

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

REGIONAL BENCH - COURT NO. – I

**Service Tax Appeal No. 22200 of 2014**

(Arising out of **Order-in-Appeal** No. 77/2014 (H-IV) S.Tax dated 18.03.2014 passed by  
Commissioner of Customs, Central Excise & Service Tax (Appeals-II), Hyderabad)

**M/s GE Global Servicing Pvt Ltd.,** .. **APPELLANT**  
1-3 Floors, Block 1-IV, 1 Labs,  
Hyderabad Technology Centre,  
Plot No. 18, Software Units Layout,  
Madhapur, Hyderabad,  
Telangana – 500 081.

*VERSUS*

**Pr. Commissioner of Central Tax** .. **RESPONDENT**  
**Rangareddy – GST**  
GST Bhavan,  
H.NO. 1-98-7-43, VIP Hills,  
Jaihind Enclave, Madhapur,  
Hyderabad,  
Telangana – 500 081.

**AND**

**Service Tax Appeal No. 22202 of 2014**

(Arising out of **Order-in-Appeal** No. 99/2014 (H-IV) S.Tax dated 26.03.2014 passed by  
Commissioner of Customs, Central Excise & Service Tax (Appeals-II), Hyderabad)

**M/s GE Global Servicing Pvt Ltd.,** .. **APPELLANT**  
1-3 Floors, Block 1-IV, 1 Labs,  
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Plot No. 18, Software Units Layout,  
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Jaihind Enclave, Madhapur,  
Hyderabad,  
Telangana – 500 081.

**APPEARANCE:**

Shri Ashwani Pahwa, Advocate for the Appellant.

Shri A. Rangadham, Authorized Representative for the Respondent.

**CORAM: HON'BLE Mr. A.K. JYOTISHI, MEMBER (TECHNICAL)**  
**HON'BLE Mr. ANGAD PRASAD, MEMBER (JUDICIAL)**

**FINAL ORDER No. A/30592-30593/2025**Date of Hearing: 23.07.2025  
Date of Decision: 18.12.2025**[ORDER PER: ANGAD PRASAD]**

M/s GE Global Servicing Pvt Ltd., (presently known as Synchrony International Services Private Limited) (hereinafter referred to as appellant) have filed these two appeals against the Order-in-Appeal No. 77/2014 (H-IV) S.Tax dated 18.03.2014 and Order-in-Appeal No. 99/2014 (H-IV) S.Tax dated 26.03.2014 passed by Commissioner of Customs, Central Excise & Service Tax (Appeals-II), Hyderabad

2. Brief facts of the case are that the appellant is 100% Export Oriented Unit (EOU) registered with the Software Technology Parks of India (STPI) and is engaged in providing call centre services (classified under Business Auxiliary Services) to its overseas affiliate, GE Consumer Finance Americas. During the pre-GST regime, the appellant was registered with the Service Tax Department and availed CENVAT credit on various input services used for providing its output services. For the period October 2012 to December 2012, in appeal no. ST/22200/2014, the appellant filed a refund claim of Rs. 82,77,939/- for unutilized CENVAT credit under Rule 5 of the CENVAT Credit Rules, 2004 (CCR) read with Notification No. 27/2012-CE(NT) dated 18.06.2012. The then Deputy Commissioner, Service Tax, Hyderabad-IV Commissionerate, sanctioned refund of Rs. 44,98,660/- but rejected Rs. 37,79,279/- on the ground that certain input services were not essential for providing output services and lacked direct nexus. Aggrieved by this order, on appeal by the appellant before the Commissioner (Appeals), who, inter alia, rejected the appeal on similar grounds, relying on certain judicial precedents to hold that the disputed input services did not have the required

nexus with the exported output services. For the period January 2011 to March 2012, in Appeal No.ST/22202/2014, the appellant accumulated CENVAT credit on various input services used in the course of providing its export services. The appellant was unable to utilize this credit due to the export nature of its business, and accordingly filed five refund claims under Rule 5 of the CCR, read with Notification No. 5/2006-CE(NT), seeking a total refund of Rs. 2,83,20,492/-. These refund claims were initially rejected by the Adjudicating Authority on the grounds that the exported services were not taxable and that several input services did not have direct nexus with the output services. On appeal, the Commissioner (Appeals) remanded the matter for fresh adjudication, accepting the taxability of the output services. In the denovo proceedings, a partial refund was sanctioned, but refund on several input services was again denied for lack of direct nexus and aggrieved by these orders, appellant is before the Hon'ble CESTAT, contesting the denial of refund on these input services.

