# CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
## CHENNAI

REGIONAL BENCH - COURT No. I

## Service Tax Appeal No.41653 of 2017

(Arising out of Order in Appeal No.32 & 33/2017, dated 21.04.2017, passed by the Commissioner of Central Excise (Appeals I), Coimbatore at Madurai, Lal Bahadur Shastri Marg, Madurai 625 002)

**M/s. ATC Tires Pvt. Ltd.** **...Appellant**
SIPCOT SEZ, Plot No. A-2, SIPCOT
Industrial Growth Center
Gangaikondan
Tirunelveli 627 352

***Versus***

**Commissioner of GST & Central Excise** **...Respondent**
Central Revenue Building
No.4, Lal Bahadur Shastri Road
Bibikulam, Madurai 625 002

**AND**

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**APPEARANCE:**

Mr. Raghav Rajeev, Advocate for the Appellant
Ms. O.M. Reena, Authorised Representative for the Respondent

**CORAM :**
**HON'BLE MR. VASA SESHAGIRI RAO, MEMBER (TECHNICAL)**
**HON'BLE MR. AJAYAN T.V. MEMBER (JUDICIAL)**

**FINAL ORDER Nos.41165-41166/2016**

DATE OF HEARING : 09.06.2026
DATE OF DECISION: 04.11.2026

**Per AJAYAN T.V.**

These two appeals, preferred by M/s ATC Tires Pvt. Ltd., a unit in the SIPCOT Special Economic Zone at Gangaikondan, assail the common Order in Appeal No. 32 & 33/2017 dated 21.04.2017 of the Commissioner of Central Excise (Appeals I), Coimbatore at Madurai. By that order, the appeals against Order in Original No. 32/2016 dated 27.04.2016 and Order in Original No. R-78/2016 dated 12.09.2016 of the Assistant Commissioner of Central Excise, Tirunelveli Division, were rejected. The appeals arise from one impugned order and raise common questions. They are therefore disposed of together.

**Relevant facts**

2. The appellant manufactures tires falling under Chapter 40 of the Central Excise Tariff in its unit in the Special Economic Zone (SEZ) and holds Service Tax Registration No. AACCN5773ASD002. Its corporate office at Mumbai is registered as an Input Service Distributor (ISD). The appellant chose the route of refund under Notification No. 12/2013-ST dated 01.07.2013 (the Notification), which superseded Notification No. 40/2012-ST dated 20.06.2012. It filed a claim in Form A-4 dated 16.11.2015 for Rs.1,36,46,343/- for the quarter April to June 2015, and another dated 30.03.2016 for Rs.1,27,47,749/- for the quarter July to September 2015. Each claim included service tax distributed to the SEZ unit by the Mumbai office under ISD Invoice No. ISD/MUM/14-15/84 dated 30.06.2015 and ISD Invoice No. ISD/MUM/14-15/87 dated 30.09.2015 respectively.

3. Show Cause Notice No. 01/ST-Refund/2015 dated 01.01.2016, relating to the first quarter, proposed to disallow Rs.1,04,45,984/-. Of the amounts distributed through the ISD invoice dated 30.06.2015, Rs.48,82,536/- represented tax paid by the Mumbai office between April 2014 and October 2014. This was proposed to be rejected as filed beyond one year of payment and as relating to quarters for which claims had already been filed. A further Rs.34,42,843/- paid between November 2014 and March 2015 was proposed

to be rejected under paragraph 3(III)(f) of the Notification, on the premise that refunds for those quarters had already been claimed and sanctioned. Three smaller sums were proposed to be rejected only because they were paid outside the quarter April to June 2015, namely Rs.43,260/- paid in October 2015, Rs.4,85,575/- paid between April 2014 and March 2015 and Rs.451/- paid in August 2015. The same objection was taken to Rs.13,70,873/- of tax paid under reverse charge between May 2014 and March 2015. The notice also proposed to disallow Rs.13,502/- on car hire and electricity exchange services and to restrict common credit by a turnover ratio of 86.32%.

4. Show Cause Notice No. 24/AC/ST/2016 dated 17.05.2016, relating to the second quarter, proposed to disallow Rs.24,35,687/-. Of this, Rs.21,09,660/- was tax paid during April to June 2015 and distributed by the ISD invoice dated 30.09.2015. It was objected to because a claim for that quarter had already been filed. Rs.3,25,779/- paid on accommodation, air travel agent and club membership services was objected to as not relating to specified services. The balance of Rs.247/- was an arithmetical excess.

