

CHAPTER XIVA

Settlement of cases

SECTION 127A. Definitions.- In this Chapter, unless the context otherwise requires,

(a) "Bench" means a Bench of the Settlement Commissioner;

²[(b) "case" means any proceeding under this Act or any other Act for the levy, assessment and collection of customs duty, pending before an adjudicating authority on the date on which an application under sub-section (1) of section 127B is made:

Provided that when any proceeding is referred back ³[* * *] by any court, Appellate Tribunal or any other authority, to the adjudicating authority for a fresh adjudication or decision, as the case may be, then such proceeding shall not be deemed to be a proceeding pending within the meaning of this clause;]

(c) "Chairman" means the Chairman of the Settlement Commission;

(d) "Commissioner (Investigation)" means an officer of the customs or a Central Excise Officer appointed as such Commissioner to conduct inquiry or investigation for the purposes of this Chapter;

(e) "Member" means a Member of the Settlement Commission and includes the Chairman and the Vice Chairman;

(f) "Settlement Commission" means the ⁴[Customs, Central Excise and Service Tax Settlement Commission] constituted under section 32 of the Central Excise Act, 1944 (1 of 1944); and

(g) "Vice-Chairman" means a Vice-Chairman of the Settlement Commission.

SECTION 127B. Application for settlement of cases. – ⁵[(1) Any importer, exporter or any other person (hereinafter referred to as the applicant in this Chapter) may, in respect of a case, relating to him make an application, before adjudication to the Settlement Commission to have the case settled, in such form and in such manner as may be specified by rules, and containing a full and true disclosure of his duty liability which has not been disclosed before the proper officer, the manner in which such liability has been incurred, the additional amount of customs duty accepted to be payable by him and such other particulars as may be specified by rules including the particulars of such dutiable goods in respect of which he admits short levy on account of misclassification, under-valuation or inapplicability of exemption notification ⁶[or otherwise] and such application shall be disposed of in the manner hereinafter provided:

Provided that no such application shall be made unless, -

⁷[(a) the applicant has filed a bill of entry, or a shipping bill, or a bill of export, or made a baggage declaration, or a label or declaration accompanying the goods imported or exported through post or courier, as the case may be, and in relation to such document or documents, a show cause notice has been issued to him by the proper officer;]

(b) the additional amount of duty accepted by the applicant in his application exceeds three lakh rupees; and

(c) the applicant has paid the additional amount of customs duty accepted by him along with interest due under ⁸[section 28AA] :

Provided further that no application shall be entertained by the Settlement Commission under this sub-section in cases which are pending in the Appellate Tribunal or any court:

Provided also that no application under this sub-section shall be made in relation to goods to which section 123 applies or to goods in relation to which any offence under the Narcotic Drugs and Psychotropic Substances Act, 1985 (61 of 1985) has been committed :

Provided also that no application under this sub-section shall be made for the interpretation of the classification of the goods under the Customs Tariff Act, 1975 (51 of 1975).

⁹[(1A)* * * *]

¹⁰[(2)* * *]

(3) Every application made under sub-section (1) shall be accompanied by such fees as may be specified by rules.

(4) An application made under sub-section (1) shall not be allowed to be withdrawn by the applicant.

¹¹[(5) Any person, other than an applicant referred to in sub-section (1), may also make an application to the Settlement Commission in respect of a show cause notice issued to him in a case relating to the applicant which has been settled or is pending before the Settlement Commission and such notice is pending before an adjudicating authority, in such manner and subject to such conditions, as may be specified by rules.]

¹²[**SECTION 127C. Procedure on receipt of an application under Section 127B.** - (1) On receipt of an application under section 127B, the Settlement Commission shall, within seven days from the date of receipt of the application, issue a notice to the applicant to explain in writing as to why the application made by him should be allowed to be proceeded with and after taking into consideration the explanation provided by the applicant, the Settlement Commission, shall, within a period of fourteen days from the date of the notice, by an order, allow the application to be proceeded with or reject the application, as the case may be, and the proceedings before the Settlement Commission shall abate on the date of rejection :

Provided that where no notice has been issued or no order has been passed within the aforesaid period by the Settlement Commission, the application shall be deemed to have been allowed to be proceeded with.

