Value Added Tax Act, 2003

Section 54 - Transit of Goods by Road Through the State and Issue of Transit Pass

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(1) Where a vehicle is carrying goods taxable under this Act,

(a) from any place outside the State and bound for any place outside the State and passes through the State ; or

(b) imported into the State from any place outside the country and such goods are being carried to any place outside the State,

the driver or any other person-in-charge of such vehicle shall furnish the necessary information and obtain a transit pass in duplicate containing such particulars as may be prescribed, from the officer-in-charge of the first check post or barrier after his entry into the State or after movement has commenced from the State, as the case may be, or from the officer empowered for the purposes of sub-section (3) of Section 52, upon interception of the goods vehicle after its entry into the State or after movement has commenced, as the case may be.

(2) The driver or the person-in-charge of the vehicle shall deliver within the stipulated time a copy of the transit pass obtained under sub-section (1) to the officer-in-charge at the last checkpost or barrier before his exit from the State.

(3) (a) If for any reason the goods carried in a goods vehicle are after entry into the State, or after commencement of movement, as the case may be, not moved out of the State within the time stipulated in the transit pass, the owner of the goods vehicle shall furnish to the officer empowered in this behalf the reasons for such delay and other particulars, if any, thereof and such officer shall after due enquiry extend the time of exit by suitably amending the transit pass.

(b) Where the goods carried by a vehicle are, after their entry into the State, or after commencement of movement, as the case may be, transported outside the State by any other vehicle or conveyance, the onus of proving that the goods have actually moved out of the State shall be on the owner of the vehicle who originally brought the goods into the State.

(4) If the driver or any other person-in-charge of the vehicle does not comply with sub-section (2), it shall be presumed that the goods carried thereby have been sold within the State by the owner of the vehicle and shall, irrespective of whether he is a taxable person, be assessed to tax by the officer empowered in this behalf in the prescribed manner.

(5) If the owner of the vehicle, having obtained the transit pass as provided under sub-section (1), fails to deliver the same as provided under sub-section (2), he shall be liable to pay by way of penalty a sum not exceeding twice the amount of tax leviable on the goods transported.

(6) The amount of tax and the penalty levied under this Section shall be recovered in the prescribed manner.

(7) Where the owner of the vehicle who is assessed to tax under sub-section (4), is carrying after such assessment, any goods taxable under this Act in a goods vehicle from any place outside the State, or from within the State, as the case may be, and bound for any other place outside the State and is passing through the State, the prescribed authority may demand from such owner an amount equivalent to twice the amount of tax leviable on such goods under this Act as security.

(8) The prescribed authority after being satisfied that the goods carried in the goods vehicle in respect of which the security amount under sub-section (7) was collected, has passed through the State, shall refund such security amount to the owner.

(9) The prescribed authority may by an order adjust the whole or any part of security amount towards any amount of tax or penalty payable under this Section by such owner.

(10) In case where a vehicle owned by a person is hired for transportation of goods by some other person, the hirer of the vehicle shall for the purpose of this Section, be deemed to be the owner of the vehicle.