**Reply and the orders of the lower authorities**

5. In reply, the appellant contended that the condition of one claim for a quarter regulates the number of claims and not the period of payment, and that limitation for distributed credit must run from the date of the ISD invoice, without which no claim could have been made earlier. It also invoked the power of the Assistant Commissioner to extend time, and Sections 26 and 51 of the Special Economic Zones Act, 2005 (the SEZ Act). It did not press the claim of Rs.13,502/-. By Order in Original No. 32/2016, the Assistant Commissioner accepted the appellant's turnover ratio of 96.957% under Rule 7 of the Cenvat Credit Rules, 2004 and sanctioned Rs.33,92,359/-. He rejected Rs.83,25,379/- (Rs.48,82,536/- and Rs.34,42,843/-) as offending Section 11B of the Central Excise Act, 1944 and paragraphs 3(III)(e) and (f) of the Notification. He held that the delay caused by the belated ISD invoice was no answer, and that the Notification could not override Section 11B. He rejected Rs.43,260/-, Rs.4,85,575/-, Rs.451/- and Rs.13,70,873/- only because they were not paid during the quarter. By Order in Original No. R-78/2016, the Assistant Commissioner held the second claim to be within one year of payment and not time barred. He nevertheless rejected Rs.21,09,660/- under paragraph 3(III)(f), observing that the Assistant Commissioner cannot extend time where delay arises from the claimant's negligence. He rejected Rs.3,25,779/- because

the three services had not been approved by the Unit Approval Committee, and sanctioned Rs.1,03,12,062/-.

6. The Commissioner (Appeals) noticed that, as per the annexures to the ISD invoices, the date of payment of tax to several service providers had not crossed one year. He nonetheless upheld the rejection of Rs.1,23,35,198/- in its entirety. His reason was that the appellant regularly files quarterly claims, and so payments made before or after the quarter cannot be refunded. He held that the power to extend time was available only for amounts of the present quarter. As to Rs.3,25,779/-, he found that the three services do find place in the default list of services approved by the Unit Approval Committee in its meetings of 19.12.2014, 31.05.2016 and 24.08.2016. He denied the refund all the same, because no evidence was produced of a declaration in Form A-1 verified by the Specified Officer of the SEZ and authorised by the jurisdictional Assistant Commissioner.

**Submissions on behalf of the appellant**

7. Mr. Raghav Rajeev, learned counsel for the appellant, contended that the exemption from service tax on services used for authorised operations flows from Section 26(1)(e) of the SEZ Act, which by Section 51 overrides the Finance Act, 1994. He relied on *GMR Aerospace Engineering Ltd. v. Union of India, 2019 (31) G.S.T.L. 596 (A.P.),* affirmed in *(2023) 6 Centax 155 (S.C.)*, for the proposition that conditions in notifications under the Finance Act cannot defeat that exemption. He stressed that neither the payment of tax nor the use of the services for authorised operations is disputed. In the appeal memorandum, the appellant relied on *Commissioner v. Hari Chand Shri Gopal, 2010 (260) E.L.T. 3 (S.C.)*, for the distinction between mandatory conditions of eligibility and requirements that are procedural or directory. It also cited *Mangalore Chemicals & Fertilizers Ltd. v. Deputy Commissioner, 1991 (55) E.L.T. 437 (S.C.)*, *Union of India v. Suksha International, 1989 (39) E.L.T. 503 (S.C.)* and *Union of India v. Wood Papers Ltd., 1990 (28) ECC 182 (S.C.)*, for the proposition that once eligibility is established a beneficial exemption is to be construed liberally and is not to be defeated by procedural lapses.

8. On the amounts distributed by the ISD, counsel argued that the refund was rightly claimed in the quarter in which the ISD invoices were issued, and that limitation runs from the date of the ISD invoice. He cited *Lupin Ltd. v. Commissioner, 2023 (3) TMI 1122-CESTAT New Delhi* and the appellant's own case, *ATC Tyres Pvt. Ltd. v. Commissioner, 2021 (3) TMI 681- CESTAT*

*Chennai.* The requirement of one claim for a quarter, he urged, is procedural. For this he relied on *SRF Ltd. v. Commissioner, 2016 (12) TMI 1471- CESTAT New Delhi, Orga Systems India Pvt. Ltd. v. Commissioner, 2023 (7) TMI 437- CESTAT Kolkata, Commissioner v. Reliance Industries Ltd., 2021 (12) TMI 848- CESTAT Ahmedabad* and *B.S.L. Ltd. v. Commissioner, 2008 (226) E.L.T. 359 (Tri. Del.)*. He also placed reliance on *Renault Nissan Technology & Business Centre India Pvt. Ltd. v. Commissioner, 2025 (10) TMI 680-CESTAT Chennai*, which follows GMR Aerospace Engineering.