(2) A copy of every order under sub-section (1) shall be sent to the applicant and to the ¹³[Principal Commissioner of Customs or Commissioner of Customs] having jurisdiction.

(3) Where an application is allowed or deemed to have been allowed to be proceeded with under sub-section (1), the Settlement Commission shall, within seven days from the date of order under sub-section (1), call for a report along with the relevant records from the ¹³[Principal Commissioner of Customs or Commissioner of Customs] having jurisdiction and the Commissioner shall furnish the report within a period of thirty days of the receipt of communication from the Settlement Commission :

Provided that where the ¹⁴[Principal Commissioner or Commissioner] does not furnish the report within the aforesaid period of thirty days, the Settlement Commission shall proceed further in the matter without the report of the ¹⁴[Principal Commissioner or Commissioner].

(4) Where a report of the Commissioner called for under sub-section (3) has been furnished within the period specified in that sub-section, the Settlement Commission may, after examination of such report, if it is of the opinion that any further enquiry or investigation in the matter is necessary, direct, for reasons to be recorded in writing, the Commissioner (Investigation) within fifteen days of the receipt of the report, to make or cause to be made such further enquiry or investigation and furnish a report within a period of ninety days of the receipt of the communication from the Settlement Commission, on the matters covered by the application and any other matter relating to the case :

Provided that where the Commissioner (Investigation) does not furnish the report within the aforesaid period, the Settlement Commission shall proceed to pass an order under sub-section (5) without such report.

(5) After examination of the records and the report of the ¹⁵[Principal Commissioner of Customs or Commissioner of Customs] received under sub-section (3), and the report, if any, of the Commissioner (Investigation) of the Settlement Commission under sub-section (4), and after giving an opportunity to the applicant and to the ¹⁵[Principal Commissioner of Customs or Commissioner of Customs] having

jurisdiction to be heard, either in person or through a representative duly authorised in this behalf, and after examining such further evidence as may be placed before it or obtained by it, the Settlement Commission may, in accordance with the provisions of this Act, pass such order as it thinks fit on the matters covered by the application and any other matter relating to the case not covered by the application, but referred to in the report of the ¹⁵[Principal Commissioner of Customs or Commissioner of Customs] and Commissioner (Investigation) under sub-section (3) or sub-section (4).

¹⁶[(5A) The Settlement Commission may, at any time within three months from the date of passing of the order under sub-section (5), amend such order to rectify any error apparent on the face of record, either *suo motu* or when such error is brought to its notice by the jurisdictional Principal Commissioner of Customs or Commissioner of Customs or the applicant:

Provided that no amendment which has the effect of enhancing the liability of the applicant shall be made under this sub-section, unless the Settlement Commission has given notice of such intention to the applicant and the jurisdictional Principal Commissioner of Customs or Commissioner of Customs as the case may be, and has given them a reasonable opportunity of being heard.]

¹⁷[(6) * * * *]

(7) Subject to the provisions of section 32A of the Central Excise Act, 1944 (1 of 1944), the materials brought on record before the Settlement Commission shall be considered by the Members of the concerned Bench before passing any order under sub-section (5) and, in relation to the passing of such order, the provisions of section 32D of the Central Excise Act, 1944 (1 of 1944) shall apply.

(8)The order passed under sub-section (5) shall provide for the terms of settlement including any demand by way of duty, penalty or interest, the manner in which any sums due under the settlement shall be paid and all other matters to make the settlement effective and in case of rejection contain the reasons therefore and it shall also provide that the settlement shall be void if it is subsequently found by the Settlement Commission that it has been obtained by fraud or misrepresentation of facts :

Provided that the amount of settlement ordered by the Settlement Commission, shall not be less than the duty liability admitted by the applicant under section 127B.

(9) Where any duty, interest, fine and penalty payable in pursuance of an order under sub-section (5) is not paid by the applicant within thirty days of receipt of a copy of the order by him, the amount which remains unpaid, shall be recovered along with interest due thereon, as the sums due to the Central Government by the proper officer having jurisdiction over the applicant in accordance with the provisions of section 142.

