Rule 1 Central Sales Tax (Delhi) Rules, 2005 as on 5th March 2014

CENTRAL SALES TAX (DELHI) RULES, 2005

The Central Sales Tax (Delhi) Rules, 1957 have been repealed by the Central Sales Tax (Delhi) Rules, 2005 vide Notification No. F.101(321)/2005-Fin.(A/Cs)(ii)/8767, dated 31st March 2005.

The Rules have come into force with effect from 1st April 2005 vide Notification No. F.101(321)/2005-Fin.(A/Cs)(iv)/8789, dated 31st March 2005

1	(1)	**Short title and commencement**
		These rules may be called the Central Sales Tax (Delhi) Rules, 2005.
	(2)	They shall come into force on such date as the Lt. Governor may, by

2 Definitions

In these rules, unless the context otherwise requires,-

(a) "Act" means the Central Sales Tax Act, 1956 (74 of 1956);

(b) "Central Rules" means the Central Sales Tax (Registration and Turnover) Rules, 1957;

(c) "Commissioner" means the Commissioner of Value Added Tax appointed under sub-section (1) of section 66 of the Delhi Value Added Tax Act, 2004 (Delhi Act 3 of 2005), or any officer appointed by the Commissioner in accordance with section 66 of that Act; and

	(d)	"Form" means a form appended to these rules.
3	(1)	**Periodic returns**
		Every dealer liable to pay tax under the Act shall furnish a return in Form-1

in respect of each tax period for which the turnover is required to be furnished, determined under rule 11 of the Central Rules, to the Commissioner, in the manner and by the time prescribed in respect of returns for the purposes of the Delhi Value Added Tax Act, 2004 (Delhi Act 3 of 2005) and the rules made thereunder.

1[(2) The Commissioner or the person authorized by him shall issue to the dealer a receipt in

Form DVAT-56 as prescribed in the Delhi Value Added Tax Rules, 2005 acknowledging the receipt of the return accompanied by Part-'C' of the receipted treasury challan.]

2[4 Reconciliation Return

[(1) In addition to the returns required under rule 3, every dealer shall also furnish to the Commissioner, a Reconciliation Return for a year in

Form 9 relating to receipt of declarations / certificates (hereinafter referred to as 'statutory forms') within a period of six months from the end of the year to which it relates. The return shall be filed electronically:

1Substituted vide No.F.3(6)/Fin.(Rev-I)/2013-14/dsvi/499, dated 04.07.2013 **w.e.f. 04.07.2013.**

Earlier read as :-
"The Commissioner or the person authorised by him shall issue to the dealer a receipt in the following form acknowledging the receipt of the return accompanied by Part 'C' of the receipted treasury challan. The responsibility to issue such receipts and of receiving returns shall always remain that of the Commissioner.

#[FORM OF ACKNOWLEDGEMENT RECEIPT
Receipt No. Dated the ….……
Received from M/s……
(Registration Certificate No. ……..) a monthly/quarterly/six monthly/ yearly return in

Form 1 alongwith Part 'C' of the treasury challan showing the deposit of Rs. …… for the month/quarter/six months/year ending ……
Signature of Commissioner/person authorized]"

#Substituted vide No.F.3(77)/Fin.(T&E)/2005-06/1528 kha, dated 17.03.2006 w.e.f. 17.03.2006. 2 Substituted vide Notification No.F.3(27)/Fin.(Rev-I)/2013-14/dsVI/292, dated 05.03.2014 **w.e.f. 05.03.2014**. Rule 4 earlier read as under:-
"In addition to the returns required under rule 3, every dealer shall also furnish to the Commissioner, a Reconciliation Return in

Form DVAT-51 as prescribed in the Delhi Value Added Tax Rules, 2005, within a period of three months after the end of each quarter: PROVIDED that in respect of the period from 1st April, 2005 to 30th September, 2005, every dealer shall furnish to the Commissioner by 31st December, 2006, a Reconciliation Return in Form DVAT-51 for the whole period.

#[PROVIDED FURTHER that the Commissioner may require a dealer or class or classes of dealers or all dealers, registered under section 7 of the Act, as may be notified by him by special or general order, to file the reconciliation return electronically in the manner prescribed by him:
PROVIDED ALSO that the dealers filing the reconciliation return electronically shall also file a hardcopy of such return along with the declaration(s) or certificate(s) unless exempted by the Commissioner.]
Explanation. - The word "quarter" for the purposes of these rules means a quarter as defined in clause (d) of sub-rule (4) of rule 2 of the Delhi Value Added Tax Rules, 2005." # Inserted vide notification No.F.3(3)/Fin(Rev-I)/2012-13/DSIII/452, dated 15.06.2012 w.e.f. 15.06.2012

Rule 4 was earlier substituted vide No.F.3(77)/Fin.(T&E)/2005-06/1528 kha, dated 17.3.2006 w.e.f. 17.3.2006; for the following words - "4 Annual Reconciliation Statement - In addition to the returns required under rule 4, every dealer shall also furnish an annual reconciliation statement within a period of nine months from the end of that year, in

Form DVAT-51 of the Delhi Value Added Tax Rules, 2005."

Rule 5 Central Sales Tax (Delhi) Rules, 2005 as on 5th March 2014

PROVIDED that the return can be filed for a quarter or more than one quarter of the year, any time during the year but not later than the limitation period specified in sub-rule(1):

PROVIDED ALSO that provisions of sub-rule (5) of rule 5, clause (a) of sub rule (5) of rule 7, sub-rule (2) of rule 9, rule 6A and rule 6B shall not apply in so far as periodicity of filing of reconciliation return and furnishing of declaration(s) / certificate(s) is concerned."

(2) The statutory forms received in original, in lieu of concessional sale or stock transfer shall be retained by the dealer with him. The Commissioner may direct the dealer to furnish such forms as and when required by him during a period of seven years from the end of the year to which the forms relate.

