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GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI  
( LAW, JUSTICE & LEGISLATIVE AFFAIRS DEPARTMENT )  
5, SHAM NATH MARG, DELHI-110054

Dated: 19-2-2001

N O T I F I C A T I O N

No. F.14(31)/LA-2000/ : The following Act of the Legislative Assembly of Delhi received the assent of the President of India on the 14th day of February, 2001 and is hereby published for general information:-

THE DELHI SALES TAX (SECOND AMENDMENT) ACT, 2000  
( Delhi Act No.1 of 2001 )

( As passed by the Legislative Assembly of the National Capital Territory of Delhi on the 27th day of November, 2000 )

AN  
ACT

further to amend the Delhi Sales Tax Act, 1975

BE it enacted by the Legislative Assembly of the National Capital Territory of Delhi in the Fifty-first Year of the Republic of India as follows:-

Short title, extent  
and commencement

1. (1) This Act may be called the Delhi Sales Tax ( Second Amendment ) Act, 2000.
- (2) It extends to the whole of the National Capital Territory of Delhi.
- (3) Except for the provisions of section 2 and section 7, which shall be deemed to have come into force with effect from the 8<sup>th</sup> day of April, 1994 and the provisions of sections 5 and 6 which shall be deemed to have come into force with effect from the 9<sup>th</sup> day of August, 2000, the remaining provisions of this Act shall come into force with effect from the date of the publication of this Act in the official Gazette.

Amendment of  
section 3

2. In the Delhi Sales Tax Act, 1975 (43 of 1975) (hereinafter referred to as "the principal Act"), in section-3, in sub-section (7), for clauses (b), (c) and the proviso thereunder, the following shall be substituted, namely:-

"(b) in relation to any dealer who manufactures goods for sale regardless of the value of goods manufactured - Rs 1,00,000.

( c ) in relation to any other dealer - Rs.2,50,000:

Provided that if the Lt. Governor is of the opinion that having regard to the difficulty in maintaining accounts or for any other sufficient cause, the taxable quantum in respect of any class of dealers falling under clause(b) or clause ( c ) should be increased, the Lt. Governor may, by notification, in the official Gazette, fix in respect of such class of dealers, such taxable quantum not exceeding Rs. 5,00,000 for clause(b) and Rs.10,00,000 for clause ( c ) as may be specified in the notification.



Explanation.- for the purpose of computation of taxable quantum under sub-section (7), the turnover of sales effected by a dealer shall be taken into account irrespective of whether such sales are taxable under this Act or not."

**Validation of assessments, etc.**

All things done, and all steps taken, before the commencement of this Act, for registration, assessment, reassessment, levy or collection of any tax made or purporting to have been made, any action or thing taken or done in relation to such registration, assessment, reassessment, levy or collection under the provisions of the principal Act in respect of any assessment year on or after the 8<sup>th</sup> day of April, 1994 shall be deemed to have been done or taken under these provisions as if such provisions were in force at the time such things were done or such steps were taken.

**Amendment of section 4**

3. In the principal Act, in section 4, in sub-section (2), in clause (a), for the second proviso, the following proviso, shall be substituted, namely:-

" Provided further that no deduction in respect of any sale referred to in sub-clause (v) shall be allowed unless a true declaration duly filled and signed by the registered dealer to whom the goods are sold and containing the prescribed particulars in the prescribed form obtainable from the prescribed authority in the manner and subject to such condition as may be prescribed is furnished in the prescribed manner and within the prescribed time, by the dealer who sells the goods:".

**Amendment of section 5**

4. In the principal Act, in section 5, for the first proviso, the following proviso shall be substituted, namely:-

" Provided that no such exemption shall be allowed unless a true declaration duly filled and signed by the registered dealer by whom the goods are sold and containing the prescribed particulars in the prescribed form obtainable from the prescribed authority in the manner and subject to such conditions as may be prescribed is furnished in the prescribed manner and within the prescribed time, by the dealer who purchases the goods;".

