

(TO BE PUBLISHED IN PART IV OF THE DELHI GAZETTE EXTRAORDINARY)
GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
FINANCE (REVENUE-I) DEPARTMENT
DELHI SACHIVALAYA, I.P. ESTATE, NEW DELHI-110002

No.3(13)/Fin.(Rev-I)/2012-13/dsvi/180/

Dated the 28-02-2013

NOTIFICATION

Whereas the Lt. Governor of the National Capital Territory of Delhi is of the opinion that it is necessary in the interest of general public so to do.

Now, therefore, in exercise of the powers conferred by sub-section (12) of section 16 of the Delhi Value Added Tax Act, 2004 (Delhi Act 3 of 2005) (hereinafter referred to as "the Act"), the Lt. Governor of the National Capital Territory of Delhi, subject to the compliance of the conditions specified hereunder against the class(es) of dealers/ contractors specified in column (2) of the Table below, and other general and particular conditions as are specified in this notification, and in supersession of the Notifications No.F.3(78)Fin.(T&E)2005-2006/1508-kha dated 17-3-2006 hereby, provides for the Composition Scheme for every registered dealer engaged **exclusively** in carrying out works contracts for cash or for deferred payment or for valuable consideration in Delhi as under, namely:-

"Table"

Category	Nature of Works Contracts	Composition Tax Rate [As percentage of entire turnover in relation to works contracts in Delhi]	
		Scheme A	Scheme B
(1)	(2)	(3)	(4)
1	<p>Every registered dealer engaged in execution of works contracts of the following categories and incidental or ancillary activities in connection with or thereto:</p> <p>(A) Civil Contracts, such as,</p> <p>(i) Civil construction, improvement, modification, repair and maintenance, electrification, sanitary fittings, flooring, plastering, finishing, white washing, painting, polishing, interior decoration, etc. of any immovable property, including a building or a complex - residential or commercial.</p> <p>(ii) Water works and Sewerage works, including treatment plants, whether meant for individual houses/buildings/ complexes or for the general public.</p> <p>(iii) Fabrication & fixing of shutters, doors, gates, windows, grills, furniture, fixtures, fitting outs and other similar contracts.</p>	3	6

	<p>(iv) Procurement, erection, fabrication, installation commissioning of any plant, machinery, equipment, transformers, lifts, elevators, escalators, weighing machines, air conditioners, air coolers, fire-fighting systems, audio-visual systems, security systems, computer systems, EPABX/telecommunication system and other similar contracts.</p> <p>(v) Construction and maintenance of Civil works, such as,</p> <ul style="list-style-type: none"> • Green houses and other similar structures. • Swimming pools. • Bridges, flyovers, dams, barriers, diversions, or other similar structures. • Canal, spillways or other similar activities. • Roads, causeways, subways, or other similar contracts. • Rail, railway overbridges or other similar activities. <p>(vi) Any other contract for civil construction and maintenance as may be notified by the Commissioner.</p> <p>(B) Repair & maintenance of any moveable property, including vehicles, annual maintenance contracts (AMCs) and other similar contracts.</p> <p>(C) All other types of works contracts, including those involving moveable goods, not specified elsewhere in this notification.</p>		
2	<p>Every registered dealer engaged in construction, of a complex, building, civil structure or a part thereof, including a residential unit or a complex or building, for sale whether wholly or partly, to a buyer before construction is complete, where the <u>value of land is included in the total consideration.</u></p> <p>Note: Contracts where the entire consideration is received after issuance of completion certificate by the competent authority are excluded here.</p>	1	3

3	Every registered dealer engaged in (i) Printing and/or book-binding. (ii) Textile processing such as dyeing, fabrication, tailoring, embroidery and other similar activities. (iii) Electro plating, electro galvanizing, anodizing, powder coating and other similar activities. (iv) Re-treading of old tyres	2	3
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The dealers paying composition tax under the Composition Scheme notified vide Notification No. F.3(78)/Fin.(T&E)/2005-06/1508 kha dated 17th March 2006, shall have the option to shift over to this Scheme, subject to the terms and conditions of this Scheme,:

Provided that the composition dealers under this notification shall not be eligible for the general composition scheme provided by Section 16(1) to 16(10) of the Act.

