IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 20.01.2025

Coram:
THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.16348 of 2022
and W.M.P.Nos.15665 & 15666 of 2022

M/s.Eleven Lever Industries,
No.14, Songuvel Street,
Periyar Nagar, Chrompet,
Chennai – 600 044.
Represented by its
Partner Mr.Jesupatham Charles Daniel

...Petitioner

Versus

1.The Designated Committee,
Sabka Vishwas (Legacy Disputes
Resolution Scheme) 2019,
(Office of Commissioner of GST and
Central Excise, Chennai Outer Commissionerate),
Newry Tower, Plot No.2054, 12th Main Road,
2nd Avenue, Anna Nagar,
Chennai – 600 040.

2.Deputy Commissioner of Central Tax,
Pallavaram Division, Chennai Outer Commissionerate,
Sridevi Tample Towers, 2nd Main Road,
Sembakkam, Chennai – 600 073.

...Respondents

Writ Petition filed under Article 226 of the Constitution of India praying for issuance of a writ of certiorarified mandamus calling for the records relating to the impugned order Order-in-Original No.04/2021 dated

29.09.2021 passed by the Second Respondent, quash the same and direct the First Respondent to issue Discharge Certificate.

For Petitioner : Mr.T.R.Ramesh

For Respondents : Mr.Santhanaraman, Senior Standing Counsel

ORDER

Heard Mr.T.R.Ramesh, learned counsel for the Petitioner and Mr.Santhanaraman, learned Senior Standing Counsel for the Respondents.

2. The present writ petition has been filed by the Petitioner praying to quash the impugned **Order-in-Original No.04/2021 dated 29.09.2021** passed by the 2nd Respondent and to consequently, direct the 1st Respondent to issue Discharge Certificate to the Petitioner.

3. The facts on record indicate that the Petitioner had not made payment of Central Excise Duty to the tune of **Rs.7,62,719/-** which culminated in the issuance of **Show Cause Notice No.03/2019 dated 11.02.2019**, demanding Central Excise Duty to the tune of Rs.7,62,719/- with interest from the Petitioner and proposing to impose penalty under

Section 11AC of the Central Excise Act, 1944. After issuance of the aforesaid Show Cause Notice, the Petitioner vide **Form SVLDRS – 1** applied for the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (for brevity, "SVLDRS, 2019") to the 1st Respondent on 31.12.2019.

4. After perusing the Petitioner's Application under SVLDRS, 2019, the 1st Respondent had issued Form SVLDRS-3 dated 29.02.2020 to the Petitioner, determining the further amount payable by the Petitioner for Central Excise Duty as **Rs.78,816/-** after noting the credit of Rs.1,50,000/- which had already deposited by the Petitioner.

5. As per Rule 7 of SVLDRS, 2019, the declarant under the said scheme is required to electronically pay the amount as indicated in Form SVLDRS-3 issued by the 1st Respondent Designated Committee, within a period of 30 days from the date of issuance of the Form SVLDRS-3 by the 1st Respondent Designated Committee. Thus, the expiry date for payment of the Central Excise Duty of the aforesaid amount of **Rs.78,816/-** by the Petitioner is **30.03.2020**.

6. At the time of issuance of Form SVLDRS-3 i.e., on 29.02.2020 by the 1st Respondent, the country was under lock-down due to the outbreak of Covid-19 Pandemic. Hence, the Petitioner had paid the said amount of **Rs.78,816/-** only on **10.10.2020**.

7. Subsequently, by the impugned Order-in-Original No.04/2021 dated 29.09.2021, the 2nd Respondent confirmed the proposal contained in the Show Cause Notice No.03/2019 dated 11.02.2019 issued to the Petitioner.

8. The payment of Central Excise Duty by the Petitioner is beyond the statutory period as stipulated under Rule 7 of Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019. However, during the period of Covid-19 Pandemic, the Central Board of Indirect Taxes vide **Notification No.1/2020 – CE (NT)**, extended the time for making such payment upto **30.06.2020**.

9. Subsequently, by virtue of the Taxation and Other Laws (Relaxation & Amendment of Certain Provisions) Act, 2020 (for brevity,

"TOLA") dated 29.09.2020, the time limit for payment of tax under Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 was further extended upto **31.12.2020**.

