

L. A. BILL No. III OF 2026.

A BILL

*further to amend the Maharashtra Settlement of Arrears of Tax, Interest,
Penalty or Late Fee Act, 2025.*

Mah. 5 **WHEREAS** it is expedient further to amend the Maharashtra Settlement
XVII of of Arrears of Tax, Interest, Penalty or Late Fee Act, 2025, for the purposes
2025. hereinafter appearing ; it is hereby enacted in the Seventy-seventh Year of the
Republic of India as follows :—

1. This Act may be called the Maharashtra Settlement of Arrears of Tax, Short title.
10 Interest, Penalty or Late Fee (Amendment and Validation) Act, 2026.

Amendment
of section 10
of Mah. XVII
of 2025.

2. In section 10 of the Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Act, 2025 (hereinafter referred to as “the principal Act”), in the Table, in column (4), for the figures, letters and word “31st December 2025” the figures, letters and word “31st March 2026” shall be substituted.

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Amendment
of section 11
of Mah. XVII
of 2025.

3. In section 11 of the principal Act, after sub-section (1), the following 5 provisos shall be added, namely:—

“Provided that, where more than one appeal is filed in respect of the same statutory order and such appeals involve distinct and severable issues, the applicant may, for the purpose of availing the benefit under this Act, fully and unconditionally withdraw the appeal relating to such 10 distinct and severable issues, without affecting the continuance of the remaining appeal or appeals:

Provided further that, where any payment of requisite amount has been made in respect of a statutory order, whether in appeal or otherwise, on or before the date of commencement of this Act and,— 15

(a) where such payment is identifiable issue-wise, it shall be adjusted against the liability relating to the corresponding issue or issues;

(b) where such payment is not identifiable issue-wise, it shall be adjusted proportionately against the liability arising out of the appeal or appeals withdrawn under this section and the appeal or appeals which 20 continue to remain pending, in such manner as may be determined by the designated authority.”.

Validation.

4. Notwithstanding anything contained in the Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Act, 2025 (hereinafter referred to as “the said Act”) or in any judgement, decree or order of 25 any court, any payment of requisite amount of tax, interest, penalty or late fee under the relevant Act as defined under the said Act, paid and collected under the said Act from any applicant, after the 31st December 2025 and till the date of commencement of the Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee (Amendment and Validation) 30 Act, 2026, shall be deemed to be and shall be deemed always to have been duly and validly paid and collected in accordance with law as if the provisions of the said Act, as amended by this Act, had been continuously in force at all material times and accordingly,—

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(a) no suit or proceedings shall be maintained or continued in or before 35 any court or any authority for the refund of any amount received or realised by way of requisite amount;

(b) no court or any other authority shall enforce any decree or order directing the refund of any amount received or realised by way of such requisite amount. 40

STATEMENT OF OBJECTS AND REASONS

The Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Act, 2025 (Mah. XVII of 2025) has been enacted to provide for settlement of arrears of tax, interest, penalty or late fee, which were levied, imposed or payable under the various Acts implemented by the Department of Goods and Services Tax, Government of Maharashtra, payable by the Corporations, Public Sector Banks, Departments, Rural or Urban Local Bodies or other Authorities, Enterprises or Entities, which are registered under Central Acts other than the Companies Act, 2013 (18 of 2013) or State Acts or are constituted by the Government Resolutions.

2. Section 10 of the said Act provides 31st December 2025 as the last date for payment of the requisite amount of tax, interest, penalty or late fee under the relevant Act. However, it has been observed that several eligible Public Sector Undertakings and Government entities, though willing to avail the benefit of settlement, could not complete the process of withdrawal of appeals and payment of requisite amount within the specified time limit, due to pendency of appeals at various appellate forums. The State Government has received several representations from such entities to extend the said last date of payment. The Government, therefore, considers it expedient to extend the said last date upto 31st March 2026. It is, therefore, proposed to amend section 10 of the said Act, suitably.

3. It has been observed that, in certain cases, a single statutory order involves more than one distinct and severable issues and separate appeals are pending in respect of such issues. The existing provision of section 11 of the said Act requires withdrawal of appeal as a condition for settlement. Due to this provision, the applicant has to withdraw the appeal fully, even though he intends to settle some of the distinct and severable issue in appeal. It is, therefore, considered expedient to amend section 11 of the said Act to permit withdrawal of appeal only in respect of such distinct and severable issues in appeal which the applicant intends to settle, without affecting the continuance of remaining issues in appeals, and to provide for proportionate adjustment of payments.

4. The Bill seeks to achieve the above objectives.

Mumbai,
Dated the 23rd February, 2026.

DEVENDRA FADNAVIS,
Chief Minister.

FINANCIAL MEMORANDUM

The Bill proposes to amend sections 10 and 11 of the Act with a view to extend the last date for payment of requisite amount and to permit withdrawal of appeal only in respect of distinct and several issues. There is no provision in the Bill which would involve the recurring or non-recurring expenditure from the consolidated Fund of the State, on its enactment as an Act of the State Legislature.

**GOVERNOR'S RECOMMENDATION UNDER ARTICLE 207 OF THE
CONSTITUTION OF INDIA**

(Copy of Government of Maharashtra Order,
Law and Judiciary Department)

In exercise of the power conferred upon him by clause (1) of Article 207 of the Constitution of India, the Governor of The Maharashtra is pleased to recommend to the Maharashtra Legislative Assembly, the Introduction of the Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee (Amendment and Validation) Bill, 2026.

**ANNEXURE TO THE L.A. BILL No. III OF 2026 –
THE MAHARASHTRA SETTLEMENT OF ARREARS OF TAX,
INTEREST, PENALTY OR LATE FEE (AMENDMENT AND
VALIDATION) BILL, 2026.**

*[Extracts from the Maharashtra Settlement of Arrears of Tax,
Interest, Penalty or Late Fee (Payable by Public Sector Undertaking
Companies) Act, 2025]*

(Mah. XVII of 2025)

1. to 9. ** ** ** **

10. The duration for the payment of requisite amount under this Act shall be as given in the Table below: Duration for payment of requisite amount.

TABLE

Sr.No.	Particulars	Start date	Last date
(1)	(2)	(3)	(4)
1.	Duration in which requisite amount is to be paid by the applicant.	Date of commencement of this Act.	31st December 2025.

11. (1) Notwithstanding anything contained in any provisions of the Relevant Act, the appeal, if any, pending before the appellate authority under the Relevant Act or the Tribunal or the Court in respect of any statutory order, shall be withdrawn, fully and unconditionally by the applicant. Conditions for settlement.

(2) and (3) ** ** **

12. to 20. ** ** ** **

Annexure-A ** ** ** **

Annexure-B ** ** ** **

**MAHARASHTRA LEGISLATURE
SECRETARIAT**

[L.A.BILL No. III OF 2026.]

**[A Bill further to amend the
Maharashtra Settlement of Arrears of
Tax, Interest, Penalty or Late Fee Act,
2025.]**

[SHRI DEVENDRA FADNAVIS,
Chief Minister.]

JITENDRA BHOLE,
Secretary-1,
Maharashtra Legislative Assembly.