

CHAPTER I**Preliminary****1 Short title and commencement**

<i>Section: Nil</i>	<i>Form: Nil</i>
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(1) These rules may be called the Delhi Value Added Tax Rules, 2005

¹(2) They shall come into force on such date as the Government may, by notification in the official Gazette, appoint:

PROVIDED that different dates may be appointed for different provisions of these rules and any reference in any such provision to the commencement of these rules shall be construed as a reference to the coming into force of that provision.

2 Definitions

(1) In these rules, unless the context otherwise requires, –

- (a) “Act” means the Delhi Value Added Tax Act, 2004 (Delhi Act 3 of 2005);
- (b) “form” means a form appended to these rules;
- (c) “Schedule” means a Schedule appended to the Act;
- (d) “section” or “sub-section” means a section or sub-section of the Act.

(2) Words and expressions defined in the Act and used but not defined in these rules have the same meaning as assigned to them in the Act.

(3) Unless otherwise specified in these rules-

- (i) words importing the masculine gender shall include the feminine gender;
- (ii) words in singular shall include their plural and vice versa;
- (iii) expressions referring to “writing” shall include printing, typing, lithography, photography and other methods of representing or reproducing words in a visible form;

(iv) with reference to a person who is unable to sign his name, the words “signature” shall include his “thumb impression” or other mark duly attested to signify his signature.

(v) Signature shall include digital signature.

(4) In these rules, unless the context otherwise requires,–

- (a) “address for service” means the address determined in accordance with rule

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¹ Rules have come into force vide Notification No. F.101(321)/2005-Fin.(A/Cs)(iii)/8778, dated 31.03.2005 w.e.f. 01.04.2005.

(b) “appropriate Government treasury” means Pay and Accounts offices of Reserve Bank of India or State Bank of India, or such other scheduled bank within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934) or any other bank as may be notified by the Commissioner;

(c) “collector” means the Collector as defined in Delhi Land Reforms Act, 1954 (Act No. 8 of 1954);

(d) “quarter” means the periods of three calendar months –

- (i) April 1 to June 30;
- (ii) July 1 to September 30;
- (iii) October 1 to December 31; and
- (iv) January 1 to March 31.

(5) For the purposes of clause (ra) of sub-section (1) of section 2, “manufacture” shall not include the following processes or modes of manufacture, namely:-

- (i) dispensing of medicines according to prescription of medical practitioners;
- (ii) cutting of paper from reels into reams;
- (iii) recovering of jewels and other components from old jewellery and ornaments;
- (iv) conversion of milk into khoa;
- (v) rolling of ‘bidis’ by hand and without the use of any mechanical aid or device;
- (vi) dismantling of old motor vehicles;
- (vii) killing, dressing and freezing chickens;
- (viii) removal of peanuts from the shell;
- (ix) collecting of bristles, boiling and washing them with soap and other chemicals, sorting out according to their sizes and colouring and then tying them in separate bundles of different sizes and clipping them for uniformity of size;
- (x) repairing, cleaning and oiling of watches, clocks or time-pieces;
- (xi) boiling of butter into ghee or separation of cream from milk or ghee from curd;
- (xii) assembling of lenses and other part of spectacles according to the prescription of ophthalmologists;
- (xiii) boiling of milk and adding sugar to it; and
- (xiv) making of garlands and bouquets from fresh flowers. **[Section: 2(1)(ra)]**

CHAPTER II**Incidence and Levy of Tax**¹/3. **Works Contract**

Section: 5(2)	Form: Nil
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(1) In the case of turnover arising from the execution of a works contract, the amount included in taxable turnover is the total consideration paid or payable to the dealer under the contract and exclude –

- (i) the charges towards labour, services and other like charges; and
- (ii) the charges towards cost of land, if any, in civil works contracts,

subject to the dealer's maintaining proper records such as invoice, voucher, challan or any other document evidencing payment of above referred charges to the satisfaction of the Commissioner.

Explanation. – The term “civil works contracts” for the purpose of this rule shall include construction of building or complexes - residential or commercial, bridges, flyovers, dams, barriers, canals, diversions, other works of similar nature, and the collaboration agreements or joint development agreements or similar other agreements/arrangements between the land-owner(s) and the contractor(s) /builder(s)/ developers/ collaborators/ similar other persons by whatever name called for construction of complex or property.

(1A) In case the civil works contract mentioned in sub-rule (1) are of the nature wherein the agreement executed between the land owner(s) and contractor(s) or similar other agreements/arrangements is of the nature of collaboration or joint development where the contractor(s) constructs the building/units and consideration for the construction is given by the land owner in the form of share in the land with or without additional money exchange, the value of works contract carried out by the contractor(s) for the land owner shall be highest of the following amounts:

(i) Actual value of construction, including profit, transferred by the contractor to the land-owner in accordance with the books of accounts maintained by the contractor.

(ii) Where proportionate land is transferred by the land-owner to the contractor by executing a separate conveyance/sale deed, the value stated in the deed for the purpose of payment of stamp duty as reduced by consideration paid by the contractor to the land owner through account payee cheque/ draft/ pay order/ electronic transfer, if any.

(iii) On the basis of circle rate of proportionate area of land transferred by the land-owner to the contractor in accordance with the notification under Delhi (Prevention of Under Valuation of Instruments) Rules, 2007 as amended from time to

¹ Substituted vide notification no. F.3(16)/Fin.(Rev-I)/2013-14/dsVI/785, dated 20.09.2013 w.e.f. 20.09.2013. For text before substituted : See Appendix at the end of this Chapter.

time (hereinafter referred as "circle rates") prevailing at the time of execution of agreement between them, as reduced by the consideration paid by contractor to the land-owner through account payee cheque/draft/pay order/electronic transfer, if any.

PROVIDED that where separate circle rates for land and construction have not been notified in respect of certain buildings or properties, then circle rate for land and construction prevailing in that locality for other buildings or properties, in respect of which separate circle rates have been notified, shall be taken for the purpose of determination of value under this sub-rule.

PROVIDED FURTHER that the value of works contract under this sub-rule shall not be less than the circle rate of construction applicable on the date on which agreement between the land-owner and the contractor for the construction of property was executed.

Explanations:-

1.- The term "contractor" for the purpose of this sub-rule shall include the builders, developers, collaborators and similar other persons by whatever name called.

2.- The taxable turnover in relation to contractor's share of construction for activity carried on by him for the intended purchaser shall be calculated separately as per sub rule (1) of this rule.

(1B) In case of works contract falling under sub-rule (1A), tax shall be payable at the time of incorporation of goods in the execution of works contract by the contractor.

(2) For the purpose of sub-rule (1), the charges towards labour, services and other like charges shall include-

(i) labour charges for execution of works;

(ii) charges for planning and architects fees;

(iii) charges for obtaining on hire or otherwise machinery and tools used for the execution of the works contract;

(iv) cost of consumables such as water, electricity, fuel, etc. used in the execution of the works contract, the property in which is not transferred in the course of execution of a works contract;

(v) cost of establishment of the contractor including cost of marketing, finance expenses and securities deposits to the extent it is relatable to supply of labour and services;

(vi) other similar expenses relatable to supply of labour and services;

(vii) profits earned by the contractor to the extent it is relatable to supply of labour and services subject to furnishing of a profit and loss account of the works sites:

PROVIDED that where amount of charges towards labour, services and other like charges are not ascertainable from the books of accounts of the dealer, the amount of such charges shall be calculated at the percentages specified in the following table :-

Rule [3.

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TABLE: PERCENTAGES FOR WORKS CONTRACTS

Sl. No.	Type of contract	Labour, service and other like charges are percentage of total value of the contract
1	<i>Fabrication and installation of plant and machinery.</i>	<i>Twenty five percent</i>
2	<i>Fabrication and erection of structural works of iron and steel including fabrication, supply and erection of iron trusses, purloins and the like.</i>	<i>Fifteen percent</i>
3	<i>Fabrication and installation of cranes and hoists.</i>	<i>Fifteen percent</i>
4	<i>Fabrication and installation of elevators (lifts) and escalators.</i>	<i>Fifteen percent</i>
5	<i>Fabrication and installation of rolling shutters and collapsible gates.</i>	<i>Fifteen percent</i>
6	<i>Civil works.</i>	<i>Twenty five percent*</i>
7	<i>Installation of doors, doorframes, windows, frames and grills.</i>	<i>Twenty percent</i>
8	<i>Supply and fixing of tiles, slabs, stones and sheets.</i>	<i>Twenty percent</i>
9	<i>Supply and installation of air conditioners and air coolers.</i>	<i>Fifteen percent</i>
10	<i>Supply and installation of air conditioning equipment including deep freezers, cold storage plants, humidification plants and de-humidors.</i>	<i>Fifteen percent</i>
11	<i>Supply and fitting of electrical goods, supply and installation of electrical equipments including transformers.</i>	<i>Fifteen percent</i>
12	<i>Supply and fixing of furniture and fixtures, partitions including contracts for interior decoration and false ceiling.</i>	<i>Twenty percent</i>
13	<i>Construction of Railway coaches and wagons on under carriages supplied by Railway.</i>	<i>Twenty percent</i>
14	<i>Construction or mounting of bodies of motor vehicle and construction of trailers.</i>	<i>Twenty percent</i>
15	<i>Sanitary fitting for plumbing and drainage or sewerage.</i>	<i>Twenty five percent</i>

Sl. No.	Type of contract	Labour, service and other like charges are percentage of total value of the contract
16	Laying underground surface pipelines, cables or conduits.	Thirty percent
17	Dyeing and printing of textiles.	Thirty percent
18	Supply and erection of weighing machines and weighbridges.	Fifteen percent
19	Painting, polishing and white washing.	Thirty percent
20	Book-binding	Fifty Percent
21	Textile processing such as dyeing, fabrication, tailoring, embroidery and other similar activities where textile is supplied by the contractee	Fifty percent
22	Electro plating, electro galvanizing, anodizing, powder coating and other similar activities	Fifty percent
23	Re-treading of old tyres	Forty Percent
24	All other contracts not specified from Sl. No. 1 to 23 above.	Twenty percent

* Twenty five percent of total value of the contract, excluding the cost of land transferred, if any, as determined under this Rule.

(3) For the purpose of sub-rule (1), the cost of land, if any, in a civil works contract carried on by the builder for the intended purchaser, shall be determined in the following manner:

(a) Where separate conveyance/sale deed of the land has been executed between the builder and the intended purchaser, the consideration amount of land stated in that deed;

(b) Where separate conveyance/sale deed of the land has not been executed for transfer of land between the builder and the intended purchaser, then the value of land in the value of composite works contract inclusive of land may be arrived at on any of the following basis:-

(i) Where proportionate land is transferred by the land-owner to the builder by executing a conveyance/sale deed: On the basis of rate of land arrived at from such deed for the purpose of payment of stamp duty.

(ii) Where clause (i) is not applicable, on the basis of rate of land arrived at by adding the amount paid by the builder through account payee cheque/draft/pay order/electronic transfer to the land-owner towards the land rights and value of construction transferred by the builder to the land-owner determined as per sub-rule (1A).

Rule [3.

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To illustrate, land-owner and builder enter into an agreement, where builder would build four units, which would be shared equally between them. In addition, builder pays Rs.1 crore to the land owner. Total construction cost for four flats is Rs.4 crores. Here, builder transfers the value of construction worth Rs. 2 crores [Rs.4 crores divided by two, since 50% share in the construction is transferred to the land-owner]. In this case, value of land transferred by the land-owner is: Rs.1 crore + Rs.2 crores = Rs.3 crores; and total value of land transferred by the builder to the intended purchasers for his share of the land shall also be Rs.3 crores (Rs. 1.5 crs. per flat if there are two intended purchasers).

(iii) In all other cases where clauses (i) and (ii) are not applicable, the value of land shall be determined on the basis of notified circle rates of land prevailing at the time of execution of agreement between the builder and the intended purchaser.

PROVIDED that where separate circle rates for land and construction have not been notified in respect of certain properties, then circle rate for land and construction prevailing in that locality for other properties in respect of which separate circle rates have been notified, shall be taken for the purpose of determination of value under this sub-rule.

PROVIDED FURTHER that where land has been valued at circle rate and the value of conveyance/sale deed with the intended purchaser exceeds the circle rate, then the difference between the two shall be proportionately divided between the value of land and the works contract (comprising material and services).

For example, in case of composite works contract, circle rate of land is Rs.2 crore and circle rate of construction is Rs.1 crore respectively, and the consolidated value of sale deed (inclusive of land and cost of construction) is Rs.3.60 crores. Difference of Rs.0.60 crore shall be divided in the ratio of 2:1; and thus, value of land for the purpose of this sub-rule shall be Rs.2.40 crores.

Explanation 1: The term "Builder" for the purpose of this sub-rule means the person who undertakes the construction of property, either as owner of the land or under an agreement of power of attorney with the land owner or under some other arrangement, and transfers the property to some other person before completion of construction for a consideration, which may be received by the builder either as a composite sum or under separate agreements for land and construction. The term "builder" shall also include the land-owner(s) who transfers the property to the intended purchaser before completion of construction.

Explanation 2: The term "intended purchaser" for the purpose of this sub-rule means the person who agrees to buy the property before completion of construction and pays the consideration, in full or part, before such completion.

Explanation 3: For the purpose of this sub-rule, construction shall be deemed to be completed at the time of issuance of completion certificate by the competent authority, or at the time and in the manner notified by the Government for this purpose.

(c) In the case of works contract of civil nature where the payment of charges towards the cost of land, if any, is not ascertainable in accordance with the

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preceding clauses of this sub-rule, the amount of such charges shall be calculated @ 30% of the total value of the contract except in the case of construction of commercial buildings or complexes where it shall be calculated @ 50% of the total value of the contract.

(d) In the case of works contract of civil nature where only a part of the total constructed area is being transferred, the charges towards the cost of land shall be calculated on a pro-rata basis through the following formula:

Proportionate super area X Value of land as determined in this sub-rule

Total plot area X Floor Area Ratio

Explanation 1.- Proportionate super area for the purpose of this clause means the covered area booked for transfer and the proportionate common constructed area attributable to it.

Explanation 2.- Floor Area Ratio = Total constructed area/ Total plot Area

(4) In the case of works contract of civil nature where only a part of total constructed area is being transferred, the deduction towards labour, services and other like charges mentioned in sub-rule (2) and input tax credit under section 9 shall be calculated on a pro-rata basis.

(5) Where an agreement is executed by the builder with the intended purchaser before completion of construction as referred in sub-rule (3),

(i) total value of agreement, as reduced by cost of land, and amount of labour, services and like charges, determined in accordance with this Rule, shall be deemed to be taxable turnover of sale;

(ii) tax shall be payable at the time of receipt of consideration, in whatever form or manner, from the intended purchaser in relation to (i) above;

(iii) the builder shall be eligible to deduct labour, services, other like charges in relation to (i) above in the tax period when output tax becomes payable; and

(iv) the builder may claim input tax credit under section 9 in relation to turnover of sale stated in (i) above in that tax period on the basis of separate books of accounts maintained for that property.]

4 When turnover arises in a tax period

Section: 12(4)	Form: Nil
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For the purposes of sub-section (4) of section 12, the amount of turnover or turnover of purchases arising in the tax period in the case of a sale or purchase occurring –

(a) by means of an installment sale or hire purchase of goods made in the tax period, is the total amount of the sale price that will be due and payable under the agreement, including the amount of any option fee paid or that may be payable;

(b) by the transfer of a right to use goods, not being a hire purchase agreement or installment sale agreement, is the proportion of the sale price that is due and payable during the relevant tax period;

(c) by means of transfer of property in goods (whether as goods or in some other form) under a works contract executed or under execution in the tax period, is the consideration received or receivable by the dealer for such transfer of property in goods (whether as goods or in some other form) during the relevant tax period.

¹[4A **Determination of taxable turnover of sales of residential hotels charging a composite sum for lodging and boarding**

Section: 2(1)(zc)	Form: Nil
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While determining the turnover of sales of goods, specified in sub-clause (vii) of clause (zc) of section 2, of the residential hotels providing lodging and boarding and charging a composite sum, which is inclusive of breakfast or lunch or dinner or, as the case may be, a combination of all or any of the above, the taxable turnover of sales in respect of any period shall be computed in the following manner, namely:-

- | | |
|--|---|
| (a) Where the composite charges include the charges for breakfast. | ² [Ten] per cent of the composite charges. |
| (b) Where the composite charges include the charges for lunch. | Ten per cent of the composite charges. |
| (c) Where the composite charges include the charges for dinner. | Fifteen per cent of the composite charges. |
| (d) Where the composite charges include the charges for breakfast and lunch | ³ [Twenty] per cent of the composite charges. |
| (e) Where the composite charges include the charges for breakfast and dinner. | ⁴ [Twenty Five] per cent of the composite charges. |
| (f) Where the composite charges include the charges for lunch and dinner. | Twenty Five per cent of the composite charges. |
| (g) Where the composite charges include the charges for breakfast, lunch and dinner. | ⁵ [Thirty Five] per cent of the composite charges. |

PROVIDED that if the claimant dealer has in his possession sufficient documentary evidence, which conclusively proves that the component of the taxable turnover of sales in the composite sum is less than the percentage given above, the taxable turnover shall be reduced from the above percentage to the extent of actual sum of turnover of sales.]