3. Learned CA for the appellant submits that in their own case for the earlier period as well as subsequent period, the refund of unutilized CENVAT credit on similar input services were duly sanctioned by both the Adjudicating Authority and the Commissioner (Appeals). Commissioner (Appeals) specifically acknowledged the eligibility of input services such as telecommunication, business support, commercial training or coaching, business auxiliary, management or business consultancy, courier, chartered accountancy, and others, as essential for the provision of exported output services. He submits that the Learned Commissioner (Appeals) failed to take cognizance of the fact that refunds for earlier periods were granted by the Adjudicating Authority based on similar documentation and evidence.

4. Learned CA for the appellant and Learned AR submitted their submissions services wise as thus:

**1. Management or Business Consultant Services:**

Learned CA submits that this service is specifically included under the definition of Input Services as accounting, auditing or financing services. The improvement and strengthening of systems in the business is a continuous process. These services are consumed in relation to obtaining expert opinions and advice regarding the efficiency of and control over internal management systems like the auditing of working systems, IT systems, statutory compliance etc., and of various disciplines of engineering as well as of laws and statutes. These services help in making the operations of the company/unit more cost-efficient. These services are directly relatable to export of services, and such refunds play a very crucial role in exporting services and to keep cash flow healthy. Learned CA in this regard rely on the judgment of Hon'ble Ahmedabad Tribunal in the case of Commissioner of Central Excise, Ahmedabad Vs Ahmedabad Strips Pvt Ltd., [2014 (33) STR 291 (Tri-Ahmd)], wherein, the Hon'ble Bench has held that the service tax paid on "professional and liaisons services" towards claiming exports refund is treated as eligible for input service credit. Applying the judgment squarely, he also relies on the following case laws:

a) M/s Kijji (India) Pvt Ltd., Vs Commissioner of Central Excise, Mumbai-I [2012-TIOL-1854-CESTAT-MUM]

b) Commissioner of Central Excise, Hyderabad-IV Vs Deloitte Tax Services India Pvt Ltd., [2008-TIOL-629-CESTAT-Bang]

Whereas, Learned AR of Department submits that the description mentioned is retainership fee for labour law service, filing of appeal in CESTAT etc.

**2. Commercial Training or Coaching Services:**

Learned CA submits that the expression 'coaching and training' is specifically included in the definition of Input Services as per Rule 2(I) of CCR, 2004. The input service is in relation to the technical training to the employees which is directly used in the output services. Coaching is required for imparting skill and knowledge to the resources in order to enable them to provide the output services efficiently thereby improving the quality of the output service. Knowledge up-gradation is essential for any employee of a Company especially for a company like GE wherein technical knowledge should be enhanced time and again to meet the requirement of the clients worldwide. In this regards, the Learned CA is relying on the decision of Tribunal in the case of CCE, Hyderabad-IV Vs Deloitte Tax Services India Pvt Ltd., [2008-TIOL-629-CESTAT-Bang].

Whereas, Learned AR of Department submits that the service rendered is personal to the employee. The said service has no direct nexus with their output service exported and hence not eligible for refund of Cenvat Credit.

**3. Telecommunication Services/Internet Telecommunication Services:**

Learned CA submits that the expression 'computer networking' is specifically mentioned in the definition of Input Services as per Rule 2(I) of CCR, 2004. Further, the categorized services are specifically used for providing output services. Further, Circular No. 120/01/2010-ST dated January 19, 2010, in para 3.1.2 clarified that telecommunication facilities are directly relatable to export business. Telephone facilities, which are used for the business purpose, are required to communicate with the customers and the vendors. Also, the Company requires internet facilities to provide the output service. All the invoices are in the name of the company and not the employees. Learned CA again cited the judgment of this Hon'ble Tribunal in the case of

Deloitte Tax Services India Pvt Ltd., supra, as affirmed by the Hon'ble Andhra Pradesh High Court, wherein the impugned service category is listed at S. No. v.

Whereas, Learned AR of Department submits that the service pertain to mobile phone and in no way have direct nexus to the provision of output service.

#### **4. Erection, Commissioning or Installation Services:**

Learned CA submits that the categorized services are specifically used for providing output services, and same is not specifically excluded from the definition of input services. These services are required for the maintenance or upkeep of the hardware, equipment and other infrastructure of the appellant without which the appellant cannot perform its business operations.

Whereas, Learned AR of Department submits that they availed the above service for symon boards shifting, dummyming the drain valves, laying and installation of data / voice ports. They have no direct nexus with their output service which was exported and hence not eligible for refund of Cenvat Credit.

#### **5. Courier Services:**

Learned CA submits that the categorized services are specifically used for providing output services, and same is not specifically excluded from the definition of input services. Courier services are required for sending documents to the customers or the vendors, which is an integral part of the appellant's business. Leaned CA again relied on the judgment of Deloitte Tax Services India Pvt Ltd., supra, as affirmed by the Hon'ble Andhra Pradesh High Court.