(3) The return in

Form 9, may be revised by the end of the financial year next to which it relates:

PROVIDED that the Commissioner may extend the period of revision by three months after end of the limitation period of revision.

PROVIDED FURTHER that notwithstanding anything contained in these rules or the DVAT Rules, 2005, no further extension in the time period for such revision shall be permissible.

Explanation - The word 'year' and 'quarter' for the purposes of these rules have the same meaning as defined in Delhi Value added Tax Act, 2004 and rules framed there under.]

5 Authority from which Declaration Form 'C' may be obtained, use, custody and maintenance of records of such forms and matters incidental thereto.

(1) A registered dealer, who wishes to purchase goods from another such dealer, on payment of tax at the rate applicable under the Act, to sales of goods by one registered dealer to another, for the purpose specified in the purchasing dealer's certificate of registration, shall obtain from the Commissioner the blank Declaration Form, that is to say Form 'C' referred to in Rule 12 of the Central Rules, for furnishing it to the selling dealer. Before furnishing the Declaration to the selling dealer, the purchasing dealer, or any person authorised by him in this behalf, shall fill in all required particulars in the Form, and shall also affix his usual signature in the space provided in the form for this purpose. Thereafter, the counterfoil of the Form shall be retained by the purchasing dealer and the other two portions marked "Original" and "Duplicate" shall be made over by him to the selling dealer.

PROVIDED that the counterfoils of the Declaration Forms should be maintained by the dealer for a period of five years or such further period as may be prescribed by the Commissioner.

1[(2) For obtaining a blank Declaration Form 'C' referred to in sub-rule (1) from the Commissioner, a registered dealer shall apply for issue of Forms to the Commissioner in Form '2C' whenever such forms are required and shall affix court fee stamp at the rate of fifty paise per Form on the application.

PROVIDED that for obtaining blank declaration Form 'C' for the transactions prior to 1st October, 2005, a registered dealer shall submit a requisition account of declaration forms in Form '2A' together with his last return for the year 2005-06 or by such date as may be notified by the Commissioner in this regard.]

2[(3) If the applicant for Declaration Forms has, at the time of making the application, failed to comply with an order demanding security from him under sub-section (3A) of section 7 of the Act, the Commissioner shall reject the application.]

1 Sub-rule (2) of Rule 5 substituted vide No.F.3(77)/Fin.(T&E)/2005-06/1528 kha, dated 17.03.2006 w.e.f. 17.03.2006. Earlier read as :-

"(2) For obtaining a blank Declaration Form 'C' referred to in sub-rule (1) from the Commissioner, a registered dealer:

(i) shall submit a Requisition Account of Statutory Forms in Form '2A' together with his last return in each year; and

(ii) shall apply for issue of Forms to the Commissioner in Form '2C' whenever such forms are required and shall affix court fee stamp at the rate of fifty paise per Form on the application."

2 Sub-rule (3) of Rule 5 substituted vide No.F.3(77)/Fin.(T&E)/2005-06/1528 kha, dated 17.03.2006 w.e.f. 17.03.2006. Earlier read as :-

"(3) If the applicant for Declaration Forms has, at the time of making the applications, failed to comply with an order demanding security from him under sub-section (3A) of section 7 of the Act, the Commissioner shall reject the application."

1[(4) If the applicant for Declaration Form 'C' has, at the time of making the application-

(i) defaulted in furnishing any return including reconciliation return or returns in accordance with the provisions of law or in payment of tax due according to such return; or

(ii) defaulted in making the payment of the amount of tax assessed, re-assessed or the penalty imposed by the Commissioner under the Delhi Value Added Tax Act, 2004 or under the various Acts repealed as per section 106 of the Delhi Value Added Tax Act, 2004 or the Central Sales Tax Act, 1956 and in respect of which no orders for installment / stay have been obtained from the competent authority under the provision of law; or

(iii) not filed proper utilization account in Form '2B', of Forms issued to him earlier; or

(iv) some adverse material has been found by the Commissioner suggesting any concealment of sale or purchase or furnishing inaccurate particulars in the returns;

the Commissioner shall, after affording the applicant an opportunity of being heard, withhold, for reasons to be recorded in writing, issue of Declaration Form 'C' to him:

1 Sub-rule (4) of Rule 5 substituted vide No.F.3(77)/Fin.(T&E)/2005-06/1528 kha, dated 17.03.2006 w.e.f. 17.03.2006. Earlier read as :-

"(4) If the applicant for Declaration Form 'C' has at the time of making the application: (i) defaulted in furnishing any return or returns in accordance with the provisions of law or in payment of tax due according to such return; or (ii) defaulted in making the payment of the amount of tax assessed, re-assessed or the penalty imposed by the Commissioner and in respect of which no orders for installment/stay have been obtained from the competent authority under the provision of law; or

(iii) not filed proper Requisition Account of the Declaration Forms required by him; or (iv) not filed proper utilization account in Form '2B' of Forms issued to him in advance together with the returns for the period during which the Forms were utilized; or (v) some adverse material has been found by the Commissioner suggesting any concealment of sale or purchase or furnishing inaccurate particulars in the returns; the Commissioner shall, after affording the applicant an opportunity of being heard, withhold, for reasons to be recorded in writing, issue of Declaration Form 'C' to him: PROVIDED that the Commissioner may instead of withholding Declaration Form 'C' to the applicant, issue such forms in such numbers and subject to such conditions and restrictions, as he may consider necessary:

PROVIDED FURTHER that notwithstanding the provisions of any other rule the issue of Declaration Form 'C' to a dealer to whom a Certificate of registration under the Act has been granted for the first time, shall be withheld by the Commissioner, until such time as all the returns for the return period commencing from the date of validity of the Certificate of registration are furnished and tax due according to such return/returns is paid by him: PROVIDED ALSO that the Commissioner may, subject to such conditions and restrictions, as may be imposed, issue to the applicant Declaration Forms for which Requisition Account in Form '2A' cannot practically be filed."