¹ Inserted vide Notification No.F.101(348)/2005-Fin.(A/Cs)/(iii)/2415, dated 08.08.2005 w.e.f. 08.08.2005.

² Substituted for the word "Five" vide notification No.F.3(4)/Fin.(Rev-I)/2013-14/ DSVI/519, dated 09.07.2013 **w.e.f. 09.07.2013**.

³ Substituted for the word "Fifteen" vide notification No.F.3(4)/Fin.(Rev-I)/2013-14/ DSVI/519, dated 09.07.2013 **w.e.f. 09.07.2013**.

⁴ Substituted for the word "Twenty" vide notification No.F.3(4)/Fin.(Rev-I)/2013-14/ DSVI/519, dated 09.07.2013 **w.e.f. 09.07.2013**.

⁵ Substituted for the word "Thirty" vide notification No.F.3(4)/Fin.(Rev-I)/2013-14/ DSVI/ 519, dated 09.07.2013 **w.e.f. 09.07.2013**.

5 **Composition Scheme**

Section: 16	Forms: 01 to 03A
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(1) A dealer making an application for registration under section 19 and opting for payment of tax under sub-section (1) of section 16, shall specify his intention to pay tax under section 16.

(2) A dealer paying tax at the rates specified in section 4 may elect to pay tax under section 16 only from the beginning of the following year by making an application in Form DVAT-01 within 30 days from the first day of the beginning of the following year.

¹[***]

²[(3) A person who is eligible under sub-section (3) of section 16 and elects to pay tax under sub-section (1) of section 16 shall, on or before 25th July of the year of the commencement of the Act, file an application in Form DVAT-02, specifying his intention to pay tax under section 16 and give particulars of trading stock, raw material, packaging material and finished goods held on the date of commencement of the Act and on which he is liable to pay tax under sub-section (6) of section 16.]

(4) If a dealer, who has elected to pay tax under sub-section (1) of section 16, desires to reverse his option under sub-section (2) of section 16, he shall file an application in Form DVAT-03 within 30 days from the first day of the beginning of the following year.

(5) A dealer who is covered by sub-section (10) of section 16 shall give intimation to the Commissioner in Form DVAT 03 A.

¹ Omitted vide notification No.F.101(337)/2005-Fin.(A/Cs)/1836, dated 08.07.2005, w.e.f. 08.07.2005. Earlier inserted vide notification No.F.101(337)/2005-FIN.(A/Cs.) (ii)/1477, dated 22.06.2005, w.e.f. 22.06.2005 and read as, "PROVIDED that in respect of the financial year 2005-06, the period for making such application shall be ninety days from the first day of the beginning of the following year."

² Substituted vide notification No.F.101(337)/2005-Fin.(A/Cs)/1836, dated 8.7.2005, w.e.f. 8.7.2005 and read as :-

"A person who is eligible under sub-section (3) of section 16 and elects to pay tax under sub-section (1) of section 16 shall, within 30 days of the commencement of the Act, file an application in Form DVAT-02, specifying his intention to pay tax under section 16 and give particulars of trading stock, raw material, packaging material and finished goods held on the date of commencement of the Act and on which he is liable to pay tax under sub-section (6) of section 16.

[PROVIDED that in respect of the financial year 2005-06, the period for making such application shall be ninety days from the first day of the beginning of the following year.]"

The proviso in bracket above was earlier inserted vide notification No.F.101(337)/2005-FIN.(A/Cs.)(ii)/1477, dated 22.06.2005, w.e.f. 22.06.2005.

5A Registration, furnishing of security, payment of tax and assessment of casual trader

<i>Section: 16A</i>	<i>Forms: 04A, 06A, 16A</i>
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(1) A casual trader shall, at least three days before commencing his business in Delhi, make an application in Form DVAT-4A in person or through his authorised agent to the Commissioner.

(2) The Commissioner shall, after registration is granted, issue him a registration certificate in Form DVAT-6A along with as many Forms DVAT-34 and DVAT 35 as are reasonably required, against payment of the price thereof, if any.

(3) Every casual trader shall furnish a return in Form DVAT-16A which shall be accompanied with the proof of payment of tax and unused Forms DVAT-34 and DVAT 35, if any.

APPENDIX

**Rule 3 before substitution by the Delhi VAT (Third Amendment)
Rules, 2013 vide Notification no. F.3(16)/Fin.(Rev-I)/2013-14/dsVI/785,
dated 20.09.2013 w.e.f. 20.09.2013.**

¹[3 **Works contract**

(1) In case of turnover arising from the execution of the works contract, the amount representing the taxable turnover shall be the value at the time of transfer of property in goods (whether as goods or in some other form) involved in the execution of work contract and shall exclude -

- (i) the charges towards labour, services and other like charges; and
- (ii) the charges towards cost of land, if any, in civil works contracts;

subject to the dealer's maintaining proper records such as invoice, voucher, challan or any other document evidencing payment of referred charges to the satisfaction of the Commissioner.

Explanation. - Civil works contracts for the purpose of this rule shall include construction of building or complexes - residential or commercial, bridges, flyovers, dams, barriers, canals, diversions and other works of similar nature.

(2) For the purpose of sub-rule (1), the charges towards labour, services and other like charges shall include-

- (i) labour charges for execution of works;
- (ii) charges for planning and architects fees;
- (iii) charges for obtaining on hire or otherwise machinery and tools used for the execution of the works contract;

¹ Substituted vide notification no. F.3(22)/Fin.(T&E)/2006-07/dsft/344-353, dated 07.09.2006 w.e.f. 07.09.2006.

A. Sub-rule (1) of Rule 3 earlier read as under:-

(1) In case of turnover arising from the execution of the works contract, the amount representing the taxable turnover shall exclude the charges towards labour, services and other like charges subject to the dealer's maintaining proper records such as invoice, voucher, challan or any other document evidencing payment of charges towards labour, services and other like charges to the satisfaction of the Commissioner.

B. In sub-rule (2) of Rule 3, effectively, all other provisions, except the followings, remain the same

- (a) clause (v) earlier read as, "cost of establishment of the contractor to the extent it is relatable to supply of labour and services;"
- (b) in the table sl. no. 6 earlier read as, "Civil work like construction of buildings, bridges, roads, dams, barrages, canals and diversions – Twenty Five Percent"

C. Sub-rule (3) of Rule 3 has now been inserted.

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(iv) cost of consumables such as water, electricity, fuel, etc. used in the execution of the works contract the property in which is not transferred in the course of execution of a works contract;

(v) cost of establishment of the contractor including cost of marketing, finance expenses and securities deposits to the extent it is relatable to supply of labour and services;

(vi) other similar expenses relatable to supply of labour and services;

(vii) profits earned by the contractor to the extent it is relatable to supply of labour and services subject to furnishing of a profit and loss account of the works sites:

PROVIDED that where amount of charges towards labour, services and other like charges are not ascertainable from the books of accounts of the dealer, the amount of such charges shall be calculated at the percentages specified in the following table :-

TABLE

PERCENTAGES FOR WORKS CONTRACTS

Sl. No.	Type of contract	Labour, service and other like charges are percentage of total value of the contract
1	Fabrication and installation of plant and machinery.	Twenty five percent
2	Fabrication and erection of structural works of iron and steel including fabrication, supply and erection of iron trusses, purloins and the like.	Fifteen percent
3	Fabrication and installation of cranes and hoists.	Fifteen percent
4	Fabrication and installation of elevators (lifts) and escalators.	Fifteen percent
5	Fabrication and installation of rolling shutters and collapsible gates.	Fifteen percent
6	Civil works.	Twenty five percent*
7	Installation of doors, doorframes, windows, frames and grills.	Twenty percent
8	Supply and fixing of tiles, slabs, stones and sheets.	Twenty percent
9	Supply and installation of air conditioners and air coolers.	Fifteen percent
10	Supply and installation of air conditioning equipment including deep freezers, cold storage plants, humidification plants and de-humidors.	Fifteen percent
11	Supply and fitting of electrical goods, supply and installation of electrical equipments including transformers.	Fifteen percent

Sl. No.	Type of contract	Labour, service and other like charges are percentage of total value of the contract
12	Supply and fixing of furniture and fixtures, partitions including contracts for interior decoration and false ceiling.	Twenty percent
13	Construction of Railway coaches and wagons on under carriages supplied by Railway.	Twenty percent
14	Construction or mounting of bodies of motor vehicle and construction of trailers.	Twenty percent
15	Sanitary fitting for plumbing and drainage or sewerage.	Twenty five percent
16	Laying underground surface pipelines, cables or conduits.	Thirty percent
17	Dyeing and printing of textiles.	Thirty percent
18	Supply and erection of weighing machines and weighbridges.	Fifteen percent
19	Painting, polishing and white washing.	Thirty percent
20	All other contracts not specified from Sl. No. 1 to 19 above.	Twenty percent

* Twenty five percent of total value of the contract excluding the cost of land transferred, if any.

(3) (a) In the case of works contract of civil nature where the payment of charges towards the cost of land, if any, is not ascertainable from the books of accounts of the dealer, the amount of such charges shall be calculated @ 30% of the total value of the contract except in the case of construction of commercial buildings or complexes where it shall be calculated @ 50% of the total value of the contract.

(b) In the case of works contract of civil nature where only a part of the total constructed area is being transferred, the charges towards the cost of land shall be calculated on a pro-rata basis by the following formula:-

$$\frac{\text{Proportionate super area} \times \text{Indexed cost of acquisition of land}}{\text{Total plot area} \times \text{Floor Area Ratio}}$$

Explanation.- Proportionate super area for the purpose of this clause means the covered area booked for transfer and the proportionate common constructed area attributable to it.

(c) In the case of work contract of civil nature where only a part of total constructed area is being transferred, the deduction towards labour, services and other like charges mentioned in sub-rule (1) shall be calculated on a pro-rata basis.

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(d) In the case of works contract of civil nature, the tax shall be payable by the contractor during the tax period in which the property in goods is transferred.

Explanation 1. - For the purpose of this rule, indexed cost of acquisition shall be calculated as per section 48 of the Income Tax Act, 1961.

Explanation 2. - No tax shall be payable by a contractor on the amount representing the value of the goods supplied by the contractee to the contractor in the execution of works contract in which the ownership of such goods remains with the contractee under the terms of the contract and the amount representing the value of the goods supplied by the contractee to the contractor does not form part of the contract and is not deductible from the amount payable to the contractor by the contractee for the execution of the works contract.]

CHAPTER III**Tax Credit****6 Apportionment of tax credit**

<i>Sections: 9(4), 10(2) Form: Nil</i>
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Where a dealer has purchased goods intended to be used for the purposes specified in sub-section (1) of section 9 and the goods are subsequently used fully or partly for other purposes as specified in sub-section (4) of section 9 or the goods or goods manufactured out of such goods are exported from Delhi by way of transfer, the tax credit claimed shall be reduced under section 10, in the following manner:-

(i) in case commodity-wise accounts are maintained by the dealer clearly correlating use of goods for making sales under sub-section (1) of section 9 and for other purposes, the tax credit shall be reduced by the amount of input tax paid on the purchases used for such other purposes.

(ii) in case commodity-wise accounts are maintained by the dealer clearly correlating use of goods for making sales referred in sub-section (1) of section 9 and for transfer of goods or goods manufactured out of such goods, the tax credit shall be reduced in the manner specified in rule 7.

(iii) in case commodity-wise accounts are not maintained by the dealer clearly correlating use of goods for making sales referred to in clause (i) above, the reduction of tax credit shall be calculated on the basis of the purchase price of such goods immediately preceding their use for other purposes or their fair market value, whichever is higher.

(iv) in case commodity-wise accounts are not maintained by the dealer clearly correlating use of goods for making sales referred to in clause (ii) above, the reduction of tax credit shall be calculated on the basis of the purchase price of such goods immediately preceding to their transfer or their fair market value, whichever is higher, and the input tax credit shall be reduced in the manner specified in rule 7.

¹[6A **Restriction and conditions governing tax credit**

Sections: 9(1), 9(2), 10(5)	Form: Nil
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²[(1) ***]

(2) Before allowing the claim of input tax credit to a dealer, the assessing authority may satisfy itself that the conditions laid down in clause (g) of sub-section (2) of section 9 of the Act are also satisfied.

(3) The provisions of sub-section (5) of Section 10 of the Act relating to proportionate reduction of tax credit on purchases of goods sold at a price lower than the purchase price shall apply to the cases where, during the tax period, the dealer receives credit note or notes from the selling dealer on account of discount, commission, rebate, remission in price or incentive, or by whatever name called.

Explanation - For the removal of doubt, it is hereby clarified that the provisions of sub-section (5) of section 10 of the Act shall not apply to a case where in the ordinary course of business the goods are sold by a dealer at a loss.

(4) In the cases where the sale has been made at price lower than the purchase price in pursuance of the administered prices of the oil companies, that is to say, Indian Oil Corporation, Hindustan Petroleum Corporation Ltd. and Bharat Petroleum Corporation Ltd. the provisions of section 10(5) shall not apply.]

¹ Inserted vide No. F.3(23)/Fin.(T&E)/2009-10/jsfin/287, dated 1.4.2010, w.e.f. 1.4.2010.

² Omitted vide notification No.F.3(23)/Fin(Rev-I)/2011-12/DSIII/68, dated 27.1.2012, w.e.f. 27.1.2012. Earlier inserted vide notification No. F.3(23)/Fin.(T&E)/2009-10/jsfin/287, dated 1.4.2010, w.e.f. 1.4.2010 and read as, “(1) For the purpose of working out the entitlement of tax credit under sub-section (1) of section 9 of the Act to the extent of proportion of the goods which have been put to sale during the tax period, the input tax credit on the closing stock available with the dealer at the end of every tax period shall be carried forward to the next tax period or the following tax period or periods, as the case may be, till such stock is sold by the dealer:

PROVIDED that this sub-rule shall not prevent the claim of refund of a dealer for sales already effected during the relevant tax period or to a dealer who makes sales in the course of exports out of India, or in the course of inter-State trade and commerce, or, in such cases where the dealer being a manufacturer is required to make purchases of raw materials taxable at a higher rate of tax, while the sales of goods manufactured by him (not being goods exempt under section 6 as specified in First Schedule to the Act) are taxable at the lower rate under the Act.”

7 Reduction of tax credit

Sections: 9(6) & 9(9), 10(3)	Form: Nil
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¹[(1) For the purposes of sub-section (6) of section 9 and ²[sub-clause (ii) of clause (c) of] sub-section (3) of section 10, the tax credit shall be reduced by the following prescribed percentages:-

- | | | |
|-------------------|--|-------------|
| (a) | in the case of goods specified in the Second Schedule | 100 percent |
| ³ [(b) | in the case of goods specified in the Third Schedule | 40 percent] |
| (c) | in the case of goods specified in the Fourth Schedule | 10 percent |
| (d) | in the case of any other goods specified in clause (e) of sub-section (1) of section 4 | 16 percent] |
| ⁴ [(e) | ***] | |

(2) Where a dealer has transferred any goods in the circumstances specified under sub-section (6) of section 9 and has made a reduction of tax credit by the prescribed percentage, he shall be entitled to claim the tax credit so reduced when he brings such goods back into Delhi for sale on which tax is payable under section 3 or for sale in the

¹ Sub-rule (1) substituted vide Notification No. F.3(10)/Fin.(T&E)/2008-09/Jsfin./351, dated 24.7.2008, w.e.f. 1.6.2008. Percentage effective from 14.5.2007 to 31.5.2008:- (1) For the purposes of sub-section (6) of section 9 and sub-section (3) of section 10, the tax credit shall be reduced by the following prescribed percentages:-

- | | | |
|-----|--|-------------|
| (a) | in the case of goods specified in the Second Schedule | 100 percent |
| (b) | in the case of goods specified in the Third Schedule | 75 percent |
| (c) | in the case of goods specified in the Fourth Schedule | 15 percent |
| (d) | in the case of any other goods specified in clause (e) of sub-section (1) of section 4 | 24 percent |

Earlier this sub-rule was substituted vide notification no.F.3(2)/Fin(T&E)/2007-08/(iv)/dsfte/353, dated 14.5.2007, w.e.f. 14.5.2007. Percentage effective from 1.4.2005 to 13.5.2007:- (1) For the purposes of sub-section (6) of section 9 and sub-section (3) of section 10, the tax credit shall be reduced by the following prescribed percentages:-

- | | | |
|-----|--|-------------|
| (a) | in the case of goods specified in the Second Schedule | 100 percent |
| (b) | in the case of goods specified in the Third Schedule | 100 percent |
| (c) | in the case of goods specified in the Fourth Schedule | 20 percent |
| (d) | in the case of any other goods specified in clause (e) of sub-section (1) of section 4 | 32 percent |

² Inserted vide Notification no. F.3(15)/Fin.(Rev-I)/2012-13/dsvi/264 dated 30.03.2013 w.e.f. 30.03.2013.