(10) Where a settlement becomes void as provided under sub-section (8), the proceedings with respect to the matters covered by the settlement shall be deemed to have been revived from the stage at which the application was allowed to be proceeded with by the Settlement Commission and the proper officer having jurisdiction may, notwithstanding anything contained in any other provision of this Act, complete such proceedings at any time before the expiry of two years from the date of the receipt of communication that the settlement became void.

SECTION 127D. Power of Settlement Commission to order provisional attachment to protect revenue. - (1)Where, during the pendency of any proceeding before it, the Settlement Commission is of the opinion that for the purpose of protecting the interests of the revenue it is necessary so to do, it may, by order, attach provisionally any property belonging to the applicant in such manner as may be specified by rules.

(2)Every provisional attachment made by the Settlement Commission under sub-section (1) shall cease to have effect from the date the sums due to the Central Government for which such attachment is made are discharged by the applicant and evidence to that effect is submitted to the Settlement Commission.

¹⁸[SECTION 127E. * * * *]

SECTION 127F. Power and procedure of Settlement Commission.- (1) In addition to the powers conferred on the Settlement Commission under Chapter V of the Central Excise Act, 1944 (1 of 1944), it shall have all the powers which are vested in an officer of the customs under this Act or the rules made thereunder.

(2) Where an application made under section 127B has been allowed to be proceeded with under section 127C, the Settlement Commission shall, until an order is passed under sub-section ¹⁹[(5)] of section 127C, have, subject to the provisions of sub-section ²⁰[(4)] of that section, exclusive jurisdiction to exercise the powers and perform the functions of any officer of customs or Central Excise Officer as the case may be, under this Act or in the Central Excise Act, 1944 (1 of 1944), as the case may be, in relation to the case.

(3) In the absence of any express direction by the Settlement Commission to the contrary, nothing in this Chapter shall affect the operation of the provisions of this Act in so far as they relate to any matter other than those before the Settlement Commission.

(4)The Settlement Commission shall, subject to the provisions of Chapter V of the Central Excise Act, 1944 (1 of 1944) and this Chapter, have power to regulate its own procedure and the procedure of Benches thereof in all matters arising out of the exercise of its powers, or of the discharge of its functions, including the places at which the Benches shall hold their sittings.

SECTION 127G .Inspection, etc. of reports. - No person shall be entitled to inspect, or obtain copies of, any report made by any officer of the Customs to the Settlement Commission; but the Settlement Commission may, in its discretion, furnish copies thereof to any such person on an application made to it in this behalf and on payment of such fee as may be specified by rules:

Provided that, for the purpose of enabling any person whose case is under consideration to rebut any evidence brought on record against him in any such report, the Settlement Commission shall, on an application made in this behalf, and on payment by such person of such fee as may be specified by rules, furnish him with a certified copy of any such report or part thereof relevant for the purpose.

SECTION 127 H. Power of Settlement Commission to grant immunity from prosecution and penalty. - (1) The Settlement Commission may, if it is satisfied that any person who made the application for settlement under section 127B has co-operated with the Settlement Commission in the proceedings before it and has made a full and true disclosure of his duty liability, grant to such person, subject to such conditions as it may think fit to impose, immunity from prosecution for any offence under this Act ²¹[and also either wholly or in part from the imposition of any penalty and fine] under this Act, with respect to the case covered by the settlement :

Provided that no such immunity shall be granted by the Settlement Commission in cases where the proceedings for the prosecution for any such offence have been instituted before the date of receipt of the application under section 127B.

²²[* * * *]

(2) An immunity granted to a person under sub-section (1) shall stand withdrawn if such person fails to pay any sum specified in the order of the settlement passed under ²³[sub-section (5) of section 127C within the time specified in such order] or fails to comply with any other condition subject to which the immunity was granted and thereupon the provisions of this Act shall apply as if such immunity had not been granted.

(3) An immunity granted to a person under sub-section (1) may, at any time, be withdrawn by the Settlement Commission, if it is satisfied that such person had, in the course of the settlement proceedings, concealed any particulars, material to the settlement or had given false evidence, and thereupon such person may be tried for the offence with respect to which the immunity was granted or for any other offence of which he appears to have been guilty in connection with the settlement and shall

also become liable to the imposition of any penalty under this Act to which such person would have been liable, had no such immunity been granted.