PROVIDED that the Commissioner may, after affording the applicant an opportunity of being heard, withhold, for reasons to be recorded in writing, issue of declaration Form 'C' for transactions prior to 1st October, 2005 to him if the applicant has not filed proper requisition account for such declaration forms or the applicant has not filed proper utilization account in

Form 2B of the Forms issued to him earlier:

PROVIDED FURTHER that the Commissioner may instead of withholding Declaration Form 'C' to the applicant, issue such forms in such numbers and subject to such conditions and restrictions, as he may consider necessary:

PROVIDED ALSO that notwithstanding the provisions of any other rule the issue of Declaration Form 'C' to a dealer to whom a certificate of registration under the Act has been granted for the first time, shall be withheld by the Commissioner, until such time as all the returns for the return period commencing from the date of validity of the certificate of registration are furnished and tax due according to such return / returns is paid by him:

PROVIDED ALSO that for the transactions prior to 1st October, 2005, the Commissioner may, subject to such conditions and restrictions as may be imposed, issue declaration forms to an applicant even if he has not filed proper utilization account in Form '2B' of forms issued to him in respect of the transactions subsequent to 30th September, 2005.]

1[(5) A dealer who claims to have made a sale to a registered dealer shall furnish to the Commissioner within a period of three months after the end of the quarter to which the declaration relates along with the reconciliation

return prescribed in rule 4, the portion marked “original” of the Declaration Form ‘C’ received by him from the purchasing dealer and shall also produce for inspection, the portion of the Declaration

Form marked “duplicate”, if required to do so by the Commissioner: PROVIDED that for the period from 1st April, 2005 to 30th September, 2005 a dealer who claims to have made a sale to a registered dealer shall furnish to the Commissioner by 31st December, 2006 along with the reconciliation return prescribed in rule 4, the portion marked “original” of the Declaration Form ‘C’ received by him from the purchasing dealer and shall also produce for inspection, the portion of the Declaration Form marked “duplicate”, if required to do so by the Commissioner.]

(6) No purchasing dealer shall give, nor shall a selling dealer accept, any Declaration Form except in a Form obtained by the purchasing dealer on application, from the Commissioner and not declared obsolete and invalid by the Commissioner under the provisions of sub-rule (13).

1 Sub-rule (5) of Rule 5 substituted vide No.F.3(77)/Fin.(T&E)/2005-06/1528 kha, dated 17.03.2006 w.e.f. 17.03.2006. Earlier read as :-
“(5) A dealer who claims to have made a sale to a registered dealer shall furnish to the Commissioner within a period of 9 months from the end of the year alongwith the statement prescribed in rule 4, the portion marked “Original” of the Declaration Form ‘C’ received by him from the purchasing dealer and shall also produce for inspection, the portion of the Declaration

Form marked “Duplicate”, if required to do so by the Commissioner.”

(7) Every Declaration Form obtained from the Commissioner by a registered dealer shall be kept by him in safe custody and he shall be personally responsible for the loss, destruction or theft of any such Form or the loss of Government revenue, if any, resulting directly or indirectly from such loss, destruction or theft.

(8) Every registered dealer to whom any Declaration Form is issued by the Commissioner shall maintain, in a register in Form ‘2’, a true and complete account of every such Form received from the Commissioner. If any such Form is lost, destroyed or stolen, the dealer shall report the fact to the Commissioner immediately, shall make appropriate entries in the remarks column of the register, in Form ‘2’, and take such other steps to issue public notice of the loss, destruction or theft as the Commissioner may direct.

(9) Any unused Declaration Forms remaining in stock with a registered dealer on the cancellation of his Certificate of registration shall be surrendered to the Commissioner.

(10) No registered dealer to whom a Declaration Form is issued by the Commissioner shall, either directly or through any other person, transfer the same to another person except for the lawful purpose of sub-rule (1).

(11) A Declaration Form in respect of which a report has been received by the Commissioner under sub-rule (8) shall not be valid for the purpose of sub-rule (1).

(12) The Commissioner shall from time to time publish in the Official Gazette the particulars of the Declaration Forms in respect of which a report has been received under sub-rule (8).

(13) The Commissioner may, by notification, declare that Declaration Forms of a particular series, design or colour shall be deemed as obsolete and invalid with effect from such date as may be specified in the notification.

(14) When a notification, declaring Forms of a particular series, design or colour obsolete and invalid, is published under sub-rule (13), all registered dealers shall, on or before the date with effect from which the Forms are so declared obsolete and invalid, surrender to the Commissioner all unused Forms of that series, design or colour which may be in their possession and shall be issued in exchange for the Forms so surrendered, such new Forms as may be substituted for the Forms declared obsolete and invalid:

PROVIDED that new Forms shall not be issued to a dealer until he has accounted for the old Forms lying with him and returned the balance, if any, in his hand to the Commissioner.

1[(15) Every registered dealer to whom any declaration form is issued by the Commissioner shall furnish to the Commissioner utilization account in Form '2B' within a period of three months after the end of the quarter to which the declaration relates. In case no declaration form is utilized during any quarter in that event also the dealer shall furnish to the Commissioner utilization account in Form '2B' stating nil utilisation.

1 Inserted vide No.F.3(77)/Fin.(T&E)/2005-06/1528 kha, dated 17.03.2006 w.e.f. 17.03.2006.

PROVIDED that the utilization account in Form '2B' of the forms relating to the transactions prior to 1st October, 2005 shall be furnished to the Commissioner within a period of three months after the end of the quarter in which such declaration forms are issued to him by the Commissioner.]

