

No. C2/37481/06/CT

Office of the Commissioner
Department of Commercial Taxes
Thiruvananthapuram.
Dated. 19/12/2006

CIRCULAR No.51/2006

Sub:- KVAT Act,2003- Transport of goods by persons other than registered dealers- Documents to be insisted – instructions-issued

It is brought to notice that a substantial volume of goods is being transported into the State by persons other than registered dealers on the pretext of 'own use' and such goods are subsequently re-sold in the State. This leads to loss of revenue to the State Exchequer. While protecting the right of persons to bring in goods for genuine personal use, misuse of the facility has to be curbed forthwith.

So in exercise of the powers conferred under clause (c) of sub-section (2) of section 3 of the KVAT Act, 2003, the undersigned, having considered it necessary to prevent unauthorized sale and the consequent tax evasion, order that transport of taxable goods, the value of which exceeds Rs.5,000/-, shall be accompanied by a certificate of ownership in addition to invoices or sales bills as prescribed under the Act.

The certificate of ownership shall be in Form No 16 prescribed under the KVAT Rules and shall also give additional information such as bill number with date and value in respect of the goods transported.

If the value of the goods exceeds Rs.5,000/- the certificate shall be countersigned by an officer of the Commercial Taxes Department not below the rank of the assessing authority having jurisdiction of the place to which the goods are consigned. While countersigning the certificate the officer shall satisfy himself of the genuineness of the transport with reference to connected documents. The procedure prescribed under Rule 58(18) shall mutatis mutandis apply in this case also.

Goods transported in violation of the above instructions shall be proceeded with under section 47 of the said Act.

COMMISSIONER

To

All Officers