

From

Excise and Taxation Commissioner,
Haryana.

To

1. All the Joint Excise and Taxation Commissioners (R),
 2. All the Dy. Excise and Taxation Commissioners (ST),
- in the State of Haryana.

Memo No. /
Chandigarh, dated the

Subject: Revision of threshold limit for compulsory use of declaration
in Form ST 38/VAT -D3.

You are aware that use of declaration in Form ST 38 / VAT-D3 is compulsory in case the value of goods carried in one single transaction exceeds Rs 10,000. It has been decided with the approval of the State Government to revise this limit to Rs. 25,000. Accordingly, para 1.3 of the instructions circulated vide No. 16 to 37 (SPL)/PA/DETC, FBD(E) dated 30.6.2000 has been amended as per the enclosed order dated 27.10.2005 with effect from 1.11.2005.

2. You are requested to bring this amendment to the notice of all the officials of the department working under you and give it wide publicity for the information of dealers for compliance by all concerned.

(R.K.Sharma)
Dy. Excise and Taxation Commissioner (C)
For Excise and Taxation Commissioner,
Haryana Chandigarh.

Endst.No. /Chandigarh, dated the

A copy of the above is forwarded to –

- (1) All the Joint Excise and Taxation Commissioner (Appeals), Deputy Excise and Taxation Commissioners (X) & (I) in the state of Haryana;
- (2) All the officers in the head office

for information.

(R.K.Sharma)
Dy. Excise and Taxation Commissioner (C)
For Excise and Taxation Commissioner,
Haryana Chandigarh.

ORDER

Whereas it has been decided with approval of the State Government to increase the threshold limit for compulsory use of declaration in Form ST-38/VAT-D3 to accompany any movement of goods for the purpose of trade valued in one single transaction from the existing limit of ten thousand rupees to twenty-five thousand rupees;

Now therefore, I, Rajan Gupta, IAS, Excise and Taxation Commissioner, Haryana in exercise of powers conferred upon me under rule 56 (1) and (4) of the Haryana Value Added Tax Rules, 2003, and all other powers enabling me in this behalf, hereby, order that the following amendment shall be carried out in the instructions circulated vide memo No. 16 to 37 (SPL)/PA (DETC, FBD(E) dated 30.6.2000 (hereinafter referred to as 'the Instructions') with effect from 1st day of November, 2005, namely, ?

AMENDMENT

In para 1.3 of the Instructions, the opening sentence reading as follows –

“The use of transit challan by a registered dealer for carrying goods for the purpose of trade in the State of Haryana will be compulsory with effect from 15.7.2000 in case value of the goods carried in single transaction exceeds ten thousand rupees.”,

shall be substituted by the following sentence –

“The use of transit challan by a registered dealer for carrying goods for the purpose of trade in the State of Haryana will be compulsory with effect from 15.7.2000 in case value of the goods carried in single transaction exceeds ten thousand rupees and with effect from 1.11.2005 in case value of the goods carried in single transaction exceeds twenty-five thousand rupees.”.

2. This order shall be uploaded on the official website www.haryanatax.com.

Chandigarh, dated the

RAJAN GUPTA
EXCISE AND TAXATION COMMISSIONER
HARYANA, CHANDIGARH.

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Instructions for issue and use of transit challans

General

Authority for issuing instructions, objective and responsibility for implementation

Rule 43 of the Haryana General Sales Tax Rules, 1975 provides for formulation of instructions relating to issue of challan forms to registered dealers, their use, return of used challans, surrender of unused challans and maintenance of record relating thereto. These instructions framed under the said rule will cover these and other related aspects, and shall be binding on officers and staff posted in the department, dealers and challan issuing agencies.

2. It may be noted that the instructions are meant to make the introduction of challans for carrying goods in the State of Haryana for the purpose of trade, successful. The whole exercise of introducing challans is meant to check evasion of tax. While this purpose must be achieved, it should be seen that no harassment is caused to the dealers. Any problem arising in the implementation of the scheme should be speedily attended to and sincere efforts should be made to remove all genuine difficulties. An attempt has been made to make the instructions exhaustive still if some point arises on which the instructions are silent or need further clarification or revision, the matter should be brought to the notice of Prohibition, Excise & Taxation Commissioner, Haryana immediately. It shall be the personal responsibility of Deputy Excise & Taxation Commissioners holding charge of the districts on the taxation side to see that the scheme is successfully implemented.

Definitions

In these instructions unless the context requires otherwise -

- (1) "Assessing authority" with reference to a dealer means the assessing authority on whose pendency-cum-institution register the dealer's case is listed;
- (2) "Challan" means a transit challan;
- (3) "Challan inward" means a transit challan used or required to be used by a registered dealer for documenting movement of goods intended to end in delivery of goods to him;
- (4) "Challan outward" means a transit challan used or required to be used by a registered dealer for documenting movement of goods originating from him;

- (5) “DETC” means the DETC responsible for administration of the Haryana General Sales Tax Act, 1973 and the Central Sales Tax Act, 1956 in the district of its posting;
- (6) “Holder” means a dealer or a person representing the dealer who duly obtains a pass book from the assessing authority;
- (7) “Pass book” means a security printed document issued to a registered dealer by the assessing authority entitling the dealer to obtain challan forms;
- (8) “PETC” means the Prohibition, Excise & Taxation Commissioner, Haryana, Chandigarh;
- (9) “Registered dealer” means a dealer registered in the State of Haryana under the Haryana General Sales Tax Act, 1973 or the Central Sales Tax Act, 1956;
- (10) “Transit challan” means a security printed document, issued or meant to be issued to a registered dealer, used or required to be used for documenting the movement of goods originating from or terminating to a place located in the State of Haryana;
- (11) other words and expressions used herein, if defined in section 2 of the Haryana General Sales Tax Act, 1973 or rule 2 of the Haryana General Sales Tax Rules, 1975, shall have the same meaning as defined in the said Act or Rules.