1[6 *]**

2[6A Use, custody, maintenance, etc. of records of certificates in Form 'J'

(1) An authorised officer for the purchase of diplomatic mission, consulates, United Nations and other international body and diplomatic agent, consular, official or personnel thereof, in the course of inter-state trade or commerce from a registered dealer shall furnish a certificate in Form 'J' referred to in sub-rule (11A) of rule 12 of the Central Rules.

1 Omitted vide notification no.F.3(2)/Fin(T&E)/2007-08/(iii)/dsfte/354, dated 14.05.2007, w.e.f. 14.05.2007. Earlier read as :-

6 Use, custody, maintenance, etc., of records of certificates in Form 'D'

(1) An authorised officer of the Government (other than the Government registered as a dealer under the Act) who purchases goods, on behalf of the Government from a registered dealer shall furnish a certificate in Form 'D' referred to in sub-rule (1) of Rule 12 of the Central Rules.

(2)(a) Before furnishing such certificate, the authorised officer of the Government shall fill in all the required particulars in the certificate, affix his usual signature in the space provided in the certificate for this purpose, retain the counterfoil of the certificate and make over the other two portions in the certificate marked "Original" and "Duplicate" to the selling dealer.

(b) The counterfoil of the certificate in Form 'D' shall be maintained by the authorised officer of the Government for a period of five years or such further period as may be specified by the Commissioner.

(3) *[(a) A dealer who claims to have made a sale to the Government (other than the Government registered as a dealer under the Act) shall, in respect of such claim, furnish to Commissioner within a period of three months after

the end of the quarter to which the certificate relates along with the reconciliation return prescribed in rule 4, the portion marked "original" of the certificate in Form 'D' received by him from the authorised officer of the Government and shall also produce for inspection the portion of the certificate marked "duplicate", if required to do so by the Commissioner:
PROVIDED that a dealer who claims to have made a sale to a registered dealer during the period from 1st April, 2005 to 30th September, 2005 shall furnish to the Commissioner by 31st December, 2006 along with the reconciliation return prescribed in rule 4, the portion marked "original" of the Declaration Form 'C' received by him from the purchasing dealer and shall also produce for inspection, the portion of the Declaration

Form marked "duplicate", if required to do so by the Commissioner.]
(b) The assessing authority may in his discretion require the selling dealer to produce for inspection the portion marked 'duplicate' in the certificate in Form 'D'.

Explanation - In this rule 'authorised officer of the Government' means an officer authorised under clause (b) of sub-section (4) of section 8 of the Act.

*[Sub-rule (3) (a) of Rule 6 earlier substituted vide No.F.3(77)/Fin.(T&E)/2005-06/1528 kha, dated 17.03.2006 w.e.f. 17.03.2006.]
2 Rule 6A and 6B inserted vide No.F.3(77)/Fin.(T&E)/2005-06/1528 kha, dated 17.03.2006 w.e.f. 17.03.2006.

1[(2)(a) Before furnishing such certificate, the authorised officer shall fill in all the required particulars in the certificate, affix his usual signature in the space provided in the certificate for this purpose, retain the counterfoil of the certificate and make over the other two portions in the certificate marked "Original" and "Duplicate" to the selling dealer.

(b) The counterfoil of the certificate shall be maintained by the authorised officer for a period of five years or such further period as may be specified by the Commissioner.

(c) A dealer who claims to have made a sale to any diplomatic mission, consulates, United Nations and other international body and diplomatic agent, consular, official or personal thereof, in the course of inter-state trade or commerce, shall, in respect of such claim, furnish to the Commissioner within a period of three months after the end of the quarter to which the certificate relates alongwith the reconciliation return prescribed in rule 4, the portion marked "Original" of the certificate in Form 'J' received by him from the authorised officer and shall also produce for inspection the portion of the certificate marked "Duplicate", if required to do so by the Commissioner.]

6B Use, custody, maintenance, etc. of records of declaration in Form 'I'

The provisions relating to the authority from whom and the conditions subject to which any declaration in Form 'I' may be obtained, the manner in which such form shall be kept in custody and records relating thereto maintained and the manner in which any such

form may be used and any such declaration may be furnished in so far as they apply to declaration in Form 'C' prescribed in rule 5 shall *mutatis mutandis* apply to declaration in Form 'I'.]

7 Use, custody, maintenance, etc., of records of certificates in Forms 'E-I' and 'E-II'

(1) A registered dealer who claims exemption from tax in respect of any subsequent sale referred to in sub-section (2) of section 6 of the Act shall obtain from the registered dealer from whom he purchased the goods, a certificate in Form 'E-I' or Form 'E-II', referred to in sub-rule (2) of rule 12 of the Central Rules, for use in the manner specified in sub-rule (2):

2[***]

1 Substituted vide notification no.F.3(2)/Fin(T&E)/2007-08/(iii)/dsfte/354, dated 14.05.2007, w.e.f. 14.05.2007. Earlier read as :-
"(2) The provisions of sub-rule (2) and sub-rule (3) of rule 5 in relation to Declaration Form 'D' referred to therein shall also apply to certificate in Form 'J', with such changes as circumstances may require."
2 Omitted vide notification No.F.3(3)/Fin(Rev-I)/2012-13/DSIII/452, dated 15.06.2012 w.e.f. 15.06.2012. Earlier read as "PROVIDED that no single certificate shall cover more than one transaction of sale except in cases where the total amount covered by one certificate does not exceed five thousand rupees."

9	*by Rakesh Garg, FCA*

Central Sales Tax (Delhi) Rules, 2005 as on 5th March 2014 Rule 7

(2) Form 'E-I' shall be used in respect of sales for which the exemption is claimed where such sale follows immediately the first sale and Form 'E-II' shall be used in respect of all subsequent sales.