³ Substituted vide Notification No. F.3(27)/Fin(T&E)/2009-10/jsfin/195, dated 17.03.2010, w.e.f. 17.03.2010, earlier read as :-

- “(b) in the case of goods specified in the Third Schedule 50 percent”

⁴ Clause (e) of sub-rule (1) of Rule 7 omitted vide notification No.F.3(23)/Fin(Rev-I)/2011-12/DSIII/68, dated 27.01.2012, w.e.f. 27.01.2012. Earlier inserted vide notification No. F.3(27)/Fin(T&E)/ 2009-10/jsfin/195, dated 17.03.2010, w.e.f. 17.03.2010 and read as:-“(e) declared goods, as defined from time to time in section 14 of the 50 percent]

Central Sales Tax Act, 1956 (74 of 1956)”

course of inter-State trade or commerce or for sale outside Delhi or for sale in the course of exports out of the territory of India, subject to the condition that the goods brought back to Delhi are the same goods as originally transferred¹ [or the goods processed or manufactured out of the goods as originally transferred.]

(3) Where any goods or goods manufactured out of such goods are lost or destroyed, the dealer shall not be eligible to claim tax credit on such goods and the credit taken in any earlier tax period shall be reversed in the tax period in which goods are claimed to have been lost or destroyed.

(4) For the purpose of sub-section (9) of section 9, the prescribed percentage of reduction of tax credit shall be² [2 percent.]

7A Adjustment to tax

Section: 8(1)(e)	Form: Nil
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Where adjustment of tax arises under clause (e) of sub-section (1) of section 8 by reason of the whole or part of the price owed by the buyer for the purchase of goods having been written off by the dealer as bad debt, the dealer shall make such adjustment to the extent of the tax on the price written off as bad debt provided such price has been written off in his books of accounts and the price so written off has also been claimed by the dealer as deduction under section 36 of the Income Tax Act, 1961 (43 of 1961):

PROVIDED that where the price so written off relates to the sale of goods taxable at different rates of tax specified under section 4, the adjustment shall be made by allocating the price so written off to various amounts outstanding in the following order:-

- (i) any interest amount due and outstanding;
- (ii) sale price of any exempt goods;
- (iii) sale price of goods taxable at the rate of 1 percent;
- (iv) sale price of goods taxable at the rate of³ [5 percent];
- (v) sale price of goods taxable at the rate of 12.5 percent; and
- (vi) sale price of goods taxable at the rate of 20 percent

PROVIDED FURTHER that where the price so written off is recovered subsequently either in whole or part, it shall be deemed to be the sale of goods by him in the tax period in which such price is recovered and the dealer shall make an adjustment in calculating the tax payable for the same tax period by allocating the recovered amount to the amounts stated above in the reverse order.

¹ Inserted vide No. F.3(59)/Fin(T&E)/2005-06/923 kha, dt. 30.11.2005, w.e.f. 30.11.2005.

² Substituted for the word and figure "3 percent" vide No. F.3(10)/Fin.(T&E)/2008-09/Jsfin./351, dated 24.07.2008, w.e.f. 01.06.2008. Earlier substituted for the word and figure "4 percent" vide No. F.3(2)/Fin(T&E)/2007-08/(iv)/dsfte/353, dated 14.05.2007, w.e.f. 14.05.2007.

³ Substituted for the figure and word "4 percent" vide notification No.F.3(23)/Fin(Rev-I)/2011-12/DSIII/68, dated 27.01.2012, w.e.f. 27.01.2012.

¹**[7B Adjustment of tax due to retrospective reduction of tax liability by virtue of the Delhi Value Added Tax (Second Amendment) Act, 2005**

Sections: 4, 15, 105(4)	Form: Nil
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A dealer, in consequence of the retrospective operation of –

- (a) the reduced rates of tax on the turnover pertaining to declared goods involved in the execution of works contracts and the works contracts which are in the nature of printing works in accordance with the provisions of section 4; or
- (b) the eligibility to claim input tax credit on purchase of second hand goods from the resident seller under sub-section (2) of section 15; or
- (c) the discharge of tax liability on works contracts in accordance with the provisions of sub-section (4) of section 105,

shall re-compute his tax liability and shall make adjustments on account of excess amount of tax deposited under the Act, if any, in the first return which is due to be filed after the date of notification of the Delhi Value Added Tax (Fifth Amendment) Rules, 2005²:

PROVIDED that the dealer shall not make the adjustments of the excess amount of tax deposited unless such excess amount has been refunded to the purchaser:

PROVIDED FURTHER that the dealer shall submit the proof of the amount so refunded to the purchaser along with his return mentioned above.]

8 Treatment of stock brought forward during transition

Section: 14(2)	Form: Nil
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For the purposes of sub-section (2) of section 14, the amount of tax borne shall be–

- (a) where the dealer holds an invoice issued by a dealer registered under the Delhi Sales Tax Act, 1975 (43 of 1975) in respect of the opening stock which separately states the amount of tax paid under the Delhi Sales Tax Act, 1975 (43 of 1975) at the point specified under section 5 of the said Act, the amount of such tax as is allocable to the opening stock; or

- (b) in any other case, an amount calculated according to the formula-

$$F \times P \times 75\%$$

where –

F = the tax fraction, $(r/r+100)$ [where 'r' is the rate of tax under the Delhi Sales Tax Act, 1975 (43 of 1975) applicable as on March 31, 2005 to the opening stock].

P = the price paid for the opening stock.

¹ Inserted vide notification No.F.3(59)/Fin(T&E)/2005-06/923 kha, dt. 30.11.2005, w.e.f. 30.11.2005.

² For the dealers having monthly tax period, time was extended upto the time of filing of the return for the month of December, 2005 vide Order No.F.3(17)/P-II/VAT/Misc./2005/1211 dated 03.01.2006.

9 Credit on second hand goods purchased by a registered dealer from a resident seller not registered under the Act

Section: 15	Form: Nil
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(1) No input tax credit shall be claimed on second hand goods purchased by a registered dealer from a resident seller who is not registered under the Act, unless the registered dealer has in his possession adequate proof of the amount paid for such goods in the form of an invoice or receipt signed by such a resident seller containing the following, namely -

- (a) the description of the goods;
- (b) the amount paid for the goods;
- (c) the name and address of the resident seller; and
- (d) the Permanent Account Number (PAN), if any, of the resident seller.

¹[(2) No input tax credit shall be claimed under section 15 by a registered dealer on purchase of second hand goods unless the dealer has in his possession original invoice or cash memo issued under the Act or under the Delhi Sales Tax Act, 1975 (43 of 1975) (since repealed) for purchase of said goods in Delhi by the resident seller.]

10 Document for availing of credit

Section: 20(1)	Form: 19
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(1) A dealer requiring to furnish statement of trading stock and raw material under clause (c) of sub-section (1) of Section 20 shall furnish the same in Form DVAT 19 within 7 days of his registration taking effect.

(2) No input tax credit shall be allowed on the trading stock or raw materials held by a dealer who is registered or re-registered at the time when such registration or re-registration takes effect, unless the dealer has in his possession adequate proof of the amount of input tax paid in the form of a tax invoices issued by a registered dealer to the dealer claiming the tax credit.

¹ Substituted vide notification No.F.3(59)/Fin(T&E)/2005-06/923 kha, dated 30.11.2005, w.e.f. 30.11.2005, earlier read as, “(2) No input tax credit shall be claimed on second hand goods under section 15 without production of original tax invoice.”.

CHAPTER IV

Registration, Approval and Permission

11 Applications – General

Section: 19	Form: Nil
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(1) Every application under the Act for registration as a dealer or for the amendment or cancellation thereof, shall –

- (i) be furnished in the Forms prescribed in these rules;
- (ii) contain the information and particulars required in the relevant Form;
- (iii) be signed and verified by the person or authority mentioned in section 29 and in the manner specified in the relevant Form;
- (iv) be accompanied by all documents mentioned in the Form;
- (v) be accompanied by proof of payment of the fee as prescribed in Annexure 1 to these rules; and
- (vi) be accompanied by security in the prescribed amount.

(2) Where no Form is prescribed in these rules, the application may be made in writing served on the Commissioner:

PROVIDED that the Commissioner may require that the application be re-submitted in a Form or manner as may be specified by the Commissioner.

(3) The Commissioner shall issue a receipt acknowledging receipt of an application at the time the application is furnished.

12 Application for registration as a dealer

Section: 19	Form: 04
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(1) A dealer who is required to apply for registration under section 18 shall make an application for registration to the Commissioner in Form DVAT-04 within a period of 30 days from the date of his becoming liable to pay tax under the Act and shall pay the filing fee as prescribed in Annexure 1 of these rules.

(2) The dealer shall provide such further information as may be required by the Commissioner.

13 Processing application for registration as a dealer

Section: 19(3)(b)	Form: 05
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Every notice issued to an applicant under clause (b) of sub-section (3) of section 19 shall be in Form DVAT-05 and shall be served on the applicant in the manner specified in rule 62.

14 Certificate of registration

Sections: 19, 24	Form: 06
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(1) The Commissioner, after due verification of the application and the supporting documents, shall grant a certificate of registration in Form DVAT-06. The Commissioner shall grant single registration to a dealer who has within Delhi, more than one place of business.

(2) A dealer shall be deemed to be registered under the Act from the date of the receipt of his Application for Registration as specified in sub-rule (1) above or from the date the dealer has become liable to pay tax except where any other date has been specified in the certificate of registration.

(3) Every registered dealer shall retain and prominently display the certificate of registration at its principal place of business and a certified copy thereof at all other places of business in Delhi. ¹ *[Further, the dealer shall also prominently display his TIN and ward number outside the main entrance of all places of business in Delhi.]*

(4) A registered dealer may obtain from the Commissioner, on payment of the fee prescribed in Annexure 1 to these rules, a duplicate of the certificate of registration where the original has been lost, destroyed or defaced or a certified copy or copies on payment of the fee prescribed in Annexure 1 to these rules for the purpose specified in sub-rule (3).

(5) The Commissioner shall issue a fresh certificate of registration under the Act to every dealer who is registered by virtue of section 24.

(6) Pending the issue of the certificate pursuant to sub-rule (5), a certificate of registration issued to a dealer who is registered under the Delhi Sales Tax Act, 1975 (43 of 1975) or the Delhi Sales Tax on Works Contract Act, 1999 (9 of 1999) or the Delhi Sales Tax on Right to Use Goods Act, 2002 (13 of 2002) as in force in Delhi immediately before the commencement of the Act shall be sufficient evidence that the person is registered for the purposes of section 19.

15 Amendment of registration

Section: 21	Forms: 07, 08
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(1) An application for amendment to an existing registration shall be made in Form DVAT-07.

(2) Any amendment to the existing registration as a dealer shall be intimated by the Commissioner in Form DVAT-08.

¹ Inserted vide notification No.F.3(4)/Fin.(Rev-I)/2013-14/DSVI/519; dated 09.07.2013 w.e.f. **09.07.2013**.

16 Cancellation of registration

Section: 22	Forms: 09 to 11
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(1) An application under sub-section (2) of section 22 for cancellation of registration as a dealer shall be made in Form DVAT-09 within thirty days of the following:-

(a) in cases where a registered dealer has ceased to carry on any activity which would entitle him to be registered as a dealer under the Act, from the date of cessation of the activity;

(b) in cases where an incorporated body is closed down or otherwise ceases to exist, from the date of closure or cessation of existence;

(c) in cases where the owner of a proprietorship business dies leaving no successor to carry on the business, from the date of death of the owner of the proprietorship business;

(d) in case of a firm or an association of persons being dissolved, from the date of its dissolution;

(e) in case a registered dealer has ceased to be liable to pay tax under the Act, from the date on which he ceased to be so liable.

(2) Every registered dealer who applies for cancellation of his registration shall surrender with his application the original certificate of registration and all certified copies thereof.

(3) The application shall specify the date from which the dealer desires the cancellation of registration to take effect:

PROVIDED that unless the Commissioner by notice, in writing, served on the dealer notifies another date from which registration shall be cancelled, the dealer's registration shall cease on the date specified by the dealer.

(4) Where the Commissioner proposes to cancel the registration of a dealer under sub-section (1) of section 22, the Commissioner shall serve upon the person a notice in Form DVAT-10 in the manner prescribed in rule 62.

(5) Every registered dealer whose registration is cancelled under sub-section (1) of section 22, shall deliver to the Commissioner the certificate of registration by the date stated ¹[in Form DVAT-11:]

PROVIDED that where a dealer has made an objection to the Commissioner under section 74 against the cancellation of the registration, the dealer may retain the certificate of registration pending resolution of the objection.

(6) In case of cancellation of registration, the Commissioner shall specify in a notice in Form DVAT-11 the date from which the cancellation of the registration takes effect. Upon cancellation of registration, the dealer shall be required to comply with the requirements specified by the Commissioner either in the notice issued in

¹ Substituted for the words and figures "in Form DVAT-10:" vide notification no. F.3(22)/Fin.(T&E)/2006-07/dsft/344-353, dated 07.09.2006 w.e.f. 07.09.2006.

Form DVAT-11 or by a separate communication to be served in the manner specified in rule 62.

(7) Notwithstanding the cancellation of registration, all the proceedings pending or to be initiated shall not abate.

17 ¹[Hosting] of particulars of cancelled certificates of registration

Section: 22(8)	Form: Nil
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For the purposes of sub-section (8) of section 22 the Commissioner shall ²[host on the Department's website] the particulars of dealers whose registration has been cancelled in the following form:-

(1)	(2)	(3)	(4)
Name and address of the dealer	Name of the Proprietor / Manger / Partners / Directors	Registration number	Date of effect of cancellation of registration

18 Declaration of name of manager of business

Section: 95	Forms: 04, 07, 52
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(1) The information required under section 95 shall be intimated to the Commissioner in Form DVAT-04 at the time of application for registration.

(2) Where there is any change in the person or persons named in Form DVAT-04 as manager or managers of business under section 95 on account of death or otherwise, the registered dealer or his legal representative, as the case may be, shall inform the Commissioner within thirty days from the date of such change in Form DVAT-07 and also provide the name of the person or persons who shall be manager or managers thereafter.

³[(3) A declaration under sub section (3), (3A) of section 95, shall be furnished in Form DVAT-52 to the Commissioner within the time as specified in section 95.]

¹ Substituted for the word "Publication" vide notification No.F.3(4)/Fin.(Rev-I)/2013-14/DSVI/519; dated 09.07.2013 w.e.f. 09.07.2013.

² Substituted for the word "publish" vide notification No.F.3(4)/Fin.(Rev-I)/2013-14/DSVI/519; dated 09.07.2013 w.e.f. 09.07.2013.

³ Sub-Rule (3), which was earlier inserted vide notification No.F.3(59)/Fin(T&E)/2005-06/923 kha, dated 30.11.2005, w.e.f. 30.11.2005, now substituted vide Notification no. F.3(15)/Fin.(Rev-I)/2012-13/dsvi/264 dated 30.03.2013 w.e.f. 30.03.2013. Before substitution, it read as, "A declaration under sub-section (3) of section 95, shall be furnished in Form DVAT 52 to the Commissioner –

(a) before 31st December, 2005, by a dealer who is deemed to have been registered under sub-section (1) of section 24;

(b) within fifteen days of obtaining the Permanent Account Number, if the said number is obtained at any time after applying for the certificate of registration."

19 Nomination of principal place of business in the case of a dealer having more than one place of business in Delhi

Section: 2(1)(e)	Forms: 04, 07
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(1) Where a dealer has within Delhi, more than one place of business (hereinafter referred to as “branches”), he shall –

(a) nominate one of such branches as the principal place of business in Delhi; and

(b) inform the Commissioner in Form DVAT-04 of such nomination at the time of application for registration.

(2) When the dealer changes his designated principal place of business, the dealer shall inform the Commissioner within thirty days from the change in Form DVAT-07 and shall intimate the Commissioner of the location of the new principal place of business.

20 Notification of address for service of notices

Section: Nil	Form: 07
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(1) Every person who applies for registration under the Act as a dealer shall, in the application, give an address in Delhi for service of notices, orders and other correspondence.

(2) Every person who has given an address for service and who subsequently changes his address shall, within thirty days after the change, intimate the Commissioner, in writing, his new address in Delhi in Form DVAT-07.

(3) Where a person has changed his address and has failed to give to the Commissioner notice in Form DVAT-07 of his new address in Delhi for service, the service effected at the last known address shall be deemed to be valid service under the Act or these rules and such person shall not be permitted to plead such change of address as a defence in any proceedings (whether civil or criminal) instituted against him under the Act or these rules.

(4) The address for service last given to the Commissioner by any person shall, for all purposes of the Act and these rules, be his address for service.