**Amendment of section 23**

5. In the principal Act, in section 23, for sub-section (7) and the proviso thereunder, the following shall be substituted, namely:-

"(7) No assessments under the provisions of sub-sections (1) to (5) shall be made after the expiry of two years, and



no assessment under the provisions of sub-section (6) shall be made after the expiry of six years from the end of the year in respect of which or part of which the tax is assessable:

PROVIDED that for the assessments of the years 1997-98, no assessments under the provisions of sub-sections (1) to (5) shall be made after the expiry of two and a half years.

PROVIDED further that where such assessment is made in consequence of, or to give effect to, any order of an appellate or revisional authority or of a court, the period of two years or six years, as the case may be, shall be reckoned from the date of such order and further that the provisions of sub-section (1) of section 24 regarding time limit for service of notice shall not apply for assessment made under this proviso.

EXPLANATION.- For the assessment made in consequence of, or to give effect to, any order of an appellate or revisional authority or of a court, the revised limitation period shall be applicable for the order of the appellate or revisional authority or of the court, made after the commencement of the Delhi Sales Tax (Second Amendment) Act, 2000”.

**Amendment of  
section 24**

6. In the principal Act, in section 24, in sub-section (2), for clause (a), the following clause shall be substituted, namely:-

“(a) the expiry of six years or, as the case may be, four years, from the date of final order of assessment; as specified in sub section (1); or.”

**Amendment of  
section 39**

7. In the principal Act, in section 39, for the words “ten rupees” wherever they occur, the words “one hundred rupees” shall be substituted.

**Validation of  
assessments, etc.**

All things done, and all steps taken, before the commencement of this Act, for registration, assessment, reassessment, levy or collection of any tax made or purporting to have been made, any action or thing taken or done in relation to such registration, assessment, reassessment, levy or collection under the provisions

of the principal Act in respect of any assessment year on or after the 8<sup>th</sup> day of April, 1994 shall be deemed to have been done or taken under these provisions as if such provisions were in force at the time such things were done or such steps were taken.

**Amendment of  
section 41**

8. In the principal Act, in section 41, -
- (1) in sub-section (1), after the words "require any dealer ", the following words shall be inserted, namely:-  
"or any other person" ;
  - (2) in sub-section (2), in clause (b) , after the words "in any place of business or warehouse of any dealer", the following words shall be inserted, namely:-  
"or at any other place for and on behalf of a dealer ";
  - (3) in sub-section (3), in clause (c) -
    - (a) in the main clause, after the words "may be suppressed" the following words shall be inserted, namely:-  
"or any goods have not been or may not be accounted for in the books of accounts, registers or other documents required to be maintained under this Act ";
    - (b) in item (i), after the words "books of accounts and other documents ", the following words shall be inserted, namely:-  
" or the goods";
    - (c) in item (iii), after the words "any inventory of goods", the following words shall be inserted, namely:-  
"or any goods ";
    - (d) in item (v), after the words "as a result of such search", the following words shall be inserted, namely:-  
" or place marks of identification on such goods ";
    - (e) in clause (vi), after the words "when called upon to do so", the following words shall be inserted, namely:-  
" or causes or attempts to cause obstruction to the Commissioner or the authorised officer in the discharge of his duties under this section";
  - (4) in sub-section (5)-
    - (a) after the words "other documents", the following words shall be inserted, namely:-  
"or any goods ";



(b) in the first proviso, after the words "or other documents", the following words shall be inserted, namely:-  
"or the goods";

(5) after sub-section (5), the following sub-section shall be inserted, namely:-

"(5A) Where it is not feasible to seize the accounts or other documents or the goods under sub-section (3), the Commissioner or the authorised officer, may serve on the owner or the person who is in immediate possession or control thereof, an order that he shall not remove or part with or otherwise deal with them except with the previous permission of the Commissioner or such officer.";

(6) In sub-section (7), after the words "under this section shall", the following words shall be inserted, namely:-  
"as far as possible";

(7) after sub-section (8), the following sub-sections shall be inserted, namely:-

"( 9) If any person, who transports or holds in custody for delivery to or on behalf of any dealer any goods, on being required by the Commissioner under sub-clause (i) of clause (b) of sub-section (8) of this section so to do, fails to give the information likely to be in his possession in respect of such goods or fails to permit inspection thereof, as the case may be, the Commissioner may pass an order of detention or seizure of goods in his custody or possession in respect of which the default is committed.