Whereas, Learned AR of Department submits that courier services are required for sending documents to the customers or the vendors. The assessee uses online mode for exporting their services. The said service has no direct nexus with their output service exported and hence not eligible for refund of Cenvat Credit

#### **6. Advertising Services:**

Learned CA submits that the categorized services are specifically used for providing output services, and same is not specifically excluded from the definition of input services. The services received from advertisement in paper media is to intimate on change in registered office address of the appellant. This is in compliance with requirement in Companies Act, 1956. Hence, the same shall be treated as eligible and allowed for refund.

Whereas, Learned AR of Department submits that these services are availed to employ manpower due to high attrition rate in ITES industry. This is not in relation to the business as they have specific clientele and they need not advertise for making exports. Thus, not considered for grant of refund of Service Tax paid on this service as the same do not have direct nexus with their output service which was exported.

#### **7. Chartered Accountant Services:**

Learned CA submits that the categorized services are specifically used for providing output services, and same is not specifically excluded from the definition of input services. The tax audit services are provided by the Chartered Accountants to the appellant. This is for compliance under provision of Income Tax Act, 1961. Hence, the same shall be treated as eligible and allowed for refund.

Whereas, Learned AR of Department submits that the service availed is for filing of IT returns. The said service has no direct nexus with their output service exported and hence not eligible for refund of Cenvat Credit.

**8. Business Auxiliary Services:**

Learned CA submits that the categorized services are specifically used for providing output services and not covered in exclusion part of the definition of input services. The services are availed for payroll processing, PF compliance and monthly leave management services for maintaining employee's data. Business Auxiliary Services are required to enable the company to effectively and efficiently work on core activity of rendering the output services exported.

Whereas, Learned AR of Department submits that the service pertains to F & F processing, payroll processing. One invoices is not furnished. The service as such has no direct nexus and hence not eligible for refund of Cenvat Credit.

**9. Business Support Service:**

Learned CA submits that the input services are used in relation for export of services. Further, Circular No. 120/01/2010-ST dated January 19, 2010 in para 3.1.2 clarifies that maintenance of equipment (here servers) are directly relatable to export business.

Whereas, Learned AR of Department submits that the description of services rendered has no nexus to the output service exported.

**10. Information Technology Software Services:**

Learned CA submits that the categorized services are specifically used for providing output services, and same is not specifically excluded from the definition of input services. Every business requires some kind of software as

per the requirement of their business mode, therefore appellant to provide output service exported requires packaged or customized software. Hence, the service tax paid on such services is directly in nexus with services exported by the appellant and eligible for refund.

Whereas, Learned AR reiterates the finding of the Lower Authority.

**11. Manpower Recruitment or Supply Agency's Services:**

Learned CA submits that the expression 'recruitment' is specifically mentioned in the definition. Further, Circular No. 120/01/2010-ST dated January 19, 2010 in para 3.1.2 clarifies that "service tax paid on manpower recruitment agency would also be eligible both for taking the credit and the refund thereof".

Whereas, Learned AR reiterates the finding of the Lower Authority.

5. Additional services which are not included in Appeal No. 22200/2014 but relates to Appeal No. 22202/2014:

**12. Advertising Agency Services & Advertising Space or Time:**

Learned CA submits that the Appellant availed these services for advertising the job vacancies available with the Appellant and recruiting the employees. As these services are also related to the recruiting of manpower CENVAT credit availed thereon is admissible.

Whereas, Learned AR of Department submits that these services are to hunt efficient manpower due to high attrition rate in ITES industry. This is not in relation to the business as they have specific clientele and they need not advertise for making exports. Thus, not considered for grant of refund of service tax pad on this service as the same do not have direct nexus with their output service which was exported.

**13. Air Travel Agency Services:**

Learned CA submits that the Appellant avails the services of Air Travel Agents to book tickets for business travel of its employees. Travelling services are availed by employees for business purposes and are thus in the nature of activity relating to business. Accordingly, these services qualify as 'input service' as defined under the CCR.

Whereas, Learned AR of Department submits that they availed the above service for travel of their employees. Hence not considered for grant of refund of service tax paid on this service as the same do not have direct nexus with their output service which was exported.

**14. Architect/Designer Services:**

Learned CA submits that the company avails these services in relation to designing which includes furniture, consumer or industrial products, packages or logos and corporate identity designing etc.

Whereas, Learned AR of Department submits that they availed the above service for interior decoration of their office premises. Not considered for grant of refund of service tax paid on this service as the same do not have direct nexus with their output service which was exported.

**15. Broadcasting Services:**

Learned CA submits that the Cenvat Credit availed on this service is allowed. Thus service is admissible.

