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

WRIT PETITION NO.869 OF 2024

RG Studios,
Partnership Firm
Having office at
Mota Mandir Compound,
R10A, 1st Panjara Pole,
Bhuleshwar, Kalbadevi
Mumbai-400002
Through its
Authorized Representative
Mr. Ravi Rishikesh Goswami … Petitioner

Versus

1. Union of India,
represented by the Secretary,
Department of Revenue,
Ministry of Finance,
North Block,
New Delhi 110 001

2. Central Board of Indirect
Taxes and Customs
Department of Revenue,
Ministry of Finance,
North Block,
New Delhi-110 001

3. Designated Committee,
SVLDRS, Mumbai South,
13th Floor, Air India Building,
Nariman Point,
Mumbai 400021

4. Additional Commissioner,
GST Bhavan, 115,
Maharshi Karve Road,
Opp. Churchgate Station,
Mumbai 400020

5. Superintendent,
GST Bhavan, 115,
Maharshi Karve Road,
Opp. Churchgate Station,
Mumbai-400020 .... Respondents

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Adv. Bharat Raichandani a/w Adv. Mahesh Raichandani, Adv. Bhagrati Sahu i/b. UBR Legal Advocates , for the petitioner.

Adv. Karan Adik a/w Adv. Sangeeta Yadav, for the respondents.

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CORAM : M. S. KARNIK &
SANDESH D. PATIL, JJ.

DATE : 22nd SEPTEMBER 2026

JUDGMENT (PER M. S. KARNIK, J.) :

1. The petitioner - RG Studios challenges the impugned order dated 4th May 2022 passed by respondent No.3 rejecting the petitioner's declaration filed under Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 ("the Scheme", for short).

2. The facts of the case in brief are that for the period between 1st April 2014 to 31st December 2018, the Department

initiated an investigation against the petitioner under the service tax regime. Respondent No.5 visited the premises of the petitioner. The statement of the petitioner's Chartered Accountant was recorded, relevant documents were seized, and a panchnama was drawn.

3. Summons were also issued calling for necessary documents/records pertaining to FY 2013-2014 to FY 2017-2018. The statement of the petitioner came to be recorded under Section 14 of the Central Excise Act, 1944 read with Section 83 of the Finance Act, 1994. Respondent No.4 issued summons to the petitioner calling for necessary documents/records pertaining to FY 2013-2014 to FY 2017-2018.

4. The petitioner submitted the relevant documents/records called for by respondent No.4. Respondent No.4 directed the Manager, Kotak Mahindra Bank, Kalbadevi to create lien on 5th March 2019 under Section 87(b) of the Finance Act, 1994 on the petitioner's account and quantified the outstanding service tax liability at Rs.44,28,311/-. Respondent No.4, vide communication

dated 5th March 2019, directed M/s. Great Indian Nautanki Company Private Limited, debtor of the petitioner, to deposit the amount due to the petitioner with the Government exchequer on behalf of the petitioner, quantifying the outstanding service tax liability at Rs.44,28,311/-.

5. The petitioner requested respondent No.4 by letter dated 22nd March 2019 to provide/submit the details and basis of the aforesaid quantification. There was no response.

6. The Scheme was announced by the Central Government on 21st August 2019 which came into force on 1st September 2019, and declaration (i.e. application) for availing of the benefit of the Scheme can be made up to 31st December 2019. The petitioner filed an electronic declaration on 30th December 2019 under the Scheme declaring Rs.44,28,311/- as tax dues for FY 2013-2014 to FY 2017-2018. The amount payable under the application was Rs.13,28,493.30/-. Respondent No.3 rejected the petitioner's application/declaration on 12th February 2020 on the ground that the petitioner was not eligible to file such declaration. The

petitioner checked the CBEC website and found that the declaration/application had been rejected on 12th February 2020 on the ground that the amount had not been quantified during the stage of investigation. The petitioner requested respondent No.3 to grant an opportunity vide its letter dated 25th February 2020 to prove its eligibility under the Scheme.

7. Without putting the petitioner to notice, respondent No.4 on 5th March 2020 took coercive measures for recovery of service tax by directing Kotak Mahindra Bank, Kalbadevi to freeze the petitioner's bank accounts. The petitioner approached this Court on an earlier occasion by filing Writ Petition No.2034 of 2021 on 10th December 2020. This Court by the order dated 14th September 2021 remanded the matter to respondent No.3, directing respondent No.3 to consider the issue of the petitioner's eligibility under the Scheme. The petitioner was granted an opportunity of personal hearing by respondent No.3. The impugned order was passed on 4th May 2022 (served on 1st June 2022), concluding that the petitioner was not eligible to claim benefits of the Scheme and thereby rejecting the declaration.

