

MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)
(CENTRAL BOARD OF EXCISE AND
CUSTOMS)

KAR VIVAD SAMADHAN
SCHEME, 1998

ESTIMATES COMMITTEE

1998-99

FIRST REPORT

261

TWELFTH LOK SABHA



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LOK SABHA SECRETARIAT
NEW DELHI

Corrigenda to the First Report of the Estimates Committee on Ministry of Finance (Deptt. of Revenue) (Central Board of Excise and Customs)

Page	Para	Line	For	Read
(v)	5	-	Read para 5 as under	For facility of reference, the observations/recommendations of the Committee have been printed in thick type in the body of the report and have been reproduced in a consolidated form in Appendix III of the Report.
3	-	11	Categorized	Category
3	-	29	Persons	person
8	-	10	specs	aspects
9	-	1	Campaign	Campaign
9	-	Last line	Follow	follows
11	-	4	Amnasty	Amnesty
13	1	768	Involved dispute	involved in the dispute.

FIRST REPORT
COMMITTEE ON ESTIMATES
(1998-99)
(TWELFTH LOK SABHA)

MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)
(CENTRAL BOARD OF EXCISE AND
CUSTOMS)

KAR VIVAD SAMADHAN
SCHEME, 1998



Presented to Lok Sabha on 9.12.1998

LOK SABHA SECRETARIAT
NEW DELHI

December, 1998/Agrahayana, 1920 (Saka)

E.C. No. 1378

Price: Rs. 13.00

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Ninth Edition) and Printed by the Manager, P.L. Unit, Govt. of India Press, Minto Road, New Delhi-110002.

3702/LS/F-1-B

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**COMPOSITION OF THE ESTIMATES COMMITTEE
(1998-99)**

Shri Madhukar Sirpotdar — *Chairman*

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3. Dr. Shakeel Ahmad
4. Shri G.M. Banatwala
5. Shri Narendra Bhudania
6. Prof. Prem Singh Chandumajra
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27. Shri Rampal Upadhyay
28. Shri Ritlal Prasad Verma
29. Prof. (Smt.) Rita Verma
30. Shri Sushil Chandra Verma

SECRETARIAT

- | | |
|----------------------------|-------------------------------|
| 1. Dr. A.K. Pandey | — <i>Additional Secretary</i> |
| 2. Shri K.L. Narang | — <i>Director</i> |
| 3. Shri Raj Shekhar Sharma | — <i>Under Secretary</i> |

INTRODUCTION

1. The Chairman of the Estimates Committee having been authorised by the Committee to submit the report on their behalf present this First Report on the Ministry of Finance (Department of Revenue) (Central Board of Excise and Customs)—Recovery of Tax Arrears—Kar Vivad Samadhan Scheme, 1998.

2. The subject—Recovery of Tax Arrears was selected for detailed examination during the current year 1998-99. Study Groups of the Estimates Committee during their tour programme in November, 1998 held informal discussions with the Commissionerates of Customs and Central Excise at Bangalore, Hyderabad and Calcutta on the subject. The Study Groups during informal discussion were informed that the Government of India had introduced Kar Vivad Samadhan Scheme, 1998' (KVSS) with the basic aim to bring down the pending litigation / disputes between the Department and the assesseees in Customs and Central Excise cases as also to speedily realise the arrears of taxes locked up in various disputes. However, certain restrictive provisions made in the Scheme were preventing a large number of assesseees and other persons from opting for the Scheme. Hence the response to the Scheme so far had been poor. In this connection a number of suggestions were made before the Study Groups to achieve the larger objectives of the Scheme.

3. The Committee considered the replies furnished by the Ministry of Finance (Department of Revenue) to the questionnaire issued on KVSS and other material received from the Field Commissionerate's during study tours. The Estimates Committee took evidence of the representatives of the Ministry of Finance (Department of Revenue) on the 27th November, 1998. The Committee wish to express their thanks to the officers of the Ministry of Finance (Department of Revenue) (Central Board of Excise and Customs) and Field Commissionerates for placing before them their considered views and perceptions and for furnishing the written replies and information in time desired in connection with the examination of the subject.

4. The report was considered and adopted by the Committee at their sitting held on the 8th December, 1998.

5. For facility of reference, the observations / recommendations of the Committee have been sidelined in thick type of the body of the Report.

NEW DELHI;
December 8, 1998

MADHUKAR SIRPOTDAR,
Chairman,
Committee on Estimates.

Agrahayana 17, 1920(S).

KAR VIVAD SAMADHAN SCHEME, 1998

Objectives

In para 95 of Part B of the speech (reproduced below) of the Hon'ble Finance Minister while presenting the Central Government Budget for the year 1998-99, the basic reasons and objectives leading to the introduction of the KVS Scheme were explained as under:

“Litigation has been the bane of both Direct and Indirect taxes. A lot of energy of the Revenue Department is being frittered in pursuing Large number of litigations pending at different levels for long periods of time. Considerable revenue also gets locked up in such disputes. De-clogging the system will not only incentivise honest taxpayers, enable government to realise its reasonable dues much earlier but coupled with administrative measures, would also make the system more user-friendly. I, therefore, propose to introduce a new scheme called “SAMADHAN”. The scheme would apply to both direct taxes and indirect taxes and offer waiver of interest, penalty and immunity from prosecution on payment of arrears of direct tax at the current rates. In respect of indirect tax, where in recent years the adjustment of rates has been very sharp, an abatement of 50 per cent of the duty would be available along with waiver of interest, penalty and immunity from prosecution.”

Cases under Litigations and Amount Involved

2. Number of cases as on 31.3.98, pending in adjudication, in appeal before Commissioner (Appeal) and Tribunal and in various High Courts and the Supreme Court are given below:

	Central Excise	Customs	Total
(a) No. of adjudication cases for Customs and Central Excise	3,754	47,812	51,566
(b) No. of cases pending at the level of Commissioner (Appeal)	Break-up not readily available		36,038
(c) No. of cases pending with the Tribunal (CEGAT)	Break up not readily available		33,714
(d) No. of court cases in High Courts/Supreme Court	9,300	6,825	16,125

Separate break-up of amount locked-up in litigation at various stages as mentioned above is not readily available. The total amount involved in the above cases is expected to be Rs. 12,000 crores (approximately).