21 Register of Dealers

Section: Nil	Form: Nil
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The Commissioner shall maintain a “Registration Register” in such form as he may deem fit, incorporating therein the complete particulars of the dealers registered under the Act including particulars of any amendments to and cancellation of, registration of the dealers under the Act, which will be available for inspection on payment of fee prescribed in Annexure 1 to these rules.

CHAPTER V**Security****22 Person and the required amount of security to be furnished**

Sections: 19(2), 25, 60(4), 61(5)	Form: Nil
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(1) A person applying for registration under the Act shall furnish security not exceeding one lakh rupees along with the application for registration:-

PROVIDED that the amount of the security shall be reduced by the amount stated below subject to a total maximum reduction of fifty thousand rupees, in case the person produces the following documents:

- | | |
|---|-------------------------|
| (a) last paid electricity bill in his name | Ten thousand rupees. |
| (b) last paid telephone bill in his name | Five thousand rupees. |
| (c) Permanent Account Number (PAN) issued under the Income Tax Act, 1961 (43 of 1961) | Ten thousand rupees. |
| (d) any document as proof of ownership of principal place of business | Thirty thousand rupees. |
| (e) any document as proof of ownership of residential property | Twenty thousand rupees. |
| (f) notarised photocopy of the passport of proprietor / managing partner or managing director | Ten thousand rupees. |

¹[*(2) A person required to pay security under sub-section 4 of section 60 for de-sealing or release of any premises including the office, shop, godown, box, locker, safe, almirah or other receptacle, shall furnish security of a sum equal to one per cent of the maximum of GTO of last three years or a sum equal to five lakh rupees, whichever is higher.*]

(3) A person offering to pay security under sub-section (5) of section 61 for release of any goods vehicle, goods and documents seized shall furnish security of twice the amount of tax payable if the goods were sold in Delhi, before seeking release of goods vehicle, goods and documents seized.

(4) The Commissioner may require a dealer claiming refund under section 38 to furnish security of the amount not exceeding the amount of refund claimed before the grant of refund.

¹ Substituted vide notification No.F.3(16)/Fin.(Rev-I)/2013-14/dsVI/785, dated 20.09.2013 w.e.f. 20.09.2013. Earlier read as, “(2) A person ordered to pay security under sub-section (4) of section 60 for de-sealing or release of any premises including the office, shop, godown, box, locker, safe, almirah or other receptacle, shall furnish security of the amount ordered by the Commissioner before seeking de-sealing or release of the premises.”

23 Manner in which security may be furnished

Section: 25, 61(5)	Form: 12
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(1) The tender of an amount or an asset or the undertaking of a liability as security for any purpose of the Act shall be made in Form DVAT-12.

(2) Subject to sub-rule (3) of this rule, where a person is required or offers to furnish security for any purpose of the Act, the security shall be acceptable only if it is made in any one of the forms listed in Table below, unless the Commissioner prescribes a particular form in which the security shall be acceptable:

PROVIDED that security may be offered partly in one form and partly in another.

¹[(2A) The security required to be furnished by a person under sub-section 4 of section 60, shall be, at least 50% in the form of security specified at sl. no.1 of the 'Table – Forms of Security' below and balance may be in any of the forms of security specified in the said table.]

(3) The security required to be furnished by a person under clause (b) of sub-section (5) of section 61, shall be, at least, 50% in the form specified as item no. 1 of the Table below, and balance may be in any of the form specified in Table below.

(4) A security, which does not meet the conditions specified in Table below, shall not be treated as the furnishing of security for the purposes of the Act.

(5) The security shall be accepted only for the amount prescribed or ordered.

(6) If the security is furnished in any of the forms referred to in items 2 to 7 (inclusive) in the Table below, a document transferring the title to the security shall be executed in the name of the President of India and the transfer recorded and noted in the books of the issuing authority and the person offering the security shall be required to pay Stamp duty and Registration fee as prescribed under the relevant law.

(7) The Commissioner shall maintain a complete account of the securities deposited, forfeited or refunded in Securities Register in such form and in such manner as the Commissioner deems fit.

Table – Forms of Security

	Form of security	Conditions	Amount of security
1	Cash	The Government will not pay any interest on security deposit, held in the form of cash.	Amount of cash deposited in appropriate Government treasury.
2	Promissory notes, stock certificates of any State Government		These securities shall be accepted at five per cent below their market price as on

¹ Inserted vide notification No.F.3(16)/Fin.(Rev-I)/2013-14/dsVI/785, dated 20.09.2013 w.e.f. 20.09.2013.

	Form of security	Conditions	Amount of security
			date of submission or at their face value, whichever is less.
3	Post Office Cash Certificates, Treasury Savings Deposits, National Plan Savings Certificates, 12 Year National Defence Certificates, 10 Year National Defence Certificates.	These certificates shall be formally transferred to the (President of India) and shall be accepted with the sanction of the Post Master of the office of registration.	Surrender value at the time of tender
4	Post Office Savings Bank Pass Books.	A pass book, for a deposit made under the Post Office Savings Bank Rules may be accepted as security provided that the dealer has signed and delivered to the Post Master a letter in the prescribed form as required by the said rules. The pass book shall be sent to the post office as soon as possible after the 15th June of each year so that necessary entries of interest may be made therein.	Amount deposited
5	Municipal debentures or Port Trust Bonds and/or Debentures issued by the Government or a financial corporation.		These securities shall be accepted at five per cent below the market price as on date of submission or face value whichever is less.
6	Bonds or debentures issued by corporate bodies guaranteed by the Central or any State Government as regards the payment of principal and interest or as regards principal only.		These securities shall be accepted at five per cent below the market price or face value, whichever is less.

	Form of security	Conditions	Amount of security
7	Deposit receipts of any authorised bank.	The deposit receipts shall be made in the name of the dealer but pledged to the President of India. The Bank shall agree that on receiving a signed treasury <i>challan</i> from the Commissioner and withdrawal order duly signed by the Commissioner, the bank will at once remit the amount in full or in part, as may be specified in the order, into the treasury and send the receipted <i>challan</i> to the Commissioner. The dealer will agree in writing to undertake the risk involved in the investment.	The amount shown on the deposit receipt.
8	Mortgage of immovable property, hypothecation or pledge of movable property, personal surety.	Mortgage bond in writing shall be executed in favour of the President of India and registered according to law of registration at the cost of the dealer. The property mortgaged shall be free from all encumbrances. Personal surety shall be in the form of a personal bond with one or two guarantees acceptable to the Commissioner. This form of security shall be accepted subject to such conditions as may be laid down from time to time by the Commissioner by a general or special order. The liability of the surety or guarantor shall be co-extensive with that of the	Amount stated in the relevant document as the maximum amount recoverable under the mortgage, hypothecation, pledge, or personal surety.

	Form of security	Conditions	Amount of security
		dealer for the period the contract of surety or guarantee remains in operation notwithstanding the fact that the assessment proceedings against the dealer under Chapter VI of the Act for the period are initiated before or after the said period. The liability of the surety or guarantor shall be enforced and executed according to the law for the recovery as arrears of land revenue referred to in section 44.	
9	Bank guarantee.	The bank must be a Scheduled Bank. The bank guarantee shall be initially valid for a period of one year and shall be kept valid till such time the Commissioner may require.	The amount stated in the relevant document as the maximum amount recoverable under the bank guarantee.

24 Safe-keeping, retention and return of security

Section: 25

Form: 13

(1) Post Office Savings Bank pass books, deposit receipts of banks, security bonds and agreements, promissory notes or stock certificates tendered as security shall be kept in safe custody by the Commissioner or an officer nominated by him in this behalf.

(2) Security tendered in any form shall be retained until the Commissioner orders that there is no further necessity for keeping it.

(3) Where a person has ceased to be a dealer or undertakes any other activity for which security under the Act might not be required, the person may apply for the return, release or discharge of the security in Form DVAT-13.

(4) A person may object in the manner provided in section 74 if the Commissioner has failed ¹[within six months] to return, release or discharge the security:

¹ Substituted for the words and figures "within 4 months" vide notification no. F.3(22)/Fin.(T&E)/2006-07/dsft/344-353, dated 07.09.2006 w.e.f. 07.09.2006.

PROVIDED that, where the person has sought a refund in cash pursuant to section 38 at any time, the person shall not request the Commissioner to return, release or discharge the security on or before 30th November of the year succeeding the year which includes the tax period in respect of which the refund is claimed.

(5) No security shall be returned, released or discharged to the person or otherwise disposed of except in accordance with the terms of the security bond or agreement and while returning, releasing or discharging the security to the person, unless the person entitled to the security gives an acknowledgment duly signed and witnessed setting forth therein the full particulars of the security released, returned or discharged.

25 Forfeiture of security

<i>Section: 25</i>

<i>Forms: 14, 15</i>

(1) Where the Commissioner proposes to forfeit a security in full or in part or is of the view that the security furnished is insufficient, he shall serve upon the person who furnished the security, a notice in Form DVAT-14.

(2) Where the Commissioner is not satisfied with the explanation given in response to the notice served upon in sub-rule (1), he shall pass an order in Form DVAT-15 forfeiting the security in part or in full and requiring the person to make good the deficiency of security.

(3) Where security is furnished in a form other than cash or bank guarantee and the security is forfeited in full or in part or is rendered insufficient, the Commissioner shall, in the notice, allow the person affected, to pay the forfeited or insufficient amount in cash within the time specified in the notice.

(4) If the amount to be forfeited or rendered insufficient is not deposited in cash pursuant to sub-rules (2) & (3) of this rule, the Commissioner shall make an application to the Collector as defined in Delhi Land Reforms Act, 1954 (hereinafter referred to as "Collector") to recover the said amount from the person, his surety or guarantor as arrears of land revenue.

(5) The Commissioner shall furnish to the Collector, the names and addresses of the person, his surety or guarantor and the amount to be recovered and thereupon the Collector shall proceed to recover the amount from the person or his surety or guarantor or from both as arrears of land revenue.

(6) Where security has been provided in the form of a pledge of goods, the Commissioner may sell the goods following the procedure prescribed in rule 41 to the extent applicable.

(7) Where the security furnished by any person is forfeited in whole or is rendered insufficient, the person shall make up deficiency in any of the forms referred to in the Table under rule 23, as may be required by the Commissioner, within fifteen days from the date of service of order in Form DVAT- 15.

CHAPTER VI

Tax Period and Tax Returns

26 Tax Period

Section: 26	Form: Nil
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¹[(1) Subject to sub-rule (2) of this rule, the tax period for all the dealers shall be a quarter.]

(2) The tax period of a dealer who ceases to be registered, shall cease—

- (a) if the registration is cancelled by the Commissioner, on the date specified by the Commissioner as the date on which the dealer's registration ceases to have effect;
- (b) where the dealer dies or is wound up, on the date of death or winding up;
- (c) in any other case, on the date of cancellation of the registration.

²[(3) ***]

(4) ***]

³[(5) For a dealer, to whom a certificate of registration has been granted for the first time, his tax period, till the end of the year of registration, shall be a quarter and his first tax period shall commence from the date of his liability.]

(6) For the purpose of sub-rule (1), the "turnover" of a dealer shall not include turnover from—

- (a) the sale of capital assets;
- (b) sales made in the course of winding up the dealer's activities; and
- (c) sales made as part of the permanent diminution of the dealer's activities.

Explanation - For the purposes of this sub-rule, adequate proof of a dealer's turnover shall be a copy of the following documents:-

(i) the annual audited accounts of the dealer for the three previous years or the annual accounts duly certified by the dealer where the accounts of the dealer are not required to be audited under any law for the time being in force.

¹ Substituted vide Notification no. F.3(15)/Fin.(Rev-I)/2012-13/dsvi/264 dated 30.03.2013 w.e.f. 30.03.2013. For text before substitution: See Appendix at the end of this Chapter.

² Sub-Rule (3) and (4) have been omitted vide Notification no. F.3(15)/Fin.(Rev-I)/2012-13/dsvi/264 dated 30.03.2013 w.e.f. 30.03.2013. For text before Omission: See Appendix B at the end of this Chapter.

³ Substituted vide notification No.F.3(59)/Fin(T&E)/2005-06/923 kha, dated 30.11.2005, w.e.f. 30.11.2005, earlier read as :-

“(5) Where –

- (a) a dealer has a tax period of one month;
- (b) the dealer is not prohibited from having a tax period of a quarter under sub-rule (4) above;
- (c) the dealer elects to have a tax period of a quarter, the election shall take effect from the first day of the next quarter.”

(ii) income tax returns furnished by the dealer for the three previous years duly certified by him or his Accountant.

27 Returns – General

Section: 26	Form: Nil
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(1) Every return under the Act shall –

(i) be furnished in the appropriate Form ¹ [and in the manner] prescribed in these rules;

(ii) contain the information and particulars required in that Form;

(iii) be signed and verified by the person or authority mentioned in section 29 and in the manner specified in that Form; and

(iv) be accompanied by all documents mentioned in the Form.

(2) Where no Form for a return is prescribed in these rules, the return may be made in writing and served on the Commissioner:

PROVIDED that the Commissioner may require that the return be re-submitted in a form or manner specified by the Commissioner.

(3) Every person liable to furnish a return as agent for any person (including an auctioneer) shall furnish a separate return for each person for whom he is agent, in addition to his own return, if required.

(4) The person liable to furnish a return as trustee for another shall furnish a separate return for the trust of which he is a trustee, in addition to his own return, if required.

² [***]

28 Dealers' periodic returns

Section: 26	Forms: 16, 17, 20
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(1) Subject to sub-rule (2) of this rule, every dealer liable to pay tax under section 3 shall furnish a return in Form DVAT-16 for each tax period.

(2) Every dealer who has elected to pay tax under section 16 shall furnish return in Form DVAT 17.

¹ Inserted vide notification No.F.3(4)/Fin.(Rev-I)/2013-14/DSVI/519; dated 09.07.2013 **w.e.f. 09.07.2013.**

² Sub-rule (5) omitted vide notification No.F.3(4)/Fin.(Rev-I)/2013-14/DSVI/519; dated 09.07.2013 **w.e.f. 09.07.2013.** Earlier read as, “(5) Notwithstanding anything contained in this rule, the dealer or a class or classes of dealers as may be notified by the Commissioner by a special or general order, shall file the return in electronic form, from the date notified by the Commissioner in this regard and such dealer shall also file a copy of the return with the Commissioner within three days of electronic filing of return.”

¹ [(3) A return referred to in sub-rule (1) or sub-rule (2) shall be furnished by transmitting the data in the return electronically on the Departmental website and thereafter submitting the Return Verification Form in Form DVAT-56, in duplicate, in the manner stated in Rule 63. Such return and the said Form shall be furnished by the dealer within twenty eight days from the end of the tax period. On submitting of Form DVAT-56, the Commissioner shall issue the acknowledgement with signature and stamp on one copy of the said Form;

PROVIDED that a dealer who has been registered for the first time under the Act shall furnish the return(s), the date of furnishing of which has already expired on the date of grant of registration certificate, within seven days from the date of such grant;

PROVIDED FURTHER that where the dealer fails to submit Form DVAT-56 and/or to obtain the acknowledgment, it shall be construed that no return has been furnished by the dealer for that tax period;

PROVIDED ALSO that the Commissioner, by an order, may exempt a dealer or class or classes of dealers from furnishing acknowledgment in Form DVAT-56 along with documents stated in sub-Rule-(3A), if the return under this rule is furnished with digital signatures, in accordance with the provisions contained in the Information Technology Act, 2000 (21 of 2000).

¹ Substituted vide notification No.F.3(4)/Fin.(Rev-I)/2013-14/DSVI/519; dated 09.07.2013 w.e.f. 09.07.2013. Earlier read as :-

##“(3) A return under sub-rule (1) and sub-rule (2) shall be accompanied by proof of payment of tax, interest or any other sum in Form DVAT-20 and documents as may be specified in the return. Such return shall be furnished by the dealer within twenty eight days from the end of his tax period:

PROVIDED that a dealer who has been registered for the first time under the Act shall furnish the return(s), the date of furnishing of which has already been expired on the date of grant of registration certificate, within seven days from the date of such grant.”

Sub-rule (3) of Rule 28 was earlier substituted vide notification No.F.3(27)/Fin.(Rev-I)/2011-12/ DSIII/353, dated 25.04.2012, w.e.f. 25.04.2012, earlier read as :-

“(3) A return under sub-rule (1) and sub-rule (2) shall be accompanied by proof of payment of tax, interest or any other sum in Form DVAT-20 and documents as may be specified in the return. Such return shall be furnished within-

- (a) seventy five days from the end of the dealer’s tax period by the dealers having tax period of one year;
- (b) forty five days from the end of the dealer’s tax period by the dealers having tax period of six months;
- (c) twenty eight days from the end of the dealer’s tax period by the dealers having tax period of a quarter or one month, as the case may be.

PROVIDED that a dealer who has been registered for the first time under the Act shall furnish the return(s), the date of furnishing of which has already been expired on the date of grant of registration certificate, within seven days from the date of such grant.”

