



AMNESTY SCHEME 2019

STEEL USERS FEDERATION OF INDIA
A UNITED PLATFORM FOR STEEL
FRATERNITY

**Steel Users Federation
of India**

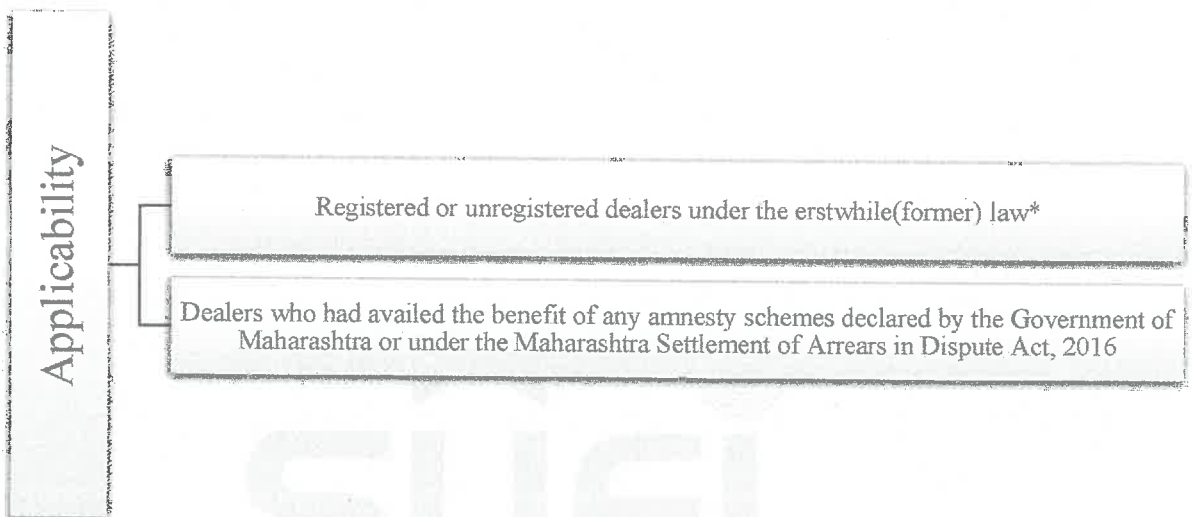
52B, Plot No. 56, Ashok Chambers,
Devji Ratansy Marg, Masjid Bunder
(East), Mumbai – 400009
Tel: 022-43430300
Email: info@sufi.org.in

Amnesty Scheme – 2019

1- Introduction to Scheme

Government of Maharashtra has introduced an Ordinance on 6th March 2019, providing relief in case of litigation of undisputed and disputed tax, interest, penalty or late fee, as the case may be, which were levied, payable or imposed for period ending on or before 30th June, 2017. This scheme aims to close down pending cases on fast track mode and give concession to the dealers in Government dues.

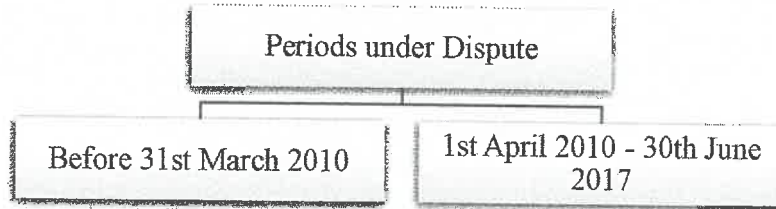
2- Who can apply for Amnesty Scheme?



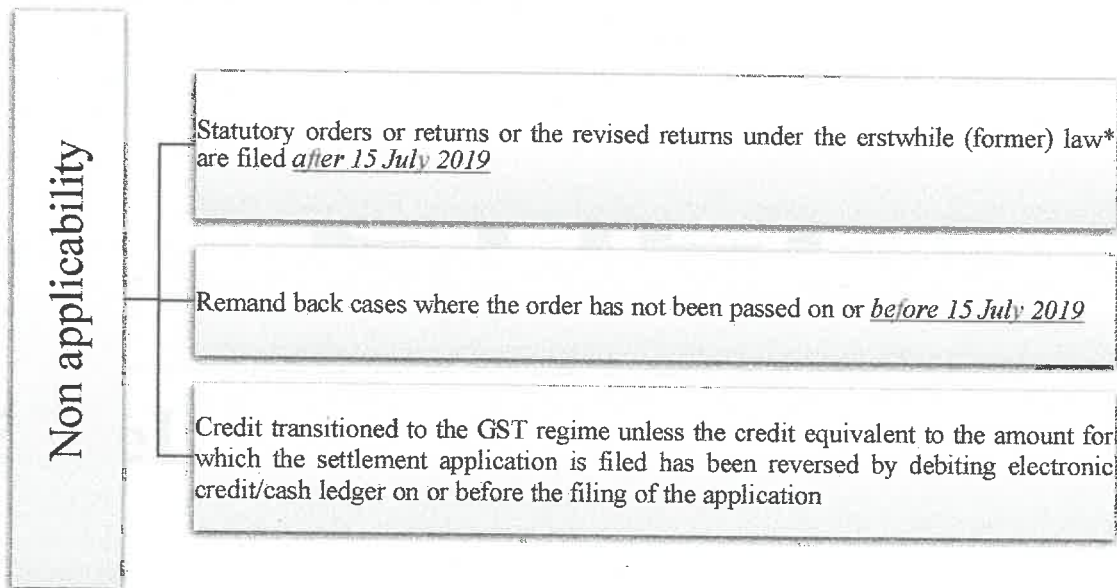
*Amnesty Scheme inter-alia covers the following legislations under erstwhile(former) law