**16. Cargo Handling/Custom House Agent Services:**

Learned CA submits that the services of the customs house agent is required to complete various export documentation of the Company which are essential to deliver the services such as service charges for bonding, debonding, renewals of licenses and approval of import material from STPL

and import procurement certificate from STPI. The Learned Deputy Commissioner in appellants own case vide OIO No. 195/2013 dated 26.09.2013 has granted refund towards these impugned services for the period June 2007 to May 2008 and rejected during this impugned period. Appellant further wish to submit that the definition of input service with respect to this impugned service has been same even for this disputed period.

**17. Cleaning Activity Service:**

Learned CA submits that the Appellant uses cleaning and maintenance services in relation to disinfecting, exterminating, cleaning, maintaining and sterilizing the business premises to provide a dust free environment so that the work can be conducted efficiently. In the absence of such services, the Appellant would not be able to provide a hygienic environment to its employees to perform their duties effectively and efficiently. Thus, such services have been used by the Appellant at its office premises to provide output services. We further submit that since services such as renovation and repair of the premises are covered under the definition of 'input service', the cleaning and maintenance services ought to be considered eligible for CENVAT credit as well.

Whereas, Learned AR of Department submits that they availed the service for cleaning of their office premises. Not considered for grant of refund of service tax paid on this service as the same do not have direct nexus with their output service which was exported.

**18. Consulting Engineer's Service:**

Learned CA submits that Consulting engineer's services are required to provide consultancy to the organization in building up the facility to effectively and efficiently render the output services.

Whereas, Learned AR of Department submits that these services are to ensure the quality of service without being exposed to risks inherent in the system. Not considered for grant of refund of service tax paid on this service as the same do not have direct nexus with their output service which was exported.

**19. Health & Fitness Services:**

Learned CA submits that health of the employees who are the main source in providing the services is of utmost importance. Accordingly, membership in health clubs helps in safeguarding the health of the employees who in turn provide services which are exported outside the country.

Whereas, Learned AR of Department submits that they availed the above service for the use of the employees. Hence, not considered for grant of refund of service tax paid on this service as the same do not have direct nexus with their output service which was exported.

**20. Insurance Auxiliary/General Insurance Services:**

Learned CA submits that the Appellant uses General insurance Services in respect of its immovable as well as moveable property. The services of General Insurance are essentially to secure and cover any business risk which may occur due to some unexpected event. Thus, General Insurance being an activity relating to the business, the Appellant is eligible for CENVAT credit on such services.

Whereas, Learned AR of Department submits that it is the human resources which are the main inputs in a service industry and insurance of such employees is the utmost priority of the company, which is thereby relevant for exporting of the services. Further, travel Insurance of the senior management staff is also key factor in exporting the services. That the

absence of such a vital input service would not adversely impact on the quality and efficiency of the provision of service exported and thus the said input service is not considered as eligible input service.

**21. Legal Consultancy Services:**

Learned CA submits that the improvement and strengthening of systems in the business is a continuous process. These services are consumed in relation obtaining expert opinions and advice regarding the efficiency of and control over internal management systems like the auditing of working systems, IT systems, people management, process management, quality management etc and of various disciplines of engineering as well as of laws and statutes. These services help in making the operations of the company/unit more cost-efficient.

Whereas, Learned AR of Department submits that credit is availed on Legal Consultant services used for appearance before the Income Tax / Service Tax authorities. Not considered for grant of refund of service tax paid on this service as the same have no direct nexus with their output service which was exported.

**22. Life Insurance Services:**

Learned CA submits that it is the human resources which are the main inputs in a service industry and insurance of such employees is the utmost priority of the company, which is thereby relevant for exporting of the services. Further, travel insurance of the senior management staff is also key factor in exporting the services. It is also pertinent to note that the refund of service tax pertains to refund period January to March 2011 and this category of services has been excluded from April 2011. Hence refund claimed to this extent is undisputedly eligible for refund.

Whereas, Learned AR of Department submits that they availed the above service for the benefit of the employees. Not considered for grant of refund of service tax paid on this service as the same do not have direct nexus with their output service which was exported.

**23. Management, Maintenance or Repair Services:**

Learned CA submits that such services are required for the maintenance or upkeep of the hardware equipment and other infrastructure of the Company without which the Company cannot perform its business operations. The learned Deputy Commissioner in appellants own case vide OIO No. 195/2013 dated 26.09.2013 has granted refund towards these impugned services for the period June 2007 to May 2008 and rejected during this impugned period. Appellant further wish to submit that the definition of input service with respect to this impugned service has been same even for his disputed period.

