IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 8TH DAY OF JULY, 2026

PRESENT

THE HON'BLE MR. JUSTICE S.G.PANDIT

AND

THE HON'BLE MR. JUSTICE RAJESH RAI K

CENTRAL EXCISE APPEAL NO. 14 OF 2022

BETWEEN:

DECCAN MINING SYNDICATE (P) LIMITED
S-7, 2ND FLOOR, ESTEEM ARCADE,
RACE COURSE ROAD,
BENGALURU-560 001
REGISTERED UNDER COMPANIES ACT, 1956
REPRESENTED BY THEIR MANAGING DIRECTOR
Mr. RAJENDRA KUMAR JAIN

...APPELLANT

(BY SRI. M.S.NAGARAJA, ADVOCATE)

AND:

1. THE UNION OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE,
NORTH BLOCK,
NEW DELHI 110 001
(REPRESENTED BY ITS SECRETARY)

2. THE PRINCIPAL COMMISSIONER OF
CENTRAL EXCISE AND SERVICE TAX
NO.71, CLUB ROAD,
CENTRAL EXCISE BUILDING
BELGAUM-590 001

3. THE ASSISTANT COMMISSIONER OF
CENTRAL EXCISE AND CUSTOMS
BELLARY DIVISION,
NO.351, G.S.M ROAD,
GANDHI NAGAR
BELLARY-583 103

...RESPONDENTS

(BY SRI. JEEVAN J NEERALGI, CGSC)

THE ADVOCATE FOR THE APPELLANT HAS FILED THE ABOVE CEA / CENTRAL EXCISE APPEAL UNDER SEC.35G OF THE CENTRAL EXCISE ACT, PRAYING TO THE IMPUGNED FINAL ORDER NO. A/20133-20134/2022 DATED 31/03/2022 PASSED BY THE HONBLE CESTAT, BENGALURU BE SET ASIDE. II) TO PASS SUCH ORDER FOR REFUND OF RS.1,07,03,293-00 ALONG WITH INTEREST AS APPLICABLE.

THIS APPEAL HAVING BEEN RESERVED FOR JUDGMENT ON 02.07.2026 COMING ON FOR PRONOUNCEMENT THIS DAY, ***RAJESH RAI K, J.,*** DELIVERED THE FOLLOWING:

CORAM: HON'BLE MR. JUSTICE S.G.PANDIT
and
HON'BLE MR. JUSTICE RAJESH RAI K

CAV JUDGMENT

(PER: HON'BLE MR. JUSTICE RAJESH RAI K)

This Central Excise Appeal is filed by the assessee assailing the Final Order Nos. 20133-20134/2022 dated 31.03.2022 in STA.No.846 and 864 of 2009 passed by the Customs, Excise and Service Tax Appellate Tribunal, Bangalore (for short, "the Tribunal'), whereby the Tribunal dismissed the appeal preferred by the assessee challenging the rejection of its refund claim.

2. The appellant is a company engaged in extraction, processing and export of iron ore. During the relevant period, i.e. from 01.01.2006 to 28.02.2007, the appellant availed transportation services for movement of iron ore from the mine head to the processing plant and thereafter to the railway siding, river side and ports for shipment. Pursuant to investigation conducted by the Preventive Division, the appellant deposited a sum of Rs.1,07,03,293/- towards service tax and education cess on the transportation charges incurred by it.

3. Subsequently, the appellant filed an application before the adjudicating authority seeking refund of the amount

so deposited, contending *inter alia*, that the transporters engaged by it were individual truck owners and not Goods Transport Agencies and therefore no service tax was payable under the category of Goods Transport Agency service. The refund claim came to be rejected by the adjudicating authority. Subsequent appeal preferred by the appellant before the Commissioner (Appeals) also got rejected. Aggrieved thereby, the appellant approached the Tribunal as state *supra*. The Tribunal, by the impugned order, dismissed the appellant's appeal. Aggrieved by the said order, the present appeal is filed.

4. Heard learned counsel Sri. M.S. Nagaraj, for the appellant-assessee and learned Central Government Standing Counsel Sri. Jeevan J.Neeralgi, for the respondent-Revenue. perused the material placed on record.

5. Apart from urging several contentions learned counsel appearing for the appellant, contended that the impugned order passed by the Tribunal suffers from complete misappreciation of the statutory scheme governing Goods Transport Agency service under the Finance Act, 1994 (for short, 'the Act, 1994'). It is submitted that under Section 65(50b) of the Act, 1994, issuance of a consignment note is an

essential requirement for classification of a service as GTA service and, in the absence of such consignment notes, no service tax liability could arise under the said category.