- The Central Sales Tax Act, 1956.
- The Bombay Sales of Motor Spirit Taxation Act, 1958.
- The Bombay Sales Tax Act, 1959.
- The Maharashtra Purchase Tax on Sugarcane Act, 1962.
- The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.
- The Maharashtra Sales Tax on the Transfer of Right to use any Goods for any Purpose Act, 1985.
- The Maharashtra Tax on Entry of Motor Vehicles into Local Areas Act, 1987
- The Maharashtra Tax on Luxuries Act, 1987.
- The Maharashtra Sales Tax on the Transfer of Property in Goods involved in the Execution of Works Contract (Re-enacted) Act, 1989.
- The Maharashtra Tax on the Entry of Goods into Local Areas Act, 2002.
- The Maharashtra Value Added Tax Act, 2002.
- also includes the rules made or notifications issued thereunder.

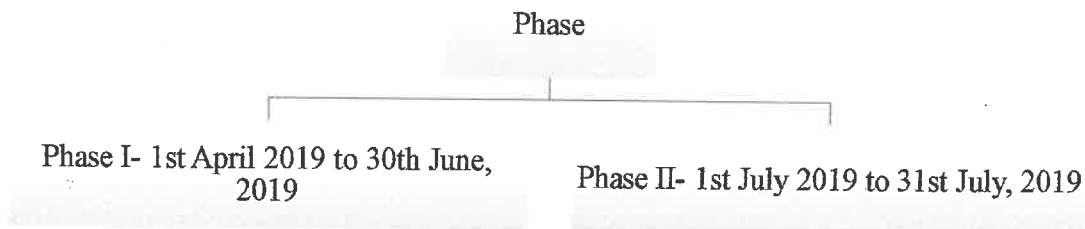
3- Disputed Period as per Amnesty Scheme?



4- Cases where dealer cannot opt for Amnesty Scheme?



5- How can dealer opting for Amnesty Scheme file an application?



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6- Schedule - Payment and Waiver

<i>Dispute Period</i>	<i>Nature of Liability</i>	<i>Phase I- 1st April 2019 to 30th June, 2019</i>		<i>Phase II- 1st July 2019 to 31st July, 2019</i>	
		Payment	Waiver	Payment	Waiver
Upto 31 st March, 2010	Tax	50%	50%	60%	40%
	Interest	10%	90%	20%	80%
	Penalty	5%	95%	10%	90%
1 st April 2010 to 30 th June 2017	Tax	70%	30%	80%	20%
	Interest	20%	80%	30%	70%
	Penalty	10%	90%	20%	80%

7- Conditions to be complied for opting to above scheme

Pre implication

- All undisputed tax amount to be paid in full
- Percentage of payment and waiver is to be calculated for the disputed amount.
- Along with the application, the dealer would be required to make the payment of both the disputed and undisputed amount as per the scheme
- Dealers would be required to unconditionally withdraw appeals pending before the appellate authority/tribunal/court

Post implication

- Any post-assessment interest or penalty or both leviable but not levied up to the date of application to be waived in full
- Late fee in respect of returns filed during the period commencing from 1 April 2019 to 31 July 2019 to be waived in full
- The dealer shall not be entitled to claim refund of the amount paid under the scheme
- An order issued shall be conclusive as to the settlement of arrears covered in the order and it shall not be reopened in any proceeding /review/revision under the relevant act

8- Types of Forms

Sr. No.	Form No.	Purpose of Form
(1)	<u>Form-I</u>	Application for settlement of arrears of tax, interest, penalty or late fee payable as per the Statutory order.
(2)	<u>Form-IA</u>	Application for settlement of arrears other than the Statutory orders like return/revised return dues, dues as per recommendations in audit report or self-assessed dues etc.
(3)	<u>Form-II</u>	Application for withdrawal of appeal.
(4)	<u>Form-III</u>	Notice of Defect in respect of application for settlement of arrears.
(5)	<u>Form-IV</u>	Order of Settlement or Order of rejection.
(6)	<u>Form-V</u>	Notice for Rectification of Mistakes to be issued by the Nodal Officer.
(7)	<u>Form-VI</u>	Application for Rectification of Mistakes to be submitted by the applicant.
(8)	<u>Form-VII</u>	Notice for review.

