CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
HYDERABAD

REGIONAL BENCH - COURT NO. – I

Service Tax Appeal No. 30059 of 2020
(Arising out of **Order-in-Original** No.HYD-EXCUS-004-COM-005-19-20 dated 18.12.2019 passed by Commissioner of Central Tax, Hyderabad)

Commissioner of Central Tax .. **APPELLANT**
Rangareddy - GST
Posnett Bhavan,
Ramkoti,
Hyderabad,
Telangana – 500 001.

VERSUS

Big C Mobiles Pvt Ltd., .. **RESPONDENT**
Door No. 1-99/2/B,
Big C Tower,
Near Image Hospital,
Vithal Rao Nagar,
Madhapur,
Hyderabad,
Telangana – 500 081.

APPEARANCE:
Shri V.R. Pavan Kumar, Authorized Representative for the Appellant.
Shri P. Rama Krishna, Advocate for the Respondent.

CORAM: HON'BLE Mr. A.K. JYOTISHI, MEMBER (TECHNICAL)
HON'BLE Mr. ANGAD PRASAD, MEMBER (JUDICIAL)

FINAL ORDER No. A/30444/2026

Date of Hearing: 29.06.2026
Date of Decision: 12.08.2026

[ORDER PER: ANGAD PRASAD]

The present appeal has been filed by the Revenue against the Order-in-Original No. HYD-EXCUS-004-COM-005-19-20 dated 18.12.2019, whereby, the Learned Commissioner confirmed Service Tax demand only to the extent of Rs. 1,43,75,615/- falling within the normal period while dropping the demand pertaining to the extended period along with consequential relief.

2. The Revenue is aggrieved by the dropping of the demand relatable to the extended period and has preferred the present appeal.

3. The respondent has opposed the appeal by submitting that after passing the impugned Order-in-Original, the entire dispute stood finally settled under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS) and a discharge certificate under Section 127 of the Finance Act, 2019 was issued on 10.02.2020. It is further submitted that the appeal itself is not maintainable in view of Section 129 of the scheme. The respondent has also relied upon the recent judgments of the Hon'ble Bombay High Court in Astute Valuers and Consultants Pvt Ltd., Vs Union of India [2026 (39) Centax 98 (Bom.)] and the decision of the Hon'ble Supreme Court in Nizam Sugar Factory Vs Collector of Central Excise, A.P. [2006 (197) E.L.T. 465 (S.C.)].

4. The fact, in brief, is that the respondent is engaged in the business of sale of Mobile Phones through its retail outlets situated in Telangana and Andhra Pradesh.

5. Proceedings were initiated by issuances of Show Cause Notice No. 20/2018-19 dated 21.12.2018 alleging non-payment of Service Tax on insurance coverage charges collected from customers during the period 2013-14 to June 2018.

6. After considering the reply and granting personal hearing, the Commissioner passed Order-in-Original dated 18.12.2019 confirming the demand only for the normal period amounting to Rs. 1,43,75,615/-, while dropping the demand relatable to the extended period.

7. Subsequently, the respondent opted for settlement under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019. The Declaration was accepted by the Designated Committee. The respondent paid the amount determined under the scheme. Therefore, form SVLDRS-4 (Discharge Certificate) dated 10.02.2020 was issued certifying full and final settlement of the tax dues. Despite issuance of the statutory discharge certificate, the Revenue filed the present appeal challenging the Order-in-Original.

8. The Learned Counsel for the respondent submits that issuance of discharge certificate under Sections 126 and 127 of the Finance Act, 2019 brings complete finality to the dispute. It is submitted that Section 129 specifically prohibits reopening of matters covered by the declaration. Reliance has been placed upon recent judgment of the Hon'ble Bombay High Court in Astute Valuers and Consultants Pvt Ltd., supra, wherein, it has been held that the issuance of discharge certificate results in complete and final settlement and proceedings relating to the same issue cannot thereafter continue.

9. It is further argued that this is the 5th Show Cause Notice issued on identical facts. Earlier notices covering previous periods had already been adjudicated. Therefore, the Department had complete knowledge regarding the respondent's activities. Hence, following judgments of the Hon'ble Supreme Court in Nizam Sugar Factory, supra, invocation of the extended period is wholly in permissible.

10. Heard both the sides and perused the records.

11. The following issues arise for consideration:

(i) Where the Revenue appeal survives after issuance of discharge certificate under SVLDRS?

(ii) Whether the extended period of limitation could have been invoked in the 5^{th} Show Cause Notice.

12. There is no dispute regarding the facts that after passing of the impugned Order-in-Original dated 18.12.2019, the respondent opted for settlement under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019.

13. The declaration filed by the respondent was accepted. The Designated Committee determined the amount payable. The respondent deposited the amount. Consequently, discharge certificate in form SVLDRS-4 dated 10.02.2020 came to be issued.

14. The legal effect of such discharge certificate is governed by Section 129 of the Finance Act, 2019. The provision unequivocally declares that every discharge certificate issued under Section 126 shall be conclusive regarding the matter and period covered by the declaration. It further provides that the declarant shall not be liable to pay any further duty, interest or penalty and that no proceedings relating to the same matter and period shall thereafter be reopened. Thus the legislative intent is unmistakable.