(10) The order of detention or seizure passed under sub-section (9) of this section shall remain in force so long as the person concerned does not furnish information required under sub-clause (i) of clause (b) of sub-section (8) or make proper arrangement for inspection of the goods under the said sub-section.

(11) If any person, who transports or holds in custody for delivery to or on behalf of any dealer any goods, on being required by the Commissioner under sub-clause (i) of clause (b) of sub-section (8) of this section so to do, fails to give any information likely to be in his possession in respect of such goods or fails to permit inspection thereof, as the case may be, without

prejudice to any other action which may be taken against such person, a presumption may be raised that the goods in respect of which he has failed to furnish information or permit inspection, were meant for sale by him and he is a dealer liable to pay tax under this Act and the provisions of this Act shall apply accordingly.

- (12) If any person commits default under clause (a) or sub-clause (ii) of clause (b) of sub-section (8) of this section, the Commissioner may, without prejudice to any other action which may be taken against such person under any other provision of this Act, direct, after giving an opportunity of being heard to such person, that such person shall pay by way of penalty a sum not exceeding fifty thousand rupees.
- (13) If the Commissioner is satisfied that any person on being required by him so to do, has failed to furnish the information in respect of the goods in his custody for delivery to or on behalf of any dealer or to permit inspection thereof under sub-clause (i) of clause (b) of sub-section (8) of this section, the Commissioner may, by order in writing and after giving opportunity of being heard to such person, impose by way of penalty a sum not exceeding three and a half times the amount of tax leviable under this Act on the goods in respect of which the default was committed.
- (14) Where an order of detention or seizure of goods is made under the provisions of this section, the Commissioner or the officer so authorised in this behalf may release the goods on such person exercising the option of paying by way of penalty such sum as may be directed, not exceeding three and a half times the amount of tax leviable on such goods under this Act.
- (15) Where any premises including the office, shop, godown, box, locker, safe, almirah or other receptacle have been sealed under sub-section (3) of this section, the Commissioner, on an application made by the owner or the person in occupation or in charge of such shop, godown, box, locker, safe, almirah or other receptacle, may order descaling thereof on such terms and conditions including furnishing of security for



such sum in such form and manners as may be directed.

- (16) Where an order of detention or seizure of goods is made under this section and no claim is lodged by any person with respect to such goods within a period of three months from the date of such order, the Commissioner may, by order in writing, direct the auction of such goods:

Provided that if the goods, in respect of which an order of detention or seizure is made, are of a perishable nature or subject to speedy and natural decay or when the expenses of keeping them in custody are likely to exceed their value, the same may be ordered to be auctioned as soon as it is practicable soon after an order of detention or seizure of such goods is made; and the amount so realised by the auction of goods shall be remitted in the Government Treasury immediately.

- (17) Where an order imposing penalty is passed under sub-section (13) or an option of paying penalty is exercised under sub-section (14) of this section and the person liable fails to pay the penalty within the prescribed period, the goods detained or seized may be sold by public auction and the sale proceeds deposited in Government Treasury.

- (18) Auction of goods to be made under sub-section (16) or sub-section (17) of this section shall be carried out in the manner prescribed for disposal of goods under sub-section (6) of section 64 of this Act.

- (19) Any person entitled to the sale proceeds of goods auctioned under the provisions of this section shall, on application made to the Commissioner and upon sufficient proof, be paid the sale proceeds of the goods auctioned, after deducting the expenses of the sale and other incidental charges and the amount of sales tax and penalty leviable under this Act.

- (20) No action shall lie for damages or for any other claim by any person against the Commissioner or any other officer authorised in this behalf for anything done in good faith in discharge of their duties under this section."

**Insertion of  
section 41A**

9. In the principal Act, after section 41, the following section shall be inserted, namely:-

“41A. Furnishing of information by owners of cold stores, warehouses, godowns, etc.- (1) Notwithstanding anything to the contrary contained in any law for the time being in force every owner or lessee of a cold store, warehouse, godown or any such place, who stores goods for hire or reward shall maintain or cause to be maintained a correct and complete account indicating the full particulars of the person whose goods are stored and the quantity, value, date of delivery of such goods.

(2) Such accounts shall, on demand, be produced before the Commissioner or any officer authorised in this behalf who may take or cause to be taken such extracts therefrom or require such extracts to be furnished as he may consider necessary.