Statutory Provisions

3. The statutory provisions governing the Samadhan Scheme are contained in Sections 86 to 98 of the Finance (No. 2) Act, 1998. The same are briefly explained as below:

- (i) Section 86 of the Finance (No. 2) Act provides for name of the Scheme and the date of commencement of the Scheme *i.e.*, 1st day of September, 1998.
- (ii) Section 87 contains the various definitions for terms used in the provisions relating to Kar Vivad Samadhan Scheme.
- (iii) Section 88 contains the provisions for determining the amount payable and incorporates how the settlement amount will be calculated for cases of various categories of persons covered by the Scheme.
[sub-section (f) is relevant for indirect tax side]
- (iv) Under Section 89, the requirement of filing a declaration and particulars to be furnished, verified, etc., has been laid down; Section 90 prescribes for the time and manner of payment of tax arrear under the Scheme.
- (v) Section 91 provides for immunity from prosecution and imposition of penalty in cases covered under the declarations.
- (vi) Section 92 prescribes that the appellate authority is not to proceed in certain cases once the declarations are filed for settlement under the Scheme, if certain laid down requirements are satisfied. It gives, however, immunity for certain categories of Departmental appeals.
- (vii) Section 93 lays down that an amount paid under the Scheme shall not be refunded.
- (viii) Section 94 clarifies/removes doubt that settlement is for particular assessment or proceedings for which declaration is made.
- (ix) Section 95 prescribes the cases and persons for which the Scheme does not apply.
- (x) Section 96 empowers the Central Government to issue directions for the proper administration of the Scheme.
- (xi) Section 97 empowers the Government to issue appropriate orders to remove difficulties in administration of the scheme.

- (xii) Section 98 empowers the Central Government to make rules for the proper administration of the Scheme.

Eligible Persons

4. Eligible persons include an individual, a company, a firm, an assessee, an importer or exporter etc. against whom proceedings have been initiated on or before 31.3.98 under indirect tax enactments, which are pending and where tax arrears are in dispute and not paid up, when the persons seeks benefit under the scheme for the case.

Certain Exclusions

5. The provisions of this Scheme shall not apply in respect of the following categorized of cases/persons:—

- (i) Cases involving demand relating to erroneous refund.
- (ii) Where Show-Cause Notice or Demand Notice under any indirect tax enactment has not been issued.
- (iii) Where no appeal or reference or writ petition is admitted and pending before any Appellate authority or High Court or the Supreme Court or no application is pending before the Central Government on the date of declaration.
- (iv) Where prosecution for any offence punishable under indirect tax enactment has been instituted on or before the date of making of the declaration.
- (v) To any person in respect of whom prosecution for any offence punishable under Chapter-IX or Chapter-XVII of the Indian Penal Code, the Foreign Exchange Regulation Act, 1973, the Narcotic Drug and Psychotropic Substance Act, 1985, the Terrorists and Disruptive Activities Prevention Act, 1987 and Prevention of Corruption Act, 1988, or for the purpose of enforcement of any civil liability has been instituted on or before the filing of the declaration or such persons has been convicted of any such offence.
- (vi) To any person in respect of whom an order of detention had been made under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 74.
- (vii) To any person notified under sub-section (2) of Section 3 of the Special Court (Trial of Offences Relating to Transaction in Securities) Act, 1992.

Applicability

6. The Scheme is applicable to any person having tax arrears of Customs or Central Excise, duties of different kinds including cesses, fine, penalty or interest in the following two categories:

- (a) Where the amount of duties (including drawback of duty, credit of duty or any amount representing duty) cesses, interest, fine or penalty determined as due or payable as on 31.3.1998 is remaining unpaid as on the date of declaration.
- (b) Where the amount of duty (including drawback of duty, credit of duty or any amount representing duty) cesses, interest, fine or penalty constitute the subject matter of a show cause/demand notice issued on or before 31.3.1998, but remain unpaid on the date of making a declaration.

Benefits available under the Scheme

7. The following benefits are available under the scheme:—

- (a) In a case involving arrears of duty whether or not it involves arrears of fine, penalty or interest, a declarant has to pay only 50% of duties due or payable as arrears on the date of making the declaration. There will be a complete waiver from payment of fine, penalty and interest involved, if any, apart from waiver of balance duty due or payable.
- (b) In cases which do not involve arrears of duties but involve only arrears of fine, penalty or interest, the applicant will have to pay only 50% of the amount of such fine, penalty or interest payable on the date of making the declaration. The balance amount of penalty, fine or interest due or payable will be waived.

In both categories of cases mentioned above, the applicant also get immunity from institution of prosecution proceedings for any offences under any indirect tax enactment for matters covered by the declaration for the case.

Designated Authority and Procedure for Filing Declarations

8. The Commissioners of Customs and Central Excise notified as Designated Authority for particular jurisdictions by the Chief Commissioners of Customs and Central Excise will entertain cases under the Samadhan Scheme.

All administrative Commissioners of Central Excise and Customs in Commissionerates of Central Excise and Customs are to act as Designated Commissioners in respective jurisdictions as per notifications being issued by Chief Commissioners. For Customs Houses one or more Commissioners being notified as Designated Authority.

9. A declaration has to be filed in prescribed form before concerned Designated Authority on case by case basis giving relevant details. Within sixty days the Designated Authority would determine and intimate to the declarant particulars of tax arrears and the sum payable towards full and final settlement. Within 30 days of such intimation the declarant would make the requisite payment and submit evidence of payment as well as that of withdrawal of writ/appeal/references pending before the High Court or Supreme Court, if any. Thereafter the Designated Authority will issue the final certificate, accepting the declaration on the basis of which the balance tax, interest, fine or penalty will be waived as provided under the scheme; immunity from instituting any prosecution proceeding will also be granted in the particular case for any offence under any indirect tax enactment.

Duration of the Scheme

10. The scheme will be applicable for declaration received during a period of 4 months *i.e.* from 1st September, 1998 to 31st December, 1998.

Certain Other Features

11. (i) Commissioners of Customs & Central Excise have been notified generally as designated authorities for a particular jurisdiction to entertain cases under the KVSS.
- (ii) Every order passed under the Scheme in any case by the designated authority shall be conclusive as to the matter stated therein and shall not be re-opened.
- (iii) Any thing contained in the scheme shall not be construed as conferring any benefit, concession or immunity to the declarant in any assessment or proceeding other than in the case in which the declaration is made under the scheme.
- (iv) Appeals pending with Commissioner (Appeal) or CEGAT or replies to Show Cause Notices pending adjudication shall be deemed to have been withdrawn. The declarant however, has to withdraw the writ petition, appeal, reference filed, if any, before the High Court/Supreme Court and furnish proof of such withdrawal along with intimation.
- (v) Central Government may, from time to time, issue appropriate orders, instructions, directions to the authorities for a proper administration of the scheme in general.

Departmental Appeals

12. According to the Ministry of Finance (Department of Revenue) the proviso to Section 92 of the Scheme provides that in cases where an appeal has been filed by the Department of the Central Government in respect of tax arrears, except where the tax arrear comprises only penalty, fine or interest, the appellate authority shall decide the appeal irrespective of such

declaration. In this provision of the Scheme it has been clarified that the departmental appeal would continue in respect of duties/cesses alone. The Board also clarified the same provision during seminars etc. There is no proposal to withdraw appeals on case to case basis. The need to lay down any guidelines, therefore, does not arise.

