CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
CHENNAI

REGIONAL BENCH - COURT No. III

Service Tax Appeal No. 41340 of 2017

(Arising out of Order-in-Appeal No.16/2017-ST dated 28.03.2017 passed by Commissioner of Central Excise (Appeals-I), No.1, Foulks Compound, Anai Road, Salem-636 001)

M/s. Tripal International **.... Appellant**
No.12A, SIDCO Industrial Estate,
Mettur Dam 636 402.

VERSUS

The Commissioner of GST &
Central Excise **... Respondent**
Salem Commissionerate,
No.1, Foulks Compound, Anai Road,
Salem 636 001.

APPEARANCE :

Shri S. Venkatachalam, Advocate for the Appellant
Smt. G. Krupa, Authorized Representative for the Respondent

CORAM :

HON'BLE SHRI P. DINESHA, MEMBER (JUDICIAL)

FINAL ORDER No.40528/2026

DATE OF HEARING : 09.04.2026
DATE OF DECISION : 24.04.2026

This Appeal is filed against Order-in-Appeal No. 16/2017-ST dated 28.03.2017 and the only issue is the denial of refund claim filed as per Notification No.41/2012-ST dt. 29.06.2012 as amended by Notification No.1/2016 dt. 03.02.2016. Heard Shri S. Venkatachalam, ld. Advocate for the Appellant and Smt. G. Krupa, ld. Departmental Representative for the Respondent, I have carefully perused the documents placed on record including the Grounds of Appeal, case law and the impugned order.

2. Facts are not in dispute, the Appellant had exported major part of goods manufactured by them for which they have been paying service tax on the Clearing & Forwarding charges, Bank charges, and Terminal Handling charges and it appears that the Appellant filed a refund claim for refund of the service tax paid in respect of certain services viz. Currency Conversion charges, Bank charges and Terminal Handling charges which were used / utilized for the export of goods for the period 01.07.2012 to 12.06.2015. The Revenue, however, was of the view that to avail the benefit of Notification No.1/2016 *supra* there should be an earlier claim for refund which stood rejected, but here, the

Appellant’s present claim being made for the first time, the refund was not entertainable.

3. Section 160 (2) of the Finance Act, 2016 mandates that rebate of all such service tax shall be granted which has been denied, but it should not have been so denied had the amendment made by sub-section (1) been in force at all in material times. Here, in the case on hand, there was no scope for the Revenue authorities to reject the Appellant’s claim since there was no refund claim made in the first place, hence, the word ‘denied’ has been equated with the word ‘rejected’. Further, the very Notification No.1/2016 *supra* is clearly issued giving retrospective effect and hence, the same is applicable right from the date the Notification No.41/2012 was introduced into the statute book. By denying refund, therefore, the very purpose of amendment appears to have been defeated. Moreover, when the Notification itself does not discriminate between claimants and the non-claimants of refund, the artificial discrimination adopted by the authorities below therefore appears to be far-fetched. In any case, it is not the case of the Revenue that the Appellant during the course of export of excisable goods did not pay the service tax on taxable service, which was claimed as refund and hence, I am of the view that

denial of refund is contrary to spirit of Notification and hence, the same is unsustainable in law.

4. I find that this Bench had an occasion to consider almost an identical issue and, *vide* Final Order Nos.42427-42431/2021 dated 29.10.2021 in the case of **V.V. Mineral Vs CCE Tirunelveli** it has been held that rejection of refund was bad.

5. Resultantly, the impugned order which calls for interference, stands set aside and the Appeal is allowed with consequential benefits, if any, as per law.

(Order pronounced in open court on 24.04.2026)

sd/-

(P. DINESHA)
Member (Judicial)

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