(3) For the purposes of sub-rule (1), a registered dealer shall obtain from the Commissioner, Form 'E-I' or Form 'E-II', as the case may be, to the extent required by him and shall maintain in a register in Form '3', a true and complete account of every such certificate received from the Commissioner.

(4)(a) Before furnishing the certificate referred to in sub-rule (1) to the registered purchasing dealer, the registered selling dealer or any person authorised by him in this behalf shall fill in all the required particulars in the certificate, affix his usual signature in the space provided in the certificate for this purpose, retain the counterfoil of the certificate and make over the other two portions in the certificate marked "Original" and "Duplicate" to the registered purchasing dealer.

(b) The counterfoil of such certificate shall be maintained by the registered selling dealer for a period of five years or such further period as may be specified by the Commissioner.

1[(5) (a) A registered dealer who claims that his subsequent sale to another registered dealer is exempt from tax under sub-section (2) of section 6 of the Act shall in respect of such claim, furnish to the Commissioner within a period of three months after the end of the quarter to which the declaration relates along with the reconciliation return prescribed in rule 4, the portion marked "original" of the certificate in Form 'E-I' and 'E-II', as the case may be, received by him from the registered dealer from whom he made the purchase along with the declaration in Form 'C', if any, received by him from the registered dealer to whom he made the

1 Substituted vide notification no.F.3(2)/Fin(T&E)/2007-08/(iii)/dsfte/354, dated 14.05.2007, w.e.f. 14.05.2007. Earlier read as:-
(5)(a) A registered dealer who claims that his subsequent sale to another registered dealer or to the Government is exempt from tax under sub-section (2) of section 6 of the Act shall, in respect of such claim, furnish to the Commissioner within a period of three months after the end of the quarter to which the declaration relates along with the reconciliation return prescribed in rule 4, the portion marked "original" of the certificate in Form 'E-I' and 'E-II', as the case may be, received by him from the registered dealer from whom he made the purchase along with

the declaration in Form ‘C’, if any, received by him from the registered dealer to whom he made the subsequent sale. If such sale is to the Government, he shall furnish to the Commissioner, a certificate in Form ‘D’. He shall also produce for inspection the portion of the aforesaid declaration and certificate marked “duplicate”, if required to do so by the Commissioner.

PROVIDED that a dealer who claims to have made a sale to a registered dealer during the period from 1st April, 2005 to 30th September, 2005, shall furnish to the Commissioner by 31st December, 2006 along with the reconciliation return prescribed in rule 4, the portion marked “original” of the Certificate in Form ‘E-I’ or ‘E-II’, as the case may be, received by him from the purchasing dealer and shall also produce for inspection, the portion of the Certificate marked “duplicate”, if required to do so by the Commissioner. Sub-rule (5) (a) of Rule 7 was also substituted vide No.F.3(77)/Fin.(T&E)/2005-06/1528 kha, dated 17.03.2006, w.e.f. 17.03.2006

subsequent sale. He shall also produce for inspection the portion of the aforesaid declaration and certificate marked “duplicate”, if required to do so by the Commissioner.

PROVIDED that a dealer who claims to have made a sale to a registered dealer during the period from 1st April, 2005 to 30th September, 2005, shall furnish to the Commissioner by 31st December, 2006 along with the reconciliation return prescribed in rule 4, the portion marked “Original” of the Certificate in Form ‘E-I’ or ‘E-II’, as the case may be, received by him from the purchasing dealer and shall also produce for inspection, the portion of the Certificate marked “Duplicate”, if required to do so by the Commissioner.]

(b) The Commissioner may, in his discretion, require the registered selling dealer to produce for inspection the portion marked “Duplicate” of the certificate in Form E-I or E-II.

(6) No registered dealer shall give nor shall a registered dealer accept any certificate in Form ‘E-I’ or ‘E-II’ except in a form obtained on application from the Commissioner and not declared obsolete and invalid by the Commissioner.

(7) The provisions of sub-rules (7) to (14) of Rule 5 in relation to Declaration Form ‘C’ referred to therein shall also apply to certificates in Form ‘E-I’ and ‘E-II’, with such changes as circumstances may require.

1[(8) Every registered dealer to whom any declaration form is issued by the Commissioner shall furnish to the Commissioner utilization account in Form ‘2B’ within a period of three months after the end of the quarter to which the declaration relates. In case no declaration form is utilized during any quarter, in that event also the dealer shall furnish to the Commissioner utilization account in form ‘2B’ stating nil utilisation:

PROVIDED that the utilization account in Form ‘2B’ of the forms relating to the transactions prior to 1st October, 2005 shall be furnished to the Commissioner within a period of three months after the end of the quarter in which such declaration forms are issued to him by the Commissioner.]

8 Authority from whom Declaration Form ‘F’ may be obtained, used and maintenance of record of such Forms and matters incidental thereto 2[(1) A registered dealer who intends to issue a Declaration in Form ‘F’ referred to in sub-rule (5) of rule 12 of the Central Rules, for the purpose of section 6A of the

1 Inserted vide No.F.3(77)/Fin.(T&E)/2005-06/1528 kha, dated 17.03.2006 w.e.f. 17.03.2006. 2 Sub-rule (1) of Rule 8 substituted vide No.F.3(77)/Fin.(T&E)/2005-06/1528 kha, dated 17.03.2006 w.e.f. 17.03.2006. Earlier read

as :-

"(1) A registered dealer who intends to issue a Declaration in Form 'F' referred to in sub- rule (5) of rule 12 of the Central Rules, for the purpose of section 6A of the Act shall obtain the same from the Commissioner to the extent required by him on payment at the rate of one rupee per Form and such payment shall be made in the form of court-fee stamps:

PROVIDED that no form shall be issued to a dealer until he has rendered complete and satisfactory account of Forms, if any, issued to him on any earlier occasion."

