

**CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
CHANDIGARH**

REGIONAL BENCH - COURT NO. I

Service Tax Appeal No. 60063 of 2017

[Arising out of Order-in-Appeal No. 160/ST/Appeal-II/MK/GGN/2016-17 dated 05.10.2016 passed by the Commissioner (Appeals-II), Service Tax Delhi, at Gurgaon]

M/s Sapient Consulting Pvt Ltd
Building No. 8, Tower-B, Ground to 9th Floor,
Infospace Sez, Sector 21, Dundaheera,
Gurgaon, Haryana

.....Appellant

VERSUS

Commissioner of Service Tax, Delhi-IV
Plot No. 36-37, Sector 32, Opp Medanta Hospital,
NH IV, Gurgaon, Haryana

.....Respondent

APPEARANCE:

Ms. Krati Singh, Ms. Samiksha Uniyal and Ms. Yashaswi Singh, Advocates
for the Appellant

Mr. Aniram Meena and Ms. Amita Gupta, Authorized Representatives for
the Respondent

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

FINAL ORDER NO. 61723/2025

DATE OF HEARING: 01.08.2025

DATE OF DECISION: 28.11.2025

S. S. GARG :

The present appeal is directed against impugned order dated 05.10.2016 passed by the Commissioner (Appeals), whereby the learned Commissioner (Appeals) has rejected the refund of Cenvat

Credit on the 'rent a cab services', by upholding the Order-in-Original.

2. Briefly stated facts of the present case are that the Appellant M/s Sapient Consulting Private Limited is a unit under SEZ and is engaged in software development and technology consulting services. The Appellant filed refund applications seeking refund of service tax paid on specified input services in terms of Notification No. 12/2013 dated 01.07.2013 for the period July 2013 to March 2015. The department issued a deficiency memo dated 07.01.2016 pointing out the discrepancies in the refund applications. Further, the department also issued a letter dated 18.03.2016 disputing the Cenvat Credit on 'rent a cab services' on the ground that 'rent a cab service' was excluded from the definition of input service under Rule 2(I) of the Cenvat Credit Rules, 2004 w.e.f. 01.04.2011 and was included in the list of specified services for SEZ only w.e.f. 19.11.2013 vide Instruction No. 79 dated 19.11.2013. After following the due process, the Adjudicating Authority vide Order-in-Original, rejected the refund claim amounting to Rs.60,36,143/- on 'rent a cab services' and 'event management services'. Being aggrieved by the said Order-in-Original, the Appellant filed appeal before the Commissioner (Appeals) who vide the impugned order, has rejected the refund of Cenvat Credit of service tax paid on 'rent a cab services' amounting to Rs.52,93,172/-. Being aggrieved by the impugned order, the Appellant has preferred the present appeal before us.

3. Heard both the parties and perused the material on record.

4. The learned Counsel for the Appellant submits that the impugned order is not sustainable in law as the same has been passed without properly appreciating the facts and the law.

4.1 She further submits that the refund has been rejected only on the ground that 'rent a cab service' was included in the list of specified services w.e.f. 19.11.2013 through Instruction No. 79. She further submits that the Notification dated 01.07.2013 nowhere requires that the services should be approved by the Approval Committee at the time of receipt of services. She further submits that the Appellant filed refund claims for the period July 2013 to September 2013 and October 2013 to September 2014 on 09.06.2014 and 22.08.2014 respectively. She further submits that at the time of filing the refund, 'rent a cab service' was included in the list of specified services, therefore, the refund claims filed by the Appellant are in consonance with the Notification dated 01.07.2013. For this, she relies on the following decisions of the Tribunal:

- **CST, Noida vs. M/s HCL Technologies Ltd – 2025 (1) TMI 142 – CESTAT Allahabad**
- **M/s Kolland Developers Pvt Ltd vs. CCE, Nagpur – 2022 (8) TMI 1557 - CESTAT Mumbai**

4.2 She further submits that as per Section 26(1)(e) of the SEZ Act, 2005, the developer is entitled to exemption from service tax leviable under the Finance Act, 1994 on the taxable services provided to a developer or a unit to carry on authorized operations. She also submits that Rule 31 of the SEZ Rules, 2006 prescribes

that exemption from payment of service tax on taxable services provided to a developer or a unit by any service provider shall be available for authorized operations in SEZ. She also submits that the services provided to a developer or a unit in SEZ, are exempted from the levy of service tax and the conditions under notifications/circulars of the Service Tax Regime will not be an impediment for the Appellant to claim the refund of Cenvat Credit in respect of 'rent a cab service'. For this, she places reliance on the following cases:

- **GMR Aerospace Engineering Limited and Anr. vs. UOI and Ors. – 2019 (8) TMI 748 – Tel. & A.P. HC**
- **DLF Assets Pvt Ltd vs. CST, Delhi-I – 2020 (11) TMI 35 – CESTAT New Delhi**

