

CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
NEW DELHI

PRINCIPAL BENCH – COURT NO. – IV

Service Tax Appeal No. 55488 of 2023

[Arising out of Order-in-Appeal No. RPR-EXCUS-000-APP-088-22-23 dated 21.12.2022 passed by the Commissioner of CGST, Customs & Central Excise (Appeals), Raipur]

M/s. T.D. Shibu

(Proprietor. Shantha Anthony)
MIG-1, H. No. 368,
Bhillai, Chhattisgarh-490001

...Appellant

VERSUS

**Commissioner of Customs, Central Excise
and CGST - Raipur**

GST Building, Dhamtari Road,
Tikrapara, Raipur,
Chhattisgarh - 492001

...Respondent

APPEARANCE:

Shri Abhishek, Chartered Accountant for the Appellant
Shri V.J. Saharan, Authorized Representative for the Respondent

CORAM:

HON'BLE DR. RACHNA GUPTA, MEMBER (JUDICIAL)

DATE OF HEARING: 13.04.2026
DATE OF DECISION: **22.06.2026**

FINAL ORDER NO. 51052/2026

DR. RACHNA GUPTA

Present appeal is filed to assail Order-in-Appeal bearing No. 07/2022 dated 21.12.2022. The facts in brief which resulted into the said adjudication order, briefly stated, are as follows:

1.1 The appellant is registered with the service tax department for providing taxable service namely Works Contract Service. However, the service tax liability was not discharged. The appellant filed under Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS) vide application dated 31.12.2019 while self declaring their liability under the category of voluntary disclosure of

the said scheme with respect to an amount of Rs.2,90,031/-. The said application was accepted and SVLDRS-3 form dated 30.01.2020 in terms of Rule 7 of the Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019 was issued to the appellant. The appellant was required to pay the amount mentioned in said SVLDRS-3, electronically within a period of 30 days from the date of its issuance. However, the appellant failed to deposit the said amount within stipulated time. Though date to deposit the dues was extended till 30.06.2020 vide Advisory No. 02/2020 dated 03.04.2020 but the amount was still not paid. Resultantly, the Show Cause Notice No. 639/2019-20 dated 30.09.2020 was served upon the appellant proposing the demand and recovery of service tax of Rs.2,90,031/- along with interest at applicable rates and the proportionate penalties under the provisions of the Finance Act, 1994. The said proposal was confirmed initially vide Order-in-Original No. 54/2021-22 dated 30.11.2021. The Commissioner (Appeals) has upheld the said order. Being aggrieved, the appellant is before this Tribunal.

2. I have heard Shri Abhishek, learned Chartered Accountant for the appellant and Shri V.J. Saharan, learned Authorized Representative for the department.

3. Learned Chartered Accountant for the appellant has submitted that the payment mandated in SVLDRS-3 was made by the appellant with the banker before the stipulated due date. However, due to COVID Pandemic conditions, the same could not be credited before 30.06.2020 but was paid on 27.10.2020. Since

the payment of SVLDRS-3 has been made, the benefit of the scheme has wrongly been rejected based on the hyper technical grounds of delayed payment. It is impressed upon that the purpose of the scheme was to bring an end to legacy cases but the impugned show cause notice is contrary to the said objective. The budget speech of the Finance Minister with respect of SVLDRS, 2019 is referred and following decisions have also been relied upon:

(i) M/s. LG Chaudhary Vs. Union of India reported as 2022 (10) TMI 631 – Gujarat High Court

(ii) M/s. Balaji Services and M/s. Balaji Publicity Vs. Union of India and Ors. reported as 2021 (10) TMI 435 – Madhya Pradesh High Court

(iii) M/s. Win Power Engineering (P) Ltd. Vs. The Designated Committee Sabka Vishwas Legacy – Madras High Court reported as 2022 (12) TMI 603 – Madras High Court

(iv) Capgemini Technology Services India Ltd. Vs. The Union of India – Bombay High Court reported as 2020 (10) TMI 3 – Bombay High Court

(v) M/s. Jai Guru Cables Vs. The principal Chief Commissioner of GST & Central Excise – Madras High Court reported as 2022 (4) TMI 935 – Madras High Court

(vi) Karan Singh Vs. Designated Committee Sabka Vishwas Legacy Dispute Resolution Scheme reported as 2021 (51) GSTL 363 (Del.)

(vii) Thought Blurb Vs. Union of India & Ors. reported as 2020 (10) TMI 1135 (Bombay High Court)

(viii) Win Power Engineering (P) Ltd. Vs. Designated Committee Sabka Vishwas Legacy Disputes Resolution Scheme, 2019 reported as (2022) 1 Centax 145 (Mad.)

Based upon these submissions, the appeal is prayed to be allowed.

4. While rebutting these submissions Learned Departmental Representative has reiterated the findings of the Commissioner (Appeals). It is mentioned that SVLDRS Scheme was a time bound opportunity offered to the defaulting tax payers who had not declared their tax liability to come clean and pay the requisite tax amount. Under the scheme, besides reduction in tax liability in specified cases, the tax payers were also offered waiver of penalty and interest.

