CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
BANGALORE

REGIONAL BENCH - COURT NO. 1

Service Tax Appeal No. 21583 of 2017

(Arising out of Order-in-Appeal No.182-185/2017-CT dated 01.09.2017 passed by the Commissioner of Central Tax (Appeals-II), Bangalore.)

ANZ Support Services India Private Limited
Eucalyptus,
Manyata Embassy Business Park-SEZ,
Outer Ring Road,
Nagavara & Rachenahalli Village,
K. R. Puram Hobli,
Bangalore – 560 045.

Appellant(s)

VERSUS

The Commissioner of Central Tax (Appeals-II)
TTM Centre, BMTC Building, 4th Floor,
Domlur, Old Airport Road,
Bangalore – 560 071.

Respondent(s)

APPEARANCE:

Ms. Preetha Mahadevan, Advocate for the Appellant.

Shri Rajashekar B.N.N. Superintendent (AR) for the Respondent.

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

FINAL ORDER NO. 20392 / 2026

DATE OF HEARING: 09.01.2026

DATE OF DECISION: 09.01.2026

PER: R. BHAGYA DEVI

This appeal is filed by the appellant M/s. ANZ Support Services India Pvt. Ltd. against Order-in-Appeal No.182-

185/2017-CT dated 01.09.2017 passed by the Commissioner of Central Excise (Appeals-II), Bangalore.

2. Briefly the facts are the appellant M/s. ANZ Support Services India Pvt. Ltd. are rendering services under the categories of Business Auxiliary Services, ITSS, Management and Business Consultancy Services etc. The appellant is also registered as Special Economic Zone (SEZ) unit for providing Information Technology (IT) enabled services and for rendering these services, various input services are used, on which service tax is paid. The appellant filed four (4) refund claims under Notification No.17/ 2011 dated 01.03.2011. The Commissioner (Appeals) in the impugned order denied the cenvat credit on the ground that 'Rent-a-Cab' service was an excluded service from 01.04.2011; secondly, certain input services did not figure in the SEZ approved list issued by the Development Commissioner, SEZ, Cochin. Aggrieved by this order, the appellant is in appeal before us only to the extent of rejection of cenvat credit on 'Rent-a-Cab' service.

3. The Learned Counsel submits that the claim for refund was a refund of service tax paid on exempted services and not a refund of unutilized cenvat credit; hence, the provisions of Cenvat Credit Rules, 2004 have no application. It is an undisputed fact that the service tax was collected and discharged by the service provider, for which no cenvat credit was availed. It is also stated that there is no dispute that these services are used in relation to the authorised operations of the SEZ unit and are specified under the list of approved services. Relying on the decisions of M/s. GMR Aerospace Engineering Ltd. Vs. Union of India 2019 (31) GSTL 596 (AP & Telangana) and **M/s. Cummins Turbo Technology Vs. CC, CE and CT Indore 2023 (12) CENTAX 334 (Tri.-Del.),** it is submitted that

Section 51 of the SEZ Act, 2005 has an overriding effect over other legislations including Customs Act and Finance Act. Hence, it is submitted that the impugned order rejecting the refund claim on 'Rent-a-Cab' service cannot be sustained.

4. The Learned Authorized Representative (AR) on behalf of the Revenue reiterated the findings of the impugned order to the extent of rejecting refund on 'Rent-a-Cab' service.

