

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
DEPARTMENT OF TRADE AND TAXES
VYAPAR BHAWAN, I.P. ESTATE, NEW DELHI - 110 002
(POLICY BRANCH)

No.F.7(347)/P-I/VAT/2010/608-616

Dated: 25.08.2011

CIRCULAR NO. 7

Subject : Enforcing the provisions of section 50 of the DVAT Act

In continuation of the order dt. 01-02-2011 of Commissioner, VAT, on the above subject, a scheme has been envisaged for the intended drive detailing the procedures and the documentation. The road map for implementing the scheme would be as briefed below:-

- 1) The scheme may be executed by the ward officers under the strict supervision of the Zonal officers.
- 2) Zonal officers may authorize the executing officers i.e. the ward officers not below the rank of VATO, by way of an authorization for visiting the premises of registered dealers in the markets in the area of their jurisdiction for monitoring the compliance of section 50 by them. Draft of order is enclosed.
- 3) The visiting officers may be equipped with Notices under section 59 to be issued to the dealer (whose premises is visited and whose cash memo / invoices are to be inspected). They may issue the notice under section 59 to the dealer who is required to be checked for issuance of invoices.
- 4) If it is observed that the dealer is issuing invoices which are not in conformation of section 50 of the Act, he may be assessed under section 33 for imposing penalty as provided under section 86(16). Draft of the penalty assessment order (DVAT 24A) is enclosed.
- 5) If it is observed that the dealer is not at all issuing any invoices for his sale transactions or is not issuing invoices for all of his sale transactions, without sufficient cause, Section 89(4)(f) may be invoked. The dealer may be informed about the implication of Section 89(4)(f) and option of compounding available to him under Section 93. Draft of the order to be issued under Section 93 is enclosed, if the dealer opts for compounding.
- 6) If the dealer does not opt for compounding, the officers shall proceed to take necessary action as required by Section 89(4)(f), which would include getting statement of some public witness(es), arranging some proof of the dealer's offence before lodging an FIR with the police.
- 7) Prior to issue of any order referred in (4) and (5) above, a statement of the dealer may be obtained on record in which the dealer refers to his non-compliance of section 50 as observed by the visiting team and also undertakes for strict compliance of section 50 in future. Draft statements are enclosed.
- 8) The scheme would be given wide publicity before its implementation. The Trade Association would also be made aware by way of meetings held at the instance of respective wards, which should be planned by the Zonal officers. Some areas would be identified by the Zonal officers for implementation of this scheme on experimental basis in the first go, in their respective zones.

This issues with prior approval of the Commissioner (VAT).

(G.C. Lohani)
VATO (Policy)

No.F.7(347)/P-I/VAT/2010/608-616

Dated: 25.08.2011

Copy for information and necessary action to:-

1. PS to Commissioner, Value Added Tax, Department of Trade and Taxes, Vyapar Bhawan, I.P. Estate, New Delhi.
2. All Spl./Addl./Joint Commissioners, Department of Trade and Taxes, Vyapar Bhawan, I.P. Estate, New Delhi.
3. Joint Commissioner (PR/Adv.), Department of Trade and Taxes, Vyapar Bhawan, I.P. Estate, New Delhi for giving wide publicity to the scheme.
4. All VATOs/AVATOs of all Wards through their Zonal In-charge.
5. All VATOs/AVATOs, Front Office/CRC/PR Branch/TPS Cell/Legal Service Cell/CFC.
6. AVATO (EDP), Department of Trade and Taxes, Vyapar Bhawan, I.P. Estate, New Delhi.
7. Deputy Director (Policy), Department of Trade and Taxes, Vyapar Bhawan, I.P. Estate, New Delhi.
8. President, Sales Tax Bar Association (Regd.), Vyapar Bhawan, I.P. Estate, New Delhi.
9. Guard File.

(G.C. Lohani)
VATO (Policy)

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
DEPARTMENT OF TRADE AND TAXES
OFFICE OF THE < Authorising officer >
VYAPAR BHAWAN, I.P. ESTATE, NEW DELHI-110 002

No. _____

Dated : _____

ORDER

The under mentioned officer(s) of the Department of Trade And Taxes are hereby deputed to visit the business premises of the dealers registered with the department in < **name of the area OR the Ward** > on < **date** > to monitor the compliance of section 50 of the DVAT Act, 2004 in respect of issuance of invoices by the dealers.

The officer(s) is /are authorized to frame penalty assessment under section 33 imposing penalty under section 86(16) in respect of the dealers issuing invoices not in conformation with the said section and to take action as required by Section 89(4)(f) along with Section 93 of the Act in respect of the dealers not issuing invoices for their sale transactions.

Name of the officer(s)

Designation

< signatures and
designation of the authorizing officer >

< Dealer's name and address preferable on letter head >

STATEMENT

(in case the invoices are being issued but not in conformation of section 50 of the DVAT Act, 2004)

I, < name of the dealer >, son of < name >, resident of < address > and the proprietor / partner / director / authorized signatory for the above-mentioned firm / company do hereby state and affirm as under:

- that the firm / company is registered with the department of Trade And Taxes, Govt. of NCT of Delhi vide TIN < registration no. > and is engaged in the manufacturing / trading of < name of items >.

- that a team of officers headed by Shri < name of officer >, VATO has visited the above mentioned premises of the firm / Company to check the compliance of section 50 of the Delhi Value Added Tax Act, 2004.

