



CA Vasudev Mehta

Issue : Whether Service Tax is leviable on income reported as demurrage charges under the declared Service of “Agreeing to the obligation to refrain from an act, or to tolerate an act or situation, or to do an act” ? Held : No

Brief Facts of the Case : M/s Shipping Corporation of India, the principal respondent in appeal filed on directions of reviewing Committee of Chief Commissioners and, also before us, as secondary appellant in cross- appeal, are in the business of fleet operations for transportation of goods by sea; as the ‘national carrier’, they are also privileged with vested right to provide logistics in certain transactions. The dispute herein pertains to contract with M/s Hindustan Petroleum Corporation Ltd (HPCL) and to income reported as ‘demurrage’ for July 2012 to September 2014 and for October 2014 to September 2015 on which.....