Whereas, Learned AR of Department submits that the Maintenance or Repair services are consumed in relation to the maintenance or repair of the various electrical equipment installed at the office premises and maintenance of building. Not considered for grant of refund of service tax paid on this service as the same do not have direct nexus with their output service which was exported.

**24. Club or Association Service:**

Learned CA submits that these are towards membership fees to various organization like CII, etc., which represent the interest and concern of the company before Government. An entity can raise specific business, industry or economic matters before the Government for the purpose of clarification or redressal of grievance through the above bodies. In order to avail their services, it is incumbent on the part of an entity to become a member

therof. Thus, the membership fee paid by the company to the above bodies can be construed to be directly in relation to their business and qualify as eligible input service.

**25. Online Information and Database Access or Retrieval Services:**

Learned CA submits that online Information and database access or retrieval services provide data or information retrievable or otherwise, to any person, in electronic form through a computer network. Computer network means interconnection of one or more computers.

Whereas, Learned AR of Department submits that they availed the above service for providing data to their employees during working hours. Not considered for grant of refund of service tax paid on this service as the same do not have direct nexus with their output service which was exported.

**26. Outdoor Catering:**

Learned CA submits that the Appellant provides service to its clients located in foreign countries. Due to different time zones, services are provided by the Appellant round the clock and the employees are required to work on shift basis. Appellant made an arrangement for canteen facility to its employees and sharing the common canteen expenses with its landlord. Appellant cannot afford to send all its employees out of the premises because the entire operations would come to a grinding halt which in turn is detrimental to its business. Further, Circular No. 120/01/2010-ST dated January 19, 2010 in para 3.1.2 clarifies that provision of food to the employees are necessary pre-requisites which the employer has to provide to its employees to ensure that output service is provided efficiently.

Whereas, Learned AR of Department submits that they availed the above service for providing food to the employees during working hours and while

conducting events. Not consider for grant of refund of service tax paid on this service as the same do not have direct nexus with their output service which was exported.

**27. Scientific or Technical Consultancy Services:**

Learned CA submits that these are technical and professional services for onsite DBA support availed from 'HCL Comnet' for updating / upgrading the IT infrastructure. These services are essential in the smooth and uninterrupted running of the business.

Whereas, Learned AR of Department submits that these services are to ensure the quality of service without being exposed to risks inherent in the system. Not considered for grant of refund of service tax paid on this service as the same do not have direct nexus with their output service which was exported.

**28. Technical Testing & Analysis Services:**

Learned CA submits that Technical testing & analysis of IT equipment are required to the organization for seamless functioning of the IT equipment. These services are essential to render the output services in a systematic manner. The Learned Deputy Commissioner in appellants own case vide OIO No. 195/2013 dated 26.09.2013 has granted refund towards these impugned services for the period June 2007 to May 2008 and rejected during this impugned period. Appellant further wish to submit that the definition of input service with respect to this impugned service has been same even for this disputed period.

6. The appellant continues to operate as a 100% EOU, providing call centre services exclusively to its overseas affiliate. The nature of input services and their utilization in the business operations remains consistent

with the earlier periods and subsequent periods during which refunds were duly sanctioned. The facts and circumstances of the present case are identical to those considered in the previous/subsequent refund application, which were approved by both the Adjudicating authority and the Commissioner (Appeals) through Order-in-Original and Orders-in-Appeal.

7. Heard both the parties and perused the records. Issues are identical, parties are same, So heard simultaneous to decide together.

8. Cenvat Credit Rules, 2004, inter alia, permits taking of credit of inputs and input services which are used for providing output services. Rule 5 of Cenvat Credit Rules, 2004 provides that accumulated credit which cannot be utilized can be refunded to the exporter subject to stipulated conditions. The input service has been defined under Rule 2 (I) of Cenvat Credit Rules, which is relevant to decide the refund, is as follow.

Prior to 01.04.2011

“input service” means any service

- (i) used by a provider of taxable service for providing an output service; or
- (ii) used by the manufacturer, whether directly or indirectly, in or in relation to the manufacture of final products and clearance of final products, upto the place of removal; (The words ‘from the place of removal’ have been replaced by; ‘up to the place of removal’ w.e.f. 1-4-2008).

And includes services used in relation to setting up, modernization, renovation or repairs of a factory, premises of provider of output service or an office relating to such factory or premises, advertisement or sales promotion, market research, storage upto the place of removal, procurement of inputs, activities relating to business, such as accounting, auditing, financing, recruitment and quality control, coaching and training, computer networking, credit rating, share registry and security, inward transportation of inputs or capital goods and outward transportation upto the place of removal.

