



23rd December, 2019

Smt. Nirmala Sitharaman

Hon'ble Minister of Finance & Corporate Affairs,

Govt. of India

A-Wing, Shastri Bhawan

Rajendra Prasad Road

New Delhi-110 001

Respected Madam,

Sub: Sabka Vishwas (Legacy Dispute Resolution) Scheme – 2019

Greetings from Gujarat Chamber of Commerce & Industry (GCCI).

At the outset, we would like thank your goodself for announcing the above scheme in the Union Budget-2019-20 and making it operational from 1st September, 2019. This scheme will benefit a large number of tax payers and bring a solution to their long pending issue relating to Legacy Service Tax and Central Excise which are now subsumed under GST.

Madam, we would like to draw your kind attention to a serious issue concerning the scheme, brought to our notice by our member M/s. Masta Machinery Stores Pvt. Ltd. As per their letter dated 20-12-2019, they have filed their declaration online as required under the scheme. However, during the scrutiny by concerned Commissioners and Joint Designated Committee and after personal hearing of their advocate, the concerned authorities rejected the declaration on the ground that the cases involving confiscation and redemption fine have not been covered under SVLDR scheme. M/s. Masta Machinery Stores Pvt. Ltd. has also mentioned that it is nowhere provided in the scheme not to consider such declaration. Further they have submitted a Special Civil Application to the Hon'ble High Court in this matter and Hon'ble Court has issued an oral order on 19-12-2019 clarifying the matter.

Madam, we would kindly request you to intervene in the matter to resolve the issue. Since the last date of the scheme is 31-12-2019, an early resolution may help our member to avail the benefit of the scheme. A copy of the letter sent to us by M/s. Masta Machinery Stores Pvt. Ltd. along with the relevant documents of the case are enclosed herewith for your kind perusal.

Durgesh V. Buch
President

Natubhai Patel
Sr. Vice President

Bhargav Thakkar
Vice President

Sanjeev Chhajer
Secretary

Dilip M. Padhya
Secretary (R)

Pathik S. Patwari
Treasurer



: 2 :

We look forward to your positive and urgent intervention in the matter.

Thanking you,

Yours faithfully,

Durgesh Buch
President

Encl: as above

C.C.

- 1. Shri Nitinbhai R. Patel**
Hon'ble Deputy Chief Minister
Finance, Roads & Building & Health & Family Welfare
Govt.of Gujarat
2nd floor, Swarnim Sankul-1
New Sachivalaya
Gandhinagar-382010
- 2. Finance Secretary to the Government of India**
Ministry of Finance,
North Block,
New Delhi-110 001
- 3. M/s. Masta Machinery Stores Pvt. Ltd.**
553, GIDC, Kathwada
Odhav Road
Ahmedabad-382430



Gujarat Chamber Commerce & Industry <gcci@gujaratchamber.org>

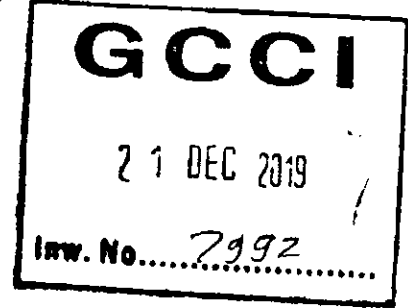
FW: Sabka Vishwas (Legacy Dispute Resolution) Scheme - 2019

Pathik-Spider <pathik@gospider.in>

Reply-To: pathik@gospider.in

To: sg@gujaratchamber.org, tanmay Gcci <dysgr@gujaratchamber.org>

Fri, Dec 20, 2019 at 4:15 PM



From: INFO (MASTA) [mailto:info@mastagroup.com]

Sent: 20 December 2019 16:12

To: durgeshbhch@gmail.com

Cc: natu@meghmani.com; pathik@gospider.in; Praful (MASTA)

Subject: Sabka Vishwas (Legacy Dispute Resolution) Scheme - 2019

Respected Sir,

Please find attached file of Letter and related documents for your necessary Action.

Thanks & Regards.