In a recent challenge in Delhi High Court, the Court has given certain guidelines, as to how such appeals of the Department should be settled, within the provisions laid under Scheme itself.

13. In response to a query, the Secretary of the Ministry informed as follows:

“There was a very strong demand from the general public that this Scheme should apply not only to appeals filed by the assesseees but also by the Department. We are considering it very seriously. We had tentatively come to a decision that the Department should extend this scheme to Departmental appeals. However, there were certain legal problems. As you know, now we are entering the last month of the scheme. If we have to amend the Scheme, we will have to amend the Act because this Scheme has been introduced through an Act. However, in the meantime, a different development took place which has helped us. A Public Interest Litigation was filed in the Delhi High Court in which several points were raised about the Scheme including that the Scheme is not applicable to Departmental appeals. In that case, the High Court of Delhi has ordered that it should be made applicable to Departmental appeals and it has set aside the proviso to clause 92 of the Act. We have accepted that decision. In other words, we are allowing Departmental appeals and, yesterday a Press note was issued to that effect. You may have seen it, in the newspapers. This scheme is now available to assesseees where the Department is in appeal also.”

14. During the evidence, in this connection, the Secretary, Department of Revenue informed:

“We decided not to go to the Supreme Court. We decided that this interpretation of the High Court was in the interest of the Scheme and we have acquiesced in it. Therefore, the clarification has been issued, which is a very significant clarification, that the Scheme applies to Departmental appeals also.”

15. In the PIB Press Release it has been stated as:

“(1) The constitutional validity of the KVSS, 1998 was challenged before the High Court of Delhi in a public interest litigation. In its judgement delivered on 17.11.98, the Hon'ble High Court has upheld the provision of the KVSS except proviso to clause 92 which provided that the Departmental appeal shall not be withdrawn. The scope of tax arrear has also been modified to cover tax penalty or interest under dispute in departmental appeals. The effect of the judgement is

that the pending departmental appeals will be eligible to be covered under the Samadhan Scheme provided the original demand has been determined on or before 31.3.98.

(2) It has been decided by the Central Government to accept this decision of the Hon'ble High Court of Delhi.

(3) Suitable procedural instructions are in the process of being issued to the designated Authorities to extend the benefit of the Scheme to the disputes raised by the Department before various appellate authorities."

Response to the Scheme

16. The Kar Vivad Samadhan Scheme has been introduced w.e.f. 1st September, 1998. From the data readily available, 1682 declarations have been received upto 15.11.98 involving an amount of Rs. 180.57 crores, the total tax arrears covered under the declarations. The amount of tax arrears likely to be recovered from the declarations made so far is Rs. 59.43 crores. An amount of Rs. 15 crores have already been paid by some declarants after their determination and intimated by the designated authorities.

17. Asked whether any assessment had been made on coverage of cases and realisation of arrears at the time of launching, the Ministry have submitted as follows:

"At the stage of formulating the Scheme only estimated coverage and approximate tax arrears involved in the litigation both for direct taxes and indirect taxes were taken into account. On the Indirect Tax side, the Scheme was expected to cover 1,35,000 cases involving Rs. 12,000 crores in tax arrears. However, it was not possible to make any assessment about the likely realisation from the cases covered by the Scheme because the Scheme being voluntary in nature, it was not possible to make any assessment of likely response to the Scheme."

18. Enquired during evidence whether some target was fixed before launching the Scheme. In reply, the Secretary of the Ministry stated as follows:

"No, Sir. It was an opportunity to both the assesseees and the Department to minimise these disputes, litigations. But there was no target either in terms of cases or in terms of revenue."

19. Giving details of the efforts being made for publicity of the Samadhan and to maximise the response by educating the assesseees regarding benefits of the scheme, the Ministry of Finance in a note have stated as follows:

"For maximising response to KVSS, the Department has paid special attention to give it a wide publicity with the help of its own Directorate of Publicity and Public Relations, as well as the field Commissionerates of Customs and Central Excise located all over the country. Detailed instructions were immediately issued after

enactment of the Finance Bill to all Commissioners of Customs and Central Excise explaining at length the coverage and various aspects of the administration of the scheme in so far as these relate to indirect taxes. Commissioners were also advised to give wide publicity by issue of appropriate public/trade notices and hold seminars and open houses and educational contract programmes, so that the targetted litigants are apprised properly about the provisions of this scheme and the benefits available.

The Department has also taken out more than one lakh copies of special booklets explaining various aspects of KVSS. It has also prepared equal number of pamphlets explaining provisions of the KVSS. These have been distributed to all important chambers of commerce and industry, trade and industries' associations as well as sent to Commissioners for distributing to individual assesseees having disputed tax liabilities who may be covered under the Scheme. The Chief Commissioners have been specially monitoring to ensure despatch of these pamphlets/booklets. They have also been holding seminars and open houses in different parts of the country educating trade and industry and clarifying the doubts that may be raised by the prospective declarants in regard to the administration of the Scheme.

From the Ministry also, Chairman, Members and other senior officers of the Board have been attending seminars being organised with the help of Apex Chambers of Commerce and Industry explaining various provisions of the Scheme.

On representations and references from the trade and industry as well as Commissionerates raising certain doubts on different aspects of the scheme, after examination and consulting Law Ministry—where required, detailed clarifications on various issues and doubts raised have also been issued and given a wide publicity.

Government has also sanctioned a sum of Rs. 1.5 crores for giving further impetus to publicity through newspapers, magazines, TV/All India Radio and other modes of advertisement and these funds have recently been distributed to all Chief Commissioners and Director (Publicity and Public Relations) and the campaign would further be stepped up, so as to get maximum response.

After due selection, the Department has also engaged a private advertising agency, namely, Hindustan Thompson Associates, for educating assesseees through planned advertisement programme, highlighting benefits being made available under the Scheme, so as to maximise response. This agency has already come out with several advertisements in several newspapers and magazines on repeat basis, at different centres and started sending communications to individual assesseees. It is also going to further

step up the advertisement campaign through mass media as well as by making use of TV and letter mails it to individual assesseees.”

20. During the course of evidence before the Committee the Secretary (Revenue) informed as follows:

“We have actually written to the Public Sector Undertakings also that this is a very good opportunity for them to settle their disputes. In the public sector, there is a great tendency to keep fighting the cases, otherwise the responsibility for that may fall on some officer. But if they avail of the provisions of this Scheme, there would be no question of any personal accountability. Therefore, we have taken it up with the Chief Executives of all the Public Sector Undertakings that it will be in their interest to settle their disputes under this Scheme. We expect good response from them.”