Particular Conditions:

Scheme A:

A registered dealer opting to pay composition tax under this Scheme shall:

- (i) not purchase or procure goods from any place outside Delhi at any time during the period for which he opts to avail this Scheme; and
- (ii) not sell or supply goods to any place outside Delhi at any time during the period for which he opts to avail this Scheme.

However, he may procure his own Plant & Machinery and Equipments from outside Delhi, meant exclusively for use in execution of the works contract by him.

Scheme B:

A registered dealer opting to pay composition tax under this Scheme shall be entitled to make purchases of goods required for the execution of the contract under this Scheme in the course of inter-State trade or commerce on the strength of his certificate of registration against declaration in Form-C or by way of inward transfer of stocks from other States against Form-F or by way of imports from other countries solely for the purposes of utilizing the same in the execution of works contract in Delhi only,:

Provided the dealer shall use the material/ goods imported or procured from outside Delhi strictly for use in execution of the works contract transactions.

General Conditions:

- (1) The composition dealer opting for composition under this notification, shall:
 - (i) not purchase or procure goods, other than those specified **in the First Schedule** appended to the Act, within Delhi, from a person who is not registered under the Act, except to the

extent of 2% of his total purchase turnover during the year or ` 25 lakhs, whichever is lower;

- (ii) not be eligible to claim tax credit under section 9 and/ or section 15 of the Act;
- (iii) not compute his net tax under section 11 of the Act;
- (iv) not collect any amount by way of tax under the Act;
- (v) not be entitled to issue 'Tax Invoices';
- (vi) continue to retain the originals of all tax invoices and all the retail invoices for all his purchases and copies of all retail invoices issued by him as required under section 48 of the Act;
- (vii) maintain separate records of all the purchases made within Delhi, or in the course of inter-State trade or commerce and by way of transfer of stock or from outside India;
- (viii) issue only Retail Invoices, as per provisions of the Act and the Delhi Value Added Tax Rules, 2005 (hereinafter called 'the Rules');
- (ix) be eligible to claim set off of TDS only if on the date of filing of return, he is in possession of original TDS Certificate issued to him by the person making the deductions; and
- (x) not entitled for refund before his assessment is made under section 32 of the Act.

(2) All the provisions of the Act and the Rules, in so far as the same are not contrary to and inconsistent with this notification shall apply mutatis mutandis.

(3) The term "composition dealer" means a contractor, or as the case may be a sub-contractor, who has opted for the composition scheme under this notification.

(4) The term "sub-contractor" means any person who has been awarded a works contract by the main contractor, or the sub-contractor, as the case may be.

(5) A dealer who opts to pay composition tax under the notification and executes different types of works contracts which are liable to tax at different rates under this notification, shall pay tax according to the rate applicable to each of such contracts.

(6) The term "Turnover" for the purposes of this composition scheme means:

(i) In relation to the category at serial No. (1) and (3), in Table total consideration, received or receivable by the dealer under the contract for transfer of property in goods (whether as goods or in some other form) involved in the execution of the contract together with the charges for labour, services and other like charges.

(ii) In relation to the category at serial No. 2, in Table the total consideration received or receivable by the dealer under the contract for transfer of property in goods (whether as goods or in some other form) involved in the execution of the contract, including the value of land, charges for supply of labour and services and other like charges.

(7) The tax period for the composition dealer shall be a quarter, unless otherwise prescribed by the Commissioner for a dealer or class of dealers. However, the tax due shall be paid by the composition dealer on monthly basis, within 21 days of the end of the month.