Nirav Bhavsar

(Marketing Executive)

Masta
BEARING HOUSING



Masta Bearing Housing Pvt. Ltd

Formerly Known as

Masta Machinery Stores Pvt.Ltd

553, GIDC Kathwada,

Odhav Road

Ahmedabad - 382430

Shri Jenu Devan, [IAS]
Managing Director & Commissioner of Tourism
Tourism Corporation of Gujarat Ltd.
Udyog Bhawan, Block No.16/17, 4th floor
Sector-11
Gandhinagar-382010

Masta Machinery Stores Pvt. Ltd.

Manufacturer of : Bearing Housings, Bearing Sleeves & Component Castings

Date: 20.12.2019

To,
The President
Gujarat Chamber of Commerce & Industries.
Ashram Road,
Ahmedabad

Kind Attn: Shree Durgesh Buch

Sub.: Sabka Vishwas (Legacy Dispute Resolution) Scheme - 2019

Respected Sirs,

With reference to the discussion of our Chairman Mr. Ashok Patel (CMD) had with you we bring your kind notice as under:

As you are well aware, in the Union Budget 2019-20 Hon'ble Finance Minister announced above scheme and notified the same as operationalised from 1st September 2019 and continue the same till 31st December, 2019. Government expected that the large number of Tax Payers will avail the scheme and close their pending issues relating to Legacy Service Tax and Central Excise cases since these two acts have been subsumed under GST Act.

We attached copy of Press information Bureau of Ministry of Finance declaring above scheme. In annexure (I) according to which the scheme is especially tailored to free the Large numbers of small tax payers of their pending issues with the tax administration at different levels. Governments have urged the tax Payers and all concerned to avail the scheme and make new beginning. To avail the scheme we filed our declarations online as required by the scheme.

However during their scrutiny by concerned commissioners and Joint Designed Committee and after personal hearing of our advocate, they declared that since In our case, the confiscation and redemption fine are involved and nowhere in the scheme provides the relief from the confiscation and redemption Fine, the committee rejected our declaration on the grounds that the cases involving confiscation and redemption fine has not been covered under SVLDR scheme. Copy of their rejection order is attached in Annexure - 2

On above said order we submitted a Special Civil Application to the Hon'ble High Court under Petition No 21744 of 2019 and after hearing both the parties, Hon'ble High Court issues an oral order on 19.12.2019 directing the advocate of respondent to avail necessary instructions from the Secretary, Ministry of Finance Department of



553, G.I.D.C., Kathwada, Odhav Road, Ahmedabad -382430. (INDIA)
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E-mail : info@mastagroup.com • mastagroup@gmail.com
Website : www.mastagroup.com



Masta Machinery Stores Pvt. Ltd.

Manufacturer of : Bearing Housings, Bearing Sleeves & Component Castings

Revenue and the next adjournment is fixed on 23.12.2019. A Copy of the order is annexed under -3

Since the last date of the scheme its 31.12.2019(by this Month end) the acceptance of the declaration before 25th December may help us to avail the benefit of the scheme.

In view of above, we seek your assistance and guidance to clear the issue soonest.

Thanks and Regards

For Masta Machinery Stores Pvt Ltd

Authorised Signatory



Cc.: Shree Natubhai Patel / Shree Pathik Patwari

Encl :

- Annexure - 1
- Annexure - 2
- Annexure - 3



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Website : www.mastagroup.com

Masta[®]
PRECISION HOUSINGS



प्रधान आयुक्त का कार्यालय,
Office of the Principal Commissioner,
केंद्रीय जीएसटी, अहमदाबाद दक्षिण आयुक्तालय
Central GST, Commissionerate- Ahmedabad South,
जीएसटी भवन, राजस्व मार्ग, अम्बावाड़ी अहमदाबाद 380015.
GST Bhavan, Revenue Marg, Ambawadi, Ahmedabad
380015



