

**GOVERNMENT OF NCT OF DELHI
DEPARTMENT OF TRADE AND TAXES
VYAPAR BHAWAN; I.P. ESTATE; NEW DELHI**

PUBLIC NOTICE

(Attention: General Public, Companies, Group Housing Societies, Builders, Contractors, Developers, Collaborators, etc.)

1. All Contractors/ Builders/ Developers/ Collaborators, etc. (**in short contractor**) engaged in development / construction of immovable properties in Delhi are required to seek registration and pay VAT under Delhi Value Added Tax (**DVAT**) Act, 2004, in case their turnover during a financial year exceeds 10 Lakhs.
2. It has been noticed that the owners of properties are engaging contractors for construction works against a lumpsum value or through collaboration / development agreement in which the contractor gets the ownership of some part of the built up structure instead of cash payment. There may be separate contracts for electrification, plumbing, interior decoration etc.
3. In all above cases, the contractor who supplies material and uses its skill/labour to carry out the works, is normally liable to pay VAT. The owner is **not liable** to pay VAT unless he sells the building or a portion of it to prospective buyers before completion and thus becomes deemed contractor for such buyers.
4. The Department of Trade & Taxes, Government of NCT of Delhi is issuing notices to owners requesting them to provide names of contractors and details of payments made to them in order to assess VAT liability.
5. The owners are, therefore, requested to provide the information regarding details of contractors and amount paid/payable to them, immediately after commencement of any construction / repair / modification etc. undertaken by them. In cases where department has issued notices but the owner has not furnished the information so far, the same may be now provided by 10th February 2013. In case of non-submission of information by the owners, and especially in cases where property is not under self-use, it may be presumed that the owner is himself a contractor for the buyers of the property and thus would become liable for VAT payment.
6. The contractors falling under the above categories but not registered with the Department so far are also requested to immediately get registered with the Department in order to avoid penalty and other coercive action under the DVAT Act and Rules.

Sd/-
(V.K. Tripathi)
Joint Commissioner (Special Zone)
Department of Trade & Taxes