From 01.04.2011

`(I) "input service" means any service,

- (i) used by a provider of taxable service for providing an output service,' or
- (ii) used by a manufacturer, whether directly or indirectly, in or in relation to the manufacture of final products and clearance of final products upto the place of removal,

and includes services used in relation to modernisation, renovation or repairs of a factory, premises of provider of output service or an office relating to such factory or premises, advertisement or sales promotion, market research, storage upto the place of removal, procurement of inputs, accounting, auditing, financing, recruitment and quality control, coaching and training, computer networking, credit rating, share registry, security, business exhibition, legal services, inward transportation of inputs or capital goods and outward but excludes services,

- (A) specified in sub-clauses (p), (zn), (zsl), (zzm), (zzq), (zzzh) and (zzzza) of clause 9105) of section 65 of the Finance Act (hereinafter referred as specified services), in so far as they are used for,
  - (a) construction of a building or a civil structure or a part thereof; or
  - (b) laying of foundation or making of structures for support of capital goods, except for the provision of one or more of the specified services; or
- (B) specified in sub-clauses (d), (o), (zo) and (zzzzj) of clause (105) of section 65 of the Finance Act, in so far as they relate to a motor vehicle except when used for the provision of taxable services for which the credit on motor vehicle is available as capital goods; or
- (C) such as those provided in relation to outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, membership of a club, health and fitness centre, life insurance, health insurance and travel benefits extended to employees on vacation such as Leave or Home Travel Concession, when such services are used primarily for personal use or consumption of any employee.

9. Due to some difficulties faced by the exporting etc., regarding refund claims, the board issued Circular No. 120/01/2010-ST. The relevant para of the circular as follows:

“3.1.1 The primary objection indicated by the field formations is that the language of Notification No. 5/2006-CX (NT) permits refund only for such services that are used in providing output services. In other words, the view being taken is that to be eligible for refund, input services should be directly used in the output service exported. As regards the extent of nexus between the inputs/input services and the export goods/services, it must be borne in mind that the purpose is to refund the credit that has already been taken. There cannot be different yardsticks for establishing the nexus for taking of credit and for refund of credit. Even if different phrases are used under different rules of CENVAT Credit Rules, they have to be constructed in a harmonious manner. To elaborate, the definition of input services for manufacturer of goods, as given in Rule 2 (1) (ii) of CENVAT Credit Rules, 2004 includes within its ambit all services used “in or in relation to the manufacture of final products” and includes services used “directly or indirectly”. Similarly Rule 2 (1) (i) of CENVAT Credit Rules also gives wide scope to the input services for provider of output services by including in its ambit services “used for providing an output service”. Similar is the case for inputs.

3.1.2 Therefore, the phrase, “used in” mentioned in Notification No. 5/2006-CX (NT) to show the nexus also needs to be interpreted in a harmonious manner. The following test can be used to see whether sufficient nexus exists. In case the absence of such input/input service adversely impacts the quality and efficiency of the provision of service exported, it should be considered as eligible input or input service. In the case of BPOs/call centres, the services directly relatable to their export business are renting of premises; right to use software; maintenance and repair of equipment; telecommunication facilities; etc. Further, in the instant example, services like outdoor catering or rent-a-cab for pick-up and dropping of its of its employees to office would also be eligible for credit on account of the fact that these offices run on 24x7 basis and transportation and provision of food to the employees are necessary pre-requisites which the employer has to provide to its employees to ensure that output service is provided efficiently. Similarly, since BPOs/call centres require a large manpower, service tax paid on manpower recruitment agency would also be eligible both for taking the credit and the refund thereof. On the other hand, activities like event management, such as company-sponsored dinners/picnics/tours, flower arrangements, mandap keepers, hydrant sprinkler systems (that is, services which can be called as recreational or used for beautification of premises), rest houses etc. prima facie would not appear to impact the efficiency in providing the output services, unless adequate justification is shown regarding their need”.

10. The findings of Commissioner (appeals) in impugned order related to Appeal No. 22202/2014, are important to mention especially the relevant para, as follow:

"8.1 The lower authority has held that the input service i.e Banking and other Financial Services, Business, Support Service, Chartered Accountant Services, Commercial Training or Coaching Service, Information Technology Software Service, Internet Telecommunication Service, Management Consultancy Service, Management, Maintenance or Repair Service, Management or Business Consultants Service, Manpower Recruitment or Supply Agency Service, Renting of Immovable Property Service, Security Agency Service and Telecommunication Service etc., claimed by the appellant are directly used for providing output services exported. The lower authority has discussed about the eligibility of the each input service on which the refund was sanctioned for an amount of Rs. 2,38,68,216/- but he failed to discuss nexus with output service exported in some of the input services viz Chartered Accountant Service, Commercial Training or Coaching Service and Security Agency Service and Security Agency Service. Further it is found that he has not discussed/not given any findings with regard to one input service, Management, Maintenance or Repair Service, including an amount of Rs. 49,12,666/- these aspect require re-look to arrive at exact amount of refund. Therefore, I direct the lower authority to give clear findings on these aspect of eligibility and nexus of above input services.