F. No. SVIDRS/61/Cmte-2/Masta/2019-20

Date: 18/11/2019

**DECISION OF DESIGNATED COMMITTEE UNDER SABKA
VISHWAS(LEGACY DISPUTE RESOLUTION) SCHEME, 2019**

BRIEF FACTS OF THE CASE

M/s Masta Machinery Stores Pvt. Ltd. (herein after referred to as "declarant"), Plot No. 553, GIDC Estate, GIDC, Kathwada, Ahmedabad, Gujarat-382410 has filed declaration under SABKA VISHWAS(LEGACY DISPUTE RESOLUTION) SCHEME, 2019 (herein after referred to as "SVLDR Scheme" for sake of brevity) vide ARN LD25091900004551 dated 25.09.2019 in respect of the case having SCN No. IV/13-01/Masta/PI-1/09-10 dated 22.01.2010, OIO No. 29/Commr/HKJ/AHD-II/2010 dated 23.09.2010 and Cestat Appeal No. E/1911/2010 under the Category Litigation-Appeal Pending.

2. On going through the respective OIO, it was noticed that it includes confiscation of goods under Rule 25 of Central Excise Rules, 2002 along with other charges viz duty, interest, penalty etc though in respect of other notices. Further, while going through Section 129 of the Finance (No. 2) Act, 2019, wherein relief under the scheme has been specified, it was noticed that it consist of components like duty, Late fine, interest and penalty only and the same does not grant immunity from Confiscation or Redemption Fine. Accordingly, a letter F.No. SVLDRS/61/Cmte-2/Masta/2019-20 dated 24.10.2019 was issued to the Declarant for casue as to why the d-claration may not be considered as void by giving the Personal Hearing date on 13.11.2019 at 11.30 AM, if they desire to be heard in person on the matter.

PERSONAL HEARING:-

3. The PH was attended by Sh. Amal P. Dave, Advocate on behalf of the declarant alongwith Vakalatnama on 13.11.2019 at 11.30 AM. He submitted a written submission and the gist of the same is as under:-

(a) the Show Cause Notice dated 22.01.2010 issued to M/s. Masta Machinery Stores Pvt. Ltd. involves demand of central excise duty along with interest and penalty. The show cause notice does not have any proposals of confiscation or redemption fine against M/s. Masta Machinery Stores Pvt. Ltd. Further, the Order-in-Original dated 23.09.2010 also does not order for any confiscation or redemption fine in lieu of confiscation.

(c) Therefore, the declaration filed by them cannot be reject d on the ground that section 129 of the Finance Act, 2019 does not grant immunity from confiscation or redemption fine, merely because the case of

co-noticee i.e M/s. Pritmayur Engineering Industries involves question of confiscation and redemption fine.

(d) The 3 parties involved in the show cause notice dated 22.01.2010 cannot be treated as one person and the declaration filed by them cannot be rejected on this ground. All the three are separately registered with central excise department having separate registration number. Therefore, the declaration filed under "Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019" by them is required to be considered separately and any relief extended under the scheme cannot be denied merely on the ground that case of the other noticee i.e. M/s. Pritmayur Engineering Industries involves question of confiscation and redemption fine.'

Sh. Amal P. Dave, Advocate has reiterated the written submission during the Personal Hearing. Nothing more was added by him on the matter.

FINDINGS:-

4. The Committee has carefully gone through the SVLDR Scheme, 2019 and its Notifications & Circulars, available records and written submission made by the declarant.

5. The scheme provides relief towards duty, interest, late fee & penalty only. The SVLDR Scheme, 2019 and its Notifications & Circulars nowhere provides relief from the Confiscation and Redemption fine. The case falls under the category of 'Litigation' and the relief is governed by the provisions of Sec. 124(1)(a) and (b) of the Finance (No 2) Act, 2019. The phrase used in both the statutes is 'where the tax dues relatable to a show cause notice'. The said phrase indicates that the declaration is to be examined with respect to the entire show cause notice. Further, under Para 3(2) of the Notification No. 05/2019 dated 21.08.2019, it has been explained that

"(2) A separate declaration shall be filed for each case.

Explanation.- For the purpose of this rule, a "case" means -

(a) a show cause notice, or one or more appeal arising out of such notice which is pending as on the 30th day of June, 2019; or

(b).....