Introduction

The use of transit challan by a registered dealer for carrying goods for the purpose of trade in the State of Haryana will be compulsory with effect from 15.7.2000 in case value of the goods carried in single transaction exceeds ten thousand rupees. The movement of goods within the limits of a land-revenue district if the same is accompanied by a cash memorandum or a bill of sale or a delivery note, as the case may be, shall, however, be exempt from the requirement of carrying the challan. However this exemption shall not apply to-

- (a) the movement of metal utensils and wood & timber;
- (b) the movement of goods to and from a transport company, railway station, railway out agency or booking agency.

The law is that carrying goods without a valid challan shall raise the presumption of attempt at tax evasion attracting penal action under section 37(6) of the Haryana

General Sales Tax Act, 1973, so all registered dealers should strictly adhere to the requirement of carrying challan with the movement of goods.

2. There will be separate challans for *inward* movement (import) and *outward* movement of goods. A copy of the **rules** relating to the challans is annexed to these instructions which may be carefully gone through.

3. The scheme of challans broadly is that the challan forms will be security printed; these will be issued to a registered dealer against payment through the challan issuing agencies on presentation of pass book (an identification-cum-challan forms account book issued to the dealer by the assessing authority), used challans will be returned back along with the sales tax returns filed by the dealer and unused challans, if declared obsolete or becoming so after expiry of their validity period or on closure of business, will be surrendered.

Challan Issuing agencies

In addition to the offices of the department, all stamp vendors holding licenses under the Indian Stamp Act, 1899 and trade and industry organisations comprising at least 25 members who are registered dealers and the organisation is a registered Co-operative Society, are authorised to issue challans to the dealers on payment of price of the challans at the rate fixed by the Government from time to time. A stamp vendor or a trade and industry organisation, qualifying to issue challans, will obtain challans, according to its requirement for a period of one month, from the office of DETC of the district on payment of price of the challans, for distribution among the registered dealers. The agency will get commission for selling challans which, at present, has been fixed @3% of the price of challans.

Pass book

General

Pass books, printed under the authority of Government of Haryana, have been introduced to regulate the issue of challans. Each pass book is serially machine numbered and also bear a printed validation number which is unique. The pass book has been designed to serve the purpose of (i) an identification card, (ii) a stock book and (iii) a regulator for the issue of blank challans and return of used ones. It has a provision that enables the holder (the person - dealer or his authorised representative -

who obtains the pass book from the assessing authority) to further authorise five persons to obtain challans from an issuing agency on behalf of the dealer. It is, thus, an important document. It would, therefore, be in the interest of the dealer to obtain the pass book himself or through a trusted person lest it be misused. The assessing authority should also exercise due care in its issue. The dealer be also advised to keep it in safe custody lest it falls into wrong hands and be misused. A sample of the pass book is attached. This may be carefully gone through.

2. The pass book is in three parts. The first part comprising pages (i) to (iii) contains basic information relating to the dealer, the person whom the pass book is issued, the assessing authority who issues the pass book, the persons authorised to get challans on behalf of the dealer and the maximum limit of number of inward and outward challans that can be issued to the dealer. The second and third part each comprises 24 pages. The second part is meant for making entries relating to issue and return of inward challans and the third part for making entries relating to issue and return of outward challans. The columns in these parts are: Date of issue/receipt, Quantity issued, Quantity received back, Balance, Signature of the dealer, Signature and stamp of the issuer/person receiving the challans back.

3. The pass book authorises the holder to obtain challan forms from the issuing agency according to his requirement within the maximum limit specified therein after adjusting the number of blank challans lying with him. The holder can further authorise upto five persons to obtain challan forms on behalf of the dealer. He can do so by making the person to be authorised put his signature on page (ii) of the pass book at the appropriate place and then attesting the same by putting his own signature which must tally with his signature appearing at item (iv) on page (i) of the pass book subscribed at the time of obtaining the pass book. He can also de-authorise an authorised person by striking out the entry relating to him and putting his signature with date beside the entry. The authorised persons have to be those who can act as an authorised agent within the meaning of section 57 of the Haryana General Sales Tax Act, 1973. The dealer shall attach a self-attested photocopy of page (ii) of the pass book with the sales tax returns of the quarter during which a change is made on the page.

Supply, issue, stock and maintenance of record

Supply of pass books to districts

The pass books shall be supplied, on instructions of PETC, to the district offices direct from the printing press or from the stores. The record of stock and issue of pass books to the districts shall be kept by the official concerned in the State Stock & Issue Register of Pass booksⁱ. On receipt of such supply, DETC shall make adequate arrangement for storage of pass books under lock and key in the charge of office Nazir. The number of pass books initially supplied shall be roughly equal to the number of registered dealers in the district plus some stock for supply to new registered dealers and for replacement etc. After the initial distribution among the registered dealers, stock between 10% to 20% of the number of live registered dealers should always be maintained in the district. The Nazir shall maintain record of stock and issue of pass books to the assessing authorities at the district level in the District Stock & Issue Register of Pass booksⁱⁱ.

