

13. PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES, THIRUVANANTHAPURAM

Present:- Paul Antony. IAS

Sub:- KVAT Act 03- Clarification U/s. 94- Stock transfer of goods purchased from Local registered dealers- orders issued- Reg:

Read:- Application dt. 15/12/06 of South Indian Federation of Fishermen Societies, Karamana, TVM.

ORDER No.C3.587/07/DT .28.02.07

M/s. South Indian Federation of Fishermen Societies. Karamana, Thiruvananthapuram has preferred an application U/s. 94 of KVAT Act 2003 seeking clarification on following points.

(1). During the financial year 2005-06, petitioner has made stock transfer of goods purchased from local registered dealers paying tax charges by them under the KVAT Act and also goods imported from abroad to its branches outside the State. Whether the petitioner is entitled for refund of tax paid over and above 4 % on the local purchases effected.

(ii) Whether the assessing officer is justified in disallowing a portion of refund claimed, on the ground that the stock transfer effected includes goods imported from abroad.

The applicant was given an opportunity of being heard on 08.02.07. The issues raised were examined with reference to relevant statutory provisions.

As per section 13 of the KVAT Act, the applicant is entitled for refund of the VAT paid over and above 4 % on the local purchase where the goods are sent to outside the state otherwise than by way of sale.

Refund under this section will be limited to the amount of input tax paid in excess of 4 % paid on the purchase turnover of goods transferred to outside the State. Since the goods imported from abroad have not suffered VAT, the action of assessing authority in disallowing the claim on this score is in order.

The issue raised is clarified accordingly.

Commissioner.