8. We have heard Mr. Adik, learned counsel for the respondents. It is the submission of Mr. Adik that no interference is warranted with the impugned order. He submitted that the letter dated 5th March 2019 relied upon by the petitioner is not addressed to the petitioner, but the same is addressed to a third party i.e. the Bank. It is submitted that it is only in respect of the Service Tax liability prior to the Goods and Services Tax regime coming into force can avail the benefits of the Scheme. It is submitted that the quantification has not been admitted by the petitioner. Mr. Adik submits that assuming the communication addressed to the Bank can be relied upon, the said communication clearly mentions that the interest part has to be quantified and therefore, such incomplete quantification cannot be said to be in terms of Section 121(r) of the Finance Act, 1994. Mr. Adik prays for dismissal of the writ petition.

9. We have heard learned counsel.

10. Section 121(r) of the Finance Act, 2019, inter alia, defines “quantified” as “a written communication of the amount of

duty payable under the indirect tax enactment". Vide CBIC Circular No.1071/4/2019-CX.8 dated 27th August 2019, it was, inter alia, clarified that such written communication will include a letter intimating duty demand; or duty liability admitted by the person during the enquiry, investigation or audit; or audit report etc. The fact that the investigation was initiated against the petitioner before 30th June 2019 is not in dispute. Further, vide notice dated 5th March 2019, respondent No.4 directed the Manager, Kotak Mahindra Bank, Kalbadevi to create lien under section 87(b) of the Finance Act, 1994 on the petitioner's account. Vide the said letter, the respondent No.4 quantified outstanding service tax liability as Rs.44,28,311/-. From a perusal of the notice dated 5th March 2019, it can be said beyond doubt that the amount of liability stood quantified before 30th June 2019.

11. The contention of learned counsel for the respondents that since interest was not quantified, such quantification cannot be said to be within the definition of "quantified" can only be stated to be rejected. In terms of the requirement of the provisions of Section 121(r), what is material is a written communication of

the amount of duty payable under the indirect tax enactment. Thus, the said amount has been quantified by the communication dated 14th September 2021 addressed to the Bank. Merely because such quantification is addressed to the Bank is no ground to deprive the petitioner of the benefit of the Scheme. The purport of Section 121(r) of the Finance Act, 2019 is a communication of the amount of duty payable under the indirect tax enactment. The effect of the communication dated 5th March 2019, though addressed to the Bank, is ultimately on the petitioner as such communication creates a lien under Section 87(b) of the Finance Act, 1994 on the petitioner's account.

12. Learned counsel for the petitioner is justified in placing reliance on the decision of this Court in Landmark Associates vs. Union of India & Ors.[1], which held that the notice issued under Section 87(b) of the Finance Act, 1994, prior to 30th June 2019, amounts to quantification under the Scheme. Paragraphs 32 and 33 of the judgment being relevant is extracted below :

> "32. In so far the present case is concerned, it is evident that petitioner had given details of its outstanding

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service tax liability upto June, 2018 vide its intimation dated 14th September, 2018 addressed to respondent No.5. The notice issued by the office of the Commissioner, CGST, Mumbai (W) under section 87(b) of the Finance Act, 1994 on 3rd December, 2018 also indicates that petitioner had failed to discharge its service tax liability due to the government amounting to Rs.1,07,37,503.00 for the related period which amount is slightly lesser than the amount quantified by the petitioner in its intimation dated 14th September 2018.

33. The two dates i.e. 14th September, 2018 in so far the intimation is concerned and 3rd December, 2018 in so far the notice under section 87(b) of the Finance Act, 1994 is concerned are prior to the cut off date of 30th June, 2019. Therefore, having regard to the above, it can safely be said that the respondents were not justified in rejecting the declaration of the petitioner on the ground of ineligibility".

13. The aforesaid decision supports the petitioner's case. We therefore have no hesitation in allowing the writ petition and accordingly, the writ petition is allowed in terms of prayer clauses (a), (d), (f) and (g). There shall be no order as to costs.

(SANDESH D. PATIL, J.) **(M. S. KARNIK, J.)**