Supply of pass books to assessing authorities

The pass books will be distributed, by order of DETC, among the assessing authorities in the district for issuing them to the registered dealers. Before delivery to the assessing authorities, each pass book shall be affixed with the stamp of name of the district on the front outer cover of the pass book. This stamp will not be used for any other purpose and will be kept in safe custody. A specimen impression of the stamp will be made available to each issuing agency in the district for record. The agency can in case of a doubt compare the stamp of district on page (ii) of the pass book produced before it for obtaining challan forms with the specimen to find out whether the same is genuine. In case of dispute he may refer the case to DETC. The issuing agency in a district shall issue challans to the dealers of that district alone. For this purpose Faridabad, east & west and Gurgaon, east & west will be considered as one district each.

Issue of pass books to dealers

Dealer holding registration certificate

The pass book shall, on demand, be made available to each registered dealer on payment of such price as the Government may fix from time to time keeping in view the cost of printing of the pass book. A proprietor of a concern, partner of a firm, director of a limited company, president of a co-operative society or Karta of a HUF or a special power of attorney holderⁱⁱⁱ who could be manager, employee, relative, advocate, I.T.P. or accountant can approach the assessing authority at any time for the issue of a pass book. The authorisation shall be securely placed in registration certificate part of the dealer's record. The dealer may withdraw the authorisation by informing the assessing authority in writing along with surrendering the pass book to it. If the authorisation is valid for a limited period, such period or date shall be clearly mentioned in red ink across page (ii) of the pass book and pass book shall cease to be valid after that period or date. The holder/dealer shall surrender the pass book on the date of expiry of its validity period. The assessing authority shall, at the time of issue of pass book, estimate separately the maximum number of inward and outward challan forms which the dealer could use during a period of three months and that would be the upper limit of number of challans that the dealer will be allowed to hold at a time and the assessing authority shall make entries in respect of the same in the pass book. After completing the other relevant entries in the pass book and obtaining the signature of the dealer in the pass book and the Daily Stock & Issue Register of Pass books^{iv}, the assessing authority shall hand over the pass book to the dealer after appending his full signatures on pages (i) and (iii) of the pass book. DETC should supply list of pass books issued to dealers giving in each case serial and validation numbers of the pass book and the name and registration certificate number of the dealer to the challan issuing agencies^v.

Dealer whose application for the grant of registration certificate is pending

Though it would depend upon the particular circumstances of each case yet it would be advisable to issue pass book to a dealer whose application for the grant of registration certificate is pending by fixing the maximum limit of inward and outward challans which could be issued to him at a small figure. If the applicant dealer furnishes security (generally a surety bond) to the satisfaction of the assessing authority with his application, the maximum limit of challans may, after taking into consideration other relevant factors, be fixed commensurate with the amount of security furnished.

One dealer one pass book

A dealer shall, at one point of time, have one pass book only which he shall obtain only from the assessing authority on whose list his case lies. The assessing authority shall take care that it issues pass book only to such dealers whose cases are on its list and to no other. This restriction will also be applicable to those dealers who have more than one place of business located in more than one district. Such a dealer should draw his complete requirement of challans from the district where he is registered under the Act.

Dealer Master (Challan) Ledger (DMCL)

DETC shall cause to maintain a central ledger in the district called “Dealer Master (Challan) Ledger”^{vi} (for short DMCL), kept with STA/SRC, containing complete account of issue and surrender of pass books as well as issue, return and surrender of challans relating to individual dealers arranged in the ascending order of their registration certificate numbers. The entries from Daily Stock & Issue Register of Pass books shall be regularly posted in DMCL. DETC shall keep a regular watch on the updating of this register. A separate DMCL should also be maintained at the sub-office level.

Advance preparation

It would be advisable to make advance preparation for the issue of pass books. The assessing authority should, for this purpose, prepare a list of live dealers (those who have filed sales tax returns during the year 1999-2000, and new dealers to whom registration certificates have been issued since 1.4.2000) in its circle. The GTO declared in the tax returns filed by the dealer could also be mentioned in the list. The lists should be sorted out in the ascending order of registration certificate number for facility of quick reference. Some of the entries on page (ii) of the pass books can be made in advance. This will cut short the processing time as and when a dealer approaches for issue of a pass book to him. The GTO will help the assessing authority quickly estimate the requirement of challan forms broadly.

2. The DETC should get the lists prepared by the assessing authorities compiled into a master list sorted in ascending order of registration certificate numbers. On the basis of this master list DMCL can be prepared by STA/SRC.

Revision of maximum limit of inward and outward challans

The maximum limit of holding blank inward and outward challans can be revised by the assessing authority from time to time on the dealer's request or, if the circumstances of the case so warrant, suo moto (downward revision) after giving the dealer a reasonable opportunity of being heard. Each time a revision is carried out, entries of the same shall be made in the pass book and in the DMCL by the assessing authority.

Issue of new pass book in lieu of old

A new pass book in lieu of old one shall, on payment, be issued to the dealer by the assessing authority on surrender of the old one which shall, under prior intimation to DETC, be destroyed after tallying the entries made therein with the entries made in the dealer's account in DMCL. In case of any discrepancy, the pass book shall not be destroyed till the suitable action taken in the matter is complete. Relevant entries shall, accordingly, be made in Daily Stock & Issue Register of Pass books and DMCL by the assessing authority.