(8) In case a dealer has opted for this scheme but has failed to comply with the conditions specified herein or who, at any later stage, is found not eligible for having

opted for this Scheme, all the provisions of the Act and Rules including the liability to pay tax under section 3, if any, shall apply mutatis mutandis as if the dealer had never opted for the composition scheme, from the financial year in which default had been committed and the amount deposited by such dealer as the composition tax, if any, shall stand forfeited.

- (9) The composition dealer who opts to pay composition tax under this scheme, shall make an application to the contractee/ awarder, not being an individual or a Hindu Undivided Family, authorizing it to deduct tax at source at such rate, as may be applicable to the contracts for which composition is opted by the dealer. The contractee shall deduct the TDS accordingly. The contractor shall not be able to claim benefit of the TDS in his return unless the contractee/ awarder has deposited the amount in the appropriate Government Treasury and the copy of the TDS Certificate obtained in the prescribed form and in the prescribed manner, along with challan in proof of such deposit is enclosed with the return.
- (10) Where any composition dealer, who has opted for composition scheme under this notification, sells, transfers or disposes of any capital assets, including plant, machinery and equipments, scrap, surplus, waste or discarded material, he shall not make such sale outside Delhi against Central Statutory Forms and shall pay tax on such sale, transfer or disposal at the rates specified in Section 4 of the Act, as if he had not opted for this Scheme.
- (11) No tax shall be payable under this Notification by a composition dealer 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 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. Further, no TDS shall be deducted by the contractee on the value of goods supplied as such by it to the contractor.

Modalities for availing the Scheme:

- (1) The dealer applying for a fresh registration can opt for this scheme by filing an application in Form **WC 01** appended to this notification along with his registration application in Form **DVAT 04**.
- (2) A works contract dealer who is paying tax under section 3 of the Act, can opt for this scheme by filing an application in Form **WC 01** appended to this notification within thirty days from the first day of the financial year with effect from which composition is opted,;

Provided that a dealer who is paying tax under section 3 of the Act on the date of this notification, may opt for this scheme by filing an application in Form **WC**

01 appended to this notification within a period of thirty days from the date of this notification:

Provided further that the dealer who is paying composition tax under the erstwhile Notification No. F.3(78)/Fin.(T&E)/2005-06/1508 kha dated 17th March 2006 may opt for the composition scheme under this notification by filing an application in Form **WC 01** appended to this notification within a period of thirty days from the date of coming into force of this notification.

- (3) A dealer paying tax under section 3 of the Act and opting to pay tax under this Scheme, shall be required to pay tax, at the rates specified in section 4 of the Act, on the entire opening stock of goods held by him on the first day of the period with effect from which the dealer opts to pay the tax under this Scheme. The dealer shall furnish, along with his application for availing for the composition scheme, the details of such stock and the payment of tax thereon in Form **SS 01** appended to this notification along with the copy of challan in proof of payment of tax in **DVAT 20**.
- (4) Once a dealer has opted to pay tax under this scheme, he shall, except under the circumstances specified at Sl. No. (6) below, not be eligible to withdraw his option before the end of the financial year.
- (5) A composition dealer who, having opted to pay composition tax under this scheme for a particular year, does not intend to opt for payment of composition tax under this scheme for the following year, shall, subject to the conditions contained in section 20 of the Act, in so far as they are applicable, and further subject to furnishing of intimation regarding withdrawal from this scheme in Form **WC 02** within thirty days from the end of the financial year, be eligible to claim credit of tax paid under the Act on the opening stock held by him on the first day of the year from which he opts out of the Scheme.
- (6) A composition dealer who has opted to pay tax under this scheme and has defaulted in furnishing the returns for two consecutive tax periods, by the prescribed due date for the latter tax period, shall, from the beginning of the tax period in respect of which the default was first committed:
 - (i) cease to be liable to pay tax under this scheme
 - (ii) be liable to pay tax under section 3 of the Act.

Such a dealer shall also, subject to the conditions contained in section 20 of the Act in so far as they are applicable and further subject to furnishing the intimation in Form **WC 02** within seven days after the end of due date prescribed for filing of return for the latter tax period in respect of which the default has been committed, be eligible to claim credit of the tax paid under the Act on the opening stock held by him in Delhi on the first day of the first tax period in respect of which the default was committed.

