vide Final Order No.20231-20238/2022 dated 12.05.2022 held in favour of the appellant allowing the refund claims. It is submitted that, in the present case, the refund has been rejected on two grounds, that is there is no nexus between input services such as event management services and photography services with the output services. She submits that this issue is already settled in favour of the appellant in the above said Final Order of this very Tribunal. Similarly, credit has been denied on the ground that the description of the services mentioned in the invoices by the service provider on which credit has been availed do not have nexus with the output services provided by the appellant; in this regard, it is submitted that the appellant had taken credit on the input services on which service tax has been paid and the description of the services mentioned by their clients cannot be the ground to deny the credit.

3. The learned Authorised Representative countering the above arguments submitted that the Commissioner (Appeals) in the impugned order denied the credit on the ground that no valid documents were produced for claiming the cenvat credit; hence,

was rightly denied and he also submitted that credit was availed on invalid documents where the description of the services was mentioned as differential billing, reimbursement discount, visa charges bonus, etc; hence, this cannot be considered as input services; hence ,rightly denied.

4. Heard both sides. The Commissioner (Appeals) has denied the cenvat credit on three grounds. The first ground is that certain services availed and utilised by the appellant cannot be recognised as input services under the Cenvat Credit Rules, 2004. However, I find that the services such as Rent-a-Cab Service, Outdoor Catering Service, Event Management Service, Cleaning Service and Photography Service, this Tribunal in number of cases has been holding that credit cannot be denied on the ground of nexus with the output services and in appellant's own case vide Final Order No.20231-20238/2022 dated 12.05.2022, cenvat credit has been allowed on such services; hence, the question of denying the credit on this ground is not sustainable, the same is allowed.

4.1 With regard to the second ground on which the Commissioner (Appeals) has denied the credit is that the same was availed on invalid documents and he observed as follows:

> 11. ………… Here I find that cenvat credit is availed by the appellant on the invoices wherein the description of the services are mentioned as "Differential billing, Contract for Engineering, reimbursement 3% discount, Engineering Lab Soldering switches Temp Sensor layout, Lab support services, Travel expenses, Visa charges, credit notes, Bonus, Fees towards services conducted for Sreesanth, Realtors commission, Administrative Expenses and News Monitoring Services. Charges for Exhibition, Charges for Snacks, Newspapers, etc., I find that these services do not have any nexus with output services provided by the appellants. Hence credit is correctly denied by the lower authority."

I find that as rightly observed by the Commissioner (Appeals), these are not the input services on which cenvat credit can be availed. In the grounds of appeal, the appellant has claimed that the above services are received from various agencies which were classified under Business Support Service and utilised by the appellant in rendering the output services; hence, the same cannot be denied. Since no explanation was forthcoming by the appellant and no explanation was placed before the Commissioner (Appeals), the same is being remanded to the original authority for verification and allowing the same, if they are input services on which service tax has been discharged.

4.2 Finally, the Commissioner (Appeals) has denied the cenvat credit on the following ground observing as:

> "12. ....On examination, I find that appellants had not produced any copies of invoices/bills or challans, issued by the provider of services, on the strength of which the appellant had taken service tax credits, either at the time of scrutiny or at the time of adjudication/hearing. Therefore, I uphold the order passed by the lower authority."

Since no documents were produced and the appellant now claim that the documents have been produced and they are eligible for cenvat credit, the same is being remanded for verification and extending the benefit of cenvat credit if otherwise eligible.

5. Appeal is partially allowed by way of remand.

(Order pronounced in Open Court on 20.08.2026.)

(R. BHAGYA DEVI)
MEMBER (TECHNICAL)

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