SECTION 127-I. Power of Settlement Commission to send a case back to the proper officer.-

(1) The Settlement Commission may, if it is of opinion that any person who made an application for settlement under section 127B has not co-operated with the Settlement Commission in the proceedings before it, send the case back to the proper officer who shall thereupon dispose of the case in accordance with the provisions of this Act as if no application under section 127B had been made.

(2) For the purpose of sub-section (1), the proper officer shall be entitled to use all the materials and other information produced by the assessee before the Settlement Commission or the results of the inquiry held or evidence recorded by the Settlement Commission in the course of the proceedings before it as if such materials, information, inquiry and evidence had been produced before such proper officer or held or recorded by him in the course of the proceedings before him.

(3) For the purposes of the time limit under section 28 and for the purposes of interest under section 28AA, in a case referred to in sub-section (1), the period commencing on and from the date of the application to the Settlement Commission under section 127B and ending with the date of receipt by the officer of customs of the order of the Settlement Commission sending the case back to the officer of customs shall be excluded.

SECTION 127J. Order of settlement to be conclusive. - Every order of settlement passed under sub-section ²⁴[(5)] of section 127C shall be conclusive as to the matters stated therein and no matter covered by such order shall, save as otherwise provided in this Chapter, be reopened in any proceeding under this Act or under any other law for the time being in force.

SECTION 127K. Recovery of sums due under order of settlement.- Any sum specified in an order of settlement passed under sub-section ²⁵[(5)] of section 127C may, subject to such conditions, if any, as may be specified therein, be recovered, and any penalty for default in making payment of such sum may be imposed and recovered as sums due to the Central Government in accordance with the provisions of section 142, by the proper officer having jurisdiction over the applicant.

SECTION 127L. Bar on subsequent application for settlement in certain cases. - ²⁶[(1)] ²⁷[Where ²⁸[* * *]]

(i) an order of settlement ²⁹[* * *] provides for the imposition of a penalty on the applicant under section 127B for settlement, on the ground of concealment of particulars of his duty liability; or

³⁰[**Explanation.** —In this clause, the concealment of particulars of duty liability relates to any such concealment made from the officer of customs.]

(ii) after the passing of an order of settlement ³¹[* * *] in relation to a case, such person is convicted of any offence under this Act in relation to that case; or

(iii) the case of such person is sent back to the proper officer by the Settlement Commission under section 127-I,

then such person shall not be entitled to apply for settlement under section 127B in relation to any other matter.

³²[(2) * * *]

SECTION 127M. Proceedings before Settlement Commission to be judicial proceedings. - Any proceedings under this Chapter before the Settlement Commission shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228, and for the purposes of section 196, of the Indian Penal Code (45 of 1860).

³³[**SECTION 127MA.**] Omitted.

SECTION 127N. Applications of certain provisions of Central Excise Act. - The provisions of Chapter V of the Central Excise Act, 1944 (1 of 1944) in so far as it is not inconsistent with the provisions of this Chapter shall apply in relation to proceedings before the Settlement Commission under this Chapter.

1. Chapter XIV A (containing sections 127 A to 127 N) inserted by Act 21 of 1998, section 102 (w.e.f. 01.08.1998).
2. Substituted by Act 22 of 2007, section 100, for clause (b) (w.e.f. 01.06.2007). Clause (b), before substitution, stood as under:

‘ (b) "case" means any proceeding under this Act or any other Act for the levy, assessment and collection of customs duty, or any proceeding by way of appeal or revision in connection with such levy, assessment or collection, which may be pending before a proper officer or the Central Government on the date on which an application under sub-section (1) of section 127B is made:

Provided that where any appeal or application for revision has been preferred after expiry of the period specified for the filing of such appeal or application for revision under this Act and which has not been admitted, such appeal or revision shall not be deemed to be proceeding pending within the meaning of this clause;’ .