Sub-rule (3) was earlier substituted vide notification No.F.3(59)/Fin(T&E)/2005-06/ 923 kha, dated 30.11.2005, w.e.f. 30.11.2005, earlier read as, “(3) A return under sub-rule (1) and sub-rule (2) shall be furnished within 28 days from the end of the dealer’s tax period and shall be accompanied by proof of payment of tax, interest or any other sum in Form DVAT-20 and documents as may be specified in the return.”

(3A) The verification of the return in Form DVAT-56, referred to in sub-rule (3), shall be accompanied by proof of payment of tax, interest or any other sum in Form DVAT-20, copy of the TDS Certificate(s), CC-01 and the documents, as specified in Form DVAT-56 or in the return Form.]

¹[(4) Where a dealer's registration is cancelled under the Act and subsequently restored, the dealer shall furnish within 28 days after the restoration, all returns ²[, including Return Verification Form in Form DVAT-56 and documents referred to in sub-rule (3A),] relating to the tax periods during which his registration remained inoperative and the date of furnishing of which has already expired on the date of restoration, and before furnishing such returns he shall deposit the tax due according to these returns in the same manner as he would have done if the registration was not so cancelled.]

29 Revised Returns

Section: 28	Forms: 16, 17
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(1) A person who furnishes a revised return in correction of some error that has been detected, shall do so by furnishing Form DVAT-16 along with an explanatory note specifying the mistake or error because of which it has become necessary to furnish a revised return.

(2) A person paying tax under section 16 and wishes to furnish revised return to correct any mistakes/errors as detected by him, shall furnish in form DVAT 17 along with an explanatory note specifying the mistake or error because of which it has become necessary to furnish a revised return.

30 Statement for Transitional Input Tax Credit

Section: 14	Form: 18
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Where, upon the commencement of the Act, a registered dealer wishes to claim tax credit under section 14, he shall furnish the required statement in Form DVAT-18 and in case the tax credit claimed is in excess of one lakh rupees, the statement shall be accompanied by a certificate signed by an Accountant.

¹ Substituted vide notification No.F.3(59)/Fin(T&E)/2005-06/923 kha, dated 30.11.2005, w.e.f. 30.11.2005, earlier read as, "(4) Where a dealer's registration is cancelled under the Act and is subsequently restored, the dealer shall furnish within 28 days after the restoration, all monthly or, as the case may be, quarterly returns relating to the period during which his registration remained inoperative, and before furnishing such returns he shall deposit the tax due according to these returns in the same manner as he would have done if the registration was not so cancelled.".

² Inserted vide notification No.F.3(4)/Fin.(Rev-I)/2013-14/DSVI/519; dated 09.07.2013 w.e.f. **09.07.2013**.

¹[30A Discharge of liability in respect of a continuing works contract**Section: 105(4)****Forms: 53, 54**

(1) A dealer, registered under the Delhi Sales Tax on Works Contract Act, 1999 (Delhi Act 9 of 1999) (hereinafter referred to in this section as “the repealed Act”), who is eligible and liable to discharge his tax liability under the Act in accordance with the provisions of sub-section (4) of section 105, he shall furnish the details of all partly executed contracts as on 31st March, 2005 to the Commissioner, in a statement in Form DVAT 53 along with his first return due to be filed after the notification of the Delhi Value Added Tax (Fifth Amendment) Rules, 2005² along with the documents and information as specified in the said Form DVAT 53 and such dealer shall compute his tax liability in the manner as given in the statement in Form DVAT 54:

PROVIDED that where a dealer fails to furnish a statement in Form DVAT 53, complete in all respects, within the time so prescribed, his liability to pay tax shall not be discharged in accordance with the provisions of sub-section (4) of section 105 and he shall be liable to pay tax at the rates specified in section 4.

(2) The dealer who is eligible and liable to discharge his tax liability under the Act in accordance with the provisions of sub-section (4) of section 105 and has submitted the statement in Form DVAT 53 in accordance with provisions of sub-rule (1), he shall furnish information in Form DVAT 54 along with his return in Form DVAT-16 for each and every tax period ending up to 31st March 2007:

PROVIDED that a return furnished for any tax period in the absence of duly filled in, signed and completed Form DVAT 54 shall be treated as invalid and incorrect.]

¹ Inserted vide notification no.F.3(59)/Fin(T&E)/2005-06/923 kha, dated 30.11.2005, w.e.f. 30.11.2005.

² For the dealers having monthly tax period, time was extended upto the time of filing of the return for the month of December, 2005 vide Order No.F.3(17)/P-II/VAT/Misc./2005/1211 dated 03.01.2006.

APPENDIX

**Rule 26(1), 26(3) and 26(4) before substitution/omission by
the Delhi VAT (Amendment) Rules, 2013 vide Notification no. F.3(15)/
Fin.(Rev-I)/2012-13/dsvi/264, dated 30.03.2013 w.e.f. 30.03.2013**

[Applicable up to 29.03.2013]

A Rule 26(1) :

¹[(1) Subject to sub-rule (2) of this rule, the tax period for a dealer whose turnover in the preceding year –

- ²[(a) is at or below five crore rupees, shall be a quarter;
(b) exceeds five crore rupees, shall be one month:]

PROVIDED that for the year 2005-06, the tax period of a dealer whose turnover does not exceed ten lakh rupees shall be six months, commencing from first day of October 2005:

PROVIDED FURTHER that where the turnover of a dealer during the current year increases or decreases beyond the turnover limits specified in this sub-rule, he shall be liable to change his tax period from the first day of the following year:

PROVIDED ALSO that the Commissioner may, by an order in writing, prescribe a tax period ³[other than the applicable tax period] for a dealer or a class of dealers irrespective of his or their turnover.]

¹ Substituted vide notification No.F.3(59)/Fin(T&E)/2005-06/923 kha, dated 30.11.2005, w.e.f. 30.11.2005, earlier read as :-

“(1) Subject to sub-rules (2) and (3) of this rule, the tax period for a dealer whose turnover in the preceding year –

- (a) is at or below five crore rupees, shall be, at the option of the dealer, either one month or a quarter; and
(b) exceeds five crore rupees, shall be one month.”

² Substituted vide notification No.F.3(27)/Fin(Rev-I)/2011-12/DSIII/353, dated 25.04.2012, w.e.f. 25.04.2012, earlier read as:-

- “(a) is at or below ten lakh rupees, shall be one year; or
(b) is at or below fifty lakh rupees but exceeds ten lakh rupees, shall be six months; or
(c) is at or below five crore rupees but exceeds fifty lakh rupees, shall be a quarter; or
(d) exceeds five crore rupees, shall be one month.”

³ Substituted for the words “of one month or a quarter or six months or one year” vide notification No.F.3(27)/Fin(Rev-I)/2011-12/DSIII/353, dated 25.04.2012, w.e.f. 25.04.2012.

B Rule 26(3) :

¹[(3) A dealer to whom clause (a) of sub rule (1) applies, can opt the tax period of one month and the option so exercised by him during a particular year by furnishing an intimation in accordance with sub-rule (4) of this rule, shall not be changed during that year.]

C Rule 26(4) :

²[(4) An intimation for change in tax period in accordance with sub-rule (1) or sub-rule (3) of this rule shall be furnished to the Commissioner in Form DVAT 55 within 15 days from the first day of the year in which tax period is being changed:

PROVIDED that for the year 2005-06, intimation for change of tax period shall be furnished within fifteen days from the date of notification of these rules:

PROVIDED FURTHER that any delay in furnishing the intimation under this rule shall not be condonable.]

¹ Sub-rule (3) of Rule 26 substituted vide notification No.F.3(27)/Fin(Rev-I)/2011-12/DSIII/353, dated 25.04.2012, w.e.f. 25.04.2012, earlier read as :-

“(3) A dealer to whom -

- (a) clause (a) of sub-rule (1) applies, can opt the tax period of six months or a quarter or one month; or
- (b) clause (b) of sub-rule (1) applies, can opt the tax period of a quarter or one month; or
- (c) clause (c) of sub-rule (1) applies, can opt the tax period of one month, and the option so exercised by him during a particular year by furnishing an intimation in accordance with sub-rule (4) of this rule, shall not be changed during that year:

PROVIDED that for the year 2005-06, an option to change the tax period may be exercised with effect from the first day of October, 2005.”

Sub-rule (3) was earlier substituted vide notification No.F.3(59)/Fin(T&E)/2005-06/923 kha, dated 30.11.2005, w.e.f. 30.11.2005, earlier read as, “(3) Where during the course of a particular year, the dealer’s turnover first exceeds five crore rupees, the dealer shall use a tax period of one month commencing from the first day of the month immediately following the completion of its current tax period.”.

² Substituted vide notification No.F.3(59)/Fin(T&E)/2005-06/923 kha, dated 30.11.2005, w.e.f. 30.11.2005, earlier read as :-

“(4) Where the tax period applying to a dealer was one month, the dealer shall continue to have a tax period of one month unless—

- (a) the dealer’s turnover during each of the last three months was less than forty lakhs rupees; and
- (b) the dealer’s turnover during remainder of the year is likely to be less than five crore rupees.”.

CHAPTER VII**Payment of Tax and making Refunds****31 Method of payment of tax, interest or penalty**

Section: 36	Form: Nil
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(1) Tax, interest, penalty or any other amount due under the Act may be paid only in Rupees.

(2) A payment of tax, interest, penalty or any other amount due under the Act may be made either in cash or by means of a crossed cheque, or bank draft drawn in favour of the appropriate Government treasury drawn on an authorised bank and shall be tendered along with a duly completed Form DVAT-20.

(3) Where a payment of tax, interest, penalty or any other amount due under the Act is made by cheque or bank draft, the date of the payment for the purpose of the Act shall be the date on which the said cheque or bank draft is encashed.

(4) Any tax, interest, penalty or any other amount due under the Act may be paid-

- (a) at a branch in Delhi of the Reserve Bank of India;
- (b) at a branch in Delhi of an authorised Bank;
- (c) at any other place notified by the Commissioner.

(5) Notwithstanding anything contained in this rule, the Commissioner may provide separate procedure or method of payment of tax, interest, penalty or any other amount due under the Act in electronic form.

32 Treasury to notify payments

Section: 36	Form: 20
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The appropriate Government treasury shall furnish to the Commissioner, the Part B of the Form DVAT-20 retained by it in respect of all payments made in a day together with sufficient information to identify the dealer. The officer in charge of the appropriate Government treasury shall set his hands and seal on the said information before furnishing it to the Commissioner.

33 Proof of payment

Section: 36	Forms: 20, 24A
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(1) On receipt of the Part B of the receipted Form DVAT-20, the Commissioner shall allow the credit of the amount shown therein, to the dealer against tax, interest, penalty or any other amount due from him under the Act.

(2) In case the Part B of Form DVAT-20 is not forthcoming to the Commissioner or is lost, destroyed, defaced or mutilated, the dealer who claims that he had paid any amount on account of tax, interest, penalty or any other amount due under the Act, the Commissioner may require such dealer to furnish other satisfactory proof of such payment which shall be the Part C or Part D of Form DVAT-20 in respect of that payment supported by a certificate from the appropriate Government treasury that the

payment shown in such Part C or Part D of Form DVAT-20 was deposited and credited to the Government account and an affidavit from such dealer that Part C or Part D of Form DVAT-20 and the certificate from the appropriate Government treasury are genuine. If the dealer fails to furnish satisfactory proof of such payment, the credit for such payment shall be disallowed by the Commissioner.

¹**[33A Intimation of depositing the Government dues**

Section: 36	Form: 27A
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Every dealer or person who, in pursuance of a notice of assessment or an order or a decision, is required to deposit any amount of tax or interest or penalty or composition money or any other amount due under the Act, shall, after depositing such amount or a part of such amount, furnish an intimation to the Commissioner in Form DVAT-27A within seven days of making such payment duly accompanied by Part C of the respective deposit challan in Form DVAT-20.]

34 Refund of excess payment

Section: 38	Forms: 21 to 22A
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(1) A claim for refund of tax, penalty or interest paid in excess of the amount due under the Act (except claimed in the return) shall be made in Form DVAT-21, stating fully and in detail the grounds upon which the claim is being made.

(2) Only such claim shall be made in Form DVAT-21 that has not already been claimed in any previous return. A claim for refund made in Form DVAT-21 shall not be again included in the return for any tax period.

²[(3) The Commissioner may, for reasons to be recorded in writing, issue notice to any person claiming refund to furnish security under sub-section (5) of section 38 in Form DVAT 21A, of an amount not exceeding the amount of refund claimed, specifying therein the reasons for prescribing the security.]

(4) Where the refund is arising out of a judgment of a Court or an order of an authority under the Act, the person claiming the refund shall attach with Form DVAT-21 a certified copy of such judgment or order.

(5) When the Commissioner is satisfied that a refund is admissible, he shall determine the amount of the refund due and record an order in Form DVAT-22 sanctioning the refund and recording the calculation used in determining the amount of refund ordered (including adjustment of any other amount due as provided in sub-section (2) of section 38).

³[(5A) The order for withholding of refund/furnishing security under section 39 shall be issued in Form DVAT-22A.]

¹ Inserted vide notification no. F.3(22)/Fin.(T&E)/2006-07/dsft/344-353, dated 07.09.2006 w.e.f. 07.09.2006.

² Substituted vide notification No.F.3(59)/Fin(T&E)/2005-06/923 kha, dated 30.11.2005, w.e.f. 30.11.2005, earlier read as, "(3) The Commissioner shall issue notice to any person claiming refund to furnish security under sub-section (5) of section 38, in Form DVAT-21A."

³ Inserted vide notification No.F.101(348)/2005-Fin.(A/Cs)/(iii)/2415, dt 08.08.05 w.e.f. 08.08.2005.

(6) Where a refund order is issued under sub-rule (5), the Commissioner shall, simultaneously, record and include in the order any amount of interest payable under sub-section (1) of section 42 for any period for which interest is payable.

(7) The Commissioner shall forthwith serve on the person in the manner prescribed in rule 62, a cheque for the amount of tax, interest, penalty or other amount to be refunded along with the refund order in Form DVAT-22.

¹[PROVIDED that the Commissioner may transfer the amount of refund through Electronic Clearance System (ECS) in the bank account of the dealer.]

(8) No refund shall be allowed to a person who has not filed return and has not paid any amount due under the Act or an order under section 39 is passed withholding the said refund.

²[(9) Before allowing the claim for refund to a dealer under section 38 of the Act, the Authority concerned shall satisfy himself that the conditions laid down in clause (g) of sub-section (2) of section 9 of the Act are fulfilled.]

35 Refund of tax for embassies, officials, international and public organisations

Section: 41	Forms: 22, 23
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³[(1) Subject to sub-rule (2) of this rule, an organization listed in the Sixth Schedule of the Act (in this rule called “the organization”) may apply for the refund

¹ Inserted vide notification No.F.3(59)/Fin(T&E)/2005-06/923 kha, dt. 30.11.05, w.e.f. 30.11.2005. ² Inserted vide No. F.3(23)/Fin.(T&E)/2009-10/jsfin/287, dated 1.4.2010, w.e.f. 1.4.2010.

³ Sub-rule (1) and (2) of Rule 35 substituted vide notification No. F.3(77)/Fin.(T&E)/2005-06/1538 kha, dated 17.03.2006 w.e.f. 17.03.2006 earlier read as :-

“(1) Subject to sub-rule (2) of this rule, an organisation listed in the Sixth Schedule of the Act (in this rule called “the organisation”) may apply for the refund of the tax borne by it or by a qualified person as defined in sub-rule (6) on the purchase of goods once in every quarter, if-

- (a) the goods are purchased by the organisation or the qualified person from a registered dealer;
 - (b) the goods [#][***] are for the official use of the organisation or are for the personal use of the qualified person as listed in the Sixth Schedule;
 - (c) the goods were purchased from a registered dealer in a single transaction recorded on a single tax invoice and the sale price of the goods covered in the transaction exceeds five thousand rupees (excluding tax paid, if any) or such other amount as may be notified; and
 - (d) such other restrictions or conditions as may be notified by the Commissioner have been satisfied.
- (2) An application for refund under section 41 shall be made by the organisation on behalf of itself and every qualified person attached to the organisation in Form DVAT-23 within a period of 28 days from the end of the relevant quarter covering all purchases for which the tax invoices have been issued in that quarter.

Explanation. - For the purpose of this rule, the organisation shall be deemed to be an agent duly authorised by all qualified persons attached to the organisation to make such a claim.”

Omitted the words “(other than petrol, diesel and other fuels)” vide Notification No.F.101(352)/2005-Fin.(A/Cs)/746-755 kha, dated 07.10.2005 w.e.f. 07.10.2005.

of tax borne by it or by a qualified person as defined in sub-rule (6) on the purchase of goods once in every quarter, if-

¹ [(a) the goods were purchased by the organizations or the qualified person from a registered dealer against a tax invoice/retail invoice and the sale price of the goods covered in each single tax invoice/retail invoice exceeds five thousand rupees (excluding tax paid, if any) or such other amount as may be notified by the Commissioner^[2]];

PROVIDED that the relaxation regarding production of retail invoices for claiming refund under sub rules (1) (a), (2), (10) and (11) of this Rule shall only be available to Embassies, High Commissions, International Organizations and their qualified persons and not to any other public organization listed in the Sixth Schedule]

(b) the goods purchased are for the uses specified in the Sixth Schedule in respect of the particular organization;

(c) such other restrictions or conditions as may be notified by the Commissioner have been satisfied.

