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BUSINESS STANDARD

PRES OPININGS

Industry against new norms on movement of goods

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THE Bangalore Chamber of Industry and Commerce (BCIC) has vehemently opposed the recent notification circulated by the Commissioner of Commercial Taxes-Karnataka relating to movement of goods along with updating details in the notified website, commonly known as e-SUGAM Form, as a retrograde step. It has demanded that the notification be withdrawn immediately to foster the free flow of goods.

The e-SUGAM notification released in November 3, 2011, by the department will come into effect starting December 1, 2011. BCIC President Vinod Nowal particularly voiced his concern to the requirement that the data regarding goods be entered in the website before the goods vehicle carrying the goods enters the state by stating: "It is not only illegal but also impractical."

It has been a common business practice all over India that the purchase bill /invoices/delivery notes in respect of the goods coming into Karnataka from the other states are received before the physical delivery of goods is taken or the movement of goods commences from the other states but only at the time of the physical delivery of goods. Hence, the requirement that data regarding the movement of goods into the state before the goods vehicle carrying the goods enters the state is impractical and it would amount to greater hardships for trade and industry.

Nowal said: "Most large and medium-scale industries follow the method of just-in-time receipt of stocks to optimise costs. If the notification is made mandatory, then industry will be faced with time and resource constraints to upload the data on the authorised website which could lead to undue difficulties in clearing the goods at check posts."