1. The words “ in any appeal or revision, as the case may be,” omitted by Act 20 of 2015, section 85 (w.e.f. 14.05.2015).
2. Substituted by Act 25 of 2014, section 83, for “ Customs and Central Excise Settlement Commission” (w.e.f. 06.08.2014).
3. Substituted by Act 22 of 2007, section 101, or sub-section (1) (w.e.f. 01.06.2007). Earlier sub-section (1) was amended by Act 10 of 2000, section 86 (w.e.f. 12.05.2000). Sub-section (1), before substitution by Act 22 of 2007, stood as under:

“ (1) Any importer, exporter or any other person (hereinafter in this Chapter referred to as the applicant) may, at any stage of a case relating to him, make an application in such form and in such manner as may be specified by rules, and containing a full and true disclosure of his duty liability which has not been disclosed before the proper officer, the manner in which such liability has been incurred, the additional amount of customs duty accepted to be payable by him and such other particulars as may be specified by rules including the particulars of such dutiable goods in respect of which he admits short levy on account of misclassification or otherwise of goods, to the Settlement Commission to have the case settled and such application shall be disposed of in the manner hereinafter provided:

Provided that no such application shall be made unless -

- (a) the applicant has filed a bill of entry, or a shipping bill, in respect of import or export of goods, as the case may be, and in relation to such bill of entry or shipping bill or a show cause notice has been issued to him by the proper officer;
- (b) the additional amount of duty accepted by the applicant in his application exceeds two lakh rupees:

Provided further that no application shall be entertained by the Settlement Commission under this sub-section in cases which are pending in the Appellate Tribunal or any court:

Provided also that no application under this sub-section shall be made in relation to goods to which section 123 applies or to goods in relation to which any offence under the Narcotic Drugs and Psychotropic Substances Act, 1985 (61 of 1985), has been committed :

Provided also that no application under this sub-section shall be made for the interpretation of the classification of the goods under the Customs Tariff Act, 1975 (51 of 1975)."

1. Substituted by the Act 14 of 2010, section 57, for " but excluding the goods not included in the entry made under this Act" (w.e.f. 08.05.2010).
2. Substituted by Act 25 of 2014, section 84(i), for clause (a) (w.e.f. 06.08.2014). Clause (a), before substitution, stood as under:

" (a) the applicant has filed a bill of entry, or a shipping bill, in respect of import or export of such goods, as the case may be, and in relation to such bill of entry or shipping bill, a show cause notice has been issued to him by the proper officer;" .

1. Substituted by Act 25 of 2014, section 84(ii), for " section 28 AB" (w.e.f. 06.08.2014)
2. Sub-section (1A) omitted by Act 20 of 2015, section 86 (w.e.f. 14.05.2015). Sub-section (1A), before omission stood as under:

" (1A) Notwithstanding anything contained in sub-section (1), where an application was made under sub-section (1) before the 1st day of June, 2007 but an order under sub-section (1) of section 127C has not been made before the said date, the applicant shall within a period of thirty days from the 1st day of June, 2007 pay the accepted duty liability failing which his application shall be liable to be rejected."

1. Sub-section (2) omitted by Act 25 of 2014, section 84(iii). Sub-section (2), before omission, stood as under:

" (2) Where any dutiable goods, books of account, other documents or any sale proceeds of the goods have been seized under section 110, the applicant shall not be entitled to make an application under sub-section (1) before the expiry of one hundred and eighty days from the date of the seizure."

1. Inserted by the Finance Act, 2017, Section 106.
2. Substituted by Act 22 of 2007, section 102, for section 127C (w.e.f. 01.06.2007). Section 127C, before substitution, stood as under:

" 127C. Procedure on receipt of an application under Section 127B. - (1) On receipt of an application under section 127B, the Settlement Commission shall call for a report from the Commissioner of Customs having jurisdiction and on the basis of the materials contained in such report and having regard to the nature and circumstances of the case or the complexity of the investigation involved therein, the Settlement Commission may, by order, allow the application to be proceeded with or reject the application:

Provided that an application shall not be rejected under this sub-section, unless an opportunity has been given to the applicant of being heard:

Provided further that the Commissioner of Customs shall furnish such report within a period of one month of the receipt of the communication from the Settlement Commission, failing which it shall be presumed that the Commissioner of Customs has no objection to such application; but he may raise objection at the time of hearing fixed by the Settlement Commission for admission of the application and the date of such hearing shall be communicated by the Settlement Commission to the applicant and the Commissioner of

Customs within a period not exceeding two months from the date of receipt of such application, unless the presiding officer of the Bench extends the said period of two months, after recording the reasons in writing.