- (7) Where the composition dealer has made any payment to a registered sub-contractor, who also opts for composition under this notification, for the execution of works

contract, whether wholly or partly, the composition dealer shall issue a certificate to such sub-contractor, in Form **CC 01** appended to this notification. Such sub-contractor shall be eligible to deduct from his turnover liable to be taxed under this scheme, the amount mentioned in such certificate by enclosing it with his return. Such amount shall not constitute part of the turnover in Form DVAT 17 of such sub-contractor. The contractor shall not deduct TDS from payments made to such sub-contractors in respect of the turnover covered by the certificate.

This notification shall come into force with effect from 1st April 2013.

By order and in the name of the Lt. Governor
of the National Capital Territory of Delhi,

(Ravinder Kumar)
Deputy Secretary-VI (Finance)

No.3(13)/Fin.(Rev-I)/2012-13

Dated:

Copy forwarded for information and necessary action to:

- (1) The Pr. Secretary (GAD), Govt. of NCT of Delhi, Delhi Sachivalaya, New Delhi with one spare copy for publication in Delhi Gazette Part-IV (extraordinary) in today's date.
- (2) The Pr. Secretary to the Hon'ble Lieutenant Governor, Delhi.
- (3) The Pr. Secretary to the Hon'ble Chief Minister, Government of NCT of Delhi, Delhi Sachivalaya, IP Estate, New Delhi.
- (4) Pr. Secretary (Finance) Finance Department, Govt. of NCT of Delhi, Delhi Sachivalaya, New Delhi.
- (5) Commissioner, Value Added Tax, Department of Trade And Taxes, Vyapar Bhawan, I.P. Estate, New Delhi.
- (6) The Secretary to the Finance Minister, Government of NCT of Delhi, Delhi Sachivalaya, New Delhi.
- (7) The P.A. to the Leader of Opposition, 29, Delhi Legislative Assembly, Old Secretariat, Delhi.
- (8) The Addl. Secretary (Law), Government of NCT of Delhi, Delhi Sachivalaya, IP Estate, New Delhi.
- (9) OSD to Chief Secretary, Government of NCT of Delhi, Delhi Sachivalaya, IP Estate, New Delhi.
- (10) The Registrar, Delhi Value Added Tax Appellant Tribunal, Vyapar Bhawan, I.P. Estate, New Delhi.
- (11) VAT Officer (Policy), Department of Trade & Taxes, Vyapar Bhawan, New Delhi.
- (12) Department of Trade & Taxes's Website
- (13) Guard File.
- (14) Website.

(Ravinder Kumar)
Deputy Secretary-VI (Finance)

Department of Trade & Taxes
Government of NCT of Delhi
Form WC 01

[(See notification under section 16(12)]

PART-A

Application Form for opting Composition by an eligible works contractor in respect of scheme as notified by Government under sub-section (12) of section 16

1. TIN :	Ward No.
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2. Full Name of Applicant Dealer	
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3. Full Address of Dealer	
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4. Date with effect from which composition scheme is sought	
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5. Applicable rate of composition tax**	<input type="checkbox"/> 1% of the turnover	<input type="checkbox"/> 2% of the turnover	<input type="checkbox"/> 3% of the turnover	<input type="checkbox"/> 6% of the turnover
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** please tick in the appropriate box or boxes

6. Turnover in the preceding year (Rs.)	
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7. Estimated Turnover in the current year (Rs.)	
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8. Tax Payable on Opening Stock held on the first day with effect from which scheme is being opted.	Description*	Tax Payable (Rs.)
	(i) Trading Stock	
	(ii) Raw material	
	(iii) Packaging Material	
	(iv) Finished Goods	
Total		

(* Please complete Part- B)