Action to be taken in case of loss of pass book

A dealer as soon as he comes to know of loss of the pass book issued to him shall notify the circle assessing authority or DETC of the district, of the loss giving the date of issue and serial & validation numbers of the pass book lost by him, the date of loss, names of the persons authorised to receive challans on his behalf and details of the circumstances leading to the loss of pass book. The assessing authority shall immediately bring the loss to the notice of the DETC who shall notify each issuing agency in the district, of the loss giving complete name and address of the dealer, names of the persons authorised to receive challans on his behalf and serial & validation numbers, date of issue of the lost pass book and date of loss, directing them not to issue any challan on the authority of the said pass book. He shall also send a report of loss to PETC. The dealer shall publicise the loss of pass book in two daily news papers (one Hindi and one English) of wide circulation in the District/State of the choice of PETC. If he fails to do so PETC shall get the particulars of the dealer and the lost pass book published in two daily news papers (one Hindi and one English) of wide circulation in the District/State and the cost of publication shall be

recoverable from the dealer as arrears of land revenue. The publication will be deemed as a public notice of the loss of the pass book. The DETC as well as each issuing agency shall maintain a Register of Lost Pass books^{vii} and shall before issue of any challan verify with reference to entries in that register that the same is not issued on the authority of a lost pass book. If someone approaches the issuing agency with such a pass book, the issuing agency shall confiscate the pass book against acknowledgement receipt and note down the full name and address of the person presenting the pass book. The agency shall immediately deliver the pass book to DETC of the district and will inform him about the whereabouts of the person who approached it for issue of challans with that pass book. DETC, if satisfied, after preliminary enquiry, about the attempt at misuse, will lodge an FIR in the police station.

Issue of new pass book in the event of loss

If on examination of the facts given by a dealer who lost the pass book issued to him, DETC is satisfied that the loss of pass book is genuine, then he may, after the loss has been publicised in two daily news papers (one Hindi and one English) of wide circulation in the District/State of the choice of PETC, order the issue of a new pass book to the dealer. On receipt of such order the assessing authority concerned shall issue a new pass book to the dealer on payment of Rs.2500 in the Government treasury and furnishing of an indemnity bond in form S.T.61A, of minimum one lac rupees or more as the circumstances of the case in the opinion of the assessing authority warrant, by the dealer. At the time of issue the assessing authority shall make entries relating to the loss of pass book earlier issued and issue of new pass book in Daily Stock & Issue Register of Pass books and DMCL simultaneously.

Challan

Challan inward - S.T.38-Inward

This challan will be in form S.T.38-Inward. This will be used by the registered dealer whom it has been issued to, for importing goods in the State of Haryana or for receiving goods from persons other than registered dealers in Haryana. This form comprises two foils - original foil and counter foil. The original foil has three parts and the counter foil two. First part of both is to be filled by the consignee registered

dealer of Haryana before sending/handing-over the original foil to the consignor. Second part of original foil is to be filled by the consignor at the time of raising invoice on the consignee and third part is to be filled by the transporter at the time of carrying the goods. The second part of the counter foil is to be filled by the consignee registered dealer of Haryana on receipt of goods. The law requires that original foil with all the three parts duly filled, must accompany the incoming goods. The original foil after use will be given by the dealer to the assessing authority alongwith the return for the period during which it was made use of or earlier if so required by the assessing authority.

Challan outward - S.T.38-Outward

This challan will be in form S.T.38-Outward. This will be used by the registered dealer whom it has been issued to, for dispatch or delivery of goods. This comprises three foils - original, duplicate and counter foil. Original has two parts, duplicate and counter foil one each. First part of original, duplicate and counter foil are identical; all the three are to be filled by the consignor registered dealer of Haryana before dispatch or delivery of goods by him. The original foil will be detached from the duplicate foil by tearing it at the middle of the appropriate column according to the value of goods with the help of a scale. For example, if the value of goods is Rs. 2,01,000 (Paisa ignored) the detaching should be from the middle of column representing value of goods between two lacs and three lacs rupees. The second part in the original foil relates to the transportation of goods and the transporter should fill that part at the time of commencement of movement of goods. The law requires that the original foil must accompany the goods in movement. The original foil can be retained by the consignee. Duplicate foil of the used challan will be surrendered by the consignor registered dealer to the assessing authority at the time of filing of sales tax returns for the period during which it was made use of or earlier if so required by the assessing authority. The counter foil will be retained by the dealer for his record.

2. For movement of goods within the State only the consignor dealer will issue Challan outward unless the goods are purchased from any person who is not a registered dealer in which case the consignee registered dealer will use Challan inward.

Order in which challan forms be used

The dealers are advised to make use of the challan forms on first received first used basis in the order of their serial number. It would help them keep and render account of them easily. Challan inward and outward should be kept separately.

Supply, issue, stock and maintenance of record

Supply of challans to districts

The challans will be supplied, on instructions of PETC, to the district offices direct from the printing press or from the stores. The record of stock of challans and their issue to the districts shall be kept by the official concerned in the State Stock & Issue Register of Challans^{viii}. On receipt of such supply, DETC shall make adequate arrangement for storage of challans under lock and key in the charge of office Nazir. Stock of challans sufficient to meet with the requirement of one quarter should always be kept in the district. The Nazir shall maintain record of stock and issue of challans at the district level in the District Stock & Issue Register of Challans^{ix}.

