

No.C2-40031/14/CT

Office of the Commissioner of
Commercial Taxes
Tax Towers, 8th Floor
Killippalam, Karamana
Thiruvananthapuram
Dtd.14 / 01 / 2015

CIRCULAR No.3 / 2015

Sub:- Transport of Goods from outside the State for own use -
streamlining of procedures to prevent misuse - Instructions
issued - reg.

Ref:- Circular Nos.51/2006, 14/2007, 23/2007, 34/2007, & 07/2008.

1. Procedure and documents to be insisted from persons other than registered dealers for transporting goods into the State for own use / consumption in the State were laid down in Circulars referred above.

2. It has been brought to notice that large scale misuse of these type of transports occur whereby the persons bringing such goods effect resale of the same within the State and willfully evade tax. In spite of instructions to verify this aspect, these types of clandestine activities are on the rise, and is affecting the tax revenue of the State. Hence, effective and methodical verification of these transactions is critical in preventing evasatory tendencies. The present manual verification process involving I.B. Wing alone is found to be not sufficient. With the advent of e-Governance, it is now possible to verify and keep track of these activities. Hence, it is decided to overhaul the existing system of Form No.16 consignments and its verification by introducing electronic filing.

3. In the circumstances, in exercise of powers conferred under Clause (c) of sub-section 2 of Sec.3, for proper administration of the Act, the following instructions are issued in modification to circulars read above.

- (a) Henceforth, Form No.16 along with the Form no.8F declarations will have to be e-generated by the person bringing goods from outside the State. To begin with, this facility would be made mandatory only to single consignment the value of which exceeds Rs.20,000/- (rupees twenty thousand only). Manual Form No.16 will continue with respect to consignments of value between Rs.5000/- and Rs.20,000/- and for movements within the State.
- (b) The procedure for filing Form No.16 in KVATIS is detailed in Annexure.
- (c) Since it is observed that major portion of tax evasion occurs in the building material sector it has been decided that a separate procedure involving pre-verification aspect is to be prescribed for the same. The commodities identified for this procedure are
 - (i) marble slabs and tiles
 - (ii) granite slabs and tiles

- (iii) vitrified and ceramic tiles
- (iv) timber
- (v) glass
- (vi) cement

The person intending to bring in such goods shall apply online through KVATIS. The system will forward the application in such cases to the concerned Inspecting Asst. Commissioner of the Taluk where the building materials will be consumed / used. On receipt of the information, the Inspecting Asst. Commissioner shall verify and conduct a preliminary enquiry into the bonafides of the application. Such enquiry shall include:

- (i) the identity of the person seeking to bring goods for own use;
- (ii) the location of the applicant
- (iii) the necessity to bring the goods as evidenced by approved plan, license and building permits;
- (iv) whether the quantity sought to be imported have a bearing to the declared need of the applicant;
- (v) whether the person has brought such goods for own use earlier as verifiable from KVATIS; for the earlier periods the details of goods brought for own use for the specific project / building shall be obtained from the applicant in the form of sworn statement.

The Inspecting Asst. Commissioner shall, within 15 days on receipt of the application after due enquiry, deny or approve the permission. If denied, the reason for such denial shall be informed to the applicant.

- (d) The applicant shall take print out of the generated Form No.16 from KVATIS, sign it and submit the same along with the self attested photocopy of the identity proof and other documents at the check posts/authorities concerned.
- (e) The facility for online generation of Form No.16 will be available in KVATIS from 15th January, 2015 onwards. From 1st February, 2015 the check post and the authorities shall accept only electronically generated Form No.16 through this procedure.

All persons employed in the implementation of this circular should bear in mind that the instructions contained in the circular is intended to curb the misuse of Form No.16 as stated in second para and, shall not be interpreted so as to affect the genuine rights of persons to purchase goods from outside the State.

The circulars read above are modified to the above extent.

Sd/-
COMMISSIONER

Annexure

Form No.16 for transportation of goods meant for own use – Procedure to be followed

Certificate of Ownership in Form no. 16 is required for transportation of goods purchased for own use from outside the State and brought into the State. For obtaining Certificate of Ownership the following procedure is to be followed.

Step 1: From the Commercial Taxes official website: www.keralataxes.gov.in and click on e-Declaration at the home page. File application online by furnishing the following information.

1. Name and address of the person consigning / owns goods
2. TIN if registered dealer
3. Identification details (Electoral ID / PAN / License) (PAN mandatory if value of goods transported is more than Rs.50,000/-)
4. Telephone Number / Mobile number (necessary for receiving One Time Verification Password)
5. Purpose for which the goods are transported
6. Address from which goods are purchased
7. Address to which goods are transported
8. Details of Commodity transported
9. If building materials is transported, details of building permit & plan obtained from local authority.

Step 2: Verify the mobile number furnished by using the one time verification password and submit the application. If building materials, the application will be automatically forwarded for approval to the jurisdictional Inspecting Assistant Commissioner. The information as to whom the application has been forwarded for approval will be intimated as SMS. When the application is approved, the applicant will receive status alert on the mobile number. Approval of Inspecting Assistant Commissioner is not necessary for other commodities.

Step 3: Obtain e-Declaration in Form no.8F eToken for goods movement through check posts.

Step 4: Download the Certificate of Ownership in Form No.16 (After approval of Form 16 application in case of building materials) by furnishing the following details

1. Form 16 - Application No.
2. Identity No. furnished in the application

Step 5: The applicant shall take print out of the generated Form No.16 from KVATIS, sign it and submit the same along with the self attested photocopy of the identity proof and other documents at the check posts/authorities concerned.