9.0 As regards to the service tax credit, availed by the appellants on Rent-a-Cab Service, they contended that the same are required to provide transportation their employees from their place of residence to work place and back and the company functions based on US timings. I find force in the appellant's contention if the Rent-a-Cab services were used to transport of the employees from their residence to work places, who were working in odd hours to match the overseas timings, which is usual practice in the BPO industry and a necessary input service used in the provision of output service. The CBEC vide Para 3.1.2 of Circular No. 120/01/2010-ST dated 11.01.2010, has clarified that Rent-a-cab for pickup and dropping of its employees to office would also be eligible for credit on account of the fact that these offices run on 24x7 basis transportation. For instance, the Hon'ble Tribunal in the case of CCE, Nasik Vs Cable Corporation of India Ltd., reported in 2008 (12) S.T.R 598 (Tri-Mum) has held that:

Cenvat Credit of Service Tax-Input Service-Rent-a-cab service used for bringing employees to work in the factory for manufacture of goods-Input service as defined under Rule 2(l) of Cenvat Credit Rules, 2004 includes a plethora of other services such as service used directly or indirectly in relation to manufacture or as part of business activity for promoting business as any facility given to employees will result in greater efficiency and promotion of business – Credit admissible Rules 2(l), 3 and 15 *ibid*.

Further the Hon'ble Tribunal in the case of CCE, Raipur Vs HEG Ltd., reported in [2010 (18) S.T.R 446 (Tri-Del) has held that:

Cenvat Credit of Service Tax – Input service – Rent-a-cab Service used in connection with the business activities of the company – Credit admissible – Rules 2 (l), 3 and 14 of Cenvat Credit Rules, 2004. [2008 (12) S.T.R. 598 (Tribunal)]

9.1 Following the ratio of the above judgements and Boards circular, I allow the Service Tax credit of Rent-a-Cab Service from January, 2011 to 31.03.2011. However, the lower authority is directed to restrict the credit to the extent eligible, for picking up and dropping the employees from their residence to offices working on 24x7 basis and also examine the issue in the light of case law of Titan Industries Ltd., Vs Commissioner of Central Excise, Bangalore-I [2011(23)S.T.R.600(Tri-Bang), wherein it is held that if the company employees had borne the burden of Service Tax paid on 'Rent-a-Cab Service', the appellant cannot claim CENVAT credit thereof."

11. In view of the Services provided by the appellant like Management or Business Consultant Services, Commercial Training or Coaching Services, Telecommunication Services / Internet Telecommunication, Erection, Commissioning or Installation Services, Chartered Accountant Services, Business Auxiliary Services, Business Support Service, Information Technology Software Service, Manpower Recruitment or Supply Agency's Services, Management, Maintenance or Repair Services, there is no disputes to avail CENVAT credit.

12. Services relating to legal consultancy service are already included in definition of input services.

13. Further, Insurance Auxiliary / General Insurance Services, Outdoor Catering or input services are eligible as clarified by Circular No. 120/01/2010-ST dated 19.01.2010.

14. Courier Services, Scientific or Technical Consultancy Services are eligible input service, as held by CESTAT Bench in the case of Commissioner of Central Excise, Hyderabad – IV Vs Deloitte Tax Services India Pvt Ltd., [2008-TIOL-629-CESTAT-BANG]. It is also important that in respect of services like Architect / Designer Services, Consulting Engineer's Services, Health & Fitness Services, Legal Consultancy Services, Technical Testing & Analysis Services, Cenvat Credit has been allowed in the case of M/s Coca Cola India Pvt Ltd., Pune Vs Commissioner of Central Excise, Pune [2009-TIOL-449-HC-Mum--ST]. Wherein, Hon'ble High Court held that these services are input services in terms of Rule 2 (I) of Cenvat Credit Rules.

15. As regards Air Travel Agency Services, this services has been availed to book the tickets for business travel of its employees and travelling services are availed by employees for business purposes, therefore, it is in the nature of activity which is liked to provision of output service. In the case of Ferromatik Milacron India Ltd., Vs Commissioner of Central Excise [2009-TIOL-694-CESTAT-AHM] wherein, it was held that booking of air tickets for company officials are activities related to business and hence CENVAT credit in respect of such service would be available.