Storage of challans

The challans will be stored at a safe place under lock and key. DETCs may move their redundant stock of S.T.14 and S.T.15 forms to T.C.P., Kundli under prior intimation to DETC, Sonapat who shall make arrangement for proper storage and safe custody of the forms at Kundli. This should create sufficient space for storage of challans in each district.

Supply of challans to challan-issuing-agencies

A stamp vendor or a trade and industry organisation qualified to issue challans to the dealers can, under intimation to DETC, purchase challans according to its reasonable requirement of one month from the office of DETC of the district on payment of price fixed by the State Government from time to time. The office Nazir keeping account of challans shall, if he does not receive any instruction to the contrary from DETC, issue challan to the agency on receiving payment of the price of challans in the form of treasury receipt, pay order or cash. Though no limit is being prescribed on the maximum number of challans that can be issued to an Agency and the requirement may vary greatly from one Agency to the other yet it shall not be wise to leave the

matter entirely to the discretion of the office Nazir. The DETC is expected to exercise his control in a manner that does not restrict the reasonable functioning of an Agency but does not also, at the same time, leave a loophole for tax evasion. Before delivery of challan forms to the agency, each challan book (comprising 25, 50 or 100 challans) shall be punched at the name of the district on the right hand margin of original foil of the challan. The Nazir shall make entry of issue of challans in the District Stock & Issue Register of Challans and obtain signature of the stamp vendor or the authorised representative of the trade and industry organisation purchasing the challans. The stamp vendor or the organisation purchasing the challans should take precaution of seeing that all the entries in the register are complete and correct before the signature is subscribed to it. The agency should also affix its identification stamp bearing name and code on the reverse of original foil of each challan before removal of challans from the issuing office. The office Nazir shall, at the end of a day, deposit the amount collected as a result of sale of challans to stamp vendors and trade and industry organisations, with the cashier who shall deposit the same in the Government treasury through form S.T.11 under the Haryana General Sales Tax Act, 1973 on the next banking day. In case the collection exceeds one lac rupees before noon, the same shall be deposited in the Government treasury before the close of banking hours on the same day. DETC should make proper arrangements in this regard. The same procedure for issue of challans will be followed while handing over challans to counter clerks in DETC office for issuing them to registered dealers except that they will be issued with challans on day to day basis and shall not be required to make payment for the price of the challans beforehand but they shall, at the end of a day, render the account of sale of challan forms, to Nazir who shall, after checking, hand over the cash collected by the counter clerks to the cashier for deposit in the Government treasury.

Ledger account of challan-issuing-agencies

DETC shall cause to be maintained a ledger^x containing individual account of the challan-issuing-agencies detailing issue of challan forms to them and surrender of challan forms by them.

Issue of new challans in lieu of obsolete ones to agencies

The Government may declare challans bearing particular serial numbers or serial numbers of a particular series or of a particular colour scheme or design obsolete or may advance the date of expiry of the challans, thus, rendering the challans already issued to the challan-issuing-agencies obsolete. Such challans can be exchanged for the new ones on their surrender to DETC who shall, under intimation to PETC, destroy the surrendered challan forms and issue the new ones in lieu thereof after making entries to that effect in the District Stock & Issue Register of Challans (issue) and Ledger account of the agency (surrender, issue, destruction).

Issue of challan forms to dealers

Whom to be issued

Inward and outward challan forms shall, on demand, be issued by a challan issuing agency including the counter clerks in the office of DETC (for short 'Agency') to a registered dealer including one whose application for registration is pending with the assessing authority, on presentation of the pass book issued to him by the assessing authority and on payment of price of the challans. The challans can be given to -

- (1) the person to whom the pass book is issued called 'holder', whose signature appears against item (iv) on page (i) of the pass book,
- (2) any of the five persons (maximum number) authorised by the holder to receive challans on behalf of the dealer; the signatures of each of these persons appear on page (ii) of the pass book duly attested by the holder.

Ineligible category of dealers

A dealer who makes an application for cancellation of registration certificate(s) issued to him or gives information that he has closed down his business or has filed sales tax returns declaring nil turnover during the last three consecutive quarters or has not filed sales tax returns in respect of the last two consecutive quarters shall not be eligible to get challan forms. Information relating to such dealers shall be given by assessing authorities to DETC who shall pass on the same after compilation to the Agencies. All assessing authorities, DETC and challan-issuing-agencies in a district shall maintain a register called "Register of Ineligible Dealers (Challan)"^{xi} containing

the said information. The name of a dealer appearing in the register can be struck off by order of the assessing authority if the dealer re-commences his business or files sales tax returns regularly. Such information shall be passed on to the Agencies through DETC.

2. A dealer who has closed down his business shall surrender all the used and unused challans in his possession along with the pass book to the assessing authority immediately and obtain an acknowledgement receipt. The assessing authority shall, under prior intimation to DETC, destroy the unused challan forms and the pass book after tallying entries made in the pass book with the entries made in the dealer's account in DMCL and shall place the used challan forms on the assessment record of the dealer. However, if any discrepancy is found between the entries made in the pass book and those in DMCL, the pass book shall not be destroyed till suitable action in the matter is complete. The entries regarding the destruction of unused challans and the pass book, surrendered to the assessing authority, shall be made in DMCL by the assessing authority.