15. The scheme has been enacted for bringing quietus to legacy disputes. Once the statutory authorities themselves accept the declaration and issue discharge certificate, the dispute reaches finality. Neither the assessee nor the Department can thereafter continue litigation relating to the same matter except in situations specifically carved out under the statute.

16. This legal position now stands authoritatively settled by the Hon'ble Bombay High Court in Astute Valuers and Consultants Pvt Ltd., supra. Hon'ble High Court, after examining Sections 126, 127 and 128 of the Finance Act, held that the issuance of discharge certificate is not merely acknowledgment of payment but constitutes full and final statement of the tax dispute.

17. The Court further held that Section 129 prohibits reopening of matters covered by said discharge certificate and that continuation of proceedings after issuance thereof would defeat the very object of the scheme. The ratio of the above decision squarely applies to the present case. The relevant paragraph aforesaid judgment is reproduce below for ready reference:

> "46. We may observe that Section 129 of the Finance Act provides for the issuance of Discharge Certificate to be conclusive of the matter and the time period, which reads thus:-
>
> "129. (1) Every discharge certificate issued under Section 126 with respect to the amount payable under this scheme shall be conclusive as to the matter and time period stated therein, and
>
> (a) the declarant shall not be Hable to pay any further duty interest, or penalty with respect to the matter and time period covered in the declaration:
>
> (b) the declarant shall not be liable to be prosecuted under the indirect tax enactment with respect to the matter and time period covered in the declaration:
>
> (c) no matter and time period covered by such declaration shall be reopened in any other proceeding under the indirect tax enactment.
>
> (2)Notwithstanding anything contained in sub-section (1),-
>
> (a) no person being a party in appeal, application, revision or reference shall contend that the central excise officer has acquiesced in the decision on the disputed issue by issuing the discharge certificate under this scheme:

(b) the issue of the discharge certificate with respect to a matter for a time period shall not preclude the issue of a show cause notice.-

(i) for the same matter for a subsequent time period; or

(ii) for a different matter for the same time period;

(c)in a case of voluntary disclosure where any material particular furnished in the declaration is subsequently found to be false, within a period of one year of issue of the discharge certificate, it shall be presumed as if the declaration was never made and proceedings under the applicable indirect tax enactment shall be instituted."

A bare perusal of the above indicates that the issuance fo such Discharge Certificate is not just conclusive of the amount but also of the full and final settlement of tax dues, once the same is issued."

18. The Revenue accepted the declaration under the scheme through the Designated Committee. The respondent paid the amount determined. The statutory discharge certificate has attained finality. Once that stage has been reached, continuation of the present Departmental appeal challenging the Order-in-Original becomes legally permissible. The appeal, therefore, deserves to fail on this ground alone.

19. Even otherwise, we find considerable force in the submissions advanced by the respondent regarding limitation. The materials placed before us clearly establish the present Show Cause Notice dated 21.12.2018 is the 5^{th} Show Cause Notice issued to the respondent involving substantially similar issues. The earlier notices pertain to previous periods and had already upon adjudicated. Thus, the Department was fully aware of the respondent's method of accounting, collection of insurance charges and payment of Service Tax. In these circumstances, allegation of suppression of facts cannot be sustained.

20. The Hon'ble Supreme Court in Nizam Sugar Factory, supra, categorically held that where earlier Show Cause Notices have already been issued on identical facts, the Department cannot subsequently invoke the extended period on the allegation of suppression because all relevant facts already stood within its knowledge. The Hon'ble Supreme Court observed that issuance of earlier notices itself demonstrates Departmental knowledge and therefore invocation of proviso to Section 11A is not sustainable. The relevant paragraph aforesaid judgment is reproduce below for ready reference:

> "9. Allegation of suppression of facts against the appellant cannot be sustained. When the first SCN was issued all the relevant facts were in the knowledge of the authorities. Later on, while issuing the second and third Show Cause Notices the same/similar facts could not be taken as suppression of facts on the part of the assessee as these facts were already in the knowledge of the authorities. We agree with the view taken in the aforesaid judgments and respectfully following the same, hold that there was no suppression of facts on the part of the assessee/appellant."

21. The principle laid down therein has consistently been followed in subsequent decisions. Applying the above ratio, we are of the considered opinion that invocation of the extended period in the present 5th Show Cause Notice is wholly unsustainable. The Commissioner was therefore justified in restricting the demand to the normal period while dropping the demand for the extended period. Therefore, no error can be found in the impugned order. The impugned Order-in-Original does not suffer from any legal infirmity.

22. The issuance of the discharge certificate under the Sabka Vishwas (Legacy Dispute Resolution) Scheme has resulted in complete and final

settlement of the dispute and consequently the present appeal filed by the Department is rendered unsustainable.

23. In view of the above discussion, appeal filed by the Revenue is not maintainable and liable to be dismissed. Consequently, the appeal filed by the Revenue is dismissed.

(Pronounced in the open court on 12.08.2026)

(A.K. JYOTISHI)
MEMBER (TECHNICAL)

(ANGAD PRASAD)
MEMBER (JUDICIAL)

Shirisha