

**GOVERNMENT OF KARNATAKA**  
(Department of Commercial Taxes)

No.KSA.CR.16/2021-22

Office of the  
Commissioner of Commercial Taxes,  
Gandhinagar, Bangalore,  
Dated 29-11-2021.

**COMMISSIONER OF COMMERCIAL TAXES CIRCULAR NO. 2/2021-22**

**Sub: Karasamadhana Scheme, 2021-Extending the benefit to TDS Authorities in respect of Waiver of Interest levied under sub-section (7) of section 9-A of Karnataka Value Added Tax, 2003 – Issue of instructions for implementation - reg.**

**Ref: Government Order No. FD 49 CSL 2021, Dated: 24-11-2021.**

\*\*\*

The Hon'ble Chief Minister and Finance Minister in his Budget speech for the year 2021-22 made on 8<sup>th</sup> March, 2021 had announced that a Karasamadhana Scheme will be introduced with a view to reduce the arrears arising out of the enactments administered by the Commercial Tax Department which existed before the introduction of Goods and Services Tax Act. Accordingly, a Scheme for waiver of penalty and interest was formulated and issued vide Government order No. FD 49 CSL 2021, Dated: 29-03-2021. Under this Scheme, the benefits of waiver of Interest and penalty are available to dealers / persons engaged in Trade and Industrial activities.

2. The Government has now issued an Order dated: 24-11-2021 under reference above, by amending the Government Order of even No. dated: 29-03-2021 by inserting the following sub-clause 7.3 under Clause 7 dealing with the Special Provisions.

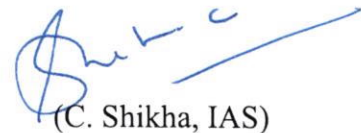
***“7.3 Notwithstanding anything contained in Karasamadhana Scheme, 2021, this Scheme also grants waiver of 100% of Interest payable under sub-section (7) of section 9-A of Karnataka Value Added Tax Act, 2003 by TDS Authorities for committing default in payment of Tax Deducted at Source to the Prescribed Authorities, subject to the condition that Tax Deducted at Source is paid in full on or before 31.12.2021. The Commissioner of Commercial Taxes may issue such instructions as may be necessary to extend this benefit to the TDS Authorities.”***

3. The purpose of the above amendment is to extend the benefit of waiver of Interest to TDS Authorities, where Interest has been levied under sub-section (7) of Section 9-A of the KVAT Act, 2003 on the Tax Deducting Authorities (TDS) for the default committed in the payment of Tax Deducted at Source within the period specified under sub-section (5) of Section 9-A of the said Act.

4. **Conditions:** Grant of waiver of Interest levied under sub-section (7) of Section 9-A of the Act is subject to the following conditions.

- (a) Any TDS Authority who makes payment of balance TDS amount for each of the financial years under VAT regime on or before **31-12-2021** will be eligible for the Scheme.
- (b) The TDS Authority opting for this Scheme shall submit application in the physical format **Annexure-(A)** appended to this Circular, for each financial year separately to their respective Jurisdictional Local GST Office / Sub-GST Office on or before **15-01-2022**.
- (c) The Jurisdictional Local GST Officer / Sub-GST Officer shall scrutinize the application and discrepancies, if any, are found with regard to either non-payment of balance TDS amount or any other details furnished, the concerned Officer shall inform the TDS Authorities on or before **31-01-2022**. The TDS Authority shall submit replies and make good short payments, if any, on or before **15-02-2022**.
- (d) On satisfaction that the Applicant-TDS Authority is eligible for the benefit of the Scheme, the LGSTO / SGSTO shall pass an Order waiving the Interest payable by the TDS Authority in **Annexure-(B)**, separately for each financial year, on or before **28-02-2022**.
- (e) If the TDS Authority is found ineligible for availing the benefit of Interest waiver, LGSTO / SGSTO shall pass a speaking order rejecting the application on or before **28-02-2022**.

The instructions issued above shall be followed by the Jurisdictional LGSTOs and SGSTOs scrupulously. The Joint Commissioner of Commercial Taxes (Administration), DGSTOs shall supervise this work for effective implementation. **Annexure-(A)** and **Annexure-(B)** are appended to this Circular.



(C. Shikha, IAS)  
Commissioner of Commercial Taxes  
in Karnataka, Bangalore.  
**Commissioner of Commercial Taxes**  
**Karnataka, Bangalore.**

Copy to all the Joint Commissioners of Commercial Taxes (Administration), Local GST Officers / Sub-GST Officers in the State.

## **ANNEXURE-(A)**

**(GOVERNMENT ORDER NO. FD 49 CSL 2021, DATED: 24-11-2021)**

**Application for waiver of interest levied under sub-section (7) of Section 9-A of  
KVAT Act, 2003 under Karasamadhana Scheme, 2021**

1	Name and address of the TDS Authority	
2	Jurisdictional LGSTO / SGSTO	
3	Financial Year	
4	Total amount of TDS made during the Financial year	Rs.....
5	Total amount of TDS remitted during the said Financial year out of total amount of TDS made.	Rs.....
6	Balance TDS amount remaining unpaid at the end of the Financial year (Amount in Sl. No. 4 minus Amount in Sl. No. 5)	Rs.....
7	Interest levied under sub-section (7) of Section 9-A of KVAT Act for the TDS amount remaining unpaid	Rs.....
8	Details of payment of balance TDS made	Rs.....
9	Amount of interest for which waiver is sought	Rs.....

### **DECLARATION**

I,..... do hereby solemnly declare that to the best of my knowledge and belief the information furnished above is true and complete.

**Date:**

**Signature**

**Place:**

**Name and Address of the TDS Authority with seal**

**NOTE:** 1. Application to be filed separately for each financial year separately

2. Copy of the relevant Order / Notice showing Interest levied and demanded to be enclosed to this application Form.

## **ANNEXURE - (B)**

**(GOVERNMENT ORDER NO. FD 49 CSL 2021, DATED: 24-11-2021)**

### **Order of Waiver of Interest levied under sub-section (7) of Section 9-A of KVAT Act, 2003**

The application and declaration are verified and the TDS Authority mentioned below is found eligible for waiver of interest levied under sub-section (7) of Section 9-A of KVAT Act, in terms of Government order No. FD 49 CSL 2021, Dated: 24-11-2021 read with Government Order even No. Dated: 29-03-2021 and the same is accordingly ordered to be waived.

The details are as under:

1	Name and address of the TDS Authority	
2	Jurisdictional LGSTO / SGSTO	
3	Financial Year	
4	Total amount of TDS made during the Financial year	Rs.....
5	Total amount of TDS remitted during the said Financial year out of total amount of TDS made.	Rs.....
6	Balance TDS amount remaining unpaid at the end of the Financial year (Amount in Sl. No. 4 minus Amount in Sl. No. 5)	Rs.....
7	Interest levied under sub-section (7) of Section 9-A of KVAT Act for the TDS amount remaining unpaid	Rs.....
8	Details of payment of balance TDS made	Rs.....
9	Amount of Interest waived	Rs.....

**Date:**

**Place:**

**Signature,**

**Name and Designation of the Authority.**