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9- Examples

Illustration 1:

A- Mr A has paid Sales tax of Rs 4,000 cr net of input tax credit whereas assessed by the assessing authority is totalling of Rs 35,125 cr comprising of Tax amount of Rs 20,125 cr, Interest of Rs 5,000 cr and penalty of Rs 10,000 cr for F.Y. 15-16. Partial Amount paid by Mr A is Rs 16,500 cr as on 01.05.2018 without any dispute. What would be the settlement amount to be paid in Amnesty Scheme.

Answer:

- a. Total amount of *Un-disputed* balance tax of Rs 3,625 cr i.e (Rs 20,125-Rs16500)
- b. Interest 20% as per the scheme i.e Rs 1,000cr (20% of Rs 5,000)
- c. Penalty 10% as per the scheme i.e Rs 1,000cr (10% of Rs 10,000)

Hence, total requisite amount to be paid is Rs 5,625 cr in order to opt for amnesty scheme.

B- Suppose in example 1, Mr A disagrees with the demand of the Assessing officer. Then, what would be settlement amount payable under the scheme.

Answer:

- a. *Disputed* tax amount of Rs 11,288cr (i.e 70% of Rs 16,125)
- b. Interest 20% as per the scheme i.e Rs 1,000cr (20% of Rs 5,000)

Penalty 10% as per the scheme i.e Rs 1,000cr (10% of Rs 10,000)

Illustration 2:

A- Compute the amount payable by Mr B under amnesty scheme for the return period April to June 2017.

(Rs. In lakhs)

Particulars	Tax	Interest	Penalty	Total
Amount admitted in the return	1,00,000	25,000	5,000	1,30,000
Less amount paid till 31.12.2018	25,000	10,000	1,000	36,000
O/s amount as on 01.01.19	75,000	15,000	4,000	94,000
Determination of outstanding amount by the assessing officer as on 01.04.19	64,000	25,000	5,000	94,000

Answer:

- a. *Undisputed* tax of Rs 64,000
- b. Interest 20% as per the scheme i.e Rs 5,000 (20% of Rs 25,000)
- c. Penalty 10% as per the scheme i.e Rs 500 (10% of Rs 5,000)

B- Suppose in above example, Assessing authority has wrongly calculated penalty of Rs 5,000 instead of Rs 500 and the assessee have paid Rs 5,000 without any further verification. Later on, the assessee found about the fact of the excess payment, whether the assessee can claim refund of Rs 4,500 wrongly paid due to calculation error by the Assessing authority.

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Answer:

No, we cannot claim the excess amount paid irrespective of error made by assessee or the assessing authority under this scheme.

C- Further, suppose in above example, the assessee has paid Rs 500 instead of Rs 5,000 under penalty whether application made under the scheme is liable to be rejected?

Answer:

In case, it is noticed that the application made in the requisite form is incorrect or incomplete or requisite amount paid is deficient, then the designated authority shall issue defect notice online within 15 days from the date of receipt of application and intimate the defects.

On compliance with the above notice, the application is subject to final review. It found appropriate the same would be accepted.

Illustration 3:

A- Mr. A has preferred three grounds of appeal to the Jt. Comm. Sales tax for FY 2010-11. Out of the above grounds, two grounds are in favour of the assessee on merit basis and one ground in the opinion of the assessee might be against the assessee. Whether he can apply for Amnesty scheme in such situation?

Answer:

In this case, the assessee can apply for amnesty scheme by partial withdrawal of appeal for the one ground which in his opinion might be against him.

B- In above example, the assessee Mr. A has received the appellate order in which one ground was not in favour of Mr A and accordingly assessee can also avail the benefit of amnesty scheme,

You can reach us -

CA Samir Sanghvi

Steel Users' Federation of India (SUFI)

2/3, Ashok Chambers, Devji Ratanshy marg,
Carnac Bunder, Masjid East, Mumbai – 400 009.
India.

Email – gst@sufi.org.in

Cell – 9821009143.

Thanking you,
Yours faithfully,

CA Samir Sanghvi,
Empaneled GST Expert for SUFI

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