9. As to Rs.3,25,779/-, counsel pointed out that the three services form part of the default list approved by the Unit Approval Committee pursuant to Instruction No. 83 dated 21.11.2014 of the Ministry of Commerce and Industry, and that the impugned order admits as much. The ground of Form A-1 was never put to the appellant in the show cause notice. That form, he maintained, pertains to the ab initio route, while a claim by way of refund is made in Form A-4. He prayed that the refund be granted with interest.

**Submissions on behalf of the respondent**

10. Ms. O.M. Reena, learned Authorised Representative, supported the impugned order and reiterated the findings of the lower authorities.

**Analysis**

11. We have heard both sides and perused the record. The issues that arise for decision are:

i. Whether the refund of Rs.1,23,35,198/- of tax distributed through ISD invoices (inclusive of tax paid under reverse charge) could be denied on the ground that it was not paid during the quarter of the claim?
ii. Whether the refund of Rs.3,25,779/- could be denied for want of Form A-1 or of approval of the services?
iii. Whether the sum of Rs.48,82,536/- is in any event barred by limitation?

12. The appellant has not disputed the rejection of Rs.13,502/- (not pressed below), of Rs.247/- (arithmetical excess) or of the share of common credit attributable to the DTA unit under the ratio of 96.957%. Those portions are not before us. We take up the questions in descending order of quantum, and limitation thereafter.

**The statutory framework**

13. Section 26(1)(e) of the SEZ Act entitles every Developer and entrepreneur, subject to sub-section (2), to exemption from service tax under Chapter V of the Finance Act, 1994 on taxable services provided to a Developer or Unit to carry on the authorised operations. Sub-section (2) empowers the Central Government to prescribe the manner in which, and the terms and conditions subject to which, the exemption shall be granted. By Section 2(w), prescribed means prescribed by rules made under that Act, and the conditions so prescribed are found in Rule 22 of the Special Economic Zones Rules, 2006. Section 51 gives the SEZ Act effect notwithstanding anything inconsistent in any other law or instrument.

14. The Notification, issued under Section 93 of the Finance Act, 1994, exempts services received by an SEZ unit and used for the authorised operations, the exemption being given by way of refund. Paragraph 3(III)(a) requires tax on specified services common to the SEZ unit and the DTA unit to be distributed in the manner prescribed in Rule 7 of the Cenvat Credit Rules, 2004. Paragraph 3(III)(b) entitles the SEZ unit to refund of tax paid on specified services on which ab initio exemption is admissible but not claimed, and of the amount distributed to it in terms of clause (a). Paragraph 3(III)(e) requires the claim to be filed within one year from the end of the month in which the SEZ unit actually paid the tax to the registered service provider, or such extended period as the Assistant Commissioner or Deputy Commissioner may permit. Paragraph 3(III)(f) requires the SEZ unit to submit only one claim of refund for every quarter.

15. In *GMR Aerospace Engineering Ltd. v. Union of India, 2019 (31) G.S.T.L. 596 (A.P.)*, the Division Bench of the High Court of Telangana and Andhra Pradesh held that the terms and conditions of the exemption under Section 26(1) can be prescribed only by rules under the SEZ Act. Once such rules were made, the Court observed in paragraph 33, there is no scope for invoking any other law for imposing any other condition. It held further that notifications under Section 93 of the Finance Act, 1994 cannot be pressed into service to decide whether an SEZ unit qualifies for exemption, and that the exemption could not be denied for not filing Forms A-1 and A-2, which Rule 22 does not require. The notifications of 2011, 2012 and 2013, so far as they relate to SEZs, were set aside. The Special Leave Petition of the Union was dismissed on 26.07.2019, *(2023) 6 Centax 155 (SC): 2019 SCC OnLine SC 2291*. The Supreme Court, following that dismissal, also dismissed the Revenue's appeal in *Commissioner v. Eclerx Services Ltd.,*