9. Details of Composition Tax paid calculated as per (8) above	Description	
	(i) Amount of composition tax paid* (Rs.)	
	(ii) Date of Deposit	Dd / mm / yyyy
	(iii) Challan No. if any	

(* Please attach original challan / proof of deposit)

Name and Signature of applicant / authorized signatory

10. Verification	
I/We _____ hereby solemnly affirm and declare that the information given hereinabove is true and correct to the best of my/our knowledge and belief and nothing has been concealed therefrom.	
Signature of Authorized Signatory	_____
Full Name (first name, middle, surname)	_____
Designation/Status	_____

Place	
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Date				
	Day	Month	Year	

Department of Trade and Taxes
Government of NCT of Delhi

Form WC 01

[See notification under section 16(12)]

(PART-B)

Details of the Stock held on the first day [i.e. on _____ (date)] of the period for which the composition is sought

(i) Details of Trading Stock

	Rate wise details of the Trading Stock	Purchase Value (Rs.)	Fair Market Value* (Rs.)	Tax Payable (Rs.)
A	Goods taxable at 1%			
B	Goods taxable at 5%			
C	Goods taxable at 12.5%			
D	Goods taxable at 20%			
E	Total			

Carry to field (8)(i) of part A

(* As at opening day of the period for which the composition is being opted)

(ii) Details of Raw Material

	Rate wise details of the Raw Material	Purchase Value (Rs.)	Fair Market Value* (Rs.)	Tax Payable (Rs.)
A	Goods taxable at 1%			
B	Goods taxable at 5%			
C	Goods taxable at 12.5%			
D	Goods taxable at 20%			
E	Total			

Carry to field (8)(ii) of part A

(* As at opening day of the period for which the composition is being opted)

(iii) Details of Packaging Material

	Rate wise details of the Packaging Material	Purchase Value (Rs.)	Fair Market Value* (Rs.)	Tax Payable (Rs.)
A	Goods taxable at 1%			
B	Goods taxable at 5%			
C	Goods taxable at 12.5%			
D	Goods taxable at 20%			
E	Total			

Carry to field (8)(iii) of part A

(* As at opening day of the period for which the composition is being opted)

(iv) Details of Finished Goods

	Rate wise details of the Finished Goods	Purchase Value (Rs.)	Fair Market Value* (Rs.)	Tax Payable (Rs.)
A	Goods taxable at 1%			
B	Goods taxable at 5%			
C	Goods taxable at 12.5%			
D	Goods taxable at 20%			
E	Total			

Carry to field (8)(iv) of part A

(* As at opening day of the period for which the composition is being opted)

Name and signature of applicant / authorized signatory

(v). Verification
I/We _____ hereby solemnly affirm and declare that the information given hereinabove is true and correct to the best of my/our knowledge and belief and nothing has been concealed therefrom.
Signature of Authorised Signatory _____
Full Name (first name, middle, surname) _____
Designation _____

Place _____

Date				
	Day	Month	Year	

Department of Trade and Taxes
Government of NCT of Delhi

Form WC 02

[See notification under section 16(12)]

(PART-A)

Application Form for withdrawing from Composition by a works contractor in respect of scheme as notified by Government under sub-section (12) of section 16

1. TIN		Ward No.	
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2. Full Name of Applicant Dealer	
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3. Full Address of Dealer	
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4. Date with effect from which withdrawal from composition scheme is sought	
--	--

5. Turnover in the preceding year	(Rs.)	
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6. Reasons for withdrawal from composition scheme	
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7. Input tax on goods purchased and lying in stock in Delhi on 1 st day from which withdrawing from composition scheme is sought	Description*	Input tax (Rs.)
	(i) Trading Stock	
	(ii) Raw Material	
	(iii) Packaging Material	
	(iv) Finished Goods	
	Total	

(* Please complete Part B)

Name and signature of applicant / authorized signatory

8. Verification	<p>I/We _____ hereby solemnly affirm and declare that the information given hereinabove is true and correct to the best of my/our knowledge and belief and nothing has been concealed therefrom.</p> <p>Signature of Authorised Signatory _____</p> <p>Full Name (<i>first name, middle, surname</i>) _____</p> <p>Designation _____</p>
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Place	
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Date					
	Day	Month	Year		

