



GOVERNMENT OF KARNATAKA
(Department of Commercial Taxes)

No.KSA.CR-04/2019-20

Office of the
Commissioner of Commercial Taxes,
(Karnataka), Vanijya Terige Karyalaya,
Gandhinagar, Kalidasa Road,
Bengaluru, dated: 15-07-2019

**PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES,
(KARNATAKA), BENGALURU**

Present: SRIKAR M.S. I.A.S.,
Commissioner of Commercial Taxes,
(Karnataka), Bengaluru.

Sub: Request to clarify the applicability / eligibility of
Comprehensive Karasamadhana Scheme-2019 for the cases
under suo-motto revision – reg

Ref: Letter No.JCCT/Audit-1/VJP/2018-19 T.1055 dated 14-3-2019
of DCCT (Audit-1) Vijayapura.

The Deputy Commissioner of Commercial Taxes (Audit-1) Vijayapura in his letter under reference has sought clarification regarding commencement of initiation of suo-motto revision proceedings so as to decide eligibility or otherwise of an assessee seeking to avail the benefits under the Comprehensive Karasamadhana Scheme, 2019 (CKSS) vide G.O. No. FD 9 CSL 2019 dated 21-02-2019.

2. The matter is examined.
 - i. As per para 5.7 (c) of the said G.O., the dealer shall not be eligible to avail the benefits of the Scheme in relation to an order giving rise to arrears of tax, penalty and interest where any competent authority has initiated suo-moto revision proceedings as on the date of the Government Order.
 - ii. The Hon'ble High Court of Karnataka while dealing with the powers of revisional authority in the case of S. Subba Rao Vs CCT in Mysore, has interpreted that SMR proceedings has three facets viz., namely,
 - a. calling for the records mentioned therein,
 - b. examination of those records, and
 - c. passing of such order, with respect there to as he things fit.

It was held that SMR powers begins as soon as he calls for the records in question and exercise of that power comes to an end when order is passed.

- iii. It is learnt that DCCT(Audit-1) Vijayapura has submitted assessment records to the Zonal Additional Commissioner for initiation of SMR Proceedings and it is not the case that records were submitted at the instance of the Zonal Additional Commissioner.

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In the light of the above discussion, it is clarified as under:

- i. If the records in question are called for by the SMR Authority as on 21-02-2019 i.e., the date of Government Order relating to Comprehensive Karasamadhana Scheme, 2019, then it amounts to initiation of SMR Proceedings.
- ii. If the records are submitted on his own motion by the Assessing Authority or any other lower Authority to SMR Authority, it does not amount to initiation of SMR Proceedings by the Competent Authority, unless the SMR Authority has initiated the proceedings.
- iii. There is no bar for initiation of SMR Proceedings in a case where the assessee has availed the benefits under the Comprehensive Karasamadhana Scheme, 2019 i.e., subsequent to passing of waiver orders by the assessing authorities. In such a case, any additional tax, consequential penalty and interest levied by the SMR Authority to the extent attributable to SMR proceedings only shall become payable, without denying the benefits already conferred under the Scheme before the SMR proceedings.


(M.S. SRIKAR)

Commissioner of Commercial Taxes,
(Karnataka), Bengaluru

Commissioner of Commercial Taxes
Bengaluru.

To,

All the Officers of the Department.