

**CIRCULAR No.13/05.**

Sub:- Evasion of Tax using transit pass- certain guidelines Reg:

The Commercial Investigation Wing of the Commercial Taxes Department has brought to the notice of the undersigned that the provisions relating to transit pass under section 48 of KVAT Act 2003, and under section 30B of the KGST Act, 1963 are being widely misused to evade tax. As most of the evasion prone commodities are brought under the Entry Tax Act, there are chances for misusing the transit pass for evading tax by unscrupulous dealers. In the circumstances, the following guidelines are issued for safeguarding the revenue on account of non-followup/collusion with the tax evaders by the check post officials.

1. The Sales Tax Inspector who issues the transit pass shall pass on such information to the Dy. Commissioner of that district through E-mail/ post within 24 hours.
2. The Sales Tax Inspector of the entry check post who issued Transit pass shall report the non-receipt of the information of moving of the goods out of the state through the exit check post, to the Intelligence Officer (C.I) of the area within one week. The Sales Tax Inspector of the exit check post shall return the Transit pass immediately the next day to the entry check post either in person or by post on proper acknowledgement. He shall also send the information of moving out the goods through E-mail to the District Dy. Commissioner concerned within 24 hours after surrendering the pass. The Dy. Commissioners concerned shall send the information in turn to the entry check post through his counter part of the district concerned through E-mail//Post.
3. The Intelligence Officer (C.I) shall get the details of the transit pass issued and the goods moving out the state from Dy. Commissioner's office or from the check post concerned and cross checked within 7 days, and an endorsement shall be made weekly in the transit pass register of the check post to the effect that the Sales Tax Inspectors are complying with the directions properly and, in case of any non-compliance is noticed, that has been brought to the notice of the higher authorities in time.
4. The Intelligence officer (CI ) of the area shall gather the information of issuing Transit pass on random basis from the entry check post and pass it on to his counter part in the exit check post for detecting fraudulent entry if any done conniving with tax evaders. The information so received and action taken shall be recorded in the general diary to be kept which will be subject to monthly verification of the Inspg. Asst. Commissioner (CI). The Inspg. Asst. Commissioner (CI) and Inspg. Asst. Commissioner (IB) under the supervision of the Dy. Commissioner (Int) shall closely follow-up the instructions above and incorporate the details in their monthly D.O.to the undersigned. The District Dy. Commissioners shall closely watch the compliance

of the above directions by the Sales Tax check post under their jurisdiction and report the progress of action taken in due course.

The Dy. Commissioner shall acknowledge the receipt of the circular and shall communicate it to all officers under proper acknowledgement for compliance.

Sd/  
Commissioner