

Circular No.17 / 2009

Sub:- KVAT Act, 2003 – Section 3 - Streamlining of administrative procedures – Regulatory measures for transport of live chicken and registration formalities – Revised instruction – Reg.

Ref:- 1) Circular No.10/2006 dtd.28-02-2009
2) Circular No.04/2007 dtd.08-02-2007
3) Circular No.07/2007 dtd.16-02-2007
4) Circular No.12/2007 dtd.02-03-2007

(1) As per Circulars under reference, instructions were issued regulating registration, transport, and advance tax collection procedures relating to live chicken. Separate instructions and regulatory measures were necessitated on account of tax evasion prone and perishable nature of the commodity. Now, reports received from field and the trade indicates that certain regulatory measures in vogue has resulted negative impact in the trade and tax collection. This has resulted unintended consequence where by the genuine dealers are pulled out from entering the fray. Though not as a consequence of these regulations, on account of the recent advance tax fraud committed by some unscrupulous elements in Naduppunni Check Post at Palakkad, it is felt that these procedures relating to live chicken need to be re-visited and further streamlined. This has also been voiced by all trade representatives who participated in the VAT Consultative Committee Meeting held on 06-11-2009 at Thiruvananthapuram. This matter was also discussed in the meeting of the District Deputy Commissioners and Deputy Commissioner (Int.)s held on 06-11-2009. It emerged from the discussions with Deputy Commissioners and Deputy Commissioner (Int.)s that the procedure for granting registration and regulation of transport, need to be revised. Taking into account of the suggestions of the members of the VAT Consultative Committee, and that of Deputy Commissioners, and in the best interest of revenue, the following instructions are issued.

01. Registration.- In routine cases (dealers dealing in live chicken alone) where no sufficient ground for any suspicion regarding evasion of tax exist, the stipulation that such applications should be send to Deputy Commissioner (Int.)s or Inspecting Asst. Commissioner (Int.)s for enquiry, is dispensed with. Security need not be insisted at the time of granting of registration. However it is clarified that, this shall not preclude the assessing authority from demanding security as per Sec.17(2), in case any suppression is detected during the continuance of the business.

02. For bringing live chicken from outside the State, CST registration shall not be insisted.
03. As chicken is not a notified commodity, the stipulation that delivery notes in Form No.15 should accompany its transport, is dispensed with.
04. Live chicken entering the State shall be accompanied by sales invoice of the supplier or bought note and a self-declaration containing the details of place from which goods were consigned, the vehicle number and value.
05. Advance tax shall be paid at the check post on floor value fixed from time to time and the receipt shall contain details such as time of entry, place of destination and the weight of chickens consigned.
06. With regard to existing dealers to whom delivery notes have already been issued, immediate action shall be taken to get back the same so as to ensure that it is not misused for transportation of other goods.
07. It is reiterated that movement of chicken to Mahe will be covered by transit pass as is in vogue.
08. Instructions already issued stands modified to the above extent.

COMMISSIONER