(c).....

(d)....."

Hence, from above it is crystal clear that a case means an entire Show Cause Notice and the same cannot be fragmented.

Further, the tax relief pertaining to such category has been specified under Sec. 124(1)(a) and (b) of the Finance (No. 2) Act, 2019 which specified the quantum of duty /tax relief. Subsequent immunities have been specified under Sec. 129 of Finance (No.2) Act, 2019 which provides for relief from interest, penalty and prosecution. Thus the entire scheme does not offer any relief as regards the confiscation and redemption fine is concerned.

Therefore, the Designated Committee cannot grant a relief that is not available in the scheme.

DECISION:-

6. In view of discussion in para 5 above, the Committee is of the view that as the cases involving Confiscation and Redemption fine has not been covered under SVLDR Scheme, its Notification and Circulars, hence, the Committee does not consider the entire matters fit for accepting declaration and does not grant any relief under this Scheme.

Designated Committee Members

Signature

1. Sachin Gusia, Joint Commissioner
CGST, Ahmedabad-South

Sachin Gusia
18/11/19

2. Krati Nigam, Deputy Commissioner
CGST, Ahmedabad-South

Krati
18/11/19

To,

M/s Masta Machinery Stores Pvt. Ltd.
Plot No. 553, GIDC Estate, GIDC, Kathwada,
Ahmedabad, Gujarat-382410

SP-1
C.P.M.
20-11-19

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II,
SECTION 3, SUB-SECTION (i)]
Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs

Notification No. 05/2019 Central Excise-NT

New Delhi, the 21st August, 2019

GSR.....(E).- In exercise of the powers conferred by sub-sections (1) and (2) of section 132 of the Finance (No. 2) Act, 2019 (23 of 2019), the Central Government hereby makes the following rules, namely:-

1. Short title and commencement.- (1) These rules may be called the Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019.

(2) They shall come into force on the 1st day of September, 2019.

2. Definitions.- In these rules, unless the context otherwise requires, -

(a) "Scheme" means the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019, specified under Chapter V of the Finance (No.2) Act, 2019 (23 of 2019);

(b) "section" means the section of the Finance (No. 2) Act, 2019;

(c) "Form" means the Form annexed to these rules;

(d) Words and expressions used in these rules but not defined in these rules and defined in the Scheme shall have the meanings respectively assigned to them in the Scheme.

3. Form of declaration under section 125 .- (1) The declaration under section 125 shall be made electronically at <https://cbic-gst.gov.in> in Form SVLDRS-1 by the declarant ,on or before the 31st December,2019.

(2) A separate declaration shall be filed for each case.

Explanation.- For the purpose of this rule, a "case" means -

(a) a show cause notice, or one or more appeal arising out of such notice which is pending as on the 30th day of June, 2019; or

(b) an amount in arrears; or

(c) an enquiry or investigation or audit where the amount is quantified on or before the 30th day of June, 2019; or

(d) a voluntary disclosure.

4. Auto acknowledgement.- On receipt of declaration, an auto acknowledgement bearing a unique reference number shall be generated by the system.

5. Constitution of designated committee.- (1) The designated committee under section 126 shall consist of -

(a) the Principal Commissioner or Commissioner of Central Excise and Service Tax, as the case may be, and the Additional Commissioner or Joint Commissioner of Central Excise and Service Tax, as the case may be, in a case where the tax dues are more than rupees fifty lakh:

Provided that there shall be only one such designated committee in a Commissionerate of Central Excise and Service Tax;

(b) the Additional Commissioner or Joint Commissioner of Central Excise and Service Tax, as the case may be, and the Deputy Commissioner or Assistant

Commissioner of Central Excise and Service Tax, as the case may be, in a case where the tax dues are rupees fifty lakh or less:

Provided that there will only be one such designated committee in a Commissionerate of Central Excise and Service Tax;

(c) the Principal Additional Director General (Adjudication) or Additional Director General (Adjudication), Directorate General of Good and Services Tax Intelligence (DGGI), and Additional Director or Joint Director, Directorate General of Good and Services Tax Intelligence(DGGI), Delhi.

