



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

No CT/5458/2018-C1

Dtd 23/05/2018

Circular No 12/2018

Sub:- Valuation – instructions issued – reg.

In VAT regime, the dealers were given opportunity to pay tax by composition scheme to certain commodities such as Gold, Metal crushing units, Works Contract, video cassette shops and Medicine. Out of these, Gold and works contract are liable to take registration irrespective of their turnover.

Every year several amendments were brought through various Finance Acts. It has been noticed that, irregular application of laws by the assessing authorities resulted in unnecessary litigation and incorrect payment of tax. As per the amendments in KVAT Act, all the dealers are required to submit statutory documents in time.

The information regarding closing stock value is a material factor to arrive the financial result of the business. All dealers whether compounded or not, are liable to file closing stock inventory at the end of every financial year along with annual return. Method of valuation of closing stock is same for compounded and non-compounded dealers.

Therefore, all the assessing authorities and supervisory authorities

1. shall scrupulously follow KVAT Act and Rules.
2. shall follow Accounting Standard II for the valuation of inventories.
3. The District Deputy Commissioner shall ensure that the instructions in this circular are complied with by the assessing authorities while completing the assessment.


Commissioner