(2) An application for refund under section 41 shall be made by the organization on behalf of itself and every qualified person attached to the organization in Form DVAT 23 within a period of twenty eight days from the end of the relevant quarter covering all purchases made against tax invoices in that quarter.

³ [PROVIDED that, an application for refund under section 41 shall be made by the Embassies, High Commissions, International Organizations on behalf of itself and every qualified person attached to such organization in Form DVAT-23 within a period of three months from the end of the relevant quarter covering all purchases made against tax invoices / retail invoices in that quarter.]

Explanation. - For the purpose of this rule, the organisation shall be deemed to be an agent duly authorised by all qualified persons attached to the organisation to make such a claim.]

(3) A refund made to the organisation shall be deemed to be made to each qualified person through its agent duly authorised by the qualified person to receive such a payment.

(4) Where an application for a refund is made in accordance with sub-rule (1) and the application is made in the prescribed form, manner and time, the refund shall

¹ Sub-rule (1)(a) of Rule 35 substituted vide notification No.F.3(25)/Fin.(T&E)/2009-10/jsfn/94, dated 15.02.2010 w.e.f. 01.04.2005, retrospectively. Earlier read as :-

(a) the goods were purchased by the organization or the qualified person from a registered dealer against a tax invoice and the sale price of the goods covered in each single tax invoice exceeds five thousand rupees (excluding tax paid, if any) or such other amount as may be notified by the Commissioner

² Exercising these powers, the Commissioner reduced the monetary limit to Rs.1,500/- (excluding tax) vide Notification No.F.2(5)/P-II/VAT/Rules/2006/26 dated 25.04.2006. This limit has again been increased to Rs. 5,000/- vide notification no. F.2(5)/Policy-II/VAT/2012/1056-67 dated 01.01.2013 w.e.f. 01.01.2013.

³ Inserted vide notification No.F.3(25)/Fin.(T&E)/2009-10/jsfn/94, dated 15.02.2010 w.e.f. 01.04.2005, retrospectively.

be paid by the Commissioner within 30 days from the day when the Commissioner receives the application along with refund order in Form DVAT-22.

(5) The amount of any refund shall be paid to a single account with a bank nominated by the organisation and any deposit made by the Commissioner to the account shall be deemed to be paid to the organisation and to every qualified person.

(6) Subject to the restrictions and conditions notified by the Commissioner, for the purposes of this rule, a “qualified person” means a person referred to in Sixth Schedule of the Act.

(7) Where an express term in a treaty or other international agreement to which the President or the Government of India is a party is inconsistent with the conditions in this rule, such treaty or international agreement shall prevail.

(8) A claim for a refund of tax made under this rule shall be a composite of all the claims for a refund of tax of the organisation and every qualified person attached to the organisation.

(9) The form shall be signed by the Chief of the Organisation or a person duly authorised by him. In case the form is signed by an authorised signatory, the form shall be accompanied by the letter of authorization signed by the Chief of the Organisation.

¹[(10) The organization claiming a refund under this rule shall be required to retain all tax invoices / retail invoices based on which such refund is claimed for a period of one year from the date on which the refund is made.]

²[(11) The tax invoices / retail invoices filed along with the form shall be stamped by the Commissioner and returned along with the refund order in Form DVAT-22.]

³[(12) Notwithstanding anything contained in this rule to the contrary, where an organization, listed in the Sixth Schedule in the entry at Sl. No. 1, for the purpose of receiving the refund of tax borne in two different bank accounts viz. the refund of tax borne by the organization itself in one account and the refund of tax borne by all the qualified persons attached to the organization in the other account, furnishes two separate applications in Form DVAT-23, the commissioner may pay the refund admissible in two bank accounts.]

¹ Sub-rule (10) of Rule 35 substituted vide notification No.F.3(25)/Fin.(T&E)/2009-10/jsfin/94, dated 15.02.2010 w.e.f. 01.04.2005, retrospectively, earlier read as :-

“(10) The organisation claiming a refund under this rule shall be required to retain all tax invoices based on which such refund is claimed for a period of one year from the date on which the refund is made.”

² Sub-rule (11) of Rule 35 substituted vide notification No.F.3(25)/Fin.(T&E)/2009-10/jsfin/94, dated 15.02.2010 w.e.f. 01.04.2005, retrospectively, earlier read as :-

“(11) The tax invoices filed along with the form shall be stamped by the Commissioner and returned along with the refund order in Form DVAT-22.”.

³ Inserted vide notification No.F.3(22)/Fin.(T&E)/2006-07/dsfte/344-353, dated 07.09.2006 w.e.f. 07.09.2006.

CHAPTER VIII**Assessments and Enforcement of Tax and Penalties****36 Assessment of tax, interest or imposition of penalty**

<i>Sections: 32, 33, 42</i>	<i>Forms: 24, 24A</i>
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(1) Where the Commissioner makes a default assessment of tax under section 32, he shall record the order in Form DVAT-24 and such notice of assessment shall be served on the dealer in the manner prescribed in rule 62.

(2) Where the Commissioner makes an assessment of penalty under section 33, he shall record the order in Form DVAT-24A and such notice of assessment of penalty shall be served on the dealer in the manner prescribed in rule 62.

¹(3) The Commissioner shall, at the time of making an assessment under section 32, calculate the interest payable under sub-section (2) of section 42 for the period commencing from the date of such default for so long as the dealer continues to make default in payment of the amount tax, penalty or other amount due under the Act.

(4) The amount of interest payable under the preceding sub-rule, shall be included in the notice of assessment in Form DVAT 24.

(5) At the time of issue of the recovery certificate, the Commissioner shall calculate the interest payable under sub-section (2) of section 42 for the period from the date of default till the date of issue of recovery certificate and the amount shall be indicated separately in the recovery certificate.

Explanation. - For the purpose of this rule, “the date of the recovery certificate” shall mean the date on which the said certificate is signed and dated by the appropriate authority irrespective of the date on which it is issued to the Collector or the certificate-debtor.]

²36A Form of notice for revision

<i>Section: 74A</i>	<i>Form: 24B</i>
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The notice for the purposes of sub-section (2) of section 74A shall be in Form DVAT 24B.

36B Rectification of mistakes and review

<i>Section: 74B</i>	<i>Forms: 38B, 38C</i>
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(1) The application for rectification of a mistake in any order shall be filed in Form DVAT 38B.

¹ Inserted vide notification No.F.3(59)/Fin(T&E)/2005-06/923 kha, dated 30.11.2005, w.e.f. 30.11.2005.

² Inserted rules “36A and 36B” vide notification No.F.3(59)/Fin(T&E)/2005-06/923 kha, dated 30.11.2005, w.e.f. 30.11.2005.

(2) The application for review of an assessment or reassessment or order shall be in Form DVAT 38C.

(3) No application for review under sub-section (5) of section 74B of an assessment or reassessment or an order shall be entertained if the application is not presented within thirty days from the date of such assessment or reassessment or order.

(4) The Commissioner or any person appointed under section 66 shall be competent under sub-section (5) of section 74B to review any assessment or reassessment or order made by his predecessor in office.

(5) Where a person, has made an application for review of an assessment or reassessment or an order under the provisions of section 74B, the Commissioner shall not be prevented from enforcing the payment of any amount in dispute in that order.

(6) Where a person, who has made an application for review of assessment or reassessment or an order, intends to file an objection under section 74 or an appeal under 76, the person shall withdraw his application for review before filing the objection or the appeal.

(7) The Commissioner shall not review any assessment or reassessment or an order where an objection under section 74 or an appeal under section 76 against such assessment or reassessment or order is pending for decision.]

¹[37 **Recovery of Government dues**

Section: 43	Forms: 25, 25A
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(1) In case of any amount recoverable in terms of clause (a) of sub-section (3) of section 43, the Commissioner may issue to the Collector a Certificate in Form DVAT-25:

PROVIDED that the Commissioner may encash the security furnished by any person, if capable of being encashed simultaneously with the issue of certificate to the Collector and shall notify the Collector of the amount so realised.

¹ Substituted vide notification No.F.3(59)/Fin(T&E)/2005-06/923 kha, dated 30.11.2005, w.e.f. 30.11.2005, earlier read as :-

“37 **Recovery of Government dues**

(1) In case of any amount recoverable in terms of sub-section (3) of section 43, the Commissioner may issue to the Collector a certificate in Form DVAT-25.

PROVIDED that the Commissioner may encash the security furnished by any person, if capable of being encashed simultaneously with the issue of certificate to the Collector and shall notify the Collector of the amount so realised.

(2) The Collector shall intimate to the Commissioner the amount recovered by him together with the date thereof and provide such other details as the Commissioner may require.

(3) Without prejudice to the provisions of sub-section (4) of section 57, if at any time after the recovery proceedings have been commenced by the Collector, the defaulter dies, the recovery proceedings shall be continued against the legal representatives.

(4) Any amount recoverable under Chapter VII of the Act, shall be recovered in the same manner as provided in sub-rules (1) to (3).”

(2) The Collector shall intimate to the Commissioner the amount recovered by him together with the date thereof and provide such other details as the Commissioner may require.

(3) The certificate referred to in sub-section (6) of section 43 shall be in form DVAT-25A and shall be served upon the certificate-debtor by the Value Added Tax Inspector functioning under the control of the Commissioner, along with a Writ of Demand as prescribed in the Delhi Land Reforms Rules, 1954.

(4) The procedure laid down in the rules made under the Delhi Land Reforms Act, 1954 (Act No.8 of 1954) and the provisions thereof relating to the recovery of arrears of land revenue in general and relating to attachment and sale of movable and immovable property, arrest and detention in prison for a period of 15 days, in particular, shall apply *mutatis mutandis* for the purposes of recovery from the certificate-debtor under sub-section (6) of section 43.

(5) The amount of interest payable under section 36 for the period commencing immediately after the date of the recovery certificate till realisation, shall be calculated by the Collector or the Commissioner, as the case may be, and recovered along with the amount of tax, penalty or other sums mentioned in the said recovery certificate issued by the Commissioner.

(6) Where movable or immovable property is attached, the Commissioner may, instead of directing a sale of the property, appoint a person as a receiver to manage such property.

(7) Where any movable or immovable property is attached and taken under management, the receiver shall, subject to the control of the Commissioner, have such powers as may be necessary for the proper management of the property and the realization of the profits, or rent and profits, thereof.

(8) The profits, or rents and profits, of such movable or immovable property, shall, after defraying the expenses of management, be adjusted towards discharge of the arrears, and the balance, if any, shall be paid to the defaulter:

PROVIDED that where the balance cannot be paid to the defaulter due to any reason, the said balance shall be deposited in the Government treasury.

(9) The attachment and management of movable and immovable properties may be withdrawn at any time at the discretion of the Commissioner, or if the arrears are discharged by receipt of such profits and rents or are otherwise paid.

(10) There shall be recoverable, in the proceedings in execution of every certificate, all charges incurred in respect of-

(a) the service of notice upon the defaulter to pay the arrears, and the warrants and other processes, and

(b) all other proceedings taken for realising the arrears.

(11) Without prejudice to the provisions of sub-section (4) of section 57, if at any time after the recovery proceedings commenced by the Collector or the Commissioner, as the case may be, the defaulter dies, the recovery proceedings shall be continued against the legal representatives.

(12) Any amount recoverable under Chapter VII of the Act, shall be recovered in the same manner as provided in this rule.

38 Continuation of certain recovery proceedings

<i>Section: 45</i>	<i>Form: 26</i>
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For the purposes of section 45, the Commissioner shall notify to the Collector any reduction of government dues in Form DVAT-26, a copy of which shall also be served on the person in the manner prescribed in rule 62.

39 Special mode of recovery

<i>Section: 46</i>	<i>Form: 27</i>
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For the purposes of section 46, the Commissioner shall serve on the person in Form DVAT-27 notifying the person of the requirement to pay the specified amount to the Commissioner in the manner prescribed in rule 62.

40 Issue of summons

<i>Section: 80</i>	<i>Form: 28</i>
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(1) A summons requiring a person –
(a) to appear before the Commissioner;
(b) to produce documents to the Commissioner; or
(c) to appear before the Commissioner and produce documents, shall be in Form DVAT-28.

(2) The Commissioner shall serve summons under sub-rule (1) in the manner prescribed in rule 62.

41 Procedures for sale of property held by the Commissioner

<i>Section: 63</i>	<i>Form: 29</i>
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(1) Where the Commissioner has in his possession any goods, goods vehicle, or any other property, including goods seized at any border or check-post and goods held as security for the performance of an obligation under the Act (in this rule called “the property”), which may be sold by the Commissioner in pursuance of any powers conferred under the Act to recover tax, interest, penalty or other amount due under the Act, the power of sale shall be exercised in the manner set out in this rule.

(2) The Commissioner shall serve a notice in Form DVAT-29 in the manner prescribed in rule 62 on the person recorded as the owner of the goods in the Commissioner’s records requiring the person to redeem the property within fifteen days by tender of payment in cash of all amounts owed under the Act.

(3) Where the person has not redeemed the property within the time specified in the form, the Commissioner may proceed to sell the property by public auction as per the following procedure-

(a) A report shall be prepared of the facts and circumstances in which the property is required to be sold by public auction and the Commissioner shall make a written order for sale or disposal of the property.

(b) The officer nominated by the Commissioner for the purpose shall cause to be published on the notice board of his office, a list of the properties intended for sale with a notice under his signature specifying the place where, and the day and hour at which, the property is to be sold and display copies of such list and notices at more than one public place near the place where the property is currently held, and the place of the proposed auction. A copy of the list and notice shall also be displayed in the office of the Commissioner. Except in exceptional circumstances, a notice for not less than seven days shall be given before the auction is conducted.

(c) Intending bidders shall be required to deposit as earnest money, a sum equal to ten per cent of the estimated value of the property. The officer conducting the auction shall prepare a receipt acknowledging the receipt of the earnest money. Earnest money deposited by unsuccessful bidders shall be refunded to them immediately after the auction is over.

(d) At the appointed day and time, the property shall be put up in one or more lots, as the officer conducting the auction sale may consider fit and shall be knocked down in favour of the highest bidder subject to confirmation of the sale by the Commissioner.

(e) The purchaser shall pay the sale value of the property in cash immediately after the sale and he shall not be permitted to carry away any part of the property until he has paid for the same in full and until the sale has been confirmed by the Commissioner. If the purchaser fails to pay the purchase money within three days of the confirmation of sale by the Commissioner, the property shall be re-offered for auction and any earnest money deposited by the defaulting bidder shall be forfeited to the Government.

(4) If any order directing detention is reversed on appeal, the property detained, to the extent they have not been sold before such reversal comes to the knowledge of the officer conducting the sale, shall be released or, if such property has been sold, the net proceeds thereof shall be paid to the owner of the property.

(5) Notwithstanding anything contained in this rule, if the property is of a perishable nature or subject to speedy and natural decay or when the expenses of keeping it in custody are likely to be high, the Commissioner may –

(a) reduce the time stated in sub-rule (2) within which the owner may redeem the property;

(b) reduce the time for display of any notice; and

(c) accelerate the time for conducting the auction of the property.

(6) Where property is sold under the preceding sub-rules, the proceeds of sale shall be applied in the following order –

(a) payment of any expenses of the sale, including tax arising under the Act by virtue of the sale, and other incidental charges;

(b) in respect of any surplus, payment of the amount of any tax, interest and penalty recoverable under the Act or Delhi Sales Tax Act, 1975 (43 of 1975) or the Delhi Sales Tax on Works Contract Act, 1999 (Delhi Act 9 of 1999) or the Central Sales Tax Act, 1956 (74 of 1956) or The Delhi Sales Tax on Right to Use Goods Act, 2002 (Delhi Act 13 of 2002);

(c) in respect of any surplus, on application made to the Commissioner and upon provision of sufficient proof, payment to the person who was the owner of the property; and

(d) in respect of any surplus, in the absence of any claimant, deposited in the Consolidated Fund of the National Capital Territory of Delhi.

CHAPTER IX

Accounts, Records and Audit

42 Books and Accounts

Section: 48	Forms: 30, 31
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(1) The following records shall be maintained by a dealer at his principal place of business, namely:-

(a) A monthly account specifying total output tax, total input tax and net tax payable or the excess tax credit due for carry forward.

(b) Purchase records, showing details of purchases on which tax has been paid, purchases made without payment of tax, purchases made from an exempted unit and purchases made from outside Delhi in Form DVAT-30. Original tax invoices for purchases on which tax has been paid and invoices for purchases made without payment of tax shall be preserved date-wise and in numerical order.

(c) Sales records showing separately sales made at different tax rates, zero-rated taxable sales and tax-free sales in Form DVAT-31. Copies of tax invoices related to taxable sales and invoices related to exempt sales shall be retained date wise and in numerical order.

