

3. Registration under DVAT Act

3.1 Compulsory, if: -

- Your turnover in the current year exceeds Rs. 10 lakhs (manufacturer, traders, works contractor, hire-purchase business etc.) ; or
- You make any interstate sale; or
- You make interstate purchases for resale in Delhi
- You can also apply voluntarily for registration even if your turnover is below Rs. 10 lakhs.
- A single registration is enough for having more than one place of business in Delhi.

3.2 How to Register?

- Apply in Form DVAT 04 for registration under DVAT Act with the prescribed fee of Rs. 500/- and a security of Rs. 1 lakh. Fee is payable in the form of court fee stamps. If registration under Central Sales Tax is also required, apply in Form “A” also, with the fee of Rs.25/- in the form of court fee stamps.
- The security amount can be reduced by a maximum of Rs. 50,000/- if you can provide certain documents alongwith DVAT 04. The security amount is reduced to the extent of amount mentioned against each head allowed for various documents is as follows:-
- Copy of last paid electricity bill(the bill should be in the name of the business and for the address specified as the main place of business in the registration form) Rs. 10,000/-.
- Copy of last paid telephone bill(the bill should be in the name of the business and for the address specified as the main place of business in the registration form) Rs. 5000/-
- Income Tax PAN, Rs. 10,000/-
- Proof of ownership of principal place of business namely sale deed/gift deed/partition deed duly registered with the office of Sub-registrar concerned - Rs. 30,000/-
- Proof of ownership of residential property by proprietor/managing partners namely sale deed/gift deed/partition deed duly registered with the office of Sub-registrar concerned - Rs. 20,000/- and
- A notarized copy of the passport of proprietor/managing partner or managing director-Rs. 10,000/-.
- Remaining security may be in form of cash (to be deposited in notified bank), FDR, Bank Guarantee, Post Office cash certificates, bonds, debentures, dealers surety or mortgage of immovable property.

- You are automatically registered within 15 days of submitting DVAT 04 and a Tax payer Identification Number (TIN) will be issued, to you. This TIN will be common for both DVAT as well as CST Act.
- If any discrepancy is found in your application or documents submitted along with it, a show cause notice in the form of DVAT-05 is issued within 15 days and reply of the same has to be submitted within 15 days of issue of such notice.
- If you fail to reply to the said notice or the reply is found not to be satisfactory, your application may be rejected and the same will be communicated to you in the form of Rejection Order.

3.3 Rights and Duties of a Registered Dealer

- To collect tax through a proper invoice and pay to us:
- To claim input tax credit;
- To file periodic returns; and
- To prepare and maintain proper records and books of accounts.