21. He further submitted that, “we expect the people to come only in the last 15 days. So, no matter even if you have a two year period in question, people will come in the last 15 days.”

22. For obtaining the feedback from the field organisations as to the response to the scheme, a statement was prescribed by the Central Board of Excise and Customs on fortnightly basis about the number of declarations filed w.e.f. 1.9.98 Commissionerate-wise, the amount of tax arrears covered by the declarations, the amount likely to be recovered as indicated by the declarants, the amount actually determined by the designated authorities as recoverable and the amount actually deposited by the declarants after issue of an order by the designated authority in this regard. Each designated authority is maintaining detailed particulars of declarants and Chief Commissioners are also monitoring response being received in their jurisdiction.

23. Enquired what specific suggestions were made by the field organisations i.e., Commissionerates regarding Samadhan Scheme such as eligibility, etc., and other improvements to make the Samadhan Scheme to achieve the intended objectives and success of the scheme as per expectation of the Government. In reply the Ministry have stated as follows:

“The field formations made reference to the Board about certain doubts with regard to the scope, eligibility of the declarants etc. which were examined by the Government and as per the powers vested under Section 96(1) of the Scheme, instructions/clarifications have been issued taking a constructive view in line with the intended objectives.”

24. In regard to suggestions received from the business chambers, associations and industry on KVSS and views of the Government thereon in response to their suggestion, Ministry have submitted as follow:—

"Most of the representations received from the Chambers, Associations and Industry Groups, sought for clarifications in coverage and scope. Some have also made certain suggestions which included whether the scheme is going to be extended beyond 31.12.98, whether its coverage can be extended even if show cause notices are issued beyond 31.3.98, whether apart from the company which is coming up for making declaration, directors and other associates would also be eligible for immunity from prosecution and waiver of penalties, whether the same benefits would be automatically available to the Directors, Associates and other persons involved in the same case. As regards the doubts about the scope and coverage of the scheme, same were incorporated in the instructions/directions issued under Section 96(1). There is no proposal to extend the Scheme beyond 31.12.1998 or to cases where show-cause/demand notices issued after 31.3.98. The suggestion whether in cases involving action against a company and various other persons, who were involved in evasion of the duty, etc., by the company, if the company settles the case against the scheme, further action against other persons involved (namely Directors, if any), should be dropped, is under examination from legal and administrative angle".

25. Enquired what measures the Government proposed to overcome the attendant problems and to improve the scheme to achieve the desired objectives. In response, the Secretary stated as under:

"We are very sensitive to the feedback we are getting from the field whether it is from chartered Accountants or Tax Consultants or our own field formations. In reply to the questionnaire you have sent us, we have mentioned about the number of clarifications that we have issued from time to time. When doubts have been raised on various issues, then we have clarified as to whether it would be applicable or not so that all doubts are eliminated from the minds of the assesseees. On two or three points, we are actively considering some things. The matter relating to an assessee when he files a declaration, and the position of people associated with him like the employees, the Managing Director, Director and so on, has been referred to the Ministry of Law. The second initiative we took is that when the writ was filed in the High Court and it came against us. We decided not to go to the Supreme Court. Therefore, the clarification has been issued, which is a very significant clarification, that the Scheme applies to departmental appeals also. So, in every matter, we are very receptive to the views of the assesseees, to the tax consultants and to the Parliament, and we are taking action accordingly."

Suggestions made before the Committee

26. Study Groups of the Estimates Committee during their tour programme in November, 1998 held informal discussions with the

Commissionerates of Customs and Central Excise at Bangalore, Hyderabad and Calcutta. The Study Groups were informed during informal discussion that the Government of India had introduced an amnesty scheme 'Kar Vivad Samadhan Scheme, 1998' with the basic aim to bring down the pending litigation/disputes between the Department and the assesseees in Customs and Central Excise cases as also to speedily realise the arrears of taxes locked up in various disputes. However, certain restrictive provisions made in the Scheme were preventing a large number of assesseees and other persons from opting for the Scheme. Hence the response had been poor. In this connection a number of suggestions were made before the Study Groups to achieve the larger objectives of the Scheme in succeeding paragraphs.

Removal of clause of show cause

27. The Ministry of Finance in their views have stated that the point at which a dispute starts in regard to the indirect taxes is when the show cause or a notice of demand is issued in respect of tax evaded or where provisions of the indirect tax enactments have been contravened. The scheme has covered all the cases wherever a show cause/notice of demand has been issued on or before 31.3.98 and if the same is pending at any level in dispute either in adjudication or in appeal or in the courts. There may not be many cases of litigation/dispute where there are no show cause notices issued.

That cut-off date of 31.3.98 for cases covered under the Scheme could be expanded to cover demand/notices upto 1.9.98 or to cover all cases if a show-cause notice is pending at the time of filing the declaration.

28. In their comments, the Ministry of Finance (Department of Revenue) have stated that no doubt, when the Scheme was being formulated a question arose as to the cut-off point upto which we should cover the cases under dispute both on the direct taxes and the indirect taxes side for which a common scheme was devised. It was considered that for administrative reasons it may be advisable to cover arrears in cases of assessment/show cause notices/demand notices which are in dispute on pending upto the end of the financial year 1997-98. Accordingly, the statutory provisions were made in the Bill and the same were duly approved by the Parliament. No doubt on the indirect taxes side, we could have covered some more cases of demand/show-cause notices issued on or after 1.4.98 but such separate provisions for indirect taxes side covering certain categories of 1998-99 cases were not considered appropriate; there could be always demand to further expand the coverage. It would not be possible to agree to the two alternative suggestions of the commissionerate at this stage.

29. A statutory limitation has been imposed as per the definition of tax arrears in clause (ii) of sub-section(n) of section 87 to limit the provisions

of the scheme on indirect tax side to show cause/demand notices issued on or before 31.3.98—whether the exact liabilities already determined or yet to be determined. At this stage, it is not possible to extend the scheme to cases where show cause/demand notices are issued on or after 1.4.98 by administrative instructions.

That pre-deposits should not be counted towards arrears for settlement under the Scheme.

30. The Ministry in their comments have stated as follows:

“The Commissionerate has erred in stressing that the objective of the Scheme is reducing the litigation. The Scheme has been formulated with a twin objective of reducing pending litigation and quick realisation of tax arrears in dispute. The Government was aware of categories of cases in dispute and the practice of certain payments made by the assesses either voluntarily or under protest including deposits made pending in appeal or in pursuance of the court orders. It was considered that such payments cannot be treated to be in arrears and the settlement should be considered having due note of such payments already received by the exchequer. A suitable explanation was duly added in the tax arrear definition under Section 87 of the Finance (No.2) Bill, 1998 and this was duly approved by the Parliament. If such pre-deposits were considered as deposits and excluded while calculating tax arrears, there could be many instances where the Revenue may have to refund amounts to declarant rather than collecting any settlement amount defeating the very objective of the Scheme. The suggestion therefore is not acceptable more so in view of the specific provisions made in the statute.”

