CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
CHENNAI

REGIONAL BENCH - COURT No. III

Service Tax Appeal No. 41246 of 2016

(Arising out of Order-in-Appeal No.148/2016 (STA-I) dated 16.03.2016 passed by Commissioner of Service Tax (Appeals-I), Newry Towers, 2054/1, II Avenue, 12th Main Road, Anna Nagar, Chennai 600 040.)

M/s.Salcomp Manufacturing India Private Ltd. **.... Appellant**
Nokia Telecom SEZ,
SIPCOT Industrial Park, Phase III,
Chennai – Bangalore Highway,
Sriperumbudur 602 105.

VERSUS

The Commissioner of GST & Central Excise, **... Respondent**
Chennai Outer Commissionerate,
Newry Towers, No.2054, I Block, II Avenue,
12th Main Road, Anna Nagar,
Chennai 600 040.

WITH

Service Tax Appeal No. 41247 of 2016

(Arising out of Order-in-Appeal No.149/2016 (STA-I) dated 16.03.2016 passed by Commissioner of Service Tax (Appeals-I), Newry Towers, 2054/1, II Avenue, 12th Main Road, Anna Nagar, Chennai 600 040.)

M/s.Salcomp Manufacturing India Private Ltd. **.... Appellant**
Nokia Telecom SEZ,
SIPCOT Industrial Park, Phase III,
Chennai – Bangalore Highway,
Sriperumbudur 602 105.

VERSUS

The Commissioner of GST &
Central Excise, **... Respondent**
Chennai Outer Commissionerate,
Newry Towers, No.2054, I Block, II Avenue,
12th Main Road, Anna Nagar,
Chennai 600 040.

APPEARANCE :

Shri R. Vignesh Kumarasamy, Advocate for the Appellant
Shri N. Satyanarayana, Authorized Representative for the Respondent

CORAM :

HON'BLE MR. P. DINESHA, MEMBER (JUDICIAL)
HON'BLE MR. VASA SESHAGIRI RAO, MEMBER (TECHNICAL)

FINAL ORDER No.41199-41200/2025

DATE OF HEARING : 18.08.2025
DATE OF DECISION : 30.10.2025

Per: Shri P. Dinesha

The issue in both these appeals is identical arising out of common impugned order and hence were heard together and are being disposed of by this common order.

2. The Appellant is a duly approved Special Economic Zone (SEZ) Unit located in the Nokia Telecom SEZ, Sriperumbudur, engaged in the manufacture of power supplies and chargers for mobile phones. By letter dated 02.07.2009, the Unit Approval

Committee ("**UAC**") approved a list of 37 services required for authorized operations, which included Travel Agent Services. For the period December 2009, the Appellant filed a refund claim of Rs.3,64,061/- under Notification No.09/2009-ST, being Service Tax paid on input services used in the course of authorized operations. Upon due verification, the Assistant Commissioner sanctioned a refund of Rs.3,54,931/-, rejecting only Rs.9,130/-. Refund of Rs.1,00,052/- on account of Travel Agent Services was specifically allowed by the Original Authority. The Department however, preferred an Appeal against this component alone and the Commissioner (Appeals) vide the common impugned Order-in Appeal Nos.148 & 149/2016(STA-I) dated 16.03.2016 denied the refund; hence, the present appeal has been filed by Appellant before this forum.

3. Heard Shri R. Vignesh Kumarasamy, ld. Advocate for the Appellant and Shri N. Satyanarayana, ld. Assistant Commissioner for the Respondent; perused the documents.

4. We find that the only issue is whether the Appellant is eligible for refund of service tax paid on Travel Agent Service ?. We find that the above issue has been considered and laid to rest in the following cases:-

(i) **Zydus Hospira Oncology Pvt. Ltd. Vs CCE Ahmedabad** - 2013 (30) STR 487 (Tri.-Ahmd.)

(ii) **Tata Consultancy Services Ltd. Vs CCE Mumbai** - 2013 (29) STR 393 (Tri.-Mumbai)

(iii) **GMR Aerospace Engineering Ltd. Vs Union of India -** (2019) 1 ALT 633 (DB)

(iv) **Salcomp Manufacturing India Pvt. Ltd. Vs CGST & CE** in W.P. No.2641 of 2025, order dt. 29.01.2025.

5. We find that Section 26 (1) (e) of the SEZ Act expressly grants exemption from Service Tax in respect of services provided to a SEZ unit for its authorized operations. Section 51 of the Act gives overriding effect to these provisions over any other inconsistent law. Notification No.09/2009-ST dated 03.03.2009 merely prescribes the procedure for claiming refund and cannot whittle down the substantive right to exemption under the SEZ Act. Once the UAC has certified a particular service as being required for authorized operations, such certification is binding, and the jurisdictional Service Tax authorities cannot re-examine the nexus or substitute their own option. Further, we have also perused "List of Specified Services required for authorized operations by the units" which is placed at pages 31 & 32 of the Appeal Memo and Travel Agent Services is one of the approved/ authorized services, by the MEPZ/SEZ. Hence, when services are approved by the UAC as authorized operations, exemption under

Section 26 (1) (e) of the SEZ Act read with SEZ Rules cannot be denied. We find support in this regard from the judicial precedents (supra) relied upon by the Appellant. The impugned order therefore cannot sustain.

6. Following the same, we set aside the impugned orders and allow the appeals with consequential benefits, if any, as per law.

(Order pronounced in open court on 30.10.2025)

(VASA SESHAGIRI RAO)
Member (Technical)

(P. DINESHA)
Member (Judicial)

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