IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

WRIT PETITION NO.2017 OF 2022

Godfrey Philips India Limited ...Petitioner
Versus
The Union of India & Ors. ...Respondents

WITH
WRIT PETITION NO.1729 OF 2024

Deepak Shahani ...Petitioner
Versus
The Union of India & Ors. ...Respondents

WITH
WRIT PETITION NO.1396 OF 2024

Beenu Agarwal ...Petitioner
Versus
The Union of India & Ors. ...Respondents

WITH
WRIT PETITION NO.2152 OF 2024

Shivakumar Raghunathan ...Petitioner
Versus
The Union of India & Ors. ...Respondents

Mr. Sriram Sridharan for the Petitioner in all petitions.
Mr. Ram Ochani for Respondent No.1 in WP/2017/2022.
Ms. Nitee Punde a/w Ms. Mamta Omle for Respondent Nos.2 & 3 in WP/2017/2022.
Ms. P. S. Cardozo a/w Mr. Harshad Shingnapurkar & Adv. Soutrik Kar for Respondent in WP Nos.1729, 1396 & 2152 of 2024.

CORAM : M. S. Sonak &
Jitendra Jain, JJ.
DATED : 30 June 2025

ORAL JUDGMENT:- *(Per M. S. Sonak, J.)*

1. Heard learned counsel for the parties.

2. Rule. The Rule is made returnable immediately at the request of and with the consent of the learned counsel for the parties.

3. These Writ Petitions concern the rejection of the Petitioner's applications for benefits under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (SVLDR Scheme). The Company has filed Writ Petition No.2017 of 2022. The Company's employees have filed Writ Petition Nos. 1729, 1396, and 2152 of 2024.

4. In Writ Petition No.2017 of 2022, the Petitioner is challenging:-(i) the rejection dated 31 December 2019 (Exhibit-B) by which declaration No.3112190016315 was rejected; and (ii) the letter dated 16 March 2020 (Exhibit-D) by which declaration No.312190016618 was rejected. These declarations have been rejected by the Respondents on the ground that the Petitioner is a manufacturer of cigarettes and is hence ineligible to avail any benefits under the Scheme given the provisions of Section 125(1)(h) of the Finance (No.2) Act, 2019 read with the Fourth Schedule to the Central Excise Tariff Act, 1985.

5. Mr. Sridharan, learned counsel for the Petitioner, based on instructions, makes a categorical statement that the Petitioner is not claiming benefits under the SVLDR Scheme in relation to tobacco products and other goods referred to in the Fourth Schedule of the Central Excise Tariff Act, 1985 [Fourth Schedule]. He, however, submits that the Petitioner-Company are involved in various lines of business, of which tobacco products are only one of them. He submitted that there is neither any prohibition nor any good reason to deny the Petitioner the benefits under the Scheme concerning goods, other than those falling in the Fourth Schedule. He submits that the impugned orders, which are in the nature of wholesale rejections of the Petitioner's applications for the benefit of the Scheme, are vulnerable and warrant interference.

6. Mr. Sridharan submits that the rejection of the applications deprives the Petitioner of an opportunity to avail benefits under the Statutory Scheme. Therefore, before such wholesale rejections, the Petitioner should have been heard, and since this was not done, the impugned order warrants interference.

7. The learned counsel for the Respondents submit that since the Petitioner was admittedly involved in manufacturing the cigarettes, the Petitioner is not entitled to the benefits under the Scheme. They rely on Section 125(1)(h) of the Finance (No.2) Act, 2019 in support of this contention. They submitted that since these provisions are so clear, there was no reason to afford the Petitioner an opportunity for a hearing.

8. We have considered the rival contentions, and we are satisfied that the impugned orders, to the extent they reject wholesale the Petitioner's applications under the Scheme, warrant interference.

9. The Respondents may be justified in contending that the benefit of the Scheme cannot be extended to tobacco products and other goods falling under the Fourth Schedule. However, nothing was shown to us based on which it could be said that the Petitioner's applications under the Scheme in respect of goods or credit other than those falling under the Fourth Schedule could have been straightaway rejected without examination on merits. Mr. Sridharan pointed out that in this case, the issue concerned input service credits. Besides, before such wholesale rejection, the Petitioners should at least have been given an opportunity to be heard and explain their position.

10. Now, the Petitioner, through their counsel Mr. Sridharan, have already made a statement that they are not claiming the benefits of the Scheme insofar as they relate to goods falling under the Fourth Schedule. Therefore, we see no good reason why the Petitioner's applications under the Scheme, which concern goods or input credits for goods and services other than those falling under the Fourth Schedule, should not be considered on their merits and in accordance with law. Undoubtedly, all contentions of the parties regarding the merits of the matter or any limitation issue can be kept open for decision by the relevant authorities in the first instance.

11. Accordingly, we set aside the impugned orders and direct the concerned authorities to consider the Petitioner's applications for benefits under the Scheme afresh. This consideration will, however, apply to goods and input credits for goods and services other than those falling under the Fourth Schedule. As noted earlier, all contentions of the parties on the merits, including the issue of limitation, are reserved for the concerned authorities to decide in the first instance.

12. The Petitioner/their representatives to appear before the Second Respondent, who is the prescribed authority, on 14 July 2025 at 11:00 a.m. The Second Respondent may either hear the Petitioner/their representatives on the said date or fix a convenient date for hearing. Applications under the Scheme must be submitted by 30 September 2025.

13. The Rule is made absolute in the above terms without any order for costs.

14. All concerned must act on an authenticated copy of this order.

(Jitendra Jain, J.) **(M. S. Sonak, J.)**