(2) A copy of every order under sub-section (1) shall be sent to the applicant and to the Commissioner of Customs having jurisdiction.

(3) Subject to the provisions of sub-section (4), the applicant shall, within thirty days of the receipt of a copy of the order under sub-section (1) allowing the application to be proceeded with, pay the amount of additional duty admitted by him as payable and shall furnish proof of such payment to the Settlement Commission.

(4) If the Settlement Commission is satisfied, on an application made under sub-section (1) that the applicant is unable for good and sufficient reasons to pay the amount referred to in sub-section (3), within the time specified in that sub-section, it may extend the time for payment of the amount which remains unpaid or allow payment thereof by instalments, if the applicant furnishes adequate security for the payment thereof.

(5) Where the additional amount of customs duty referred to in sub-section (3) is not paid by the applicant within the time specified or extended period, as the case may be, the Settlement Commission may direct that the amount which remains unpaid, together with simple interest at the rate of eighteen per cent per annum or at the rate notified by the Board from time to time on the amount remaining unpaid, be recovered as the sum due to the Central Government by the proper officer having jurisdiction over the applicant in accordance with the provision of section 142.

(6) Where an application is allowed to be proceeded with under sub-section (1), the Settlement Commission may call for the relevant records from the Commissioner of Customs having jurisdiction and after examination such records, if the Settlement Commission is of the opinion that any further enquiry or investigation in the matter is necessary, it may direct the Commissioner (Investigation) to make or cause to be made such further enquiry or investigation and furnish a report on the matters covered by the application and any other matter relating to the case.

(7) After examination of the records and the report of the Commissioner of Customs received under sub-section (1), and the report, if any, of the Commissioner (Investigation) of the Settlement Commission under sub-section (6), and after giving an opportunity to applicant and to the Commissioner of Customs having jurisdiction to be heard, either in person or through a representative duly authorised in this behalf, and after examining such further evidence as may be placed before it or obtained by it, the Settlement Commission may, in accordance with the provisions of this Act, pass such order as it thinks fit on the matters covered by the application and any other matter relating to the case not covered by the application, but referred to in the report of the Commissioner of Customs or the Commissioner (Investigation) under sub-section (1) or sub-section (6).

(8) Subject to the provisions of section 32A of the Central Excise Act, 1944 (1 of 1944), the materials brought on record before the Settlement Commission shall be considered by the Members of the concerned Bench concerned before passing any order under sub-section (7) and, in relation to the passing of such order, the provisions of section 32D of the Central Excise Act, 1944 shall apply.

(9) Every order passed under sub-section (7) shall provide for the terms of settlement including any demand by way of duty, penalty or interest, the manner in which any sum due under the settlement shall be paid and all other matters to make the settlement effective and shall also provide that the settlement shall be void if it is subsequently found by the Settlement Commission that it has been obtained by fraud, or misrepresentation of facts.

(10) Where any duty payable in pursuance of an order under sub-section (7) is not paid by the applicant within thirty days of the receipt of a copy of the order by him, then, whether or not the Settlement Commission has extended the time for payment of such duty or has allowed payment thereof by instalments, the applicant shall be liable to pay simple interest at the rate of eighteen per cent per annum

or at such other rate as notified by the Board on the amount remaining unpaid from the date of expiry of the period of thirty days aforesaid.

(11) Where a settlement becomes void as provided under sub-section (9), the proceedings with respect to the matters covered by the settlement shall be deemed to have been revived from the stage at which the application was allowed to be proceeded with by the Settlement Commission and the proper officer may, notwithstanding anything contained in any other provision of this Act, complete such proceedings at any time before the expiry of two years from the date of the receipt of communication that the settlement became void.”