Waiver from personal penalties on Directors/Senior Executives of Companies

31. Section 88 of the Scheme lays down the terms of settlement of the tax arrears. This section makes it clear that a declaration has to be filed by a person. The ‘person’ is defined under sub-section(k) of Section 87 and when the same is read with the definition of ‘declarant’ in sub-section(a) of the said section, it makes it clear that the declarant means a person making a declaration under Section 88. The scheme is, therefore, open to all the persons as covered under the statute individually to file declarations as per the provisions of the scheme. Therefore, the Directors or Senior Executives of the companies who have been issued separate show-cause notice in individual capacity and against whom penalties have been imposed have to file their separate declarations. In such an event if the company alone files a declaration then the case against the company will only get settled under the scheme and the benefit of that settlement cannot be extended as regards personal penalty on the Directors and other Senior Executives of the company involved in abetment or connivance etc.

32. It was suggested that assessee and other persons involved in the same case should not be asked to file separate declarations and assessee's declaration should suffice for settling the cases of various persons involved. Explaining the position, the Ministry in their note have stated that under the indirect tax enactment where apart from assessee separate penalties are imposed on the other persons found involved in conniving or abetting tax evasion, separate appeals have to be filed if the other persons involved dispute the penalties imposed on them though these may have been covered by single adjudication orders. Legally the assessee and the other persons who are issued separate show-cause notices are considered separate persons though involved in the same case. The Samadhan Scheme is for settlement of disputed tax arrears against different persons who are having tax arrears in dispute and each has to file appropriate declaration. The settlement of the case by the assessee by his declaration cannot therefore settle the cases for the other persons though involved in the same case and they have to file individual declarations for settling their penalties, provided they are in dispute. This suggestion therefore cannot be acceded to in view of the legal provisions made.

33. In regard to feasibility for waiving personal penalties on Directors/Senior Executives of Companies, the Ministry have stated as under:

“When the scheme was devised and statutory provisions made, it was not intended to give any special persuasions to the Directors or the Senior Executives (who may have played active role in evasion of duties by a Company and who may have been penalised by the Adjudicating Authorities) to settle their penal liability already determined, once the company settles its case under the Scheme. Completely waiving personal penalties imposed on individual Directors or Senior Executives of the company may, therefore, not be feasible under the provisions as they exist on statute. However, where the show cause notices issued to a company and their individual Directors are yet to be decided and penalties not yet imposed, the question whether any waiver from further penal action against Directors can be considered within the existing provisions, once the company settles its case, is under examination.”

34. On being asked during evidence when was it likely to be finally decided, the Secretary of the Ministry submitted:

“We want to do it within one or two days or as quickly as possible because we realise that only one month is left in the period for the scheme. We have made a reference to the Law Ministry seeking clarification as to whether, in order to facilitate the implementation of the Scheme, we can include it in the clarifications that such people would also be eligible. Section 96(1) says that the Central Government may, from time to time, issue

such orders, instructions and directions to the authorities as it may deem fit for the proper administration of the Scheme and such authorities and all other persons employed in the execution of the Scheme shall observe and follow such orders, instructions and directions of the Central Government. So, we have sought legal advice on whether under this we can issue a clarification that if there are show cause notices or demand notices against the managing director, directors or other employees of a company linked with the assessee, they can also be disposed of under this Scheme."

Declaration filed by assessee against which prosecution sanctioned but complaints yet not filed till the date of declaration should be processed under the Scheme.

35. According to the Ministry, declarants who make a declaration under the Samadhan Scheme where no complaint in respect of the prosecution (though sanctioned on file) has been filed in appropriate court till the date of declaration are not denied the benefit of the Scheme if otherwise covered by the provisions of the Scheme. Appropriate clarifications are also being issued separately to the field formations in this regard.

36. In this connection, the Secretary of the Ministry during evidence stated:

"There has to be some cut-off date. We have chosen that cut-off date of eligibility as 1st of April, 1998. Those who had no prosecution up to the date of making a declaration under the Samadhan Scheme are eligible. In a case where a demand has been made against a certain assessee and simultaneously a decision has been taken to prosecute him but the formal complaint has not been filed, then in such cases the assessee or the individual be eligible under the Samadhan Scheme. He would be eligible until such time as the formal complaint is filed."

Suggestions

- (i) That the amounts paid before the date of declaration be included in the computation of arrears. This may lead to more declaration being filed under the scheme.
- (ii) That in respect of cases Adjudicated after 1.4.1998 and duty demanded still remains unpaid provided an appeal is pending before appellate authority, the Tax Arrears should be the amount determined as duty payable as per the last order as on date of making declaration [Col.4 of form 1(B)].

- (iii) That wherever a company comes forward to avail this scheme in respect of cases Adjudicated but pending before appellate authority rules may be modified so as to demand only 50% of the duty payable on the date of declaration and giving relief in respect of penalties imposed on all other persons.
- (iv) That in the CERA objection cases, the Department has to invoke the provisions of extended period of 5 years for raising the demand in spite not having very convincing evidence of suppression of fact or *malafide* intention of the assessecs. In most of the cases, the assessecs are confident of coming out of the appellate fora unscathed. Even in such cases, a provision to restrict the demand to 6 months period only, it appears, could have been a puller.

37. The Department's comments/views on the above suggestions are given below:

- (i) The Scheme is intended not only to reduce pending litigation but also to enable the Government to collect certain revenue from the cases settled under the Scheme. This suggestion was even given at the time of passage of the Finance (No. 2) Bill, 1998 and the same was not found acceptable *inter alia* considering the objectives of and substantial benefits otherwise offered under the scheme.
- (ii) For the show cause notices issued prior to 1.4.98 but adjudicated after 1.4.98, the amount of tax arrears as payable is to be determined as per the last order subsisting as on the date of making declaration if the party is not paying the determined amount and is in appeal.
- (iii) As explained in earlier comments, no automatic relief is possible in respect of the penalties imposed on all other persons other than the person making a declaration even though the case might have been adjudicated but are pending before the appellate authority.
- (iv) It would not be possible to take any firm view on the merits of any CERA objections and in many cases it may also cause disputes as to whether any show cause notice or demand notice or the extended period is based on any CERA objections or otherwise. A separate categorisation for restricting demand amount for particular type of cases as suggested and determining settlement amount accordingly would thus have created only further disputes and administrative difficulties.