6. It is further contended that the "pay slips" relied upon by the authorities were merely internal documents prepared by the appellant for identification of vehicles and payment of freight charges and could not be treated as consignment notes contemplated under Rule 4B of the Service Tax Rules, 1994. Hence the activity in question was not taxable as GTA service and the amount deposited during investigation was liable to be refunded. Accordingly, he prays to allow the appeal. To buttress his arguments and in support of his contention, the learned counsel has placed reliance on following judgments:

1. *Chartered Logistics Ltd. vs Commissioner of Central Excise [(2024) 16 Centax 473 (Tri - Ahmd)*
2. *Mahanadi Coalfields Ltd vs Commissioner of Central Excise [2022 (57) GSTL 242 (Tri - Kolkata)]*
3. *Lakshminarayana Mining Vs Commissioner of Service Tax 2019 (27) GSTL 745 (Tri - Bang)*
4. *East India Minerals Ltd Vs CCE & ST, BBSR II [2021 (44) GSTL 90 (Tri- Kol)]*

5. *CC & CE, Raigad Vs JWC Logistics Pvt Ltd [2019 (22) GSTL 237 (Tri - Mum)]*

6. *Nandganj Sihori Sugar Co Ltd Vs CCE, Lucknow [2014 (34) STR 850 (Tri-Del)]*

7. *Per contra*, learned CGSC, appearing for the Revenue supported the impugned order and submitted that the findings recorded by the Tribunal are based on the material available on record and do not warrant interference. It is contended that the documents described as "pay slips" contained all essential particulars contemplated under Rule 4B of the Service Tax Rules, including details relating to the goods transported, vehicle particulars, place of origin and destination and acknowledgment by the transporter. The Tribunal was therefore justified in holding that such documents constituted consignment notes.

8. It is further submitted that the definition of Goods Transport Agency is sufficiently broad to include individual truck owners who undertake transportation of goods and issue documents in the nature of consignment notes. Consequently, the appellant is not entitled to any refund of the amount paid and the appeal deserves to be dismissed.

9. Having regard to the rival submissions sole point that would arise for our consideration is:

> *"Whether the Tribunal was justified in rejecting the appellant's claim that, in the absence of consignment notes issued by a Goods Transport Agency, no service tax liability could arise under the category of "Goods Transport Agency" service?"*

10. As could be gathered from the records, the fact that the appellant had engaged individual truck owners for transportation of iron ore during the relevant period is not in dispute. The dispute essentially centres around the question as to whether such transportation would fall within the ambit of "Goods Transport Agency" service as defined under Section 65(50b) of the Finance Act, 1994.

11. We are unable to accept the principal contention of the appellant that, since the transporters were merely individual truck owners and had not issued consignment notes, the service received by the appellant could not be subjected to service tax under the category of GTA service. It is pertinent to note that Section 65(50b) defines "Goods Transport Agency" as,

> *"Any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called".*

On interpreting the above definition, it does not make any distinction between an incorporated entity, a partnership concern or an individual transporter. Therefore, the mere fact that the transportation was undertaken by individual truck owners would not, by itself, exclude the activity from the scope of the definition.

12. The Tribunal has noticed that the documents submitted as "pay slips" contained particulars relating to the vehicle number, description and quantity of goods transported, loading and unloading points and acknowledgment of the transporter. Significantly, Section 65(50b) employs the expression "consignment note, by whatever name called". The emphasis of the statute is therefore on the nature and contents of the document and not on the name assigned to it. Once the document substantially depicts receipt and transportation of goods and contains the particulars ordinarily associated with a consignment note, the mere fact that it is described as a "pay slip" would not alter its legal character.

13. The contention that the pay slips were merely internal documents of the appellant and not the consignment notes, also does not hold much water. The authorities below have concurrently recorded a finding, affirmed by the Tribunal, that the said documents depicted the movement of goods and contained material particulars concerning the transportation undertaken.

14. The judgments relied upon by the appellant–assessee are distinguishable on facts and, therefore, do not advance its case. In all those decisions, the Courts found that no goods consignment notes had been issued by the transporter. In the present case, however, as discussed hereinabove, the pay slips issued by the transporter answer the description of a consignment note and squarely fall within the ambit of Section 65(50b) of the Finance Act, 1994. Consequently, the ratio laid down in the said decisions is inapplicable to the facts of the present case.

15. In such circumstances, we are of the considered view that the Tribunal was justified in holding that the transportation services received by the appellant were liable to be classified under the category of Goods Transport Agency

service. Once the levy itself is held to be valid, the consequential claim for refund cannot survive. We are therefore satisfied that the impugned order does not suffer from any legal infirmity warranting interference. The point for consideration is accordingly answered against the appellant and in favour of the Revenue. Accordingly, the CEA stands ***dismissed***.

SD/-
(S.G.PANDIT)
JUDGE

SD/-
(RAJESH RAI K)
JUDGE

PKS/V