1. Substituted by Act 25 of 2014, section 78, for “ Commissioner of Customs” (w.e.f. 06.08.2014)
2. Substituted by Act 25 of 2014, section 78, for “ Commissioner” (w.e.f. 06.08.2014)
3. Substituted by Act 25 of 2014, section 78, for “ Commissioner of Customs” (w.e.f. 06.08.2014)
4. Inserted by the Finance Act, 2017, section 107.
5. Sub-section (6) omitted by Act 20 of 2015, section 87 (w.e.f. 14.05.2015). Earlier sub-section (6) was amended by the Act 14 of 2010, section 58 (w.e.f. 08.05.2010). Sub-section (6), before omission by Act 20 of 2015, stood as under:

“ (6) An order under sub-section (5) shall not be passed in respect of an application filed on or before the 31st day of May, 2007, later than 29th February, 2008 and in respect of an application made on or after the 1st day of June, 2007, after nine months from the last day of the month in which the application was made, failing which the settlement proceedings shall abate, and the adjudicating authority before whom the proceeding at the time of making the application was pending, shall dispose of the case in accordance with the provisions of this Act as if no application under 127B had been made:

Provided that the period specified under this sub-section may, for reasons to be recorded in writing, be extended by the Settlement Commission for a further period not exceeding three months.”

1. Section 127E omitted by Act 20 of 2015, section 88 (w.e.f. 14.05.2015). Earlier section 127E was amended by Act 22 of 2007, section 103 (w.e.f. 01.06.2007). Section 127E, before omission by Act 20 of 2015, stood as under:

“ **127E. Power of Settlement Commission to reopen completed proceedings.** -If the Settlement Commission is of the opinion (the reasons for such opinion to be recorded by it in writing) that, for the proper disposal of the case pending before it, it is necessary or expedient to reopen any proceeding connected with the case but which has been completed under this Act before application for settlement under section 127B was made, it may, with the concurrence of the applicant, reopen such proceeding and pass such order thereon as it thinks fit, as if the case in relation to which the application for settlement had been made by the applicant under that section covered such proceeding also :

Provided that no proceeding shall be reopened by the Settlement Commission under this section after the expiry of five years from the date of application under sub-section (1) of section 127B:

Provided further that no proceeding shall be reopened by the Settlement Commission under this section in a case where an application under section 127B is made on or after the 1st day of June, 2007.”

1. Substituted by Act 22 of 2007, section 104, for “ (7)” (w.e.f. 01.06.2007).
2. Substituted by Act 22 of 2007, section 104, for “ (6)” (w.e.f. 01.06.2007).
3. Substituted by Act 22 of 2007, section 105 (i) (a), for “ or under the India Penal Code (45 of 1860) or under any other Central Act for the time being in force and also either wholly or in part from imposition of any penalty, fine and interest” (w.e.f. 01.06.2007).

4. Explanation omitted by Act 20 of 2015, section 89 (w.e.f. 14.05.2015). Earlier explanation was inserted by Act 22 of 2007, section 105(i)(b) (w.e.f. 01.06.2007). Explanation, before omission by Act 20 of 2015, stood as under:

“ Explanation.- For the removal of doubts, it is hereby declared that the application filed before the Settlement Commission on or before the 31st day of May, 2007 shall be disposed of as if the amendment in this section had not come into force.”

