

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
BANGALORE**

Regional Bench COURT-2.

Service Tax Appeal No. 20808 of 2014

[Arising out of the Order-in-Appeal No. 727/2013 dated 09.12.2013 passed by the Commissioner of Central Excise (Appeals-II), Bangalore]

Bangalore Air Products (P) Ltd

45, Part, Kiadb Industrial Area, Hoskote,
Bangalore,
Karnataka - 562114

.....Appellant

VERSUS

Commissioner of Service Tax

Bangalore

1st to 5th Floor, BMTC Bustand, Domlur,
Bangalore, Karnataka - 560071

..... Respondent

Appearance

Mr. Sundar Raman, Advocate for Appellant

Mr. Rajashekar, Authorized Representative for Respondent

Coram:

Hon'ble Mr. P.A. Augustian, Member (Judicial)

FINAL ORDER No. 21854 of 2025

Date of Hearing: 31.07.2025

Date of Decision: 21.11.2025

AS PER P. A. AUGUSTIAN

The issue in the present appeal is regarding service tax liability in respect of transport of goods service received by them.

2. Alleging that the Appellant has not discharged service tax liability on the transport of goods by road service as a recipient of service, demand of Rs. 58,975/- was made and Appellant paid an amount of Rs. 15,450/- during audit itself. Adjudication authority confirmed the demand and also imposed penalty under Section 76, 77 & 78 of the Finance Act, 1994. Aggrieved by said order, an appeal was filed before the Commissioner (Appeals) and Commissioner (Appeals) as per the impugned order, set aside the penalty imposed under Section 76 and upheld the penalty under Section 77 & 78. Aggrieved by said

order, present appeal is filed. When the appeal was filed by the Appellant, as directed by this Tribunal, balance amount of Rs. 43,525/- has been paid on 12th August, 2014. Thus entire amount has been paid as demanded.

3. As regarding issue on merit, the Learned Counsel draw our attention to the reply to show cause notice submitted by them on 01.09.2010 were they have clarified that the disputed amount is for transport charges collected by the customers for the supply of goods and not as freight inward as alleged. Further Learned Counsel submits that Appellant had assessed the service tax liability as informed during audit and service tax liable on freight inward and freight outward has been calculated and the payment towards the same has been made. However Appellant is not challenging the demand at this stage but only seeking waiver of the penalty imposed by the Adjudication authority.

4. The Learned AR submits that since they have not paid the interest as applicable, waiver of entire penalty is unsustainable. To a specific query, the Learned Counsel for the Appellant submits that the Appellant is willing to pay interest as applicable, if a direction is issued for accepting the payment. Accordingly, Learned Counsel submitted a memo on 01.09.2025 submitting the evidence regarding payment of balance of amount towards interest.

5. Heard both sides. Since the entire amount as per the impugned order, and interest is paid by the Appellant, without going in to merit of the case, I consider it as a fit case for waiver of the penalty. Accordingly, appeal is partially allowed by confirming the demand of duty and interest. Penalty imposed by the Adjudication/Appellate authorities are set aside.

(Order pronounced in open court on 21.11.2025.)

(P.A.Augustian)
Member (Judicial)

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