Act, shall obtain the same from the Commissioner to the extent required by him on payment at the rate of one rupee per form and such payment shall be made in the form of court-fee stamps:

PROVIDED that no form shall be issued to a dealer until he has rendered complete and satisfactory account of Forms, if any, issued to him on any earlier occasion:

PROVIDED FURTHER that for the transactions prior to 1st October, 2005, the Commissioner may, subject to such conditions and restrictions as may be imposed, issue declaration forms to an applicant even if he has not rendered complete and satisfactory account of forms, if any, issued to him on any earlier occasion in respect of the period subsequent to 30th September, 2005.]

(2) The provision of sub-rules (2) to (4) of Rule 5 in relation to Declaration Form 'C' referred to therein shall also apply to certificate in Form 'F', with such change, as circumstances required.

(3) Before furnishing the Declaration in Form 'F' he shall fill in all the particulars in the Form and affix his usual signature in the space provided and retain the counterfoil and issue the copies marked "Original" and "Duplicate". The counterfoil of the Declaration Form shall be preserved by him for a period of five years or such further period as may be prescribed by the Commissioner.

(4) Every Declaration Form obtained from the Commissioner by a registered dealer shall be kept by him in safe custody and he shall be personally responsible for the loss, destruction or theft of any such Form or the loss of the Government revenue, if any, resulting directly or indirectly from such loss, destruction or theft.

(5) Every registered dealer to whom any Declaration Form is issued by the Commissioner shall maintain, in a register in Form '5', a true and complete account of every such Forms received from the Commissioner. If any such Form is lost, destroyed or stolen, the dealer shall report the fact to the Commissioner immediately and shall make appropriate entries in the remarks column of the register in Form '5' and take such other steps to issue public notice of the loss, destruction or theft as the Commissioner may direct.

(6) Any unused Declaration Forms remaining in stock with a registered dealer on the cancellation of his Certificate of registration shall be surrendered to the Commissioner.

(7) No registered dealer to whom a Declaration Form has been issued by the Commissioner shall, either directly or through any other person, transfer the same to another person except for the lawful purpose of sub-rule (1).

(8) A Declaration Form in respect of which a report has been received by the Commissioner under sub-rule (5) shall not be valid for the purpose of sub-rule (1).

(9) The Commissioner shall, from time to time, publish in the Official Gazette the particulars of the Declaration Forms in respect of which a report is received under sub-rule (5).

Rule 8 Central Sales Tax (Delhi) Rules, 2005 as on 5th March 2014

(10) The Commissioner, by notification, may declare that Declaration Forms of particular series, design or colour be deemed as obsolete and invalid with effect from such date as may be specified in the notification.

(11) When a notification, declaring Forms of a particular series, design or colour obsolete and invalid, is published under sub-rule (10), all registered dealers shall, on or before the date with effect from which the Forms are so declared obsolete and invalid, surrender to the Commissioner all unused Forms of that series, design or colour which may be in their possession and obtain in exchange such new Forms as may be substituted for the Forms declared obsolete and invalid.

PROVIDED that new Forms shall not be issued to a dealer until he has rendered account of the old Forms lying with him and returned the balance, if any, in his hand to the Commissioner.

(12) Where any dealer issues a Declaration in Form 'F' for the purpose of section 6A of the Act, he shall maintain a Register in Form '6' recording therein the true and correct particulars in respect of the goods covered by the Declaration in Form 'F'. He shall produce this Register for inspection before the Commissioner and shall furnish such other particulars as may be required by him. He will furnish copies of entries of this Register and such other particulars relating to the entries made therein as may be required by the Commissioner.

1[(13) Every registered dealer to whom any declaration form is issued by the Commissioner shall furnish to the Commissioner utilization account in Form '2B' within a period of three months after the end of the quarter to which the declaration relates. In case no declaration form is utilized during any quarter, in that event also the dealer shall furnish to the Commissioner utilization account in Form '2B' stating nil utilisation:

PROVIDED that the utilization account in Form '2B' of the forms relating to the transactions prior to 1st October, 2005 shall be furnished within a period of three months after the end of the quarter in which such declaration forms are issued to him by the Commissioner.]

2[**8A** Notwithstanding anything contained to the contrary in these rules, the Commissioner may require a dealer or class or classes of dealers or all dealers, registered under section 7 of the Act, as may be notified by him by special or general order, to apply and obtain the declaration or certificate Forms prescribed under rule 12 of the Central Rules, electronically through the website of the Department of Trade and Taxes, Delhi, in the manner and subject to the conditions specified in the notification issued by him:

PROVIDED that no fee shall be payable by the dealer/dealers for such Forms downloaded from the website.]

1 Inserted vide No.F.3(77)/Fin.(T&E)/2005-06/1528 kha, dated 17.03.2006 w.e.f. 17.03.2006. 2 Inserted vide notification No.F.3(3)/Fin(Rev-I)/2012-13/DSIII/452, dated 15.06.2012 w.e.f. 15.06.2012.

9 Burden of proof, etc. in case of transfer of goods claimed otherwise than by way of sale and matters incidental thereto

(1) Where any dealer transfers any goods from the National Capital Territory of Delhi to any other State and claims that he is not liable to pay tax under the Act in respect of such goods on any of the grounds mentioned in section 6A of the Act, such dealer (hereinafter referred to in this rule as the "transferor") shall maintain in a Register in Form '7', a true and complete account thereof. He shall produce this Register for inspection before the Commissioner and shall furnish such other particulars as may be required by him. He shall also furnish copies of entries of this Register and such other particulars relating to the entries made therein as may be required by the Commissioner.