- that the team of officers has observed that the invoices being issued by me are not as per the requirement of section 50 of the said Act, which makes me liable to be assessed for penalty under section 33 of the said Act for imposing penalty under section 86(16) of the Act.

- that I hereby undertake to issue invoices strictly in accordance with the provision of section 50 henceforth and further undertake that I shall deposit the amount of penalty assessed through the assessment order by the officer on or before the date mentioned therein.

< Signature of the dealer with date >

Form DVAT 24A

Reference No <<Reference Number>>

<<Dated >>

To,

_____ (Name of the dealer)

_____ (Address of the dealer)

_____ (Registration No. /TIN of the dealer)

Notice of assessment of penalty under section 33

Whereas I am satisfied that the dealer has a liability to pay penalty under section 86 of Delhi Value Added Tax Act, 2004 for the following reasons <<Specify the reasons>>

1.

2.

Now therefore the dealer is hereby directed to pay penalty of an amount of rupees _____ and furnish details of such payment in Form DVAT-27A along with proof of payment to the undersigned on or before <<Date>>.

(Signature)

(Designation)

(Place)

(Date)

Note: Please write your TIN while communicating with the Delhi VAT Department in this matter or in any other matter whatsoever.

<Dealer's name and address preferably on letter head>

STATEMENT

(in case of offence under section 89(4)(f) of the DVAT Act, 2004)

I, < name of the dealer >, son of < name >, resident of < address > and the proprietor / partner / director / authorized signatory for the above-mentioned firm/ company do hereby state and affirm as under:

- that the firm / company is registered with the department of Trade And Taxes, Govt. of NCT of Delhi vide TIN < registration no. > and is engaged in the manufacturing / trading of < name of items >.

- that a team of officers headed by Shri < name of officer >, VATO has visited the above mentioned premises of the firm / Company to check the compliance of section 50 of the Delhi Value Added Tax Act, 2004.

- that the team of officers has observed that no invoices are being issued by me for my sale transactions / invoices are not being issued by me for all of my sale transactions as required by section 50 of the said Act, which constitutes an offence under section 89(4)(f) of the Act, punishable with imprisonment for a term which may extend to six months, and with a fine.

- that I hereby undertake to issue invoices strictly in accordance with the provision of section 50, henceforth and understand that persistent failure in this regard shall attract criminal proceedings against me as provided by section 89(4)(f) of the Act.

- that I have been made to understand that the offence committed is compoundable under section 93 of the Act and therefore, I have requested the visiting officers for compounding of the offence and I undertake that I shall deposit the amount of penalty assessed through such compounding order by the officer on or before the date mentioned therein.

< Signature of the dealer with date >

**GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
DEPARTMENT OF TRADE AND TAXES
VYAPAR BHAWAN, I.P. ESTATE, NEW DELHI-110002**

No. :

Dated :

To,

_____ <Name of the dealer>
_____ <Address of the dealer>
_____ <TIN of the dealer>

Composition of offence under section 89(4)(f)
(See section 93)

WHEREAS I am satisfied that the dealer is liable to be punished with imprisonment for a term which may extend to six months, and with a fine, under section 89(4)(f) of the Delhi Value Added Tax Act, 2004, for his failure, without sufficient cause, to issue invoice as required under section 50 of the Act,

WHEREAS the dealer, in his recorded statement, has desired for compounding of his offence,

Now, therefore, the offence committed by the dealer under the referred section is compounded under section 93 and the dealer is hereby directed to pay penalty of an amount of rupees _____ and furnish details of such payment in Form DVAT-27A along with proof of payment to the undersigned on or before _____ <date>.

(Signature of the issuing officer)
<Designation>

<Place>

<Date>

Note: Please write your TIN while communicating with the department in this matter or in any other matter whatsoever.

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
DEPARTMENT OF TRADE AND TAXES
VYAPAR BHAWAN, I.P. ESTATE, NEW DELHI - 110 002

No.F.7(347)/P-I/VAT/2010/1920-25

Dated: 01.02.2011

ORDER

It has been brought to the notice of the department through various quarters that there is a need for checking whether the registered dealers in Delhi are following the provisions of section 50 of the DVAT Act, 2004 in its true spirit. In view of this and to instill a sense of confidence among the dealers and public by education them about the positive impacts of the compliance of related provisions on the Government revenue, action needs to be started by the department.

The department intends to launch a drive to monitor and ensure the compliance of the provisions contained in section 50 of the DVAT Act, 2004, regarding the issuance of tax and retail invoice by the registered dealers in the prescribed manner.

Zonal officers will authorize the officers / assessing authorities under their charge through an order in the enclosed formal to monitor the compliance of section 50 in their area of jurisdiction.

Zonal officers will issue suitable instructions in this regard at their level and also draw a schedule for such monitoring the drive that may spread throughout the area of their jurisdiction in a continuous and systematic manner.

(Jalaj Shrivastava)

Commissioner Value Added Tax

No.F.7(347)/P-I/VAT/2010/1920-25

Dated: 01.02.2011

Copy To :

All Zone Officers for compliance

Copy for information, also to :

1. P.S. to Commissioner, Department of Trade & Taxes, Vyapar Bhawan, I.P. Estate, New Delhi.
2. All Special Commissioners, Department of Trade & Taxes, Vyapar Bhawan, I.P. Estate, New Delhi.
3. All Addl. Commissioners / All Jt. Commissioners, Department of Trade & Taxes, Vyapar Bhawan, I.P. Estate, New Delhi.
4. Guard File

(Naveen Katarya)

VATO (Policy)