4.1 Learned Departmental Representative further brought to notice that in appellant's case Form SVLDRS-1 was issued on 31.12.2019 and they were required to make payment prior to 30.06.2020. Despite the time was extended due to COVID Pandemic, but the payment is too much delayed due to which the benefit of schemes stands lapsed. Learned Departmental Representative has relied upon Section 127 of the scheme. The decision of **Hon'ble Madras High Court in the case M/s. Balaji Electrical Engineering Vs. Designated Committee, Sabka**

Vishwas Legacy Dispute Resolution Scheme (SVLDRS), Tirunelveli reported as 2022 (12) TMI 824 – Madras High Court and Union of India & Ors. Vs. Dharmendra Textile Processors & Ors. reported as 2008 (9) TMI 52 – Supreme Court has also been relied upon. CBIC Circular No. 1071/4/2019 dated 27.08.2019 has also been referred. With these submissions and impressing upon no infirmity in the order under challenge, appeal is prayed to be dismissed.

5. Having heard both the parties and perusing the records, foremost from the circular dated 27.08.2019 is perused, It is observed that the SVLDRS, 2019 was introduced and remained operationalized for the period from September 2019 to 31 December 2019. Dispute resolution and amnesty are the two components of the scheme. I have also perused the scheme copy which is provided by the department. The appellant is denied to be eligible under the scheme for making the voluntary disclosure. Apparently and admittedly, the appellant had made the disclosure of Rs.2,90,031/-. The application was filed on the last day of the scheme.

6. Section 127 as referred by the department is also perused. Sub-clause 5 thereof provides that the declarant shall pay the amount indicated in the statement issued by the designated committee (SVLDRs-3) that too within a period of 30 days of the said statement. The provision further clarifies that if the declarant does not pay the amount within the stipulated time, due to any reason, the declaration will be treated as lapsed. This particular

observation, in the light of the admitted position that the stipulated period for making the payment expired on 30.06.2020, the payment as was made on 22.10.2020 was not paid in accordance of the provision of the scheme (as discussed above). There is no ambiguity in the aforesaid provision of the scheme. The law is clear and settled that when the words in statute are clear, plain and unambiguous and only one meaning can be inferred, the courts are bound to give effect to the said meaning irrespective of consequences as was held by Hon'ble Supreme Court in the case of **Kanai Lal Sur Vs Paramnidhi Sadhukhan AIR 1957 (SC) 907**. It was clarified that if words used in the statute are capable of one construction only then it would not be open to the courts to adopt any other hypothetical construction even on the ground that such construction is more consistent with the alleged object and policy of the act. In applying the rule of plain meaning any hardship and inconvenience cannot be the basis to alter the meaning to the language employed by the legislation. The Hon'ble Supreme Court in the recent judgment dated 30.07.2018 in the case of **Commissioner of Customs (Import) Mumbai Vs. Dilip Kumar and Company and Others reported as 2018-TIOL-302-SC-CUS-CD** has held that the benefit of ambiguity, if any, in the statute cannot be extended in favour of assessee when it is the case of exemption notification or the legislations beneficial to the assessee. It has been observed as follows:

"... A statute is an edict of the Legislature and in construing a statute, it is necessary, to seek the intention of its maker. A statute has to be construed according to the intent of them that make it and the duty of the Court is to act upon the true intention of the

Legislature. If a statutory provision is open to more than one interpretation the Court has to choose that interpretation which represents the true intention of the Legislature. This task very often raises the difficulties because of various reasons, inasmuch as the words used may not be scientific symbols having any precise or definite meaning and the language may be an imperfect medium to convey one's thought or that the assembly of Legislatures consisting of persons of various shades of opinion purport to convey a meaning which may be obscure. It is impossible even for the most imaginative Legislature to forestall exhaustively situations and circumstances that may emerge after enacting a statute where its application may be called for. Nonetheless, the function of the Courts is only to expound and not to legislate. Legislation in a modern State is actuated with some policy to curb some public evil or to effectuate some public benefit. The legislation is primarily directed to the problems before the Legislature based on information derived from past and present experience. It may also be designed by use of general words to cover similar problems arising in future. But, from the very nature of things, it is impossible to anticipate fully the varied situations arising in future in which the application of the legislation in hand may be called for, and, words chosen to communicate such indefinite referents are bound to be in many cases lacking in clarity and precision and thus giving rise to controversial questions of construction. The process of construction combines both literal and purposive approaches. In other words the legislative intention i.e., the true or legal meaning of an enactment is derived by considering the meaning of the words used in the enactment in the light of any discernible purpose or object which comprehends the mischief and its remedy to which the enactment is directed..."

6. In the light of the entire above discussion observing that the SVLDRS, 2019 was a legacy scheme, a benefit to a defaulting assessee and that there is no ambiguity vis-à-vis the time period entitling the assessee for those benefits, it is held that since the payment was not made during the stipulated time, the benefit of scheme stood already lapsed at 30.06.2020 (Section 127(5) of

SVLDRS). Hence, I do not find any infirmity when the demand proposed under impugned show cause notice has been confirmed by both the departmental adjudicating authorities to be recovered along with the interest at the applicable rates. However, with respect to imposition of penalty, I differ for the reason that the prevalent situation was that of COVID Pandemic, the unprecedented era. There seems no mala fide intent of not making the requisite payment or delaying the same despite voluntarily applying under the amnesty scheme with the appellant. With these observations, I set aside the order confirming the imposition of penalty upon the appellant. Accordingly, the order to that extent is hereby set aside. As a result of entire above discussion, the appeal stands partly allowed.

[Order pronounced in the open court on **22.06.2026**]

(DR. RACHNA GUPTA)
MEMBER (JUDICIAL)

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