

**CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL  
CHANDIGARH**

REGIONAL BENCH - COURT NO. I

**Service Tax Appeal No. 60133 of 2024**

[Arising out of Order-in-Appeal No. CHD-EXCUS-001-APP-232/2023-24 dated 05.03.2024 passed by the Commissioner (Appeals), CGST, Chandigarh]

**M/s Singla Associates**

**.....Appellant**

H.No. 1465/1, Sec-43-B, Chandigarh-160022

*VERSUS*

**Commissioner of Central Excise, Goods &  
Service Tax, Chandigarh-I**

**.....Respondent**

C.R. Building, Plot No. 19, Sector-17-C, Chandigarh,  
160017

**APPEARANCE:**

Shri Om Prakash, Advocate for the Appellant

Shri Yashpal Singh, Authorized Representative for the Respondent

**CORAM: HON'BLE MR. S. S. GARG, MEMBER (JUDICIAL)**

**FINAL ORDER NO. 61790/2025**

DATE OF HEARING: 30.10.2025

DATE OF DECISION: 23.12.2025

The present appeal is directed against the impugned order dated 05.03.2024 passed by the Commissioner (Appeals), whereby the Ld. Commissioner (Appeals) confirmed the demand of Service Tax of Rs.2,19,842/- along with interest and also imposed equivalent penalty under Section 78 and penalty of Rs.10,000/- under Section 77 of the Act. The rest of the demand amounting to

Rs. 17,40,551/- has been dropped holding that supplies made to Special Economic Zone (SEZ) unit were exempted and on the rest of the supplies 25% of Service Tax was to be paid by the appellant on the services under partial reverse charge mechanism.

2. Briefly stated facts of the present case are that the appellant are engaged in the provision of 'manpower supply service' falling within the Finance Act, 1994 to Sun Pharmaceutical Industries Ltd on payment of due Service tax chargeable on 25% of the value on partial reverse charge mechanism basis as provided under Notification 30/2012-ST dated 20.06.2012. The appellant were also providing services to SEZ which was exempt from payment of whole service tax.

2.1 On the basis of a third party data received from the Income Tax Department for the year 2014-15, it was observed that there was receipt from services tax returns but no ST-3 returns were filed by the appellant during the said period. Accordingly, a show cause notice dated 28.09.2020 was issued to the appellant for recovery of service tax amounting to Rs. 19,60,393/- and penalties under Sections 77 and 78 of the Act were also proposed to be imposed.

2.2 After following the due process, the adjudicating authority vide Order-in-Original dated 03.01.2024 confirmed the demand of service tax of Rs. 19,60,393/- under Section 73 along with interest Section 75 of the Act; penalties of Rs. 10,000/- under Section 77 and an equal penalty under Section 78 were also imposed. Aggrieved by the said order, the appellant filed appeal before the Commissioner

(Appeals), who has reduced the demand of service tax to Rs. 2,19,842/- along with interest and also imposed equal penalty under Section 78 and also upheld the penalty under Section 77. Being aggrieved by the order of the Commissioner (Appeals), the appellant have filed the present appeal.

3. Heard both the parties and perused the material on record.

4. The learned Counsel for the appellant submits that the impugned order is not sustainable in law and is liable to be set aside as the same has been passed without properly appreciating the facts and the law; and binding judicial precedents.

4.1 Learned Counsel further submits that due service tax paid though under PAN No. or earlier existing partnership concern in which the proprietor of the appellant was one of the partners. He also submits that the appellant has informed the department about the change in the constitution and requested for amendment, however, no response was received from the department. He also submits that demand was raised for the period October 2014 to March 2015, however, the gross amount for the entire year 2014-15 was adopted.