(2) The members of the designated committee mentioned in clause (a) and (b) of sub-rule (1) shall be nominated by the Principal Chief Commissioner or Chief Commissioner of Central Excise and Service Tax, as the case may be.

(3) The members of the designated committee mentioned in clause (c) of sub-rule (1) shall be nominated by Pr. Director General or Director General, Directorate General of Good and Services Tax Intelligence (DGGI), as the case may be.

6. Verification by designated committee and issue of estimate, etc.- (1) The declaration made under section 125, except when it relates to a case of voluntary disclosure of an amount of duty, shall be verified by the designated committee based on the particulars furnished by the declarant as well as the records available with the Department.

(2) The statement under sub-sections (1) and (4) of section 127, as the case may be, shall be issued by the designated committee electronically, within a period of sixty days from the date of receipt of the declaration under sub-rule (1) of rule 3, in Form SVLDRS-3 setting forth therein the particulars of the amount payable:

Provided that no such statement shall be issued in a case where the amount payable, as determined by the designated committee is nil and there is no appeal pending in a High Court or the Supreme Court.

(3) Where the amount estimated to be payable by the declarant exceeds the amount declared by the declarant, then, the designated committee shall issue electronically, within thirty days of the date of receipt of the declaration under sub-rule (1) of rule 3, in Form SVLDRS-2, an estimate of the amount payable by the declarant along with a notice of opportunity for personal hearing.

(4) If the declarant wants to indicate agreement or disagreement with the estimate referred to in sub-rule (3) or wants to make written submissions or waive personal hearing or seek an adjournment, he shall file electronically Form SVLDRS-2A indicating the same:

Provided that if no such agreement or disagreement is indicated till the date of personal hearing and the declarant does not appear before the designated committee for personal hearing, the committee shall decide the matter based on available records.

(5) On receipt of a request for an adjournment under sub-rule (4), the designated committee may grant the same electronically in Form SVLDRS-2B:

Provided if the declarant does not appear before the designated committee for personal hearing after adjournment, the committee shall decide the matter based on available records.

(6) Within thirty days of the date of issue of Form SVLDRS-3, the designated committee may modify its order only to correct an arithmetical error or clerical error, which is apparent on the face of record, on such error being pointed out by the declarant or *suo motu* by issuing electronically a revised Form SVLDRS-3.

7. Form and manner of making the payment.- Every declarant shall pay electronically the amount, as indicated in Form SVLDRS-3 issued by the designated committee, within a period of thirty days from the date of its issue.

8. Proof of withdrawal of appeal from High Court or Supreme Court.- Proof of withdrawal of appeal or writ petition or reference before a High Court or the Supreme

Court, as the case may be, under sub-section (7) of section 127 shall be furnished electronically by the declarant.

9. Issue of discharge certificate.- The designated committee on being satisfied that the declarant has paid in full the amount as determined by it and indicated in Form SVLDRS-3, and on submission of proof of withdrawal of appeal or writ petition or reference referred to in rule 8, if any, shall issue electronically in Form SVLDRS-4 a discharge certificate under sub-section (8) of section 127 within thirty days of the said payment and submission of the said proof, whichever is later:

Provided that in a case where Form SVLDRS-3 has not been issued by the designated committee by virtue of the *proviso* to sub-rule (2) of rule 6, the discharge certificate shall be issued within thirty days of the filing of declaration referred to in sub-rule (1) of rule 3.

F. No. 26778/19 - CX8 (Pt III)

(Mazid Khan)
Deputy Commissioner CX-8

**Press Information Bureau
Government of India
Ministry of Finance**

22 AUG 2019 7:46PM by PIB Delhi

Sabka Vishwas - Legacy Dispute Resolution Scheme notified ; to be operationalized from 1st September 2019

In the Union Budget 2019-20, the Hon'ble Finance Minister announced the Sabka Vishwas-Legacy Dispute Resolution Scheme, 2019. The Scheme has now been notified and will be operationalized from 1st September 2019. The Scheme would continue till 31st December 2019. Government expects the Scheme to be availed by large number of taxpayers for closing their pending disputes relating to legacy Service Tax and Central Excise cases that are now subsumed under GST so they can focus on GST.