5. Heard both sides. The appellant has claimed refund of service tax as per Notification No. 17/2011-S.T., dated 1-3-2011, which is reproduced below:

> **Exemption to taxable services received by unit or developer of Special Economic Zone —**
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> In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the Finance Act) read with sub-section 3 of section 95 of Finance (No. 2), Act, 2004 (23 of 2004) and sub-section 3 of section 140 of the Finance Act, 2007 (22 of 2007) and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 9/2009-Service Tax, dated the 3rd March, 2009, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide G.S.R. 146(E), dated the 3rd March, 2009, except as respects things done or omitted to be done before such supersession, the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable services specified in clause (105) of section 65 of the Finance Act, chargeable to tax under section 66 or section 66A of the Finance Act, received by a Unit located in a Special Economic Zone (hereinafter referred to as SEZ) or Developer of SEZ for the authorised operations, from the whole of the service tax, education cess and secondary and higher education cess leviable thereon.
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> 2. The exemption contained in this notification shall be subject to the following conditions, namely :–

(a) the exemption shall be provided by way of refund of service tax paid on the specified services received for the authorised operations in a SEZ : Provided that where the specified services received and used for authorised operations are wholly consumed within the SEZ, the provider of such services or the receiver of such services on reverse charge basis, as the case may be, has the option not to pay the service tax *ab initio* instead of the Unit or Developer claiming exemption by way of refund in terms of this notification.

Explanation.- For the purposes of this notification, the expression "wholly consumed" refer to following taxable services, received by a Developer or Unit of a SEZ, for the authorised operations, namely :–

(i) services listed in clause (i) of sub-rule (1) of rule 3 of the Export of Services Rules, 2005 in relation to an immovable property situated within the SEZ; or

(ii) services listed in clause (ii) of sub-rule (1) of rule 3 of the Export of Services Rules, 2005, as are wholly performed within the SEZ; or

(iii) services other than those falling under (i) and (ii) above, provided to a Developer or Unit of SEZ, who does not own or carry on any business other than the operations in the SEZ;

(b) for the purpose of claiming exemption, the Developer or Unit of SEZ shall obtain a list of taxable services as are required for the authorised operations approved by the Approval Committee (hereinafter referred to as the specified services) of the concerned SEZ;

(c) the Developer or Unit of SEZ who does not own or carry out any business other than SEZ operations, shall furnish a declaration to that effect in Form A-1, verified by the Specified Officer of the SEZ, in addition to obtaining list under condition (b) above, for the purpose of claiming exemption;

(d) where the specified services received by Unit or Developer, are not wholly consumed within SEZ, i.e., shared between authorised operations in SEZ Unit and Domestic Tariff Area (DTA) Unit, refund shall be restricted to the extent of the ratio of export turnover to the total turnover for the given period to which the claim relates, i.e.,

(e) any Developer or Unit of SEZ claiming the exemption shall declare that the specified services on which exemption and/or refund is claimed to have been actually used for the authorised operations;

(f) the Developer or unit of SEZ claiming the exemption, by way of refund has actually paid the amount indicated in the invoice, bill or as the case may be, challan, including the service tax payable, to the person liable to pay the said tax or the amount of service tax payable under reverse charge, as the case may be, under the provisions of the Finance Act;

(g) no CENVAT credit of service tax paid on the specified services used for the authorised operations in a SEZ has been taken under the CENVAT Credit Rules, 2004;

(h) exemption or refund of service tax paid on the specified services other than 'wholly consumed' services used for the authorised operations in a SEZ shall not be claimed except under this notification;

(i) the developer or unit of a SEZ, who intends to avail exemption and or refund under this notification, shall maintain proper account of receipt and use of the specified services on which exemption is claimed, for authorised operations in the SEZ.

The above Notification categorically specifies that refund is to be allowed on all the specified services received and used for authorized operations in a SEZ. It also states that the amount of refund claim should have been actually paid by the appellant and no cenvat credit should have been availed. Since the appellant has discharged the service tax on 'Rent-a-Cab' service and used the same for the authorized operations in the SEZ unit, which is not disputed, the question of rejecting the refund claim on the ground that it is not one of the input services cannot be sustained.

6. In view of the above, the impugned order is set aside and the appeal is allowed with consequential relief, if any, as per law.

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

(D.M. MISRA)
MEMBER (JUDICIAL)

(R. BHAGYA DEVI)
MEMBER (TECHNICAL)

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