1. Substituted by Act 22 of 2007, section 105(ii), for “ sub-section (7) of section 127C within the time specified in such order or within such further time as may be allowed by the Settlement Commission” (w.e.f. 01.06.2007).
2. Substituted by Act 22 of 2007, section 106, for “ (7)” (w.e.f. 01.06.2007).
3. Substituted by Act 22 of 2007, section 107, for “ (7)” (w.e.f. 01.06.2007).
4. Section 127L renumbered as sub-section (1) thereof by Act 22 of 2007, section 108 (w.e.f. 11.05.2007)
5. Substituted by Act 22 of 2007, section 108(i) for “ Where” (w.e.f. 11.05.2007).
6. The words “ before the 1st day of June, 2007” omitted by Act 14 of 2010, section 59(a)(i) (w.e.f. 08.05.2010).
7. The words “ passed under sub-section (7) of section 127C as it stood immediately before the commencement of section 102 of the Finance Act, 2007 (22 of 2007) or sub-section (5) of section 127C,” omitted by Act 20 of 2015, section 90(a) (w.e.f. 14.05.2015). Earlier the words “ as it stood immediately before the commencement of section 102 of the Finance Act, 2007 (22 of 2007) or sub-section (5) of section 127C,” were inserted by Act 14 of 2010, section 59(a)(ii) (w.e.f. 08.05.2010).
8. Inserted by Act 25 of 2014, section 85 (w.e.f. 06.08.2014).
9. The words “ under said sub-section (7), as it stood immediately before the commencement of section 102 of the Finance Act, 2007 (22 of 2007) or sub-section (5) of section 127C,” omitted by Act 20 of 2015, section 90(b) (w.e.f. 14.05.2015). Earlier the words “ as it stood immediately before the commencement of section 102 of the Finance Act, 2007 (22 of 2007) or sub-section (5) of section 127C” were inserted by Act 14 of 2010, section 59(a)(iii) (w.e.f. 08.05.2010).
10. Sub-section (2) omitted by the Act 14 of 2010, section 59(b) (w.e.f. 08.05.2010). Earlier sub-section (2) was inserted by Act 22 of 2007, section 108(ii) (w.e.f. 01.06.2007). Sub-section (2), before omission by the Act 14 of 2010, stood as under:

“ (2) Where an applicant has made an application under sub-section (1) of section 127B, on or after the 1st day of June, 2007 and if such application has been allowed to be proceeded with under sub-section (1) of section 127C, such applicant shall not be entitled to apply for settlement under section 127B in relation to any other matter:

Provided that such applicant shall not be prevented from filing an application for settlement if the issue in the subsequent application is, but for the period of dispute and amount, identical to the issue in respect of which the earlier application is pending before the Settlement Commission.”

1. Section 127MA was earlier inserted by Act 10 of 2000, section 87 (w.e.f. 12.05.2000) and was amended by Act 18 of 2005, section 68 (w.e.f. 13.05.2005). Section 127MA, before omission by Act 22 of 2007, stood as under:

“ 127MA. Certain persons who have filed appeals to the Appellate Tribunal entitled to make applications to the Settlement Commission.- (1) Notwithstanding anything contained in this Chapter, any person who has filed an appeal to the Appellate Tribunal under this Act, on or before the 29th day of February, 2000 and which is pending, shall, on withdrawal of such appeal from the Appellate Tribunal, be entitled to make an application to the Settlement Commission to have his case settled under this Chapter:

Provided that no such person shall be entitled to make an application under this section in a case where the Commissioner of Customs or any officer on his behalf has, on or before the date on which the Finance Act, 2000 receives the assent of the President, applied to the Appellate Tribunal for the determination of such points arising out of the decision or order specified by the Board in its order under sub-section (1) of section 129D or filed an appeal under sub-section (2) of section 129A, as the case may be.

(2) Any person referred to in sub-section (1) may make an application to the Appellate Tribunal for permission to withdraw the appeal.

(3) On receipt of an application under sub-section (2), the Appellate Tribunal shall grant permission to withdraw the appeal.

(4) Upon withdrawal of the appeal, the proceedings in appeal immediately before such withdrawal shall, for the purposes of this Chapter, be deemed to be a proceeding pending before a proper officer.

(5) An application to the Settlement Commission under this section shall be made within a period of thirty days from the date on which the order of the Appellate Tribunal permitting the withdrawal of the appeal is communicated to the person.

(6) An application made to the Settlement Commission under this section shall be deemed to be an application made under sub-section (1) of section 127B and the provisions of this Chapter, except sub-section (11) of section 127C and sub-section (1) of section 127-I, shall apply accordingly.

(7) Where an application made to the Settlement Commission under this section is not entertained by the Settlement Commission, then, the appeal shall be deemed to have been revived before the Appellate tribunal and the provisions contained in section 129A, section 129B and section 129C shall, so far as may be, apply accordingly.

(8) The Settlement Commission may, if it is of opinion that any person who made an application under sub-section (5) has not co-operated with the proceedings before it, send the case back to the Appellate Tribunal and the provisions contained in section 129A, section 129B and section 129C shall, so far as may be, apply accordingly.”