The two main components of the Scheme are dispute resolution and amnesty. The dispute resolution component is aimed at liquidating the legacy cases of Central Excise and Service Tax that are subsumed in GST and are pending in litigation at various forums. The amnesty component of the Scheme offers an opportunity to the taxpayers to pay the outstanding tax and be free of any other consequence under the law. The most attractive aspect of the Scheme is that it provides substantial relief in the tax dues for all categories of cases as well as full waiver of interest, fine, penalty. In all these cases, there would be no other liability of interest, fine or penalty. There is also a complete amnesty from prosecution.

For all the cases pending in adjudication or appeal – in any forum - this Scheme offers a relief of 70% from the duty demand if it is Rs.50 lakhs or less and 50% if it is more than Rs. 50 lakhs. The same relief is available for cases under investigation and audit where the duty involved is quantified and communicated to the party or admitted by him in a statement on or before 30th June, 2019. Further, in cases of confirmed duty demand, where there is no appeal pending, the relief offered is 60% of the confirmed duty amount if the same is Rs. 50 lakhs or less and it is 40%, if the confirmed duty amount is more than Rs. 50 lakhs. Finally, in cases of voluntary disclosure, the person availing the Scheme will have to pay only the full amount of disclosed duty.

As the objective of the Scheme is to free as large a segment of the taxpayers from the legacy taxes as possible, the relief given thereunder is substantial. The Scheme is especially tailored to free the large number of small taxpayers of their pending disputes with the tax administration. Government urges the taxpayers and all concerned to avail the Sabka Vishwas - Legacy Dispute Resolution Scheme, 2019 and make a new beginning.

RM/KN

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**R/SPECIAL CIVIL APPLICATION NO. 21744 of 2019****MESSRS SYNPOL PRODUCTS PVT. LTD.****Versus****UNION OF INDIA****Appearance:****AMAL PARESH DAVE(8961) for the Petitioner(s) No. 1,2,3,4****MR PARESH M DAVE(260) for the Petitioner(s) No. 1,2,3,4****MR ANKIT SHAH(6371) for the Respondent(s) No. 1,2,3,4****CORAM: HONOURABLE MS.JUSTICE HARSHA DEVANI****and****HONOURABLE MS. JUSTICE SANGEETA K. VISHEN****Date : 19/12/2019****ORAL ORDER****(PER : HONOURABLE MS.JUSTICE HARSHA DEVANI)**

1. The question involved in this case is as to, whether the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 would also be applicable to cases involving confiscation and redemption fine?

2. While clause (a) of sub-section (1) of section 129 of the scheme provides that the declarant shall not be liable to pay any further duty, interest or penalty with respect to the matter and time period covered in the declaration, and is silent about fine; the Central Board of Indirect Taxes and Customs has issued flyers and press notes stating that the benefits under the scheme are total waiver of interest, penalty and fine. The letters inviting the assesseees to take the benefits of the scheme also state that the benefits under the scheme include

total waiver of interest, penalty and fine; and immunity from prosecution. The applications of the petitioners and other similarly situated persons have not been accepted on the ground that the same involve confiscation and redemption fine.

3. Since such issue can only be clarified by the respondent No.1 Union of India, the learned senior standing counsel is directed to ensure that necessary instructions are received from the respondent No.1 Secretary, Ministry of Finance, Department of Revenue on or before 23.12.2019.

4. Stand over to 23.12.2019. On that date, the matter shall be taken up for hearing peremptorily and it is expected that the learned senior standing counsel will have the necessary instructions to assist the court in the matter.

5. Registry to forthwith furnish a copy of this order to Mr. Ankit Shah, learned senior standing counsel appearing for the respondent Union of India.

(HARSHA DEVANI, J)

E-MAIL COPY

(SANGEETA K. VISHEN, J)

Z.G. SHAIKH