*2023 (72) G.S.T.L. 4 (S.C.)*. The High Court of Madras, in *Salcomp Manufacturing India Pvt. Ltd. v. Commissioner, (2024) 18 Centax 162 (Mad.)*, recorded that the judgment in GMR Aerospace holds the field. This Bench, in *Renault Nissan Technology & Business Centre India Pvt. Ltd., 2025 (10) TMI 680- CESTAT CHENNAI*, followed *GMR Aerospace Engineering* in adherence to judicial discipline (paragraphs 58 to 63), and did so again in *SMTT Holidays v. Commissioner,* Final Order No. 40585/2026 dated 08.05.2026. Of direct relevance is the appellant's own case for later quarters, *ATC Tyres Pvt. Ltd., 2021 (3) TMI 681- CESTAT CHENNAI*. There, applying *GMR Aerospace Engineering*, this Tribunal set aside the rejection of refund as time barred and the rejection on the ground that the services were not specified services, holding that conditions in notifications under the Finance Act could not be applied to deny refund to an SEZ unit which satisfied the conditions of the SEZ law (paragraphs 4 to 6 and 8). The Revenue has not shown that the order has been displaced.

16. The test to be applied is the one laid down by the Constitution Bench in *Hari Chand Shri Gopal* (supra), on which the appellant relies. The Court held that a person claiming exemption must establish that he is entitled to it, and that the mandatory requirements of an exemption must be fulfilled exactly. It also held that a clear distinction must be kept between provisions of a substantive character built in with specific objectives of policy and those which are merely procedural and technical. Once the eligibility clause is satisfied, a condition which is directory may receive a liberal meaning (paragraphs 22 to 24). Applied here, the conditions which go to the essence of this exemption are three. The services must be specified services, they must be used for the authorised operations, and the tax must have been paid. None of these is in dispute as to the amounts distributed by the ISD. Whether the three services covered by Rs.3,25,779/- were specified services is examined under the second issue. The Assistant Commissioner himself recorded, in paragraph 27.1 of Order in Original No. 32/2016, that the services were exclusively used for the authorised operations as approved by the Unit Approval Committee. What remains is the manner and timing of the claim, which is machinery and not the essence of the exemption.

**Issue (i). Refund of Rs. 1,23,35,198/- of tax distributed through ISD invoices**

17. Paragraph 3(III)(f) says that only one claim of refund shall be submitted for every quarter. It limits the number of claims. It does not say that a claim for a quarter may comprise only tax paid during that quarter.

The appellant filed one claim for April to June 2015 and one for July to September 2015. It is not the case of the Revenue that a second claim was filed for either quarter. The lower authorities have read into the clause a condition which its words do not bear. A taxing statute, and *a fortiori* a beneficial notification, cannot be enlarged against the subject by such addition. The point is covered by the decision of a coordinate Division Bench in *Commissioner v. Reliance Industries Ltd., 2021 (12) TMI 848- CESTAT Ahmedabad*, rendered on an appeal by the Revenue which raised this very objection. There the SEZ unit had included, in its claim for the quarter July to September 2017, amounts on invoices from August 2013 onwards distributed by its head office. The Bench held that, the unit having filed only one claim for each quarter, there was no breach of clause (f), and that refund cannot be denied merely because invoices of earlier quarters were claimed in a later quarter (paragraph 4.1). It followed *SRF Ltd. v. Commissioner, 2016 (12) TMI 1471- CESTAT New Delhi*, which held that clause (f) is meant to facilitate scrutiny and processing of claims and is procedural (paragraphs 4 and 5). A like view was taken of a once a month condition for refund claims in *B.S.L. Ltd. v. Commissioner, 2008 (226) E.L.T. 359 (Tri. Del.)*, paragraph 5. We respectfully agree with these decisions, which apply with full force to the facts before us.

18. The construction adopted by the authorities below is also at odds with paragraph 3(III)(b)(ii). What the SEZ unit is entitled to under that clause is the amount distributed to it in terms of clause (a). That amount comes into being only when the ISD distributes it by an invoice under Rule 7. Until 30.06.2015 and 30.09.2015 respectively, there was no distributed amount which the appellant could have included in any earlier claim. Treating the earlier quarters as having already been claimed confuses the period in which the Mumbai office paid the providers with the quarter in which the amount became refundable to the SEZ unit. Nor is there any finding that any part of these amounts was in fact refunded in the claims for the quarters of 2014-15, which were decided on 24.07.2015, 03.09.2015 and 09.10.2015. The objection is one of form, not of double refund.