4.2 He also submits that the entire demand is barred by limitation as the extended period of limitation has been invoked on the basis on internal audit report and is also based on third party data which is not sustainable in law. He further submits that the department has not brought on record any evidence that there has been any

suppression of facts on the part of the appellant. For this, he places reliance on the following decisions:

- **G.D.Goenka Pvt. Ltd. Vs CGST, Delhi South [Final Order No. 51088/2023 dated 21.08.2023]**
- **Good Year India Ltd. & others VS CGST Faridabad [Final Order No. 60572-73/2024 dated 04.10.2024, Tribunal Chandigarh]**

4.3 He further submits that it has been consistently held by the Tribunal that where the demand is proposed on the basis of audit, extended period cannot be invoked. For this submission he relied upon the following judgments:

- **Sunshine Steel Industries Vs CGST Jodhpur [Final Order No. 5117/2022 dated 15.11.2022 CESTAT, Delhi]**
- **Hoshiarpur Automobiles Vs CCE & ST Ludhiana [Final Order No. 60168-60170 dated 09.04.2024, CESTAT Chandigarh]**
- **Maruti Suzuki India Ltd. Vs CS Delhi [Final Order No. 60175/2024 dated 16.04.2024, CESTAT, Chandigarh]**

4.4 He also submits that it has been held by the Tribunal in the above cited cases that where the demand is based on third party data extended period cannot be invoked. He also submits that this Tribunal vide its **Final Order No. 60023/2024 dated 25.01.2024** in the case of **Antares Services Pvt Ltd**, has held that extended period cannot be invoked when the proceedings are based on Income Tax data.

5. On the other hand the Learned Authorized Representative for the Revenue has submitted that the appellant himself is to be blamed because the appellant has been depositing the tax under PAN No. AMCPS8500P which is a proprietary concern whereas the

appellant has been registered as partnership concern under ST-2 number ABCFS3669JST001/PAN No. ABCFS3669J. He further submits that the service tax has been paid under the wrong PAN number of proprietorship and that will not be considered as a proper payment of service tax. He also submits that the Learned Commissioner has given the benefits of deduction of service tax and reduced the service tax liability to Rs. 2,19,842, which the appellant is liable to pay along with interest and penalty.

6. I have considered the submissions made by both the parties and perused the material on record and has also examined the various decisions relied upon by the appellant. As per the appellant, the entire demand is barred by limitation. Therefore, we take up the issue on limitation itself. The period of dispute in the present case is from October 2014-March 2015 and the appellant has been paying the service tax though under the wrong PAN Number and has also been filing the Returns. The entire issue was raised during the audit of the accounts of the appellant for the period October 2010-March 2012 and the audit report was issued and it is mentioned in the audit report that M/s Singla Associates is a partnership firm vide registration number ABCFSV3669JST001 and PAN Number mentioned in the audit report is of the partnership concern. I also find that the show cause notice was issued on the basis of audit report and third party data received from the income tax department on 28.09.2020 for recovery of service tax. I also find that the Tribunal has consistently held that when the demand is proposed on the basis of audit, extended period cannot be invoked

as held by the Tribunal in the case of Maruti Suzuki India Ltd. Vs CS Delhi vide Final Order No. 60175/2024 dated 16.04.2024. I also find that the Tribunal has also held consistently that extended period cannot be invoked when the demand is based on third party data as recently held by the Tribunal in the case of M/s Antares Services Pvt. Ltd. Vs Commissioner, CGST (Supra). Further, I find that the Revenue has not been able to bring any evidence on record regarding any of the essential ingredients which are required for invoking the extended period of limitation. I find that decisions of the Tribunal in the case of G.D. Goenka Pvt. Ltd. (Supra) is correctly applicable in the present case.

7. Therefore, in view of the various decisions cited supra, I am of the view that the impugned order in the present case is totally barred by the limitation and therefore without going into the merits of the case, the entire demand is barred by limitation. Hence, the demand is set aside by allowing the appeal of the appellant only on limitation.

(Order pronounced in the open court on 23.12.2025)

**(S. S. GARG)**  
**MEMBER (JUDICIAL)**