(3) If any owner or lessee of a cold store, warehouse, godown or any other such place, who stores goods for hire or reward, contravenes any of the provisions of sub-section (1) or sub-section (2) in a manner likely to lead to evasion of any tax payable under this Act, the Commissioner may, without prejudice to any other action which may be taken against such owner or lessee under any other provision of this Act, direct, after giving an opportunity of being heard, that such owner or lessee shall pay by way of penalty a sum not exceeding three and a half times the tax, leviable on the goods in respect of which default is committed under sub-section (1) or sub-section (2).”.

**Amendment of  
Section 50**

10. In the principal Act, in section 50, in sub-section (1), in clause (1), after the words and figures “under section 41” the following shall be inserted, namely:-  
“or section 41A”.

**Amendment of  
section 64**

11. In the principal Act, in section 64, for sub-section (5), the following sub-sections shall be substituted, namely:-

“(5) If on an examination of the contents in a goods vehicle or the inspection of records relating to the goods carried, any officer empowered by the Lieutenant Governor in this behalf has reason to believe that the owner or person in charge of such goods vehicle is not carrying the documents as required by sub-section (2) or is not carrying proper and genuine documents or is



attempting to evade payment of the tax due under this Act, he may, for reasons to be recorded in writing and after hearing the owner or person in charge of the goods vehicle, detain the goods or impound the goods vehicle along with the goods and documents relating to the goods and the goods vehicle:

Provided that the goods vehicle, the goods or the documents so impounded or detained may be allowed to be released in case the owner or his agent or the person in charge of the goods vehicle requests for time to adduce further evidence in respect of goods ordered to be detained or impounded subject to furnishing of security to the satisfaction of such officer in such form and in such manner as may be prescribed for an amount equal to three and a half times the amount of tax payable, if such goods were sold in Delhi:

Provided further that where the owner or his agent or person in charge of the goods vehicle exercises the option of paying by way of penalty a sum equal to three and a half times the tax, which in the opinion of the officer so empowered, would be leviable on such goods, if such goods were sold in Delhi, the officer empowered in this behalf instead of detaining or impounding the goods or the goods vehicle or the documents relating to the goods and the goods vehicles shall release the same.

- (5A) Where the goods are being carried without the documents or without proper and genuine documents or without being properly accounted for in the documents referred to in sub-section (2) of this section, the Commissioner or the officer so empowered by the Lieutenant Governor in this behalf, may levy a penalty not exceeding three and a half times the amount of tax payable on such goods after giving reasonable opportunity of being heard to the person likely to be effected, against the proposed penalty.
- (5B) An officer empowered by the Lieutenant Governor in this behalf to act under sub-section (5), may, in his discretion, permit the owner or person in charge of goods vehicle to take the goods detained under sub-

section (5) subject to an undertaking given by the owner or person in charge of goods vehicle-

(i) that the goods shall be kept in the office, godown or other place within Delhi, belonging to the owner of the goods vehicle and in the custody of such owner;

(ii) that the goods shall not be delivered to the consignee, consignee or any other person without the orders in writing of the said officer, and for this purpose the person in charge of the goods vehicle shall furnish an authorization from the owner of the goods vehicle authorizing him to give such undertaking on his behalf."

Amendment of  
section 71

12. In the principal Act, in section 71, in sub-section (2), for clause (b), the following clause shall be substituted, namely:-

"(b) the particulars to be contained in a declaration under sub-clause (v) of clause (a) of sub-section (2) of section 4, or under section 5, as the case may be, the form of such declaration, the authority from whom and the manner and conditions subject to which such forms shall be obtainable and the manner in which and the time within which such declaration is to be furnished ;"

Repeal and  
Savings.

13. The Delhi Sales Tax (Second Amendment) Ordinance, 2000 (Ordinance No.2 of 2000) is hereby repealed:



Provided that as respects things done, proposed to be done before such repeal and every assessment, reassessment, levy or collection of any tax, under the provisions of the principal Act, in so far as they are not inconsistent with the provisions of this Act, shall have the same force and effect as if they had been respectively done or granted under this Act and by the authority empowered in that behalf.

( S. R. MAHESHWARI )  
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