OBSERVATIONS/RECOMMENDATIONS

38. The Committee note that while introducing the Finance Bill, 1998 in Lok Sabha on 1st June, 1998 the Finance Minister announced a special scheme 'Kar Vivad Samadhan Scheme, 1998' as a part of Budget proposals to settle certain categories of disputes involving arrears of taxes (including duties, fines, penalties or interest). It covers both disputes under direct tax enactments as well as indirect tax enactments. The basic aim of the scheme on indirect taxes side is to bring down the pending litigation/disputes between the Department and the assessee in Customs and Central Excise cases as well as to speedily realise the arrears of taxes locked up in various disputes. The 'Kar Vivad Samadhan Scheme, 1998' has come into force on the 1st day of September, 1998. The scheme will be applicable for declarations received during the period of four months *i.e.* from 1st September, 1998 to 31st December, 1998. The persons eligible under this scheme include an individual, a company, a firm, an assessee, an importer or exporter, etc. against whom proceedings have been initiated on or before 31.3.1998 under indirect tax enactments which are pending and where tax arrears are in dispute and are not paid up, when the person seeks benefits under the Scheme.

39. The Samadhan Scheme in respect of Indirect Tax provide benefits of payment of only 50% of duty in arrears and in cases not involving duty, payment of only 50% of penalty, fine or interest alongwith waiver of interest, penalty and impunity from prosecution.

The Committee appreciate that Government have made an incentive offer for quick and voluntary settlement of tax disputes with the objective of reducing outstanding unpaid tax arrears and litigation. The Committee hope that the corporates, companies, industry, trade interests, etc. would avall of this good opportunity given to them and resolve thier tax disputes, reduce litigation burden and save a lot of management time.

40. In spite of the salient features of the scheme with the various benefits available under the scheme being given wide publicity and trade interests informed about the scheme through seminars and open houses, the response to the scheme has been lack-lustre. According to Field Commissionerates of Customs and Central Excise this is primarily due to certain restrictive provisions made in the Scheme which are preventing a large number of assesseees and other persons from opting for the scheme. The Committee desire that in the light of suggestions received from field formations, business/Industry groups, associations, interests, etc. the Government may review the provisions of the KVSS Scheme in order to make it more attractive to achieve the intended objectives as also internally projected revenue collection.

41. One of the suggestions made before the Committee was that cut-off date of 31st March, 1998 for cases covered under the Scheme could be

expanded to cover demand notices upto 1st September, 1998 or to cover all cases of which show cause notices were pending at the time of filing the declarations. The Ministry have expressed their constraint to limit the provision of the Scheme on indirect taxes side to show cause/demand notice issued on or before 31st March, 1998 in view of the statutory provision imposed as per definition of the tax arrears in Section 87 of the Finance (No.2) Act, 1998. The KVSS came into existence on 1st June, 1998 as a part of the Budget proposals. The Committee feel that the Scheme could have been appropriately made applicable to tax arrears in cases of show cause/demand notices issued on or before 31st May, 1998. In case the Government propose to bring certain amendments to KVSS in view of the demands being made by the business chambers, associations, industry groups and trade interests, the Government may also consider amending the present definition of the tax arrears to cover the show cause/demand notices issued after 31st March, 1998.

42. The Committee note that proviso to Section 92 of the Kar Vivad Samadhan Scheme, 1998 provides that if the assessee files the declaration under the Scheme, the Departmental Appeal would continue. The Committee are informed that the constitutional validity of the KVSS, 1998 was challenged before the High Court of Delhi in a public interest litigation. In its judgement delivered on 17th November, 1998, the Hon'ble High Court has upheld the provision of the KVSS except proviso to Section 92. The scope of the Scheme has been enlarged to cover the Departmental Appeals as also to cover tax, penalty or interest under disputes in Departmental appeals. The Committee are happy to note that the Government have decided to accept the decision of the Hon'ble High Court of Delhi and not to challenge the decision before the Supreme Court. The Committee hope that this decision would help in achieving the purpose of the Scheme to collect the maximum revenue while minimising the number of litigations.

43. The Committee are informed that legally under the existing provisions in the Scheme the Directors or Senior Executives of the companies who have been issued separate show cause notice in individual capacity are considered separate persons though involved in the same case. Assessee and other persons against whom penalties have been imposed have to file separate individual declarations for settling their penalties. According to the Ministry of Finance no data is readily available regarding number of cases where personal penalties on Directors/Senior Executives of the companies have been imposed and the amount involved in such cases. The Committee feel that Government have not done enough background work while formulating legal provisions in the Scheme and its restrictive impact

on the response to the Scheme. However, the matter in respect of certain categories is stated to be under examination of the Government. In order to achieve the larger objectives of the Scheme of reducing litigation burden both of the corporates as well as of the Government and to settle tax disputes in an amicable manner so that Government collected additional revenue, the Committee desire that suitable amendment may be carried out in the Scheme for removing the personal penalty clause.

44. It has been provided in the Scheme that the benefits for making declaration will not be available in a case where prosecution for any offence punishable under any provisions of any indirect tax enactment has been instituted on or before the date of filing the declarations. If a decision has been taken on the file to prosecute a certain assessee, but a case has not been filed in the court, then the assessee would be eligible for benefits under the Samadhan Scheme. The Scheme has become effective from 1st September, 1998 and will be in operation till the end of December, 1998. Even during this period the assessee would be eligible to make declaration under the Scheme until such time the formal complaint to prosecute him is filed in the court. The basic intention in introduction of their Scheme is two-fold. One is to minimise the litigations and the other is to collect more revenue from disputed tax arrears. According to the Ministry, the most of the assesseees are expected to make their declarations at the last moment of the Scheme. In this provision of the Scheme, discretion vests with the authorities to file prosecution against the assessee. In the view of the Committee, it is possible that the authorities designated for implementation of the Scheme may misuse this provision of the Scheme and frustrate the very purpose of its introduction. The Committee, therefore, recommend that this provision of the Scheme, as it exists now, may be modified to eliminate the discretion which has danger of misuse and the assesseees otherwise eligible under the Scheme who come forward should be made eligible to make use of the Scheme.

45. The Committee note that for maximising response to KVSS, 1998 the Department apart from giving it a wide publicity with the help of its Directorates of Publicity and Public Relations as well as Field Commissionerates of Customs and Central Excise all over the country and holding seminars, open houses and social contact programmes, have also written the Chief Executives of all the Public Sector Undertakings to avail of the provisions of this Scheme that it will be in their interest to settle their disputes under this scheme. In order to ensure good response to the Scheme, the Committee, however, desire that the Secretary of Ministry of Finance (Department of Revenue) should take up the matter with the Secretaries of the Ministries for impressing upon the Chief Executives of Public Sector Undertakings under their jurisdiction that this was a very good opportunity for them to settle their tax disputes and avail of the benefits under this scheme.

