

**DEPARTMENT OF TRADE AND TAXES,
GOVT. OF NCT OF DELHI, LAW & JUDICIAL BRANCH
VYAPAR BHAWAN, IP ESTATE, NEW DELHI**

F No.7(3)/L&J/Circular/2016/270-274

Dated : 11.03.2016

CIRCULAR

**Sub : Guide lines for officials/officers of Trade & Taxes Department during
conduct of survey/inspection.**

Recently the Hon'ble High Court of Delhi while delivering the judgment in the matter of M/s Gullu's in Writ Petition No. 1566/2016 and M/s Capri Bathaid Pvt. Ltd., in WPC No. 8913/2014, has taken a very serious view on the issue that while the department officials/officers visit the premises of a dealer for conducting survey or inspection, in some cases, the departmental officials/officers accepted cheques as surety against due tax from the dealers. This has been found to be not in conformity with the mode of collection of VAT receipts by the department.

Manner of payment of tax, interest and penalties have been specified in Section 36 of DVAT Act 2004 and Rule 31 of DVAT Rules 2005. All dues are to be paid in appropriate Government Treasury as defined under Rule 4(b) of the DVAT Rules.

Presently, a total of 27 banks stand notified for the purpose of collection of Tax, Facility of e-payment mode exists in all the authorised banks. Besides, two banks viz., State Bank of India and H.D.F.C Bank have also been authorised to accept payment through OTC (Over the Counter). In this mode also, challan is to be got printed from the department's website.

Therefore, all the VAT Authorities are directed to comply with the above and shall collect tax only through e-payment mode i.e via internet banking or physical off line payment mode (payment through cash/cheque after printing the challan from the departments website). Further all VAT Authorities are directed to exercise powers and jurisdiction in accordance with the provision of the DVAT Act 2004 after seeking due approval wherever necessary.

Non-compliance of the above instructions shall be viewed seriously and will invite initiation of disciplinary proceedings.

This issues with the approval of Commissioner (VAT).

(P. R. Meena)
Spl. Commissioner (L&J)