19. The order of the Commissioner (Appeals) is unsatisfactory on this aspect for three reasons. First, he examined the annexures to the ISD invoices and found that, for several service providers, one year from the date of payment had not expired when the claims were filed. To that extent he accepted that the claims were within time under paragraph 3(III)(e). Second, having so found, he did not go on to identify which payments were

within time and which were not. He upheld the rejection of the entire sum of Rs.1,23,35,198/- on one ground alone, namely that the appellant files a claim every quarter and therefore cannot include tax paid in any earlier or later quarter. That ground finds no place in clause (f), which, as we have held, only limits the number of claims to one for each quarter. Third, he treated the filing and sanction of claims for the earlier quarters as if these very amounts had been refunded in them, which, for the reasons given in paragraph 16, they could not have been. An appellate authority must decide the grounds actually before it. It cannot sustain a rejection on a reason that the Notification does not contain.

20. Even if paragraph 3(III)(f) were to bear the meaning given to it by the authorities below, the result would be no different. Such a condition, found in a notification under Section 93 of the Finance Act, 1994 and not in Rule 22 of the SEZ Rules, cannot cut down the exemption which Section 26(1)(e) confers and Section 51 protects. That is the ratio of *GMR Aerospace Engineering*, which we respectfully follow. The tax of Rs.13,70,873/- paid under reverse charge stands on the same footing. The requirement of paragraph 3(III)(d), that tax payable under reverse charge be paid, is satisfied and not disputed. The sums of Rs.43,260/- and Rs.451/- paid in October 2015 and August 2015 were rejected on no other ground. Since such sums could equally fall within a later quarter's claim, the safeguard against a second refund lies in verification, not in denial.

21. We therefore hold that the refund of Rs.1,23,35,198/- could not be denied on the ground that the tax was not paid during the quarter of the claim. This conclusion governs Rs.48,82,536/- as well, subject to the question of limitation which we address below.

**Issue (ii). Refund of Rs. 3,25,779/-**

22. The sum comprises Rs.14,393/- on accommodation service, Rs.73,094/- on air travel agent service and Rs.2,38,292/- on membership of club. The show cause notice proposed to reject it on one ground, that these were not specified services. The Assistant Commissioner rejected it because the services had not been approved by the Unit Approval Committee. The Commissioner (Appeals) found, as a fact, that the three services find place in the list approved by the Unit Approval Committee. That finding has not been assailed by the Revenue. The list on record, issued under Instruction No. 83 dated 21.11.2014 of the Ministry of Commerce and Industry, shows Air Travel Agent Services, Accommodation Services and Membership of Club

or Association services at serial numbers 61, 66 and 68. The last is confined to the purpose of obtaining a registration cum membership certificate from the export promotion council. The appellant had stated in reply that it was seeking approval with retrospective effect, and the list records approvals in meetings of 19.12.2014, 31.05.2016 and 24.08.2016. Neither the notice nor the orders below, however, alleged that these services were not used for the authorised operations, or that the club membership was for a purpose other than the one the list permits. The only ground of the notice, that the services were not specified, failed on the appellate authority's own finding. In the appellant's own case for later quarters, this Tribunal, applying GMR Aerospace Engineering, set aside a rejection of refund on the ground that the services were not specified services, as can be seen from *ATC Tyres Pvt. Ltd., supra*, paragraphs 6 and 8.

23. The Commissioner (Appeals) then denied the refund for want of Form A-1 verified by the Specified Officer and authorised by the Assistant Commissioner. That ground did not figure in the show cause notice or in the order in original, and the appellant was never called upon to meet it. In *Hindustan Polymers Co. Ltd. v. Collector, 1999 (106) E.L.T. 12 (S.C.)*, the Supreme Court held that the Tribunal, by proceeding upon a basis altogether different from that of the notice served on the assessee, had made a new case, which was impermissible. The principle binds the Commissioner (Appeals) no less, for he too sits in appeal on the case set up in the notice. The ground is also unsound on its merits. *GMR Aerospace Engineering* holds that the SEZ exemption cannot be denied for not filing Forms A-1 and A-2, since Rule 22 does not prescribe them. Once the services are approved by the Unit Approval Committee and used for the authorised operations, the refund of Rs.3,25,779/- cannot be withheld.

**Limitation in respect of Rs.48,82,536/-**

24. The Assistant Commissioner held this sum barred under paragraph 3(III)(e) and Section 11B, reckoning one year from the dates between April 2014 and October 2014 on which the Mumbai office paid the providers. The Commissioner (Appeals) did not examine this sum separately on limitation. As noted in paragraph 17, he upheld the rejection of the whole of Rs.1,23,35,198/- on the footing of clause (f) alone. The question whether Rs.48,82,536/- is barred by limitation therefore falls to be decided by us.

