

No.C1-10760/07/CT

Office of the Commissioner
Commercial Taxes,
Thiruvananthapuram,
Dated: 24-8-2007.

CIRCULAR NO 39/2007

Sub:- KVAT Act, 2003— Section 40 A – sale invoices – insistence on TIN/PIN details of purchasing dealers - - instructions issued – reg.

Ref:- Circular No 22/07/CT dated 21-5-2007 of Commissioner, Commercial Taxes.

The Budget Speech 2007-08 has a proposal to simplify the formats for bills and reduce the multiplicity. Further, Section 40 A of the KVAT Act, 2003 has been amended as per Kerala Finance Act, 2003 to make it mandatory for a dealer effecting taxable sale to furnish the name and address of the purchaser in the sale bills/invoices, along with the TIN or PIN in case the sale is to a dealer.

The following instructions are issued in this context:

1. All manufacturers and traders other than PIN holders who effect sale to a person other than retail customer shall issue their sale invoices in Form 8, which is being modified as inAnnexure-1.
2. Dealers of the said category other than manufacturers will have an option to omit in their invoices columns 9 and 10 and particulars such as 'Central Excise, SSI Registration Number'etc in this format.
3. Invoices in Form 8B will be restricted only to dealer-to-retail consumer sales.
4. Presumptive taxpayers are now entitled to recover from buyers the amount of tax paid by him at the time of purchase of such goods. Therefore the sale bill format 8D is being modified as inAnnexure-2 to meet the requirement.
5. Where a dealer paying tax under section 6(5) effects sale to another dealer, he shall invariably mention the TIN/PIN particulars of the purchasing dealer in the sale bill.
6. Section 40A of the Act as amended by Kerala Finance Act, 2003 stipulates that every sale bill/invoice shall contain complete address and TIN/PIN details of the purchaser. The intention behind the legislation is only to bring systemic pressure on all traders to write bills so as to tap revenue up to the ultimate consumer.
7. There is no intention to require dealers to give all these details in respect of all sales to retail consumers and to burden traders with unnecessary formalities. In fact bills need compulsorily be given only for amounts of Rs.100/- or more.
8. So to begin with, the stipulation that TIN/PIN along with complete address should be compulsorily given in bills/invoices will apply only to dealer-to-dealer transactions.
9. The onus of proving that a purchasing dealer is not liable to be registered under the Act will be on him, which he can fulfill by giving a declaration to that effect in the format attached hitherto as Annexure-3. If further investigation shows that the purchasing dealer has given a false declaration he will be liable to penal action under the Act.
10. However, if the purchasing dealer is untraceable at the given address, then action shall be taken against the selling dealer under Section 67 and 73 of KVAT Act, 2003.
11. Complete address of the buyer will be required to be given in case of dealer-to-retail consumer sales only if the sale value is Rs.5, 000/- or more.

Circular No.22/07 will stand modified accordingly.

Commissioner

To

All Concerned

TIN.....
CENTRAL EXCISE REGN.No.....
SSI/MSI/LSI Regn.No.....

CST Reg: No.....

DEALER'S NAME AND ADDRESS
THE KERALA VALUE ADDED TAX RULES, 2005

FORM NO. 8

[See rule 58(10)]

TAX INVOICE

CASH / CREDIT

(To be Prepared in Quadruplicate*)

Invoice No.

Date

Purchase order No. & Date

Name & Address of Purchasing Dealer :

.....
.....
.....
.....
TIN..... CST Reg.No.....

Sl No	Schl. with entry No	Commodity	HSN Code	Rate of Tax	Unit Price	Qty	Value	Excise Duty	Gross Value	Cash Discount	Net Taxable Value	Tax	Total	Qty Discount/ free gifts
1	2	3	4	5	6	7	8	9	10 **(8+9)	11	12	13	14(12 +13)	15
Total														

Terms of Delivery and payment if any

DECLARATION

(To be furnished by the seller)

Certified that all the particulars shown in the above Tax Invoice are true and correct and that my/our Registration under KVAT Act 2003 is valid as on the date of this Bill.

Authorized Signatory
[With Status & Seal]

* **Original** for the buyer for the purpose of claiming Input Tax Credit, **Duplicate** for the Transport Copy,

Triplicate for filing at the Check Post / Extra Copy & **Quadruplicate** to be retained with the seller

** Dealers who are not manufacturers will have an option to omit columns 9 and 10

Annexure –2
PIN.....

DEALER'S NAME AND ADDRESS
THE KERALA VALUE ADDED TAX RULES, 2005

FORM NO. 8 D

[For presumptive taxpayers]
[See rule 58(10)]

SALE BILL

CASH / CREDIT
(To be Prepared in Quadruplicate*)

Bill No.

Date

Name & Address of Purchaser

.....

.....

TIN/PIN (if any).....

Sl No	Commodity	Schl & Entry No	Unit Price	Qty	Gross value	Discount	Sale Value	VAT paid on purchase	Net sale value
1	2	3	4	5	6	7	8	9	10=(8+9)
Total									
<i>Total in figures. Rupees</i>									

DECLARATION

(To be furnished by the seller)

Certified that all the particulars shown in the above Tax Invoice are true and correct and that my/our Registration under KVAT Act 2003 is valid as on the date of this Bill.

Authorized Signatory
[With Status & Seal]

· **Original** for the buyer , **Duplicate** to be retained with the seller

Annexure –3

DECLARATION

I(Name and address of the purchasing dealer) do here by declare that I have not yet attained the registerable minimum of turnover for getting registered under the KVAT Act, 2003

Signature
Name and Complete Address of the
Purchasing dealer.

Place
Date