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Office of the Principal Secretary & Commissioner State Goods and Service Tax  
Department Government of Kerala, Thiruvananthapuram

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No. CT/42/2019-C1

Dated 01/04/2019

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**Circular No.3/2019**

**Sub: Kerala Finance Bill,2019 Amesty scheme for settlement of arrears –  
instructions issued – Reg:**

**Ref: Govt. Lr No.B2/120/2019/TD Dt.28.03.2019**

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1. The State Budget for the year 2019-20 visualized revenue growth by 30%. In order to achieve this object, a comprehensive amnesty scheme has been announced. At present, there is an outstanding arrear demand of around 9,957 crores of rupees. The department has to take all efforts to collect maximum revenue through this One Time Settlement scheme for arrears. This scheme is called Amnesty Scheme, 2019-20.
2. This amnesty scheme is applicable to arrears relating to the following statutes:
  - i) All arrears under the Kerala General Sales Tax Act, 1963 relating to the period up to 31-03-2018.
  - ii) All arrears under the Kerala Value Added Tax Act, 2003 relating to the period up to 30-06-2017.
  - iii) All arrears under the Central Sales Tax Act, 1956 relating to the period up to 30-06-2017.
  - iv) All arrears under the Kerala Tax on Luxuries Act, 1976 relating to the period up to 30-06-2017.

v) All arrears under the Kerala Surcharge on Taxes Act, 1957 relating to the period up to 30-06-2017.

vi) All arrears under the Kerala Agricultural Income Tax Act, 1991 for the period up to 31-03-2017.

3. The assesseees who opt for the scheme need only to pay the principal amount in full. Entire interest and penalty shall be waived. In the case of arrears under Kerala General Sales Tax from 01.04.2005 to 31.03.2018 principal and interest shall be paid. Penalty shall be waived

4. The assesseees who opt for the scheme shall submit an application before the assessing authority on or before 30-09-2019 in the prescribed form in Annexure -1. In the case of demands newly generated or modified after 30-09-2019, the option shall be filed within 30 days from the date of receipt of the order.

5. Since the amnesty scheme provides for outright settlement of arrears, the assessee who opts for the scheme shall withdraw all the cases pending before any appellate or revisional authority, tribunal or courts unconditionally. The assessing authority shall confirm that such cases are formally withdrawn within 60 days, and in case such withdrawal has not been effected, the permission given under this scheme shall be revoked after giving notice to the assessee. The cases in which appeals filed by the State, however, shall be continued and hence the assessee shall not be eligible for availing provisions of this scheme.

6. The assessee who opts for the scheme shall settle all arrears relating to tax, penalty and interest pertaining to a financial year together. The arrears for the purpose of settlement under this section shall be calculated as on the date of submission of option. The arrears advised for Revenue Recovery are also eligible for settlement under this scheme.

7. On receipt of the application from the dealer, the assessing authority shall verify the correctness of the arrear position stated by the assessee with reference to assessment records and relevant registers, and intimate the amount payable under this scheme in Annexure -2 to the assessee within 15 days.

8. On receipt of the intimation the assessee shall pay the amount in lump-sum within 15 days or in a maximum of six instalments on or before 31<sup>st</sup> March, 2020.
9. The assessee who have opted for amnesty schemes earlier, but could not settle the arrears, can also opt under this scheme. Amounts, if any, paid during the earlier schemes, will be given credit under tax as per this scheme. Further, amounts paid after the service of demand notice will be given credit under tax as per this scheme. While compounding an offence, tax, if any, paid will be given credit under tax as per this scheme. However, any amount paid towards penalty or its interest shall not be credited towards tax.
10. The assessing authorities shall have the power to collect such amounts settled as per this scheme even though revenue recovery proceedings have been initiated. Once the amount is fully settled under this scheme, the assessing authorities shall withdraw the revenue recovery proceedings against such assessee.
11. The assessee who opted for this scheme shall not be liable for payment of any amount towards collection charges.
12. There shall not be any refund or any adjustment subsequently for the amount settled under this scheme, under any circumstances.
13. Assessment of tax and imposition of penalty by a single order will not preclude the assessee from availing of the relief declared under this scheme. While fixing the liability under this scheme care must be taken to see that proper credit has been given to all remittance made by the assessee.
14. If the dealer defaults in making payment as per the permission given in Annexure - II, the reduction granted shall be revoked by an order in writing by the assessing authority after giving such dealer an opportunity of being heard within fifteen days of the default.
15. No appeal shall lie in any court, tribunal or appellate authority with respect to the amount settled under this scheme.
16. All assessing authorities shall maintain a register in Annexure - III containing details of arrears settled under this scheme.

17. The collection details shall be reported separately. The Deputy Commissioners shall give periodic progress report of settlement of arrears under this scheme to the Commissioner every fortnight.

Sd/-

**COMMISSIONER OF STATE TAX**

**Annexure - I**  
**Application for settlement of arrears under the Amnesty Scheme, 2019-20**  
 (To be submitted in Duplicate)

01. Name and address of the assessee :

02. Registration Certificate Number :

03. Option filed under the Act : KGST / KVAT / CST / LT /  
 Surcharge

04. Details of arrears for which settlement has been opted.

Sl. No.	Assessment year	Order		Outstanding demands			
		No.	Date	Tax		Penalty	
				Amount	Interest	Amount	Interest
1							
2							
3							
4							

05. Tax effect in the case of penalty not utilized or not liable for any best judgment assessment.

Sl. No.	Assessment year	Order		Amount of penalty	Tax effect
		No	Date		
1					
2					

06. Details of payment after service of demand notices for which settlement applied

Sl. No.	Assessment year	Order		Nature of Order (Assessment/Penalty)	Amount paid	Details of payment.
		No	Date			
1						

2						
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**07. Appeal / Revision / Court cases if any pending details**

Sl. No.	Assessment year	Order			Appellate authority with whom pending	Appeal / Revision No.	Present stage	Remarks
		No	Date	Amount				
1								
2								

**08. Details of Revenue Recovery**

- a) Name of the Taluk/Village :
- b) Taluk reference No. :
- c) Details of assets attached, if any :
- d) Value of attached assets :
- e) Details of payment made before the revenue authorities, if any, with details. :

**DECLARATION**

- i. I Shri / Smt..... hereby declare that the details stated above are true and correct to the best of my knowledge.
- ii. I further declare that I am competent to file application in the capacity as the .....
- iii. I hereby opt for settlement of the arrears in pursuance of the scheme declared in Kerala Finance Bill, 2019.
- iv. I hereby undertake to withdraw the appeals / revisions / court cases and other cases relating to these matters on acceptance of this application.
- v. I further undertake that on acceptance of this application I shall abide the conditions of payment without fail.

Place:  
Date:

Signature:  
Name & status

**Annexure – II**

**INTIMATION OF PAYMENT OF ARREARS  
UNDER THE AMNESTY SCHEME, 2019-20**

(To be prepared in Duplicate)

Name of Office

Reg. No.

To

Sri. / Smt.....

On a consideration of the application dated..... / 2019 filed by you for settlement of the outstanding arrears you have been found eligible. Accordingly, you are hereby permitted to settle the arrears as detailed hereunder:

Sl. No.	Years	Tax amount due	Total
1			
2			
3			
4			
5			
	Total		

Place:

Signature:

Date:

/ Seal /

Name & designation of  
Assessing Authority

