



GOVERNMENT OF KARNATAKA
(Department of Commercial Taxes)

No. KGST/CR/15/ 18-19

Office of the
Commissioner of Commercial Taxes,
(Karnataka), Vanijya Therige Karyalaya,
Gandhinagar, Bengaluru,
Dated: 13.08.2018.

COMMISSIONER OF COMMERCIAL TAXES CIRCULAR NO. 01/2018-19

Sub: CST Karasamadhana Scheme, 2018-Reg.

Ref: G.O. No. FD 38 CSL 2018 Dated 04.08.2018

The Hon'ble Chief Minister in para 171 of the Budget Speech for the year 2018-19 had announced a Karasamadhana Scheme aiming at reducing the arrears under the provisions of the Central Sales Tax Act, 1956 (hereinafter referred to as the CST Act). Therefore, a Scheme for waiver of penalty and interest under the CST Act, is formulated by the Government vide order under reference. Following are the features of the Scheme:

- It grants waiver of 100% of arrears of penalty and interest payable by a dealer under the CST Act relating to the assessments/reassessments completed on or before 30.06.2018.
- However, any penalty levied under section 10-A of the CST Act shall not be eligible for benefit of waiver under this Scheme.
- It grants of waiver of penalty and interest subject to certain conditions and procedure as envisaged in the Government Order. Important conditions and procedure as envisaged in the Government Order are as follows:

- 1) Full payment of arrears of tax assessed/reassessed as per the provisions of the CST Act relating to the assessments/reassessments completed on or before 30.06.2018 shall be made by the assessee on or before 30.10.2018 for the availment of benefit under this scheme.
- 2) If the arrears of tax as mentioned in Sl. No. 1 above is paid on or before 30.10.2018, such assessee is eligible to opt for the Scheme to get a waiver of 100 % of penalty and interest levied.

- 3) It is also applicable to a dealer who has no arrears of tax but only arrears of penalty and interest. In such cases, 100% of arrears of penalty and interest shall be waived.
- 4) If the dealer has filed any appeal or other applications against the order or proceedings relating to arrears of tax and/or arrears of penalty and interest before any Appellate Authority or Court and disposal of such applications is still pending, then such person shall withdraw the appeal or other application before availing the benefit of 100% waiver of arrears of penalty and interest under this Scheme.
- 5) After such appeal or other applications are withdrawn and on payment of full arrears of tax, the waiver of entire amount of arrears of penalty and interest under this Scheme shall be considered.
- 6) Any amount of penalty and/or interest paid by the assessee at the time of filing an appeal or other application shall be eligible for adjustment towards arrears of tax outstanding for the assessment year for which the benefit of waiver of penalty and interest is claimed under this Scheme.
- 7) However, the assessee shall not be eligible for refund of any amount that may become excess as a result of adjustment of amount of penalty and/or interest paid by him at the time of filing an appeal or other application as mentioned in Sl. No. 6 above.
- 8) The dealer or person or proprietor as the case may be, shall not file any appeal or other application before any Appellate Authority or Court after filing application for availing of the benefits of this scheme.
- 9) The dealer or person or proprietor as the case may be, shall not seek rectification of orders/proceedings after filing application for availing of the benefits of this Scheme or after availing the benefits of this scheme for whatever the reasons.
- 10) Benefits of this scheme is not available in relation to the order giving rise to arrears of tax, penalty and interest where:
 - (a) the State has filed an appeal before the Karnataka Appellate Tribunal or the Central Sales Tax Appellate Authority or,
 - (b) the State has filed appeal or revision or any kind of application before the High Court or the Supreme Court or,
 - (c) suo motu revision proceedings are initiated by the competent authority of the Commercial Taxes Department as on 30.6.2018 and
 - (d) any rectification order is passed after 30.6.2018 for the assessments/reassessments of the earlier periods.

11) The dealer opting for this Scheme shall submit separate application in the format Annexure-I appended to the Government Order for each assessment year relating to the assessment/reassessment concluded upto 30.6.2018, electronically through the website <https://ctax.kar.nic.in> or <http://gst.kar.nic.in> in the manner as specified in the websites. The electronic application so filed shall be downloaded, duly signed and submitted to the concerned Assessing Authority on or before 30.10.2018. It is hereby clarified that an application other than the one as specified in the above mentioned websites shall not be accepted under any circumstances.

12) User Manual called '*User Manual for Filing of Application Electronically under CST Karasamadhana Scheme, 2018*' is hosted on the websites <https://ctax.kar.nic.in> and <http://gst.kar.nic.in>. This document explains the process and procedure for filing of electronic application intended for use by assesses who want to avail the benefit of CST Karasamadhana Scheme, 2018 as provided by the Government Order No. FD 38 CSL 2018, Bengaluru, Dated 4th August 2018 with regard to the assessment/reassessments completed up to 30.6.2018 under the CST Act.

13) The important steps of filing of an electronic application by the assessee are reiterated below for the sake of clarity.