How many to be issued

The number of challan forms that can at anytime be issued to a dealer can not exceed the maximum limit of challans mentioned on page (iii) of the pass book minus the forms held by him as shown in the pass book under the column with heading "Balance challans with the dealer"(in Hindi). The limit shall apply separately to inward and outward challans.

Issue and maintenance of record

The indenting dealer shall bring the stamp of his name, address and registration certificate number along with him at the time of obtaining challans. This stamp shall be affixed on the reverse of original foil of each challan before the challans are taken by him from the Agency. It may be recalled that the stamp of the name and code of the Agency had already been affixed on the reverse of the challan at the time of issue of challans to the Agency from the office of DETC. The original foil of a challan would, thus, bear two stamps on its reverse - one of the issuing Agency and other of the dealer - before the challan is issued to the dealer by the Agency. The Agency shall

make the entry of issue of challans in the dealer's pass book and a register called "Daily Stock & Issue Register of Challans"^{xii}, maintained for this purpose and hand over the challans to the dealer after obtaining his signature in the register. It shall be duty of the Agency to see at the time of issue of challan forms to the dealer -

- (1) that the pass book produced is not the one which has been notified to have been lost, vide para 3.3.;
- (2) that the dealer is not ineligible to get the challan forms, vide para 4.4.4.2.;
- (3) that the pass book produced bears the correct serial and validation numbers, vide para 3.2.3.1.;
- (4) that the pass book produced by the dealer before it bears the stamp of the local district and the stamp tallies with the specimen available with it;
- (5) that the challan forms are issued only to the authorised person, vide para 4.4.4.1., it may be advisable that in case of doubt the person coming to obtain challan forms is requested to put its signature on a piece of paper which may be tallied with signature appearing in the pass book to avoid difficulties later;
- (6) that the challan forms in excess of entitlement, vide para 4.4.4.3., are not issued;
- (7) that the district name appearing on the right hand margin of original foil of challan forms has been punched;
- (8) that reverse of original foil of the forms bear the stamp of the Agency as well as of the indenting dealer;
- (9) that the entry relating to the issue of forms is made in the dealer's pass book as well Daily Stock & Issue Register maintained by the agency, and the recipient's signature is obtained in the register.

The dealer should take precaution of seeing that all the entries in the register are complete and correct before he subscribes his signature to it. The Agency shall maintain this register in duplicate and hand over the original to Nazir in the office of DETC at the time of making next purchase or within a month of the last purchase whichever is earlier. The Nazir shall pass on this information to SRC/STA for posting in the individual account of the dealers in DMCL. Without obtaining this information the Nazir shall not issue further challans to the agency. DETC should personally supervise the updating of DMCL on regular basis. Challans shall be issued to the dealers of that district alone name of which is punched on the original foil of the

challan. If a trade and industry organisation wants to operate in more than one district it should open office in each such district and should obtain challans from DETC of that district for sale to dealers of that district. For this purpose Faridabad, east & west and Gurgaon, east & west will be considered as one district each. The agency shall not charge anything over and above the price fixed by the Government for sale of challan forms to dealers.

Issue of new challans in lieu of obsolete ones to dealers

The Government may declare challans bearing particular serial numbers or serial numbers of a particular series or of a particular colour scheme or design obsolete or may advance the date of expiry of the challans, thus, rendering the challans already issued to the dealers obsolete. Such challans can be exchanged for the new ones on their surrender to the assessing authority concerned who shall, under prior intimation to DETC, destroy the surrendered challan forms and issue the new ones in lieu thereof after making entries to that effect in the pass book (surrender and issue), Daily Stock & Issue Register of Challans (issue) and DMCL (surrender, issue, destruction).

Record of issuing Agencies open to inspection - Action against delinquents

The record maintained by the issuing agencies shall always remain open to inspection by PETC, DETC or any official authorised by either of them. In case a discrepancy is found in the record maintained by an Agency or it is found that the record has not been maintained properly or challan forms have been issued in violation of these instructions, then DETC, may, after giving opportunity of being heard to the Agency, suspend its authorisation to issue challan forms. The matter in such a case shall be reported to PETC without any delay who may, after giving opportunity of being heard to the Agency, revoke the suspension or cancel the authorisation to issue forms for a specified period or permanently. PETC may also directly take action against a delinquent Agency. The decision of PETC shall be final. If an agency does not allow a competent person to carry out inspection of its record, it shall be sufficient ground for suspension of its authorisation.

2. On suspension of its authorisation to issue challan forms to the dealers, the affected Agency shall surrender all the forms lying with it along with the account of

such challans and all the registers, documents and record relating to the challans failing which the same can be seized by DETC. No challan forms shall be issued to such Agency till its authorisation to issue forms to the dealers is restored. On restoration, all the records along with challan forms surrendered by the Agency or seized from it shall be returned to it otherwise the same shall be destroyed by DETC and an entry relating to destruction shall be made in the Ledger account of the Agency. In case of return of challan forms to the Agency, the forms rendered obsolete, if any, shall be replaced with new forms or the cost of the forms shall be paid back to the Agency at its option. The obsolete forms, if any, shall be destroyed.

