

No. C2-46381/06/CT.

Office of the Commissioner
Commercial Taxes,
Thiruvananthapuram,

Dated:11-10-2006.

CIRCULAR No.33/06/CT

Sub:- KVAT Act, 2003 – Registration of Parcel/Courier, clearing and transporting agencies–streamlining of Parcel/Courier movements – instructions- reg

As per clause (xv) of section 2 of the Kerala Value Added Tax Act, 2003 all Parcel/Courier services come within the definition of dealer. Section 15 of the said Act requires that they have to take registration under the said Act. Section 52 further requires that such agency should submit return in every month in Form No 11A before the assessing authority of the area as prescribed in Rule 30 of the Kerala Value Added Tax Rules, 2005.

It is brought to the notice that these statutory requirements are neither complied by such agencies nor insisted upon by the Department officials.

In the VAT scenario procedures are simplified and the conventional system of assessment by the Department has been replaced by self-assessment. Unlike in the pre-VAT scenario there is not much scope for regular customary inspections in the business premises of dealers to detect offences. The Department has to gather all data regarding the transactions of dealers from all sources to book erring dealers and to proceed against them since the State cannot compromise revenue.

Parcel services are a great source of information with regard to the transport of goods. Unfortunately a section of Parcel/Courier agencies are abetting and conniving with such dealers for their fraudulent transactions to the extent of transporting under billed goods, or goods even without any documents, which definitely hits State revenue.

Hence it is imperative to bring transporting agencies under the scan.

Further, a tendency to transport bulk Parcel/Courier loads through minor checkpoints, where there is no facility for physical verification of goods, is seen developing. Obviously, this appears to be with the malafide intention to by pass detailed checking.

It is also noted that the Parcel/Courier agencies are not furnishing the statements containing the details of goods transporting by them, or the details of consignees in whose favor the goods are transported, and even when filed, only insufficient details are given. This leads to substantial revenue erosion, and cannot be allowed to continue. The issues are analyzed in detail and the following instructions are issued:

(1) All assessing authorities shall take immediate steps for registering all Parcel/Courier/transporting and clearing agencies functioning under their territorial jurisdiction and see that the returns are filed in accordance with section 52 of the Kerala Value Added Tax Act, 2003 without fail. In case an agency had taken registration for its head office located in any other area in the State, separate registration for the branch need not be insisted. Nevertheless, it should be ensured that the said branch is one registered under the Act and that returns as required are filed for the branch separately before the assessing authority under whose territorial jurisdiction the said branch is functioning.

(2) In order to streamline and to bring the transporters accountable and to effectively verify goods transported, entry and exist of vehicles by road with Parcel/Courier loads containing multi consignments shall be permitted only through the following check posts:

Amaravila, Aryankavu, Kumily, Walayar, Banjra Manjeswar, and Muthanga.

(3) However, Parcel/Courier agencies with good track record will be permitted to use all checkposts. Parcel/Courier agencies shall be evaluated every half-year by a committee of Deputy Commissioners (Int.) under the Deputy Commissioner (General) on the basis of track record in terms of offences detected, and those agencies green-carded by the committee alone will be given this facility.

(4) While passing through the check posts, the transporting agency shall furnish a statement in the following format in respect of the goods loaded in the vehicle in addition to the documents prescribed under Rule 66 of KVAT Rules, 2005.

Sl.No	Document No and date	Name and full address of Consignor	Name and full address of Consignee with TIN	Name of goods	No of units	Weight	Value of goods
TOTAL							

(5) The Commercial Investigation and the Intelligence Wings, in addition to assessing authorities, shall conduct such enquiry, to locate the unregistered Parcel/Courier agencies functioning in the State and shall get them registered under the Act and also ensure that registers with such details contained in Form 11A are maintained by all such agencies.

(6) The Deputy Commissioners shall monitor the progress of this item of work and see that the directions are complied with in letter and spirit.

Commissioner.