Further, she also submits that Section 51 of the SEZ Act and SEZ Rules made thereunder have an overriding effect over the provisions of any other Act; as per the SEZ Act and the SEZ Rules, the services provided to a developer or a unit for the authorized operations are entitled to exemption and the condition under the Notification dated 01.07.2013 cannot restrict the Appellant from claiming the refund of service tax paid on 'rent a cab services' as the services provided to SEZ unit are exempted under the SEZ Act. For this, she places reliance on the following cases:

- **Commissioner of CGST, Rajkot vs. M/s Reliance Industries unit RSEZ Jamnagar – 2024 (8) TMI 1327 – CESTAT Ahmedabad**
- **Global Stones Pvt Ltd vs. Commissioner of CGST, Jaipur – 2022 (65) GSTL 97 (Tri. Delhi)**
- **M/s Metlife Global Operations Support Centre Pvt Ltd vs. CST – 2020 (1) TMI 1069 – CESTAT New Delhi**

- **Societe Generale Global Solutions Centre Pvt Ltd vs. CST, Bengaluru East – 2020 (2) TMI 229 – CESTAT Bengaluru**
- **M/s ONGC Mangalore Petrochemicals Limited vs. CCE, Mangalore – 2019 (2) TMI 588 – CESTAT Bengaluru**
- **M/s Global Business Services India Pvt Ltd vs. CST, Bengaluru – 2018 (9) TMI 258 – CESTAT Bengaluru**

4.3 She further submits that vide Notification dated 01.07.2013, exemption is given by way of refund of service tax paid on services received by the SEZ unit used for authorized operation and to streamline the function of getting approval of the list of services for authorized operations, the Ministry has issued Instruction No. 79 which is a clarificatory in nature and is applicable retrospectively.

For this, she relies on the following decisions:

- **M/s Suraj Impex India Pvt Ltd vs. UOI & Ors – 2025 (5) TMI 1695 - SC**
- **M/s Bechtel India Pvt Ltd vs. CCE, Rohtak – 2024 (9) TMI 1075 - CESTAT Chandigarh**
- **Suchitra Components Ltd vs. CCE – 2007 (1) TMI 4 - SC**

Further, she also submits that 'rent a cab service' has always been a part of default list and inclusion of the same vide Instruction No. 79 is only clarificatory and cannot come in the way of refusing the grant of refund.

5. On the other hand, the learned Authorized Representative for the Revenue reiterates the findings of the impugned order and submits that as per Notification dated 01.07.2013, the Appellant is

entitled to refund of Cenvat Credit on 'rent a cab service' w.e.f. 19.11.2013 only when Instruction No. 79 was issued by the Ministry.

6. We have considered the submissions made by both the parties and perused the material on record as well as the various decisions relied upon by the Appellant. We find that Notification dated 01.07.2013 does not mention anywhere that the services provided to a developer or a unit in SEZ should be approved by the Approval Committee at the time of receipt of services. We also find that the refunds were filed by the Appellant on 09.06.2014 and 22.08.2014 and at that time, 'rent a cab service' was included in the list of specified services and in the decisions relied upon by the Appellant cited supra, on the issue that from which date the services are to be considered for grant of refund, it has been held that it is the date when the refund claim is filed and not the date when the services were received. Besides this, we also find that as per the SEZ Act, there is a complete exemption for the services provided to a developer or a unit and there is no condition prescribed under any notifications/circulars of Service Tax Regime that rules or regulations of Service Tax will hamper the Appellant to claim the refund as held in the cases of **GMR Aerospace Engineering Ltd** (supra) and **DLF Assets Pvt Ltd** (supra). We further find that as per the settled law, the SEZ Act and the SEZ Rules have an overriding effect over the provisions of other Act and any condition in Notification dated 01.07.2013 cannot restrict the Appellant for claiming the refund of service tax paid on 'rent a cab service' as the

services provided to SEZ unit are exempted under SEZ Act as held in various decisions cited supra. Further, we find that it is a settled law that the clarifications/instructions issued by the Ministry are only clarificatory in nature and have retrospective effect as held in the cases of **M/s Suraj Impex India Pvt Ltd** (supra) and **M/s Bechtel India Pvt Ltd** (supra).

7. In view of our discussion above, we are of the considered opinion that the denial of refund solely on the basis that the services were not approved by the Approval Committee during the relevant period, is not sustainable in law as held in various decisions cited supra. Hence, we set aside the impugned order and allow the appeal of the appellant with consequential relief, if any, as per law.

(Order pronounced in the open court on 28.11.2025)

(S. S. GARG)
MEMBER (JUDICIAL)

(P. ANJANI KUMAR)
MEMBER (TECHNICAL)