(d) Record of inter-state sales and inter-state transfer of goods (including that of goods sent for job work) supported by statutory declarations and such other evidence as may be relevant.

(e) Details of input tax calculations where the dealer is making both taxable and tax free sales.

(f) Stock records showing stock receipts and deliveries and manufacturing records.

(g) Stock records showing separately the particulars of goods stored in cold storage, warehouse, godown or any other place taken on hire

(h) Order records and delivery challans, wherever applicable.

(i) Annual accounts including trading, profit and loss accounts and the balance sheet.

(j) Bank records, including statements, cheque book counter foils and pay-in-slips.

(k) Cash book, daybook and ledger.

¹ [(l) Record of Credit and Debit Note(s) relating to purchase in DVAT-30A and record of Credit and Debit Note(s) relating to sale in DVAT-31A.]

¹ Inserted vide Notification no. F.3(15)/Fin.(Rev-I)/2012-13/dsvi/264 dated 30.03.2013 w.e.f. 30.03.2013.

(2) The following records shall be maintained by a dealer having elected to pay tax under section 16, namely:-

- (a) Details of the goods purchased and sold by him; and
- (b) Cash book, daybook, ledger, invoice books and purchase vouchers.

(3) Every owner or lessee of a cold storage, warehouse, godown or any such place, who stores goods for hire or reward shall maintain or cause to be maintained a correct and complete account indicating the full particulars of the person whose goods are stored and the quantity, value, date of arrival, date of dispatch and the proposed destination of such goods.

(4) Every person who carries goods for reward shall maintain or cause to be maintained a correct and complete account indicating the full particulars of the person whose goods are carried, the quantity, value, the place and date of delivery of such goods, vehicle number, and serial number and date of Goods Receipts (GR) note and his office copy of the same.

¹[*Explanation.*- For removal of doubts, books of accounts, as stated in this rule, shall be maintained separately in relation to the business carried out in Delhi.]

42A Gross turnover limit for accounts to be audited

Section: 49 Form: AR-1 (Notified by the Commissioner; subsequently withdrawn w.e.f. 14.1.2014)

²[For the purpose of Section 49, a dealer whose gross turnover in a year exceeds one crore rupees, shall get his accounts of such year audited by an accountant, and shall be liable to submit a report, as notified by the Commissioner, from time to time:

PROVIDED that the Commissioner may, by an order, require a dealer or class or classes of dealers, to submit a simplified version of the report in lieu of report notified by him under section 49,

PROVIDED FURTHER that the Commissioner may, by an order, exempt a dealer or class or classes of dealers, from furnishing a report, for the purpose of Section 49.]

¹ Inserted vide Notification no. F.3(15)/Fin.(Rev-I)/2012-13/dsvi/264 dated 30.03.2013 w.e.f. 30.03.2013.

² Rule 42A, which was earlier inserted vide notification No.F.3(23)/Fin(Rev-I)/2011-12/DSIII/68, dated 27.01.2012, w.e.f. 27.01.2012, has now been substituted vide Notification no. F.3(15)/Fin.(Rev-I)/2012-13/dsvi/264 dated 30.03.2013 w.e.f. 30.03.2013. Earlier read as, "A dealer whose gross turnover in a year exceeds the prescribed limit as fixed for the purpose, under section 44AB of the Income Tax Act, 1961 as amended from time to time or any other law substituting the Act, he shall get his accounts of such year audited by an accountant, as per the provisions of section 49."

43 Records to be carried by a person in charge of a goods vehicle

<i>Section: 61 Forms: 32 to 35B, 46, 47</i>

(1) The owner, driver or person in charge of the goods vehicle shall carry the Transport Receipt in Form DVAT-32, sale invoice or delivery note in Form DVAT-33, and, as the case may be, export declaration in Form DVAT-34, import declaration in Form DVAT-35 or transit slip in Form DVAT 35A.

(2) For obtaining export or, as the case may be, import Declaration in Forms DVAT-34 and DVAT-35, an application in Form DVAT 46 shall be made to the Commissioner by the user dealer.

(3) Account of the usage of Forms DVAT 34 and DVAT 35 shall be maintained by the user dealer in Form DVAT 35B which shall be open for inspection by the Commissioner and shall be filed with the Commissioner every quarter or with every new application for obtaining Form DVAT 34 and DVAT 35, whichever is earlier.

(4) A declaration in Form DVAT 34 or DVAT 35 shall be in three parts. Each part shall be filled and signed by consignor, the consignee and the transporter, as the case may be. The owner, driver or person in charge of the goods vehicle shall keep with him such declaration forms in duplicate while carrying the goods. He shall submit the declaration forms in duplicate at the check post or barrier. The officer in charge shall retain the original part of such declaration and shall return to the owner, driver or person in charge of the goods vehicle, the duplicate part duly verified, signed and stamped. The duplicate part of such declarations shall be furnished by the user dealer to the Commissioner along with the account of such declaration maintained in Form DVAT 35B at the time of obtaining of additional declaration forms.

(5) Where the goods vehicle entering Delhi, is bound for any place outside Delhi and passes through Delhi, the owner, driver or the person in charge of the goods vehicle shall furnish, in duplicate, to the officer in charge of the check post or barrier, a Transit Slip in duplicate in Form DVAT-35A duly filled, signed and verified. He will obtain from the officer in charge of the check post or the barrier one copy of the Transit Slip duly countersigned. The owner, driver or person in charge of the goods vehicle shall deliver within twelve hours of its entry into Delhi, the said countersigned copy to the officer in charge of the check post or barrier at the point of his exit from Delhi.

(6) The owner, driver or his agent or the person in charge of the goods vehicle when required to furnish security under sub-section (5) of section 61 shall furnish security in the form and in the manner and subject to the conditions specified in rule 23. The security referred to in this sub-rule shall be furnished within the time specified in the order not exceeding seven days from the detention of the goods. The Commissioner shall issue to the depositor a receipt in Form DVAT 47 acknowledging the receipt of the security.

(3)

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(7) The officer in charge of the check post or barrier detaining the goods shall make a report to the Commissioner about all the facts and circumstances of the case within twelve hours of the detention of the goods.

(8) Where the goods detained are not released owing to the failure to furnish the security required to be furnished under sub-section (5) of section 61 within the specified time, the notified goods detained shall be sold by public auction after following the procedure as specified in rule 41.

Explanation – For the purpose of this rule, unless the context otherwise requires, “officer in charge” of the check post of barrier” shall also include any officer or any agent as may be empowered by the Commissioner.

44 Issue of Duplicate Tax Invoice

Section: 50	Form: 36
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(1) Where a purchasing dealer claims to have lost the original tax invoice, the selling dealer may, upon a request made by the purchasing dealer accompanied by an undertaking cum indemnity in Form DVAT-36, provide a copy of such lost tax invoice clearly marked as a ‘duplicate’ and shall furnish a copy of such undertaking cum indemnity along with his return for the tax period in which such ‘duplicate’ tax invoice has been issued.

(2) Except when a tax invoice is issued under sub-section (1) of section 50, if a dealer sells any goods exceeding ¹[one hundred] rupees in any one transaction to any person, he shall issue to the purchaser a retail invoice in terms of sub-section (4) of section 50.

²[44A. A retail invoice issued under sub-section (4) of Section 50 of the Act by a dealer, who has elected to pay tax under section 16 of the Act (including schemes notified there under), besides, containing particulars specified in sub-section (5) of the said section, shall also contain the words ‘Composition Dealer (Not eligible to charge VAT on Bill Amount)’ at the top of the invoice.]

45 Credit and Debit Notes

Section: 51	Form: Nil
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For the purposes of section 51, a credit note and a debit note shall be signed by a person authorised to sign the return to be filed under the Act and shall contain the following particulars, namely:-

- (a) the name, address and registration certificate number of the selling registered dealer;
- (b) the name and address of the purchaser and his registration number where the purchaser is a registered dealer;

¹ Substituted for the words “twenty five” vide Notification no. F.3(15)/Fin.(Rev-I)/2012-13/dsvi/264 dated 30.03.2013 w.e.f. 30.03.2013.

² Inserted vide notification No.F.3(16)/Fin.(Rev-I)/2013-14/dsVI/785, dated 20.09.2013 w.e.f. 20.09.2013.

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- (c) a description of the reason for issuing the credit note or debit note, as the case may be;
- (d) the serial number of the relevant tax invoice affected by the credit note or debit note, as the case may be; and
- (e) the amount of the variation to the tax amount shown on the tax invoice.

46 Notice for audit

Section: 58	Form: 37
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Where the Commissioner has decided to audit the business affairs of any person under section 58, the Commissioner may serve on that person a notice in Form DVAT-37 in the manner prescribed in rule 62.

CHAPTER X**Value Added Tax Authorities and Appellate Tribunal****47 Designation of other persons appointed to assist the Commissioner**

Section: 66	Form: Nil
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Other persons who may be appointed to assist the Commissioner under sub-section (2) of section 66 may be designated as ¹[Additional] Commissioner, Joint Commissioner, Deputy Commissioner, Assistant Commissioner, Assistant Value Added Tax Officer and Value Added Tax Inspector.

48 Conditions upon delegation of powers by the Commissioner

Section: 68	Form: Nil
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Without prejudice to the provisions of section 68, the Commissioner may delegate any of his powers to any person not below the rank of an Assistant Value Added Tax Officer, but he may delegate his powers-

- (a) under sub-sections (1) and (2) of section 60, to a person not below the rank of a Value Added Tax Officer;
- (b) under section 61, to a person not below the rank of a Value Added Tax Inspector; and
- (c) under section 84, to a person not below the rank of ²[Special] Commissioner.

49 Superintendence and control

Section: 66	Form: Nil
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Subject to the general control and superintendence of the Government, control and superintendence over all officers appointed under sub-section (2) of section 66 shall vest in the Commissioner.

³[49A Power to extend time

Section: Nil	Form: Nil
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Where in these rules a period is prescribed for doing a certain act, the Commissioner may, for reasons to be recorded in writing, extend that period as may be specified by him.]

¹ Substituted for the word "Special" vide Notification no. F.3(15)/Fin.(Rev-I)/2012-13/dsvi/264 dated 30.03.2013 w.e.f. 30.03.2013.

² Substituted for the word "Additional" vide Notification no. F.3(15)/Fin.(Rev-I)/2012-13/dsvi/264 dated 30.03.2013 w.e.f. 30.03.2013.

³ Inserted vide notification No.F.3(59)/Fin(T&E)/2005-06/923 kha, dated 30.11.2005, w.e.f. 30.11.2005.

50 Conditions subject to which an officer may be authorised to investigate offences punishable under the Act

<i>Section: 92</i>	<i>Form: Nil</i>
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The Commissioner shall not authorize any officer for the purpose of sub-section (1) of section 92 who is lower in rank than an Assistant Value Added Tax Officer.

CHAPTER XI**Disputes****51 Authority to whom objection may be made**

Section: 74	Form: Nil
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An objection under sub-section (1) of section 74 shall lie to Special Commissioner, Additional Commissioner, Joint Commissioner, Deputy Commissioner, Assistant Commissioner, Value Added Tax Officer and Assistant Value Added Tax Officer:

PROVIDED that the Commissioner may, by notice published in the official Gazette, fix the jurisdiction of the respective authority on the basis of territory or pecuniary limit or nature or class of objections or on any other basis that may be deemed appropriate by the Commissioner.

52 Making of objections

Section: 74	Forms: 38, 39
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(1) Every objection shall be made in Form DVAT-38 accompanied by a copy of the notice of assessment, order or decision against which the objection is being preferred and shall be submitted in triplicate with one copy to the Commissioner or the Value Added Tax authority against whose order the objection has been preferred.

(2) Every objection shall contain a clear statement of facts, precise grounds of objection and the relief claimed.

(3) Where an objection is made after the time limit prescribed under sub-section (4) of section 74, it shall be accompanied by a statement in Form DVAT-39, showing the reason for the delay in making the said objection.

(4) Where fresh evidence is sought to be produced, the objection shall be accompanied by a memorandum of the evidence sought to be produced, stating clearly the reasons why such evidence was not adduced before the Value Added Tax authority against whose order the objection is being preferred.

(5) The objection in Form DVAT-38 shall be signed by the person making such objection or his agent and shall be presented by him or his agent to the authority in person.

(6) The authority shall issue or cause to be issued an acknowledgement of the objection received, to the person who has filed the objection, specifying the date of personal hearing.

53 Determination of objections

Section: 74	Form: Nil
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The Commissioner while deciding the objection shall conduct the proceedings by examining-

(1)

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- (a) the registers and records maintained by the Value Added Tax Authority against whose order or decision or assessment the objection has been preferred;
- (b) the objection; and
- (c) any other document, information or report, which, in his opinion, is relevant to decide the objection;
- and may –
- (i) admit any further oral or documentary evidence that is relevant to the matters in dispute; and
- (ii) allow the applicant to present its arguments in person, by a representative authorised to appear before any authority under section 82 and by submission in writing, if any.

54 Hearings

Section: 74	Form: Nil
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- (1) Unless the person making the objection has expressly waived the personal hearing, the Commissioner or the Value Added Tax Authority (together referred to in this rule as “authority”) deciding the objection shall pass the order on the objection after affording a reasonable opportunity of being heard to such person or his authorised representative.
- (2) The authority deciding the objection may before deciding the objection, cause such further and other enquiry or direct such enquiry to be held by the authority against whose decision the objection has been preferred, as the authority deciding the objection may consider necessary. The authority against whose order or decision or assessment the objection has been preferred may be represented by a person authorised by him.
- (3) The authority deciding the objection shall not at any hearing, allow the objector to argue or present any ground of objection not specified in the objection unless the authority is satisfied that omission of that ground there from was not willful or unreasonable.

55 Intimation of outcome of objection

Section: 74	Form: 40
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The decision of the Commissioner or the Value Added Tax Authority deciding the objection shall be intimated to the applicant in Form DVAT-40 and shall be served on the person making the objection in the manner prescribed in rule 62.

56 Delay

Section: 74(8)	Form: 41
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- (1) A notice for the purpose of sub-section (8) of section 74 shall be in Form DVAT-41.

(2) The notice shall be signed by the person making the objection or his authorised signatory and shall be served in person on the Commissioner or the Value Added Tax Authority deciding the objection.

57 Refund on account of objection

Section: 74	Form: Nil
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The procedure for the refund of any amount due in consequence of an order made pursuant to an objection, or any other proceeding under the Act, shall be that provided in rule 34.

57A Filing of appeal before Appellate Tribunal

Section: 76	Form: 38A
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(1) Every appeal shall be presented in the form of a memorandum of appeal which shall be -

- (a) in Form DVAT-38A when the appeal is against an order of assessment;
- (b) written on a standard watermarked judicial paper when the appeal is against any other order or decision.

(2) Every memorandum of appeal shall be accompanied by a fee of fifty rupees in the form of court fee stamps.

(3) Every memorandum of appeal shall contain a clear statement of facts, precise ground of appeal and relief claimed.

(4) Every appeal shall be filed in triplicate and shall be accompanied by three copies (at least one of which shall be certified) of the order appealed against and three copies of the order of the original authority. Copies, other than those that are certified, shall be attested by the appellant or his authorised representative as true copies.

(5) An appeal to the Appellate Tribunal shall be signed by the appellant and shall be presented by him in person or by his authorised representative to the Appellate Tribunal or to an officer authorised by the Appellate Tribunal.

(6) Where an appeal is made after the expiry of the period specified in sub-section (2) of section 76, it shall be accompanied by a petition duly verified setting forth the facts showing sufficient cause for not preferring the appeal within the said period.

(7) Where the appeal is made without payment in full of the tax or any penalty in respect of which the appeal is being preferred, the memorandum of appeal shall be accompanied by a petition duly verified stating the facts on which the appellant relies to satisfy the Appellate Tribunal to entertain his appeal without such payment or on payment of such lesser amount as remains unpaid.

(8) Every appeal where fresh evidence is sought to be produced, shall be accompanied by a memorandum of evidence sought to be produced, stating clearly the reasons why such evidence was not adduced before the authority against whose order the appeal is being preferred.

57B Furnishing of security

<i>Section: 76</i>	<i>Form: Nil</i>
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Where the Appellate Tribunal orders an appellant to furnish security under the proviso to sub-section (4) of section 76, the appellant shall furnish the security in any one of the modes specified in rule 23 of these rules, as the Appellate Tribunal may direct and subject to the conditions specified therein.

57C Hearing of the appeal or application

<i>Section: 76</i>	<i>Form: Nil</i>
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(1) If the Appellate Tribunal does not reject the appeal summarily, it shall fix a date for its hearing and send a notice to the appellant and the Commissioner. The Appellate Tribunal may, before deciding the appeal, hold such further enquiry or direct it to be held by the authority against whose decision the appeal has been preferred, as may appear necessary to the Appellate Tribunal. The Commissioner may be represented by a person authorized by him.