25. Paragraph 3(III)(e) speaks of the month in which the SEZ unit actually paid the tax to the registered service provider. Where common services are procured and paid for by the head office and distributed under Rule 7, as paragraph 3(III)(a) itself mandates, the SEZ unit has not paid anything to the provider. Its entitlement under paragraph 3(III)(b)(ii) is to the amount distributed to it, and that entitlement arises on the date of the ISD invoice. To reckon one year from the head office's payment would make the period begin, and possibly end, before the amount refundable to the SEZ unit is even ascertained. A notification which itself prescribes distribution before refund cannot be read so as to defeat the refund it grants. The period must therefore run from the date of the ISD invoice, 30.06.2015, and the claim of 16.11.2015 is well within one year of it. This is the view taken in *Reliance Industries Ltd*. supra, which held that clause (e) presupposes payment by the SEZ unit and is not apt for amounts distributed by the head office, which can be claimed only on receipt of the ISD invoice (paragraphs 4.8 and 4.9). *Lupin Ltd. v. Commissioner, 2023 (3) TMI 1122-CESTAT New Delhi* held that the date of the ISD invoice is the relevant date for computing the one year (paragraphs 18 and 22).

26. The same answer follows if the matter is approached through Section 11B, as the Assistant Commissioner did. What is refunded to the SEZ unit is not a duty paid by it to the Government. It is the amount distributed to it, and until that distribution there was nothing it could claim. The view of the Assistant Commissioner, that the appellant and its head office knew of the entitlement when the tax was paid and ought to have hastened the ISD invoice, overlooks that the Notification ties the entitlement to the distribution. It also runs counter *to Reliance Industries Ltd. supra*, where the Bench noted that Rule 7 of the Cenvat Credit Rules, 2004 prescribes no time limit for the issue of ISD invoices, so that their belated issue is no illegality, and that a delay attributable to distribution at the ISD level cannot be laid at the door of the SEZ unit, which could not have filed its claim before the ISD invoice (paragraphs 4.2 and 4.8). Further, it overlooks that the Notification vests a power to extend time which was never exercised on its merits. The Commissioner (Appeals) declined that power on the premise that it extends only to amounts of the present quarter, a limitation nowhere found in paragraph 3(III)(e). The rejection of Rs. 48,82,536/- as time barred cannot be sustained.

**Conclusion**

27. To sum up, the impugned order rejected refunds of tax admittedly paid on approved services used for the authorised operations of an SEZ unit. It did so by reading into paragraph 3(III)(f) a condition it does not contain, by treating the date of the head office's payment as decisive where the Notification ties the entitlement to distribution, and by raising, for the first time in appeal, a ground of Form A-1 that the appellant was never asked to meet. Each of these runs counter to the overriding scheme of Sections 26 and 51 of the SEZ Act as explained in *GMR Aerospace Engineering*. The appellant is accordingly entitled to refund of Rs. 1,02,25,538/- in Service Tax Appeal No. 41653 of 2017 and Rs. 24,35,439/- in Service Tax Appeal No. 41654 of 2017, aggregating Rs. 1,26,60,977/-.

28. In light of our aforesaid discussions and analysis, the impugned Order in Appeal No. 32 & 33/2017 dated 21.04.2017 is set aside to the extent it upheld the rejection of Rs. 1,02,25,538/- for the quarter April to June 2015 and Rs. 24,35,439/- for the quarter July to September 2015. The Service Tax Appeal No. 41653 of 2017 and Service Tax Appeal No. 41654 of 2017 are allowed to that extent, with consequential relief in accordance with law, including interest as admissible. The jurisdictional Assistant Commissioner shall sanction and pay the refund of Rs.1,26,60,977/- within three months of receipt of this order alongwith applicable interest. Before doing so, he may verify only that no part of these amounts has been refunded to the appellant under any other claim. He shall not reopen any question decided in this order. The rejection of Rs.13,502/-, Rs. 247/- and of the share of common credit attributable to the DTA unit, not having been assailed, stands undisturbed.

(Order pronounced in the open court on 04.11.2026)

**(AJAYAN T.V.)**
Member (Judicial)

**(VASA SESHAGIRI RAO)**
Member (Technical)

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