- (a) Application for waiver of interest and penalty as per Government Order No. FD 38 CSL 2018, Bengaluru, Dated 4th August 2018 shall be filed electronically on or before 30.10.2018.
- (b) A printout of the said application shall be taken thereafter by the applicant and submitted to the Assessing Authority after duly signing the same on or before 30.10.2018 along with duly signed declaration in Annexure –II.
- (c) The payment of outstanding tax as per the assessment/reassessment completed upto 30.06.2018, after adjusting the amount paid towards penalty an interest paid at the time of filing appeal or other application, shall be paid as a single amount. Part payments will not be accepted.
- (d) The dealer shall pay the entire amount of tax as intimated by the assessing authority, in Annexure-III, within fifteen days from the date of the intimation as a single amount. Part payments shall not be accepted.
- (e) Payment by cheque/DD/Cash or any other modes except net banking are not allowed.
- (f) For availing the benefit of waiver of interest and penalty for more than one assessment year, it is mandatory to file separate application for each of such assessment/ reassessment years.

- (g) If the assessment period is a part of an year, all the assessment periods of a financial year shall be included and consolidated tax, interest and penalty shall be entered.
 - (h) After filing the application electronically and making the e-Payment of the amount, the dealer shall take the printout of such application and the challan copy and shall submit to the assessing authority duly signing along with declaration in Annexure –II.
- 14) The concerned assessing authority shall scrutinize the application and work out the actual arrears of tax, penalty and interest payable by the dealer up to the date of filing of application.
- 15) At the time of scrutiny of application, it is required by the concerned assessing authority to verify whether the dealer has adjusted the amount paid by him towards penalty and interest to the arrears of tax. He is eligible to make such adjustment under this Scheme. But however he is not eligible for refund of any amount that becomes excess due to such adjustment.
- 16) The concerned assessing authority shall also verify the declaration in Annexure-II filed by the applicant and gets it confirmed that the appeal or any other applications are withdrawn.
- 17) Where no discrepancy is noticed after the scrutiny, the assessing authority shall proceed to pass the order in Annexure-IV within fifteen days from the date of receipt of the application and the same shall be served on the dealer within ten days from the date of passing of such order.
- 18) Where any discrepancy is found in the amount of arrears of tax and arrears of penalty and interest payable upto the date of application as declared by the dealer in his application, the assessing authority shall inform such discrepancy to the dealer, in Annexure-III, within 15 days from the date of filing of application.
- 19) After receipt of information in Annexure-III from the Assessing authority, the assessee at his option may pay the balance amount of tax payable, as informed in Annexure-III, so as to avail of the benefits of this scheme. All payments should be made through e-Payment only as specified in the website, on or before 30.10.2018. The assessee shall file a declaration in support of withdrawal of appeal or other application as per Annexure-II along with application for waiver of arrears of penalty and interest in Annexure-I.
- 20) If the assessee fails to do as provided in Sl. No. 17 above, the assessing authority shall pass a speaking order rejecting the application.
- 21) On satisfaction that the applicant assessee is eligible for the benefits of the Scheme, the assessing authority shall pass the order waiving the entire amount of arrears of penalty and interest payable by the assessee as per Annexure-IV separately for each assessment year.

22) The order of waiver shall be passed within 15 days from the date of making payment as specified in the Government Order.

23) The order of waiver shall be served on the dealer or person or proprietor within ten days from the date of such order.

24) The Assessing Authority shall help the assessee in quantification of the correct amount of interest and penalty.

25) Following instructions are issued for effective implementation of the Scheme.

(a) All the Audit Officers/LGSTOs/SGSTOs are directed to intimate and educate all the dealers to avail the benefits of the Scheme. Special efforts shall be made by Audit Officers to apprise the dealer having arrears of tax, penalty and interest under the CST Act to avail the benefits of the Scheme.

(b) All the DGSTOs shall ensure that all the dealers who have arrears relating to assessments/reassessments completed upto 30.06.2018 under the CST Act are invariably informed about the Scheme.

(c) All the Audit Officers shall ensure that the dealers having arrears of tax, penalty and interest under the CST Act shall pay make e-payment of arrears of tax electronically on or before 30.10.2018.

(d) Reviewing Additional Commissioners of the concerned GST Divisions shall invariably visit the allotted divisions and shall ensure the progress made in the concerned GST Divisions for successful implementation of the scheme.

All the officers of the Department shall ensure that the Scheme announced by the Hon'ble Chief Minister and given effect to by the Government Order No. FD 38 CSL 2018, Bengaluru, Dated 4th August 2018 is implemented effectively in the interest of revenue and administration. Any lapses in the implementation of the Scheme will be viewed seriously.



(SRIKAR M.S.)

Commissioner of Commercial Taxes
(Karnataka) Bengaluru

SRIKAR. M.S., I.A.S.,
Commissioner of Commercial Taxes
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To

All officers in the State.