10. That apart, as per Chapter – VII of TOLA, Section 127 of the Finance (No.2) Act, 2019 was amended as follows:

> *"8. In section 127 of the Finance (No.2) Act, 2019,—*
>
> *(i) in sub-section (1), for the words "within a period of sixty days from the date of receipt of the said declaration", the words, figures and letters "on or before the 31st day of May, 2020" shall be substituted;*
>
> *(ii) in sub-section (2), for the words "within thirty days of the date of receipt of the declaration", the words, figures and letters "on or before the 1st day of May, 2020" shall be substituted;*
>
> *(iii) in sub-section (4), for the words "within a period of sixty days from the date of receipt of the declaration", the words, figures and letters "on or before the 31st day of May, 2020" shall be substituted;*
>
> ***(iv) in sub-section (5), for the words "within a period of thirty days from the date of issue of such statement", the words, figures and letters "on or before the 30th day of June, 2020" shall be substituted."***

11. In similar circumstances, the Courts have been relaxing the deadlines for making tax payments since the Covid-19 Pandemic had been resorted in the country from 24.03.2020 till the end of 2021.

12. In W.P.No.22325 of 2021, this Court has passed the order dated 25.10.2024 with the following observation:

"13. However, fact remains that this was during the peak period when the entire country was under lock down due to out break of Covid-19 pandemic. The difficulties for the industry continued even after Covid-19 receded as there were large scale disruption of both economic and social activity. Thus, failure of the petitioner to not pay the amount in time can be excused.

14. This Court has come to the rescue of persons similar like the petitioner repeatedly by passing several orders by extending the period for depositing the amount quantified in Form-3 wherever the benefit of SVLDRS Scheme 2019 was availed by a defaulting assessee. The Court has directed such declarant petitioner to pay the interest on the delayed payments.

15. By an order dated 21.06.2021 in W.P.No.14454 of 2020, the Court had directed the petitioner therein to remit the amount under the Scheme along with interest at 15% from the due date till the date of payment. Since the benefit of Scheme is intended to benefit the assessee like the petitioner, denial of the benefit would be arbitrary, though the respondent cannot blamed and cannot unilaterally extend the period of limitation in the light of restriction the extension of time vide Notification No.1/2020-Central Excise (N.T.) dated 14th May, 2020.

16. Be that as it may, Court is of the view that the petitioner can be allowed to settle the dispute under the aforesaid Scheme subject to payment of interest. Under these circumstances, the petitioner is directed to pay the amount together with interest calculated at 15% as ordered in W.P.No.24366 of 2021 vide order dated 19.10.2023, within a period of 30 days from the date of receipt of a copy of this order. The interest should be paid from the date of quantification upto the date of payment. Subject to payment of the aforesaid amount, the petitioner shall be deemed to have been settled under the Scheme. The respondents are directed to issue necessary discharge certificate to the petitioner, if the petitioner complies with the above directions.

17. This Writ Petition stands disposed of. No costs. Consequently, connected writ miscellaneous petition is closed."

13. As far as this case is concerned, the Petitioner had paid the Central Excise Duty beyond the period of limitation since there was a large scale disruption of Governmental / social / political and economic activities due to the out break of Covid-19 Pandemic. Hence, I see no point in taking a different view in this writ petition.

14. Considering the above facts and circumstances of the case, the impugned Order-in-Original No.04/2021 dated 29.09.2021 passed by the 2nd Respondent is liable to be quashed. However, the Petitioner is directed to pay 15% interest on the delayed payments. On payment of such interest by the Petitioner, the 1st Respondent shall issue the Discharge Certificate to the Petitioner.

15. In the result, this Writ Petition is allowed with the above observation. No costs. Consequently, connected Miscellaneous Petitions are closed.

20.01.2025

mrr
Index : Yes/No
Speaking Order (or) Non-Speaking Order

To

1.The Designated Committee,
Sabka Vishwas (Legacy Disputes
Resolution Scheme) 2019,
(Office of Commissioner of GST and
Central Excise, Chennai Outer Commissionerate),
Newry Tower, Plot No.2054, 12th Main Road,
2nd Avenue, Anna Nagar, Chennai – 600 040.

2.Deputy Commissioner of Central Tax,
Pallavaram Division, Chennai Outer Commissionerate,
Sridevi Tample Towers, 2nd Main Road,
Sembakkam, Chennai – 600 073.

C.SARAVANAN, J.

mrr

W.P.No.16348 of 2022

20.01.2025