

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

REGIONAL BENCH- COURT NO.1

**Service Tax Appeal No. 10877 of 2020**

(Arising out of Order No. CCESA-SRT-APPEAL-PS-075-2020-21 dated 31.08.2020  
passed by Commissioner (Appeals)-Surat)

**Medisol Life Sciences Pvt. Ltd.**

**...Appellant**

Sr. NO.23/2, 26/P, Village Adlara Tal-Umargam  
Valsad-Gujarat-396105

*VERSUS*

**Commissioner of Central Excise  
& Service Tax-Surat-I**

**...Respondent**

New Building, Opp. Gandhi Baug,  
Chowk Bazaar, Surat-Gujarat-395001

**APPEARANCE:**

Shri S.J.Vyas (Advocate) appeared for the Appellant

Shri Himanshu Nachane, Superintendent (AR) appeared for the Respondent

**CORAM: HON'BLE MEMBER (JUDICIAL), MR. SOMESH ARORA**

**FINAL ORDER NO. 10073 /2026**

DATE OF HEARING: 06.02.2026

DATE OF DECISION:06.02.2026

**SOMESH ARORA**

In the instant case, the appellant had two units i.e. at Vapi and Mumbai. The dispute in the present case is that the duty was discharged at Mumbai whereas as per the provisions of the law, the same should have been discharged at Vapi. At this stage, the Learned Advocate seeks to place reliance on the Division Bench decision of Kolkata, reported at 2025 (6) TMI 850 CESTAT-Kolkata in the matter of Indian Oil Corporation Limited vs Commissioner of CGST & Central Excise-Kolkata in para 6 of the decision is relevant for the purpose of reaching decision in this case also. The same is reproduced below:

“6. We observe that the service tax in question has already been paid by IOCL, Refineries Division, New Delhi vide Cyber Receipt No. 069115009050207000 dated 05/02/2007 for Rs. 42,95,494/-. This payment included service tax of Rs. 8,78,683/- on payment of Euro 2,08,343/- to M/s Axens and Euro 6,000/- to M/s Technip as mentioned in the SCDN No. V. ST (15)9/CE/Hal/Adjn/2011/5479 dated 25/03/2011. This payment of service tax by IOCL, New Delhi is undisputed and has been accepted by the department.

6.1. We observe that Indian Oil Corporation Limited is a single legal entity, and Haldia Refinery and Refineries Headquarters (RHQ) in New Delhi are merely different units of the same legal entity. The business model of IOCL, clearly shows that RHQ, New Delhi is involved in centralized procurement of services for various refineries including Haldia Refinery. The invoices were raised by the foreign

vendors in the name of IOCL, Refineries Division, New Delhi office and payments were also made by RHQ, New Delhi.

6.2. We observe that the appellant have deposited the service tax in the account of Delhi Commissionerate instead of Haldia Commissionerate. This remittance of service tax in a difference service tax registration of the same assessee is a matter of internal adjustment and the appellant cannot be saddled with the demand of service tax again. Similarly, the issue relating to accounting code cannot be a reason to demand Service tax again. The service tax paid by the Hqrs can be adjusted by the authorities against the service tax liability, if any, of the appellant company at Haldia. The appellant's Delhi unit is not a separate entity as the same is part of a single entity i.e. Indian Oil Corporation Ltd. Therefore, the payment made by head office under different registration number cannot be demanded from the Appellant's Haldia Unit and if at all there is discrepancy of different registration of head office the department could have adjusted service tax paid by the head office against the service tax due of appellant's Haldia unit. Similarly, the issue relating to payment under accounting code 'Scientific and Technical Consultancy Service' can be adjusted against the accounting code 'Intellectual Property Service'.

6.3. As per Section 66A of the Finance Act, 1994, read with Rule 2(1)(d)(iv) of the Service Tax Rules, 1994, the service recipient is liable to pay service tax under reverse charge mechanism. However, when the service tax has already been paid by one unit of the same legal entity, demanding it again from another unit amounts to double taxation on the same transaction, which is impermissible in law. We observe that the aforesaid issue stands covered under various judgments as follows:

- Devang Paper Mills Ltd. v. UOI 2016 (1) TMI 389 - GUJARAT HIGH COURT
- Falah Steel v. UOI 2016 (6) TMI 924 - GUJARAT HIGH COURT
- Welspun Corp v. Commissioner 2023 (2) TMI 780 - CESTAT AHMEDABAD
- Commissioner v. Tata Metaliks 2023 (6) TMI 10 - CESTAT KOLKATA
- Sahara India TV Network Versus C.C.E. & S.T., Noida [2015 (10) TMI 2037 - CESTAT NEW DELHI],
- Neyvili Lignite Corporation Ltd. v. Commissioner 2018 (1) TMI 1055 - CESTAT CHENNAI

6.4. From the above judgments, we observe that it is settled that merely because the service tax paid under different registration but by the same company, cannot tantamount to non- payment of service tax. The law does not permit the taxation authority to recover the tax again where the tax on the same taxable event has already been paid, albeit under a different head or accounting code. Hence, the demand of service tax which was already paid cannot be made twice. Accordingly, we hold that the demand of service tax confirmed in the impugned order is not sustainable and hence, we set aside the same.

6.5. The appellant has also contested the demand confirmed on the ground of limitation. We observe that there is no suppression of facts or intention to evade payment of service tax in the present case, as the service tax has already been paid by RHQ, New Delhi. Therefore, we hold that the extended period of limitation under Section 73(1) of the Finance Act, 1994 is not invocable in this case. Accordingly, we hold that the demand confirmed in the impugned order is not sustainable on the ground of limitation also.

6.6. Since the demand of service tax is not sustainable, the question of demanding interest under Section 75 and imposing penalties under Section 76, 77, and 78 of

the Finance Act, 1994 does not arise and accordingly, the same imposed in the impugned order are set aside.”

Confronted with the decision given as the precedent, the Learned AR does not oppose and reiterates the findings of the lower authorities. In view of above stated decision, this court finds that the matter is already covered and appeal deserves to be allowed.

2. Appeal allowed.

(Dictated & Pronounced in the open court)

**(SOMESH ARORA)**  
**MEMBER (JUDICIAL)**

Neha