3. In case a loss is caused to the Government due to an act of omission or commission of an Agency, it shall be liable to make good that loss. PETC shall be the final authority to quantify the loss in such a case which shall be payable by the Agency failing which the same shall be recoverable from it as arrears of land revenue.

Internal audit of receipt, issue and stock of challan forms

The section officer posted in the district will carry out monthly audit of receipt, issue and stock of forms. This will include audit of the Agencies. The audit will also cover the realisation and deposit of sale proceeds of challan forms into Government Treasury, vide para 4.3.3.

Surrender of used challans, their verification etc.

At the time of filing of sales tax returns for a period, a registered dealer shall -

- (i) furnish along with sales tax returns (a) duplicate foils of the challans outward and original foils of the challans inward, used by him during the return period, arranged first in order of date of receipt of the challans from the issuing agency and then in order of their continuous serial number, and (b) a Statement of Receipt and Use of Challans^{xiii};
- (ii) mention the serial numbers of the challans furnished against the entries of relevant transactions listed in the statutory statements filed with the returns;

The assessing authority shall, under his signature, make separate entries of the number of used inward and outward challans furnished by the dealer, in the pass book of the dealer and also calculate and enter the balance number of challan forms of each category left with him. These entries shall be acknowledgement of return of the used challan forms to the assessing authority by the dealer.

2. DETC will, within twenty days of the close of a quarter, make available to the assessing authorities the details of challan forms issued to the dealers during the quarter. The assessing authority will compare this information with Statement of Receipt and Use of Challans filed by the dealers along with the tax returns and report the cases of discrepancy found, if any, to DETC in addition to initiating necessary action in such cases. He will also examine if the number of unused challan forms left with the dealer after return of used forms bears a reasonable relation with the maximum limit of forms fixed in his case. The maximum limit may need revision in case the use of forms during the quarter is less than 50% of the limit.

3. The assessing authority must tally the entries in the used challan forms with the statement of purchase, sale, import and transfer etc. of goods and take appropriate action in cases of discrepancy under prior intimation to DETC. The work of

verification should be complete in all cases within two months of the date of filing of the returns. A report to this effect will be sent to DETC.

4. The record keepers/camp-clerks posted with the assessing authorities shall, turn by turn, post the information given in the Statement of Receipt and Use of Challans in DMCL under the supervision of STA. DETC should closely monitor this exercise of posting entries.

5. If a dealer fails to furnish the account of challans obtained by him or fails to return the used challans or fails to surrender the challans claimed to be blank when required to do so by the assessing authority, then he shall be liable to be assessed to tax to the best of its judgement by the assessing authority and while doing so it may proceed to assess on the presumption that all the challans issued to him have been used by him for purchase and sale of goods and for this purpose it may estimate the value of goods purchased or sold against each challan at an amount consistent with the facts and circumstances of the case.

Action to be taken in case of loss of challan

The dealer to whom the challans have been issued shall be responsible for their proper custody and use. If a challan, whether blank, partly filled or completed is lost while in the custody of the registered dealer to whom it was issued or in the custody of the dealer to whom it was sent, or in transit, the former shall report the loss to the assessing authority and shall furnish in respect of one or more such challan(s) so lost, an indemnity bond in form S.T.61A to the assessing authority for such sum as the said authority may, having regard to the circumstances of the case, determine.

2. A dealer as soon as he comes to know of loss of one or more challans issued to him shall notify the circle assessing authority or DETC of the district, of the loss giving the date of issue and serial number(s) of the challan(s) lost by him, the date of loss, and details of the circumstances leading to the loss of challan(s). The assessing authority shall immediately bring the loss to the notice of DETC who shall send a report to PETC. The dealer shall publicise the loss of challans in two national dailies (one Hindi and one English) of wide circulation of the choice of PETC. If he fails to do so PETC shall get the particulars of the dealer and the lost challans published in two national dailies (one Hindi and one English) of wide circulation and the cost of

publication shall be recoverable from the dealer as arrears of land revenue. The publication shall be deemed as public notice of the loss of challans. The DETC shall maintain a Register of Lost Challans^{xiv} which the officers performing roadside checking duties must consult in case of doubt. If an officer finds during checking that a lost challan is being used he shall seize the challan against an acknowledgement receipt, detain the goods for an attempt at tax evasion and note down the complete name and address of the person carrying the goods. He shall immediately report the matter to DETC of the district who, if satisfied, after preliminary enquiry, about the attempt at misuse of the lost challan, will lodge an FIR in the police station.

3. If no loss of a challan form is reported by a dealer to whom the same has been validly issued and the same is found to have been misused by another dealer, then the connivance of the first shall be presumed and a criminal case should be registered against both.

Period of validity of challans

A challan is designed to have a definite period of validity. The period of validity with reference to a challan in use would be so construed as to give benefit of doubt to the user if any of the dates mentioned in the original foil challan falls within the period of validity provided the dates mentioned therein are otherwise consistent.

Miscellaneous

Action in case of loss of pass book, challan form, register, record or document from the custody of the department.

In case a pass book or a challan form or any register, record or document mentioned in these instructions is lost from the custody of the department, then the loss shall be immediately reported to PETC. The details of lost pass book(s) or challan(s) shall be published in two national dailies (one Hindi and one English) of wide circulation requesting the finder to return the lost documents and warning against the use of them. Such publication shall be deemed as public notice of loss of such documents. The user of a lost challan or a pass book, if any, shall be prosecuted. Suitable punitive action shall be taken against the official found responsible for the loss.