1[(2) The transferor shall furnish to the Commissioner within a period of three months after the end of the quarter to which the declaration relates along with the reconciliation return prescribed in rule 4, the portion marked "original" of the declaration in Form 'F' referred to in sub-rule (5) of rule 12 of the Central Rules and shall also produce for inspection the portion marked "duplicate", if so required by the Commissioner: PROVIDED that for the period from 1st April, 2005 to 30th September, 2005 the transferor shall furnish to the Commissioner by 31st December, 2006 along with the reconciliation return prescribed in rule 4, the portion marked "original" of the Declaration Form 'F' received by him and shall also produce for inspection, the portion of the Declaration

Form marked "duplicate", if required to do so by the Commissioner.]

(3) The transferor shall furnish such other particulars and produce such other accounts, documents and evidence, as the Commissioner may consider necessary for his satisfaction about the genuineness of the claim. In case of the transfer of goods made by the transferor to his agent in another state, the Commissioner may require him to produce and supply copies of any or all of the following particulars namely:-

(i) the name and full address of the agent to whom goods were transferred;

(ii) written contract, if any, entered into between him and his agent;

(iii) copies of the bills issued by the agent to the purchaser in other State;

(iv) account rendered by the agent to him from time to time showing the gross amount of the sale, deduction on account of commission by such agent;

(v) ledger extract of the agent maintained for the principal duly signed by such agent; and

(vi)	date and mode of remittance of the amount to him.

1 Sub-rule (2) of Rule 9 substituted vide No.F.3(77)/Fin.(T&E)/2005-06/1528 kha, dated 17.03.2006 w.e.f. 17.03.2006. Earlier read as :-
"(2) The transferor shall furnish to the Commissioner within a period of 9 months from the end of the year alongwith the statement prescribed in rule 4, the portion marked "Original" of the declaration in Form 'F' referred to in sub-rule (5) of Rule 12 of the Central Rules and shall also produce for inspection the portion marked "Duplicate" if so required by the Commissioner."

10 Maintenance, production, inspection, etc. of accounts, entry into premises, etc.

Subject to these Rules and the Central Rules, the provisions of the Delhi Value Added Tax Act, 2004 (Delhi Act 3 of 2005) and the Rules made thereunder shall apply *mutatis mutandis* to the publication of lists of registered dealers, the maintenance, production and inspection of accounts, the entry and search of premises, the furnishing of information relating to the business of a dealer and any other matter specified in sub-section (4) of section 13 of the Act.

1[10A Amendment and Cancellation of Registration Certificate

The application for cancellation of registration can be filed in

Form 10 and application for amendment of the registration can be filed in Form 11. The applications shall be processed in the manner specified under the Delhi Value Added Tax Act, 2004 and rules framed there under.]

11 Offences

A breach of these Rules including any provision of the Delhi Value Added Tax Act, 2004 (Delhi Act 3 of 2005) and the Rules made thereunder, which have been made applicable by Rule 10, shall be punishable with fine which may extend to five hundred rupees and when the offence is a continuing offence, with a daily fine which may extend to fifty rupees for every day during which the offence continues.

12 Declaration for goods sold locally that have been imported into Delhi and already subjected to tax under the Act

A dealer who sells locally goods which were imported by him from places outside the National Capital Territory of Delhi and which at the time of their import into the said territory have already been subjected to a tax under the Act shall, on demand, furnish to the local purchasing dealer a declaration in the following form to enable the latter to claim assessment at concessional rate in respect of the sale of such goods made by him in the course of inter-state trade and commerce to dealers registered under the Act having his/their place of business outside the National Capital Territory of Delhi:-

DECLARATION

Certified that the goods mentioned in Cash Memo/Bill No. …….. dated …… are being sold …….. in the same form and identity in which they were imported and that they have already been subjected to tax under the Central Sales Tax Act, 1956,

in respect of sales in the course of inter-state trade or commerce which resulted in the import of the goods into the National Capital Territory of Delhi.

Signature of the seller

Registration Certificate No.	.....……	Dated ……

1 Inserted vide Notification No.F.3(27)/Fin.(Rev-I)/2013-14/d 15	sVI/292 dt. 5.3.2014 **w.e.f. 5.3.2014** *by Rakesh Garg, FCA*

13	Central Sales Tax (Delhi) Rules, 2005 as on 5th March 2014	Rule 13
	Maintenance of particulars of inter-state sales	

Every registered dealer shall maintain a register in Form '4' in respect of inter-state sales effected by him and shall exhibit therein-full particulars of such sales:

PROVIDED that if the Commissioner is satisfied that the maintenance of any particulars required to be mentioned under the said

Form is unnecessary in relation to any class of registered dealers, he may, for reasons to be recorded in writing, exempt such class of registered dealers from maintaining those particulars.

14 The manner in which the security may be furnished and matters incidental thereto

(1) The security to be furnished by a dealer under sub-section (2A), sub-section (3A) or sub-section (3C) of section 7 of the Act shall be in one of the forms as prescribed in the Table in Rule 23 of Delhi Value Added Tax Rules, 2005, or if so permitted by the Commissioner, partly in one and partly in another of such forms.

(2) Security furnished under sub-rule (1) shall be furnished in the manner described in rule 23 of the Delhi Value Added Tax Rules, 2005.

(3) The Commissioner shall maintain a complete account of the securities deposited, forfeited or refunded, in such form and in such manner, as he may deem fit.

(4) 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 of the Commissioner or of an officer nominated by him in this behalf. The security tendered in any form shall be retained permanently or until the Commissioner orders that there is no further necessity for keeping it.