Department of Trade and Taxes
Government of NCT of Delhi

Form WC 02

[See notification under section 16(12)]

(PART B)

Details of opening stock held on the 1st April of the year from which the composition is withdrawn

(i) Details of trading stock on which credit has been sought

S. No.	Tax Invoice date	Tax Invoice No.	Supplier TIN No. under the Act	Purchase Price (Rs.)	Input Tax (Rs.)
Total				Carry to (8)(i) of part-A	▶

(ii) Details of raw material on which credit has been sought

S. No.	Tax Invoice date	Tax Invoice No.	Supplier Registration No. under the Act	Purchase Price (Rs.)	Input Tax (Rs.)
Total				Carry to (8)(ii) of part-A	▶

(iii) Details of packaging materials on which credit has been sought

S. No.	Tax Invoice date	Tax Invoice No.	Supplier Registration No. under the Act	Purchase Price (Rs.)	Input Tax (Rs.)
Total				Carry to (8)(iii) of part-A	▶

(iv) Verification

I/We _____ hereby solemnly affirm and declare that the information given hereinabove is true and correct to the best of my/our knowledge and belief and nothing has been concealed therefrom.

Signature of Authorised Signatory _____

Full Name (*first name, middle, surname*) _____

Designation _____

Place

Date

Day Month Year

Department of Trade and Taxes
Government of NCT of Delhi

Form SS 01

[See notification under section 16(12)]

Statement of opening stock held on the first day of the period for which composition is to be opted

TIN _____
Full Name of Business _____
Total Value of the Stock as on first day of the period
for which composition scheme is to be opted _____
Details of Stock purchases (as per Table below) _____

Table

S.No.	Description of goods	Quantity	Purchase Value

* The above table can be prepared and attached with the form as per the requirement

Certification of Details

I/We _____ hereby certify that all the above-mentioned stock details are true and correct to the best of my/our knowledge. Further certified that the particulars indicated above are the correct version of the documents, which are in my/our possession and can be produced before the Value Added Tax Department on demand.

Signature of the dealer

Name:

Address:

Date:

Place:

Department of Trade and Taxes
Government of NCT of Delhi

Form CC 01

[See notification under section 16(12)]

CERTIFICATE BY THE CONTRACTOR
(for the tax period from.....to.....)

I.....(Name of the person signing the declaration).....
(Proprietor/Partner/Director/Manager/Secretary/Karta/Trustee/Office) in charge of M/s..... who
is a registered dealer holding TIN..... under the Delhi Value Added Tax Act, 2004, hereby certify
that I have opted to pay tax under the composition scheme as notified under section 16(12), vide
notification dated....., mentioned in the said notification at serial no..... scheme.....,
w.e.f., and that I have awarded sub-contract work to M/s..... who is also a
registered dealer holding TIN.....

The details of the sub-contract are as under:

Sl. No.	Particulars of works contracts awarded as sub-contract	Date of allocation of sub-contract	Value of sub-contract	Total amount of payments made to sub-contractor during the period from...to....	Balance value of the sub-contract (4-5)	Last date for completion of sub-contract, if any (7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.						
2.						
3.						
4.						
	TOTAL					

*I further certify that I have deposited the due tax to the govt. treasury in respect of the amount mentioned in column 5 above.

*I further undertake I shall deposit the due tax to the govt. treasury in respect of the amount mentioned in column 5 above.

Name and signature of contractor / authorized signatory

I/We _____ hereby solemnly affirm and declare
that the information given hereinabove is true and correct to the best of my/our knowledge
and belief and nothing has been concealed therefrom.

Signature of Authorised Signatory _____

Full Name (first name, middle, surname) _____

Designation _____

Place _____

Date _____
Day _____ Month _____ Year _____

Strike out whichever is not applicable.