NEW DELHI;
December 8, 1998

Agrahayana 17, 1920(S)

MADHUKAR SIRPOTDAR,
Chairman,
Committee on Estimates.

APPENDIX—I

MINUTES OF THE SITTING OF THE ESTIMATES COMMITTEE (1998-99)

Fifth Sitting

The Committee sat on Friday, the 27th November, 1998 from 1400 hours to 1515 hours.

PRESENT

Shri Madhukar Sirpotdar—*Chairman*

MEMBERS

2. Dr. Shakcel Ahmad
3. Shri Narendra Budania
4. Smt. Rama Devi
5. Shri Sanat Kumar Mandal
6. Shri Rama Chandra Mallick
7. Shri Nikhilananda Sar
8. Dr. Mahadeepak Singh Shakya
9. Dr. Ramesh Chand Tomar
10. Shri Ritlal Prasad Verma

SECRETARIAT

1. Shri K.L. Narang—*Director*
2. Shri Raj Shekhar Sharma—*Under Secretary*

WITNESSES

*Ministry of Finance (Department of Revenue—Central Board of
Excise and Customs)*

1. Shri Javed A. Chaudhary—*Secretary (Revenue)*
2. Shri S.D. Mohile—*Chairman (CBEC)*
3. Shri P.N. Malhotra—*Member (CBEC)*
4. Shri S.K. Misra—*Joint Secretary (Legal)*
5. Shri Amitab Hajela—*Director (Legal)*
6. Shri S. Sampath—*I.O. (Legal)*

2. At the outset the Chairman welcomed the representatives of the Ministry of Finance (Department of Revenue—Central Board of Excise and Customs), to the sitting of Committee.

3. The Committee took oral evidence of the representatives of the Ministry of Finance (Department of Revenue—Central Board of Excise and Customs) on the subject of 'Recovery of Tax Arrears—Kar Vivad Samadhan Scheme, 1998'.

4. The evidence was concluded.

5. A verbatim record of proceedings was kept.

The Committee then adjourned.

APPENDIX—II

MINUTES OF THE SITTING OF THE ESTIMATES COMMITTEE (1998-99)

Sixth Sitting

The Committee sat on Tuesday, the 8th December, 1998 from 1530 hours to 1600 hours.

PRESENT

Shri Madhukar Sirpotdar—*Chairman*

MEMBERS

2. Shri G.M. Banatwalla
3. Shri Bikram Keshari Deo
4. Shri A. Ganeshamurthi
5. Shri Nikhilananda Sar
6. Shri Abdul Fazal Golam Osmani
7. Dr. Chhatrapal Singh
8. Dr. Mahadeepak Singh Shakya
9. Shri Maheshwar Singh
10. Shri Ritlal Prasad Verma
11. Prof. (Smt.) Rita Verma

SECRETARIAT

1. Shri A.K. Pandey — *Additional Secretary*
2. Shri K.L. Narang — *Director*
3. Shri Raj Shekhar Sharma — *Under Secretary*

2. The Committee considered their draft Report on Ministry of Finance (Department of Revenue—Central Excise and Customs)—‘Kar Vivad Samadhan Scheme, 1998’ and adopted it.

The Committee authorised the Chairman to finalise the Report in the light of verbal and consequential changes, if any, arising out of factual verification from the Ministry and to present the same to Lok Sabha.

* * *

The Committee then adjourned.

APPENDIX—III

STATEMENT OF OBSERVATIONS/RECOMMENDATIONS

Sl. No.	Para No.	Observations / Recommendations
1	2	3
1.	38	<p>The Committee note that while introducing the Finance Bill, 1998 in Lok Sabha on 1st June, 1998 the Finance Minister announced a special scheme 'Kar Vivad Samadhan Scheme, 1998' as a part of Budget proposals to settle certain categories of disputes involving arrears of taxes (including duties, fines, penalties or interest). It covers both disputes under direct tax enactments as well as indirect tax enactments. The basic aim of the scheme on indirect taxes side is to bring down the pending litigation/disputes between the Department and the assessee in Customs and Central Excise cases as well as to speedily realise the arrears of taxes locked up in various disputes. The 'Kar Vivad Samadhan Scheme, 1998' has come into force on the 1st day of September, 1998. The scheme will be applicable for declarations received during the period of four months <i>i.e.</i> from 1st September, 1998 to 31st December, 1998. The persons eligible under this scheme include an individual, a company, a firm and assessee, and importer or exporter, etc. against whom proceedings have been initiated on or before 31.3.1998 under indirect tax enactments which are pending and where tax arrears are in dispute and are not paid up, when the person seeks benefits under the scheme.</p>
2.	39	<p>The Samadhan Scheme in respect of Indirect Tax provide benefits of payment of only 50% of duty in arrears and in cases not involving duty, payment of only 50% of penalty, fine or interest along with waiver of interest, penalty and impunity from prosecution.</p>

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The Committee appreciate that Government have made an incentive offer for quick and voluntary settlement of tax disputes with the objective of reducing outstanding unpaid tax arrears and litigation. The Committee hope that the corporates, companies, industry, trade interests, etc. would avail of this good opportunity given to them and resolve their tax disputes, reduce litigation burden and save a lot of management time.

3. 40

In spite of the salient features of the scheme with the various benefits available under the scheme being given wide publicity and trade interests informed about the scheme through seminars and open houses, the response to the scheme has been lack lustre. According to Field Commissionerates of Customs and Central Excise this is primarily due to certain restrictive provisions made in the Scheme which are preventing a large number of assesseees and other persons from opting for the scheme. The Committee desire that in the light of suggestions received from field formations, business/industry groups, associations, interests, etc. the Government may review the provisions of the KVSS Scheme in order to make it more attractive to achieve the intended objectives as also internally projected revenue collection.

4. 41

One of the suggestions made before the Committee was that cut-off date of 31st March, 1998 for cases covered under the Scheme could be expanded to cover demand notices upto 1st September, 1998 or to cover all cases of which show cause notices were pending at the time of filing the declarations. The Ministry have expressed their constraint to limit the provision of the Scheme on indirect taxes side to show cause/demand notice issued on or before 31st March, 1998 in view of the statutory provision imposed as per definition of the tax arrears in Sections 87 of the Finance (No. 2) Act, 1998. The KVSS came into existence on 1st June, 1998 as a part of the Budget proposals. The Committee feel that the Scheme could have been appropriately made applicable to tax arrears in cases of show cause/demand notices issued on or before 31st May, 1998.

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In case the Government propose to bring certain amendments to KVSS in view of the demands being made by the business chambers, associations, industry groups and trade interests, the Government may also consider amending the present definition of the tax arrears to cover the show cause/demand notices issued after 31st March, 1998.