16. In respect of Cargo Handling / Custom House Agent Services, it is required to complete various export documentation of the Company which are essential to deliver the output services such as service charges for bonding, debonding, renewals of licenses and approval of import material from STPI and import procurement certificate from STPI are eligible. In the

case of MTR Foods Ltd., Vs Commissioner of Central Excise, Bangalore [2011 (22) S.T.R. 342 (Tri-Bang)], M/s Resil Chemicals Pvt Ltd., Vs Commissioner of Central Excise,, Bangalore [2011-TIOL-20-CESTAT-BANG], Leela Scottish Lace Pvt Ltd., Vs Commissioner of Customs, Bangalore [2010 (19) S.T.R. 69 (Tri-Bang)], Commissioner of Central Excise, Hyderabad-Iv Vs Deloitte Tax Services India Pvt Ltd., [2008-Tiol-629-CESTAT-BANG], and Tribunal in the case of Narmada Gelatines Ltd., Vs Commissioner of Central Excise, Bhopal [2009 (13) S.T.R.506 (Tri-Del)], similar view has been taken that the Cenvat Credit on these services are admissible. Even, Learned Commissioner in appellant's own case vide OIO No. 195/2013 dated 26.09.2013 has granted refund towards the services for the period June 2007 to may 2008. In this regard it is important to cite Hon'ble Supreme Court decision in Union of India Vs Kamalakshi Finance Corporation Ltd., [1991 (55) E.L.T. 433 (S.C)], where in it has held that the Department cannot arbitrarily take a contrary stand for subsequent periods without valid justification.

17. In so far as Cleaning Activity Service used for cleaning and maintenance services is covered, it is used for disinfecting, exterminating, cleaning, maintaining and sterilizing the business premises to provide a dust free environment so that the work can be conducted efficiently Tribunal Mumbai, in the case of L'oreal India Pvt Ltd., Vs Commissioner of Central Excise Pune-I [2011 (22) S.T.R. 89 (Tri-Mumbai)] and in the case of Tangence Solutions (India) Pvt Ltd., Vs Commissioner of Central Excise, Noida [2011 (21) S.T.R.504 (Tri-Del)] and in the case of Heartland Bangalore Transcription Services Pvt Ltd., Vs CST Bangalore [2010-TIOL-1764-CESTAT-BANG] has held that the refund of Cenvat Credit availed on such services is admissible.

18. Life Insurance Services, for which appellant claimed for refund prior to amendment in the definition of input services for the period of January 2011 to March 2011, CESTAT Mumbai, in the case of Fonolex Cables Ltd., Vs Commissioner of Central Excise, Pune-I [2009-TIOL-122-CESTAT-MUM] and CESSTAT Delhi, in the case of Rohit Surfactants Pvt Ltd., Vs Commissioner of Central Excise, Bhopal [2009-TIOL-136-CESTAT-DEL] have held that Service Tax paid on group mediclaim policy and workmen's policy is available on credit. Therefore, appellants are entitled to get refund for period of January 2011 to March 2011 prior to amendment in input services.

19. Club or Association Service, CESTAT Bench Mumbai in the case of M/s Reliance Industries Ltd., Vs Commissioner of Central Excise and Service Tax, LTU, Mumbai [2016-TIOL-2392-CESTAT-MUM], the charges on club or association service, Health and Fitness Services and Outdoor Catering Services paid by company in these services were availed by the appellant company, and considered eligible for Cenvat Credit. The relevant para of the judgment as follow:

"6.4 On perusal of the records, show-cause notices and Orders-in-Original, we find that the appellants have been taking the stand that the charges on Club or Association service, Health and Fitness Centre service and Outdoor Catering Services are paid by the company and said claim of the appellant is not dispelled by the Adjudicating Authority in their findings. It is not the case of the Revenue that these services used for personal consumption of employees. In the absence of any such dispelling, it is to be held that these services on which CENVAT Credit have been availed are not for personal consumption of the employee but it was billed for service provided for business meetings. In our considered view, the judgment of the Tribunal in the case of J.P.Morgan Services (I) Pvt Ltd., Vs Commissioner of Service Tax, Mumbai - 2016 (42) STR 196 (Tri-Mum\_), will cover the issue in favour of the appellant in respect of these three services for the period after 01.04.2011."

20. Therefore, respectfully following the ratios of cited case laws and the use of such input service by appellant in relation to provision of output service. As also keeping in view clarification issued by the Board, we find that all these input services have nexus to the output services, either directly or indirectly and are used to provide output service except where specifically excluded from the purview of "input service" under Cenvat Credit Rules, 2004, w.e.f 01.04.2011. Therefore, once eligible, the refund of unutilized credit in respect of same has to be given in accordance with the conditions and procedure prescribed.

21. Thus, appeals are allowed with consequential relief, if any, as per law.

(Pronounced in the open court on 18.12.2025 )

**(A.K. JYOTISHI)**  
**MEMBER (TECHNICAL)**

**(ANGAD PRASAD)**  
**MEMBER (JUDICIAL)**