(5) Where the security furnished by a dealer is forfeited in full or in part, the security shall be encashed and the proceeds thereof deposited in the Consolidated Fund of the NCT of Delhi to the extent of the security being forfeited. Where the security is furnished in the form of a mortgage or personal surety bond or a bank guarantee, and the security is forfeited in full or part, then without prejudice to the provisions of sub-rule (6), the Commissioner shall call upon the dealer first to pay the forfeited amount in cash into the Government Treasury and to furnish to him a copy of the receipted challan within fifteen days of the service of the order on the dealer. In case the forfeited amount is not deposited by the dealer, the Commissioner shall make an application to the Collector to recover the said amount from the dealer or his surety/guarantor as arrears of land revenue. The Commissioner will furnish to the Collector the name and address of the dealer and his surety/guarantor and the amount to be recovered. Thereupon the Collector shall proceed to recover the amount from the dealer or his surety/guarantor according to the law and the Rules for the time being in force in the National Capital Territory of Delhi for the recovery of arrears of land revenue.

(6) Where the security is furnished in the form of mortgage deed or personal surety bond or a bank guarantee, and the sum to the extent of the amount of the security which has been forfeited, is not deposited either by the dealer or by the surety/guarantor within one month from the date of service of the order of forfeiture

served on the dealer, the Commissioner shall require the dealer to furnish fresh security in the forms and manner specified in sub-rules (1) and (2) of this rule, within fifteen days from the date of service of the order upon the dealer in this behalf.

(7) Where by reason of an order under sub-section (3D) of section 7 of the Act, the security furnished by a dealer is rendered insufficient, the dealer shall make up the deficiency in any of the forms referred to in sub-rule (1) within fifteen days from the date the order made under sub-section (3D) of the Act is served on him.

(8) No security deposit shall be repaid or re-transferred to the dealer or otherwise disposed of except in accordance with the terms of the security bond or agreement. While returning or transferring the security to the dealer, when it is no longer required, the dealer shall give an acknowledgement duly signed and witnessed setting forth therein the full particulars of the security returned or transferred to him.

15 Appeal under sub-section (3H) of section 7, authority to whom lies and procedure and other incidental matters

(1) An appeal under sub-section (3H) of section 7 of the Act shall lie to the Special Commissioner, Additional Commissioner, Joint Commissioner, Deputy Commissioner and Assistant Commissioner (hereinafter referred to in this rule as the "appellate authority"):

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

(2) Every appeal shall be preferred in duplicate in the form of a memorandum in Form '8' signed by the dealer or a person duly authorised by him in writing in this behalf (hereinafter referred to as "the agent"). Every appeal shall set forth concisely the grounds of objections to the order appealed against, and state precisely the relief the appellant claims. The appellant shall not, except by the leave, of the appellate authority, urge or be heard in support of any ground of objection not set forth in the memorandum of appeal but the appellate authority in deciding the appeal shall not be confined to the grounds of objection set forth in the appeal:

PROVIDED that the appellate authority shall not rest its decision on any other ground unless the party affected thereby has had a sufficient opportunity of contesting the case on that ground.

(3) The memorandum of appeal shall be accompanied by the order in original against which it is made or a duly authenticated copy thereof, unless the omission to produce such order or copy is explained to the satisfaction of the appellate authority.

(4) The fee payable in respect of an appeal, shall be Rs. 50 in the form of court-fee stamps affixed on the memorandum.

(5) The memorandum of appeal shall either be presented by the appellant or his agent to the appellate authority. The appellate authority shall issue or cause to be issued an acknowledgement of the appeal received to the person who has filed the

appeal, specifying the date of personal hearing/date of complying with the provision of sub-rule 6.

(6) If the memorandum of appeal does not conform to the provisions of sub-section (3-H) of section 7 of the Act, or of this rule or if the appeal is against an order made under section 6A or section 9 of the Act and the amount of tax, interest or penalty assessed that is not in dispute has not been paid, it may be summarily rejected by the appellate authority.

PROVIDED that no appeal shall be summarily rejected unless the appellant is given a reasonable opportunity of complying with the provisions of this rule.

(7) If the appellate authority does not summarily reject the appeal under sub-rule (6), it shall fix a date and place for hearing of the appeal and shall give notice of the same to the appellant and to the authority against whose order the appeal is preferred.

(8) The following shall have the right to be heard at the hearing of the appeal:-

(a) the appellant, either in person or by the agent; and

(b) the authority against whose order the appeal is preferred, either in person or by a representative.

(9) The appellate authority shall have the power to adjourn the hearing of the appeal from time to time.

(10) If on the date fixed for hearing or on any other date to which the hearing may be adjourned, the appellant does not appear before the appellate authority either in person or through his agent, the appellate authority may dismiss the appeal or decide it ex-parte, as it may think fit.

(11) Before an appellate authority passes an order in appeal, which is likely to affect any person other than the appellant adversely, it shall give such person also a reasonable opportunity of being heard.

(12) The order of the appellate authority shall be in writing. A copy of the order shall be supplied free of cost to the appellant and to the person adversely affected thereby, if any. Another copy shall be sent to the authority whose order forms the subject of the appeal.

(13) If an appeal is summarily rejected under sub-rule (6) or decided ex parte under sub-rule (10) and the appellant or the person adversely affected thereby makes an application to the appellate authority, within thirty days of the summary rejection or the ex parte decision, as the case may be, for setting aside the order and satisfies it that the notice under proviso to sub-rule (6), or, as the case may be, intimation of the date of hearing was not duly served on him or he was prevented by sufficient cause from compliance with the provisions of sub-section (3-H) of section 7 of the Act, or of this rule, or as the case may be, from appearing when the appeal was called on for hearing, the appellate authority shall make an order setting aside the summary rejection or, as the case may be, the ex parte decision, and shall restore the appeal to its file.

Rule 16 Central Sales Tax (Delhi) Rules, 2005 as on 5th March 2014

16 Repeal and savings

(1) The Central Sales Tax (Delhi) Rules, 1957 as in force in the National Capital Territory of Delhi are hereby repealed with effect from the date of commencement of these rules.

(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.