5. 42 The Committee note that proviso to Section 92 of the Kar Vivad Samadhan Scheme, 1998 provides that if the assessee files the declaration under the Scheme, the Departmental Appeal would continue. The Committee are informed that the constitutional validity of the KVSS, 1998 was challenged before the High Court of Delhi in a public interest litigation. In its judgement delivered on 17th November, 1998, the Hon'ble High Court has upheld the provision of the KVSS except proviso to Section 92. The scope of the Scheme has been enlarged to cover the Departmental Appeals as also to cover tax, penalty or interest under disputes in Departmental appeals. The Committee are happy to note that the Government have decided to accept the decision of the Hon'ble High Court of Delhi and not to challenge the decision before the Supreme Court. The Committee hope that this decision would help in achieving the purpose of the Scheme to collect the maximum revenue while minimising the number of litigations.

6. 43 The Committee are informed that legally under the existing provisions in the Scheme the Directors or Senior Executives of the companies who have been issued separate show cause notice in individual capacity are considered separate persons though involved in the same case. Assesseees and other persons against whom penalties have been imposed have to file separate individual declarations for settling their penalties. According to the Ministry of Finance no data is readily available regarding number of cases where personal penalties on Directors/Senior Executives of the companies have been imposed and the amount involved in such cases. The Committee feel that Government have not done enough

1 2**3**

background work while formulating legal provisions in the Scheme and its restrictive impact on the response to the Scheme. However, the matter in respect of certain categories is stated to be under examination of the Government. In order to achieve the larger objectives of the Scheme of reducing litigation burden both of the corporates as well as of the Government and to settle tax disputes in an amicable manner so that Government collected additional revenue, the Committee desire that suitable amendment may be carried out in the Scheme for removing the personal penalty clause.

7. 44

It has been provided in the Scheme that the benefits for making declaration will not be available in a case where prosecution for any offence punishable under any provisions of any indirect tax enactment has been instituted on or before the date of filing the declarations. If a decision has been taken on the file to prosecute a certain assessee, but a case has not been filed in the court, then the assessee would be eligible for benefits under the Samadhan Scheme. The Scheme has become effective from 1st September, 1998 and will be in operation till the end of December, 1998. Even during this period the assessee would be eligible to make declaration under the Scheme until such time the formal complaint to prosecute him is filed in the court. The basic intention in introduction of their Scheme is two-fold. One is to minimise the litigations and the other is to collect more revenue from disputed tax arrears. According to the Ministry, the most of the assesseees are expected to make their declarations at the last moment of the Scheme. In this provision of the Scheme, discretion vests with the authorities to file prosecution against the assessee. In the view of Committee, it is possible that the authorities designated for implementation of the Scheme may misuse this provision of the Scheme and frustrate the very purpose of its introduction. The Committee, therefore, recommend that this provision of the Scheme, as it exists now, may be modified to

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eliminate the discretion which has danger of misuse and the assessee otherwise eligible under the Scheme who come forward should be made eligible to make use of the Scheme.

8.**45**

The Committee note that for maximising response to KVSS, 1998 the Department apart from giving it a wide publicity with the help of its Directorates of Publicity and Public Relations as well as Field Commissionerates of Customs and Central Excise all over the country and holding seminars, open houses and social contact programmes have also written the Chief Executives of all the Public Sector Undertakings to avail of the provisions of this Scheme that it will be in their interest to settle their disputes under this scheme. In order to ensure good response to the Scheme, the Committee, however, desire that the Secretary of Ministry of Finance (Department of Revenue) should take up the matter with the Secretaries of the Ministries for impressing upon the Chief Executives of Public Sector Undertakings under their jurisdiction that this was a very good opportunity for them to settle their tax disputes and avail of the benefits under this scheme.

LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA SECRETARIAT PUBLICATION

Sl. No.	Name of Agent	Sl. No.	Name of Agent
ANDHRA PRADESH		UTTAR PRADESH	
1.	M/s. Vijay Book Agency, 11-1-477, Mviargadda, Secunderabad-500 306.	12.	Law Publishers, Sardar Patel Marg, P.B. No. 77, Allahabad, U.P.
BIHAR		WEST BENGAL	
2.	M/s. Crown Book Depot, Upper Bazar, Ranchi (Bihar).	13.	M/s. Madimala, Buys & sells, 123, Bow, Bazar Street, Calcutta-1.
GUJARAT		DELHI	
3.	The New Order Book Company, Ellis Bridge, Ahmedabad-380 006. (T.No. 79065)	14.	M/s. Jain Book Agency, C-9, Connaught Place, New Delhi, (T.No. 351663 & 350806)
MADHYA PRADESH		15.	M/s. J.M. Jaina & Brothers, P. Box 1020, Mori Gate, Delhi-110006. (T.No. 2915064 & 230936)
4.	Modern Book House, Shiv Vilas Place, Indore City. (T.No. 35289)	16.	M/s. Oxford Book & Stationery Co., scindia House, Connaught Place, New Delhi-110 001. (T.No. 3315308 & 45896)
MAHARASHTRA		17.	M/s. Bookwell, 2/72, Sant Nirankari Colony, Kingsway Camp, Delhi-110 009. (T.No. 7112309).
5.	M/s. Sunderdas Gian Chand, 601, Girgaum Road, Near Princes Street, Bombay-400 002.	18.	M/s. Rajendra Book Agency, IV-DR59, Lajpat Nagar, Old Dobule Storey, New Delhi-110 024. (T.No. 6412362 & 6412131).
6.	The International Book Service, Deccan Gymkhana, Poona-4.	19.	M/s. Ashok Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110 033.
7.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-400 001.	20.	M/s. Venus Enterprises, B-2/85, Phase-II, Ashok Vihar, Delhi.
8.	M/s. Usha Book Depot, Law Book Seller and Publishers' Agents Govt. Publications, 585, Chira Bazar, Khan House, Bombay-400 002.	21.	M/s. Central News Agency Pvt. Ltd., 23/90, connaught Circus, New Delhi-110 001. (T.No. 344448, 322705, 344478 & 344508).
9.	M & J Services, Publishers, Representative Accounts & Law Book Sellers, Mohan Kunj, Ground Floor, 68, Jyotiba Fuele road Nalgaum, Dadar, Bombay-400 014.	22.	M/s. Amrit Book Co., N-21, Connaught Circus, New Delhi.
10.	Subscribers Subscription Service India, 21, Raghunath Dadaji Street, 2nd Floor, Bombay-400 001.	23.	M/s. Books India corporation Publishers, Importers & Exporters, L-27, Shastri Nagar, Delhi-110 052. (T.No. 269631 & 714465).
TAMIL NADU		24.	M/s. Sangam Book Depot, 4378/4B, Murari Lal Street, ansari Road, Darya Ganj, New Delhi-110 002.