

**Customs, Excise & Service Tax Appellate Tribunal  
West Zonal Bench At Ahmedabad**

REGIONAL BENCH- COURT NO. 3

**Service Tax Appeal No. 1 of 2012-DB**

(Arising out of OIA-BC-269-SURAT-II/2011 Dated- 07.10.2011 passed by  
Commissioner of Central Excise, CUSTOMS-(ADJUDICATION) – Surat-II)

**M/s. SAVLA CHEMICALS LIMITED**

PLOT NO. 26-A, GIDC, PANOLI, GUJARAT

*VERSUS*

**.....Appellant**

**C.C. E. & S.T. – Surat-II**

NEW C.Ex BUILDING...OPP. GANDHI BAUG,  
CHOWK BAZAR, SURAT, GUJARAT-395001

**.....Respondent**

**APPEARANCE:**

Shri. Vinay Kansara, Advocate for the Appellant

Shri. R.K. Agarwal, Superintendent (AR) for the Respondent

**CORAM: HON'BLE MR. RAMESH NAIR, MEMBER (JUDICIAL)  
HON'BLE MR. RAJU, MEMBER (TECHNICAL)**

**Final Order No. A/ 10870 /2023**

DATE OF HEARING: 22.12.2022

DATE OF DECISION: 13.04.2023

**RAJU**

This appeal has been filed by M/s Savla Chemicals Limited against demand of service tax.

2. Learned Counsel for the appellant pointed out that the demand has been made under the category of goods transport agent service. He pointed out that the appellants are not receiving any goods transport agent service. He pointed out that they are hiring tankers on monthly basis. He pointed out that since there is no service of goods transport agent involved, no service tax could have been issued, the order in appeal in para 9.4 states that consignment notes have been issued. Learned counsel pointed out that the appellants were hiring vehicles on monthly basis and were bearing the cost of toll charges and a certain amount for each kilometre of run of the vehicles.

2.1. The entire credit of cenvat for so called goods transport agent service would be available to the appellant as cenvat credit.

3. Learned authorized representative relies on the impugned order.
4. We have considered the rival submissions. We find that it is not in dispute that the appellants are paying fixed tanker hiring charges on monthly basis. The appellant appellants are paying in addition to the fixed hiring charges, a certain amount for each kilometre run as well as the toll tax paid by the vehicles. During examination of contract, it is noticed that it contains the following clauses:

*"7. The Transporter will be solely responsible for collecting documents before leaving plant after loading. In case of any Interceptions by any Govt. officials en-route to destination and any levy Dy way of taxes, fee and penalty etc. is Imposed In want of necessary documents, Transporter will have to bear this cost and will have to compensate if/e Company for aft losses/ damages directly or indirectly suPered by the Company.*

*8. LR will not be issued by the Transporter & Savla Chemicals Ltd. Will issue Delivery Challan, it is transporters responsibility to take acknowledgement on Delivery Challan for material delivered, which should be includes report time and release time of unloading point."*

From the above, it is apparent that the transporter is taking the entire responsibility of the goods for the route and transporter is not issuing any LRs for the purpose of these goods. The appellants are issuing delivery challans. From the above background, it is apparent that no consignment notes are issued by Girish Logistics, i.e. the supplier of vehicles. Since no consignment notes are issued to transporter no GTA service has been provided. In this background, we do not find any merit in the argument that the service of goods transport agent is supplied. The demand is therefore, set aside. Appeal is allowed.

(Pronounced in the open court on 13 .04.2023)

**(RAMESH NAIR)  
MEMBER (JUDICIAL)**

**(RAJU)  
MEMBER (TECHNICAL)**