(2) The Appellate Tribunal shall not, for the first time receive in evidence on behalf of the appellant, an account, register, record or other documents, unless it is satisfied that the appellant was prevented by sufficient cause from producing such documents before the authority against whose order the appeal has been preferred.

(3) The Appellate Tribunal shall not, at the hearing of appeal allow the appellant to go into any ground of appeal not specified in memorandum of appeal unless the Appellate Tribunal is satisfied that omission of that ground therefrom was not willful or unreasonable.

58 Determination of specific questions

<i>Section: 84</i>	<i>Form: 42</i>
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(1) Any person desiring that a question be determined by the Commissioner pursuant to section 84, shall furnish a concise statement of the case in form DVAT-42 stating therein precisely the question to be determined, and indicating clearly the basis for the question. Where the person applying for the determination so desires, the statement may separately include a draft ruling for the Commissioner's consideration and shall be accompanied by a demand draft in favour of "The Commissioner Delhi Value Added Tax" for the amount of the fee as prescribed in Annexure 1 to these rules.

(2) The statement of the case referred to in sub-rule (1) shall contain a declaration that the question submitted for determination of the Commissioner does not arise from any order passed under the Act or under the Delhi Sales Tax Act, 1975 (43 of 1975), or the Delhi Sales Tax on Works Contract Act, 1999 (Delhi Act 9 of 1999), or the Delhi Sales Tax on Right to Use Goods Act, 2002 (Delhi Act 13 of 2002), which were in force before the commencement of the Act and shall be signed by the person or his agent.

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(3) The Commissioner, after considering all the relevant material produced before him in this connection, shall determine the question or questions referred to him.

(4) The decision of the Commissioner shall be prepared and notified to the applicant in writing.

(5) An order determining the questions shall be made by the Commissioner within a period of six months from the date of submission of the question, failing which, the provision of sub-section (6) of section 84 shall apply.

(5)

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CHAPTER XII**Miscellaneous****59 Tax Deduction At Source****Section: 36A****Forms: 43 to 45, 48**

(1) Any person deducting tax under section 36A shall deposit the tax in the appropriate Government treasury against the challan in Form DVAT-20 within the time prescribed in section 36A, along with interest for delayed payment

¹[(2) Person who has deducted the tax under sub-section (1) of section 36A shall issue a certificate for deduction of tax in Form DVAT-43. Such certificate shall be issued in quadruplicate. The person who has deducted the tax is liable to deposit the same before the expiry of fifteen days following the month in which such deduction is made and shall furnish the certificate in duplicate to the contractor within 7 days from the date of deposit. The third copy thereof along with proof of payment in challan Form DVAT-20 shall be attached along with the return of Tax Deduction at Source (T.D.S.) as prescribed in sub-rule (4) of this rule. The fourth copy thereof shall be retained by him for his records.]

(3) Every person responsible for making deduction of tax under section 36A shall apply for Tax Deduction Account Number (T.A.N.) ²[within seven days] from the date on which the tax was deducted or deductible in Form DVAT-44 and a Tax Deduction Account Number shall be issued in Form DVAT-45.

¹ Substituted vide Notification no. F.3(15)/Fin.(Rev-I)/2012-13/dsvi/264 dated 30.03.2013 w.e.f. 30.03.2013. Earlier read as, “(2) Person who has deducted the tax under sub-section (1) of section 36A shall issue a certificate for deduction of tax in Form DVAT-43. Such certificate shall be issued in triplicate. The person who has deducted the tax shall furnish the original copy of the certificate to the contractor within #[fifteen days] from the end of the month in which tax has been deducted. The second copy thereof along with proof of payment in challan Form DVAT-20 shall be attached along with the return of Tax Deduction at Source (T.D.S.) as prescribed in sub-rule (4) of this rule. The third copy thereof shall be retained by him for his records.”

Substituted for the words and figures “28 days” vide notification No. F.3(59)/Fin(T&E)/2005-06/923 kha, dated 30.11.2005, w.e.f. 30.11.2005.

² Substituted for the words “within thirty days” vide notification no. F.3(22)/Fin.(T&E)/2006-07/dsft/344-353, dated 07.09.2006 w.e.f. 07.09.2006.

¹ [(4) Every person holding a TAN shall be required to file a quarterly return in Form DVAT-48 within a period of twenty eight days from the end of the quarter.

(5) An application for amendment and/or cancellation to an existing registration shall be made in Form DVAT-45A electronically, on the department website.]

60 Rounding

Section: 36	Form: Nil
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Where the Act or these rules require an amount to be calculated and the amount is not a multiple of a Rupee, the amount shall be rounded off to the nearest Rupee.

61 Printing of forms

Section: Nil	Form: Nil
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All forms prescribed in these rules shall be printed under the authority of the Commissioner and be obtainable from him or his authorised agent on payment of such charges, as may be specified by the Commissioner from time to time:

PROVIDED that any form in force before commencement of these rules and which may be specified by the Commissioner by order in writing may continue to be used for such period as specified in the said Order:

PROVIDED FURTHER that the provisions of this rule shall not apply to such form or forms as the Commissioner may specify in this behalf. It shall be open for a dealer to download such forms from the official website that may be notified by the Commissioner.

62 Service of documents

Section: Nil	Form: Nil
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(1) Without prejudice to the provisions of sections 96 and 97, notices of summons or orders (in this rule called a 'document') under the Act or these rules may be served by any of the following methods, namely:-

(i) by delivering or tendering to the addressee or his agent, or to a person regularly employed by him in connection with the business in respect of which he is registered or to any adult member of his family, a copy of the notice, summons or order;

(ii) by post:

¹ Substituted vide notification No.F.3(4)/Fin.(Rev-I)/2013-14/DSVI/519; dated 09.07.2013 w.e.f. 09.07.2013. Earlier read as, "Every person deducting tax shall be required to file a Tax Deduction at Source (T.D.S.) #[quarterly] return in Form DVAT-48 within a period of twenty eight days from the end of the ##[quarter] in which tax has been deducted." #Substituted for the word "annual" vide notification No.F.3(27)/Fin(Rev-I)/2011-12/DSIII/353, dated 25.04.2012, w.e.f. 25.04.2012. ##Substituted for the word "year" vide notification No.F.3(27)/Fin(Rev-I)/2011-12/DSIII/353, dated 25.04.2012, w.e.f. 25.04.2012.

PROVIDED that if upon an attempt having been made to serve any such notice or summons or order by any of the above mentioned method, the Commissioner is satisfied that the addressee is evading service of notice, summons or orders or that for any other reasons, the notice, summons or order cannot be served by any of the above mentioned methods, the Commissioner shall cause such notice or summons or orders to be served by affixing a copy thereof-

(a) if the addressee is a dealer, upon some conspicuous part of any place of the dealer's business last notified by the dealer or if the said place of business is known not to exist or is not traceable, upon some conspicuous part of the last known place of residence of its proprietor or partner or director or trustee or manager or authorised signatory or any other person authorised to receive notice on behalf of the dealer;

(b) if the addressee is not a dealer, on some conspicuous part of his residence or office or the building in which his residence or office is located;

and such service shall be as effectual as if it has been on the addressee personally:

PROVIDED FURTHER that where the Commissioner at whose instance the notice or summons or order is to be served, on inquiry, is satisfied that the said office, building, place of residence is known not to exist or is not traceable, he may, by order in writing, dispense with the requirement of service of the notice or summons or order under the preceding proviso;

- (iii) by sending the document by facsimile;
- (iv) by sending the document by electronic mail;
- (v) by sending the document by courier; or
- (vi) in such other manner as the Commissioner thinks fit.

(2) When the officer serving a notice or summons or order delivers or tenders a copy of the notice or summons or order to the addressee personally or to his agent or to any other person referred to in clause (i) of sub-rule (1), he shall require the signatures of the person to whom the copy is so delivered or tendered, as an acknowledgment of the service, endorsed on the original notice of summons, or order;

PROVIDED that where the addressee or his agent or any such person refuses to sign the acknowledgment, the servicing officer shall affix a copy of the notice or summons or order on the outer door or some other conspicuous part of the premises in which the addressee ordinarily resides or carries on business or personally works for gain.

(3) When the notice, summons or order is served by affixing a copy thereof in accordance with the provisions to sub-rule (1) or sub-rule (2), the officer serving it shall return the original to the Value Added Tax authority which issued the notice, summons or order with a report endorsed thereon or annexed thereto, stating that he so affixed the copy, the circumstances under which he did so and the name and address of the person, if any, by whom the addressee's place of business or residence was identified and in whose presence the copy was affixed. The said officer shall also obtain the signatures or thumb impression of the person identifying the addressee's residence, office, or place of business.

(3)

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(4) When service is made by post, the service shall be deemed to be effected by properly addressing, pre-paying and posting by registered post the notice, summons or order and unless the contrary is proved, the service shall be deemed to have been effected at the time at which the notice, summons or order would be delivered in the ordinary course by post.

(5) When the service is made through a courier, the service shall be deemed to have been effected by properly addressing, pre-paying and delivering to the courier the notice, summons or order and unless contrary is proved, the service shall be deemed to have been effected at the time at which the notice, summons or order would be delivered in the ordinary course by courier.

(6) The sufficiency of mode of service of any notice, summons or order shall be decided by the Value Added Tax authority which issued the same.

63 Submission of documents with Commissioner

Section: Nil	Form: Nil
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(1) Subject to sub-rule (2), any application, return, form, or other document (in this rule called “document”) which is to be furnished, submitted or made (in this rule referred to as “submitted”) to the Commissioner under the Act or these rules shall be submitted by-

- (a) delivering the document to the Commissioner at his office;
- (b) delivering the document to the Commissioner at any other place notified by him; or

¹*[(c) such other means as the Commissioner may notify, including electronic transmission of data, on the departmental website, from the date and manner notified by the Commissioner in this regard,:*

PROVIDED that the Commissioner may require any person or all persons, responsible for making payment to any contractor, to issue Form DVAT-43 and also furnish return in Form DVAT-48 electronically, on the departmental website, from the date and manner, as may be notified by the Commissioner in this regard.]

(2) A document shall be treated as submitted by a person to the Commissioner if the document is submitted by delivery at a place notified by the Commissioner, once the document has been stamped with the date of receipt by the Commissioner or by any other person authorised by the Commissioner to receive the document.

¹Substituted for the words “(c) such other means as the Commissioner may notify, including electronic means.” vide notification No.F.3(4)/Fin.(Rev-I)/2013-14/DSVI/519; dated 09.07.2013 w.e.f. 09.07.2013.

64 Qualifications to be possessed by Value Added Tax Practitioner

Section: 82	Form: 49
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(1) A value added tax practitioner referred to in section 82 shall be eligible to have his name entered in the list, if –

(a) he possesses any of the qualifications specified in rule 50 or rule 51 of the Income Tax Rules, 1962, as amended from time to time; or

(b) he –

(i) was formerly an employee of the Sales Tax Department or Value Added Tax Department;

(ii) held during service in the department an office not lower in rank than that of an Assistant Sales Tax Officer or Assistant Value Added Tax Officer for not less than seven years; and

(iii) is, in the opinion of the Commissioner, a fit and proper person to appear or act in proceedings under the Act and these rules.

(2) A person referred to in clause (b) of sub-rule (1) shall not be eligible to appear before the Authority deciding the objection on behalf of a person for a period of one year after he ceased to be an employee of the Department.

(3) A person who wishes to have his name entered in the list referred to in clause (c) sub-section (1) of section 82, shall –

(a) apply to the Commissioner in writing;

(b) pay the fee as prescribed in Annexure 1 of these rules; and

(c) furnish with his application, documentary evidence of his eligibility.

(4) The Commissioner shall maintain a list of all persons whose names are entered as per this rule.

(5) A Certificate in Form DVAT-49 would be provided to each qualified value added tax practitioner.

65 Officers to carry and produce authorisations

Section: 68	Form: 50
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(1) Where the Commissioner wishes to appoint an officer or other person to exercise any of the powers in Chapter X of the Act, the grant of authority to exercise the powers shall be in Form DVAT-50 and shall be issued by the person empowered by the commissioner in this regard.

(2) The grant of authority shall –

(a) be limited to a period not exceeding three years;

(b) be to a specific person; and

(c) expire on the retirement, resignation or transfer of the person;

PROVIDED that an authority granted may be renewed.

(5)

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(3) Every officer or other person authorised by the Commissioner under sub-rule (1) shall –

- (a) carry the authorization in Form DVAT-50, with him when purporting to exercise any of the powers conferred under Chapter X of the Act; and
- (b) produce the authorization in Form DVAT-50, if requested by the owner or occupier of any premises where he proposes to exercise these powers.

66 Location of check-posts and barriers

Section: 101	Form: Nil
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The check-posts and barriers set up for the purposes of section 101 shall be located at the places described in the Annexure 2 to these rules.

¹[67 Other returns and additional information for proper administration of the Act]

Section: 100	Forms: 18A, 51
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²[***]

(2) Every transporter, cold storage or warehouse operator, or any other person shall produce such information as required for proper administration of the Act.

(3) Where, upon the commencement of the Act, a person is deemed to have been registered under the Act pursuant to section 24, he shall furnish a statement of opening stock held by him and that has not suffered tax under Delhi Sales Tax Act, 1975 (43 of 1975) in Form DVAT-18A along with his first return to be filed in Form DVAT-16.

¹ Substituted for the words “67. Additional Information for proper administration of the Act” vide notification No. F.3(77)/Fin.(T&E)/2005-06/1538 kha dated 17.3.2006 w.e.f. 17.3.2006

² Sub-rule (1) omitted vide Notification No. F.3(27)Fin.(Rev-I)/2013-14/DSVI/291 dated 05.03.2014, w.e.f. 05.03.2014. Earlier read as,

“(1) Every dealer effecting sale #[***] or branch transfer in the course of inter-state trade or commerce or in the course of export shall furnish to the Commissioner a reconciliation return in Form DVAT-51 within three months after the end of each quarter:

PROVIDED that for the transactions prior to 1st October, 2005, such reconciliation return in Form DVAT-51 shall be furnished by 31st December, 2006.”

Earlier substituted vide notification No. F.3(77)/Fin.(T&E)/2005-06/1538 kha, dated 17.03.2006 w.e.f. 17.03.2006, for the words, “(1) Every dealer effecting sale or purchase in the course of inter-State trade or commerce shall furnish a statement in Form DVAT-51 within nine months from the end of the year.”

Omitted the words “or purchase” vide notification no. F.3(22)/Fin.(T&E)/2006-07/dsft/344-353, dated 07.09.2006 w.e.f. 07.09.2006.

¹ [67A **Power to prescribe Acknowledgement**

Section:	Form:
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The Commissioner may prescribe an Acknowledgment for applications/ returns filed by the dealer online, in lieu of hard copy of such applications/ returns.]

68 Repeal and savings

Section: Nil	Form: Nil
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(1) The Delhi Sales Tax Rules, 1975, the Delhi Sales Tax on Works Contracts Rules, 1999, the Delhi Tax on Entry of Motor Vehicles into Local Areas Rules, 1995 and The Delhi Sales Tax on Right to Use Goods Rules, 2004 as in force in Delhi (referred to in this rule as the “said rules”), are hereby repealed.

(2) Notwithstanding sub-rule (1), such repeal shall not affect the previous operation of the said rules or any right, title, obligation or liability already acquired, accrued or incurred thereunder.

(3) For the purposes of sub-rule (2), anything done or any action taken including any appointment, notification, notice, order, rule, form or certificate in the exercise of any powers conferred by or under the said rules shall be deemed to have been done or taken in the exercise of the powers conferred by or under these rules, as if these rules were in force on the date on which such thing was done or action was taken.

¹ Inserted vide notification No.F.3(16)/Fin.(Rev-I)/2013-14/dsVI/785, dated 20.09.2013 **w.e.f. 20.09.2013.**

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ANNEXURE 1

(See rules _____)

PRESCRIBED FEES

A. The following fee shall be payable in court fee stamps namely :

Circumstance requiring fee	Amount (in rupees)
Registration	
Application for registration	500
Request for duplicate of certificate of registration	100
Inspection and copies of documents	
Inspection of documents: first hour	50
Inspection of documents: for each subsequent hour	10
Inspection of documents: document of previous year	100
Making copies of documents in the Commissioner's possession: for the first 200 words or part thereof	10
Making copies of documents in the Commissioner's possession: for every additional 100 words or part thereof	5
Additional fee where copies of documents are required urgently	20
Objections and disputes	
Submitting an objection / appeal	50
Any other application	10
On Vakalatnama or Mukhtiarnama	10
AB. The following fee shall be payable in the form of Bank Draft namely :	Amount (Rs.)
Application for determination of a specific question under section 84	¹ [Rs. 500/- per question]
Application to be recognised as a value added tax practitioner	5,000

¹ Substituted vide Notification No.F.101(348)/2005-Fin.(A/Cs)/(iii)/2415, dated 08.08.2005 w.e.f. 08.08.2005 for the figure "10,000".

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ANNEXURE 2

(See rule 62)

LOCATIONS OF CHECK-POSTS AND BARRIERS

[To be specified]