All entries in records to be legible

All entries in any record, document, register, form etc. shall be made in neat hand with ink and should be clear and legible. Care should be taken to fill all boxes and spaces wherever provided for making an entry and not to leave any of them blank. An adverse inference may, according to the circumstances of a case, be drawn if an entry admits of double meaning due to illegibility or if a box or space meant for making an entry is left blank.

All registers and ledgers to be kept bound and page numbered

Every register and ledger required to be maintained under these instructions shall be kept properly bound and shall be page numbered serially in ascending order and a certificate shall, before putting such register or ledger to use, be recorded on the opening page regarding the number of pages contained in the register or ledger and the certificate shall be signed by the controlling officer of the person who is required to maintain or keep the register or ledger.

Destruction of pass books and challans

Wherever it has been provided in these instructions to destroy any documents under prior intimation to a higher authority, that authority shall have the power to order that such documents shall be kept in safe custody for a definite length of period before their destruction or shall be destroyed in his presence on a particular day and if such an order is made by such authority the destruction shall not be carried out before the expiry of such period or before the expiry of such date as may be mentioned in the order. The destruction shall, as far as possible, be carried out by burning the document to ashes.

From The Prohibition, Excise & Taxation Commissioner, Haryana
Chandigarh

To All the Deputy Excise & Taxation Commissioners holding charge of
Sales Tax administration in the State of Haryana

Subject: Instructions for issue and use of transit challans and pass-books

Memorandum No. dated, Chandigarh August, 2000

Instructions issued vide memo.No.16-37(SPL)/PA/DETC, FBD(E) dated 30.6.2000 will stand modified to the extent mentioned below-

Public notice issued vide memo. No. Spl.3/ST-I dard 9.8.2000.

- (i) On loss of a pass book issued for getting blank Challan forms, the new pass book will be available without paying penalty of Rs.2500 on payment of the usual cost of Rs.10 for the new pass book.
- (ii) On loss of a Challan form or a pass book the dealer shall not be required to publicise the loss through two national or local dailies - one in Hindi and another in English, it shall be sufficient for him to inform the concerned assessing authority. The department will publicise the loss of pass-books and forms by putting information relating to them on its website: <http://www.haryanatax.com>.
- (iii) Entry of multiple bills can, in case of single consignee, be made on the same Challan provided the details of each bill/delivery-note is given on the reverse of the Challan.
- (iv) Space for vertical columns showing the value of goods on Challan-outward will be increased by decreasing the number of columns from present 7 to 4.
- (v) In case of emergency purchase, the Challan-inward can be Faxed to the supplier provided the details of the transaction and the serial number of the Challan form is intimated simultaneously to the assessing authority concerned or Deputy Excise & Taxation Commissioner or Deputy Commissioner of the district concerned or the Prohibition, Excise & Taxation Commissioner, Haryana, Chandigarh.
- (vi) In case of dispute with the supplier if certain Challan forms are left with him, then such Challans will be deemed as cancelled on intimation by the dealer to the concerned assessing authority. In order to safeguard their interest the dealers are advised to limit the period of validity of the challan by endorsing the same on the obverse of the challan and filling as much information in the challan as is available before sending the challan to the supplier outside the State.
- (vii) The used Challans can be returned before the expiry of the quarter to the assessing authority concerned or in his absence to the taxation inspector concerned who shall immediately report the matter to the assessing authority on his arrival.
- (viii) Transporter's stamp on the Challan is not necessary if the Challan is otherwise correctly filled-in.
- (ix) Challans shall also be made available in the form of Computerised stationery.

2. You are requested to circulate these modifications and to bring these to the notice of all officials posted in the district for information and necessary action.

3. Copy of these be also supplied to dealers or their counsels on demand.

4. The receipt of this memorandum be acknowledged.

ETO(ST)
For Prohibition, Excise & Taxation Commissioner, Haryana,
Chandigarh
August, 2000

Endst. No. dated, Chandigarh

A copy is forwarded to-

- (i) FCPET for information;
- (ii) (a) All Addl.ETCs, (b) All JETCs, and (c) All DETCs other than the addressees, for information and necessary action.

ETO(ST)
For Prohibition, Excise & Taxation Commissioner, Haryana,
Chandigarh

ⁱ “State Stock & Issue Register of Pass books” shall be maintained in the following format-
Name and designation of the official maintaining the register:

Sr. N ^o	Date	Receipt			Issue				Balance
	DD/ MM/ YY	Qty.	Sr.N ^o ..	From whom recd.	Qty.	Sr. N ^o	Name of district	Signature of recipient with full name and designation	Qty.

ⁱⁱ “District Stock & Issue Register of Pass books” shall be maintained in the following format-
Name and designation of the official maintaining the register:

Sr. N ^o	Date	Receipt			Issue			Balance	
	DD/ MM/ YY	Qty.	Sr.N ^o ..	From whom recd.	Qty.	Sr. N ^o	Name and designation of AA	Signature of AA	Qty.

ⁱⁱⁱ Special Power Of Attorney

Know all men by these presents that, I, *proprietor/partner/director/president/Karta of M/s, holding registration certificate under the Haryana General Sales Tax Act, 1973 *or/and the Central Sales Tax Act, 1956 bearing number, do hereby appoint Shri s/o Shri being (status: employee, relative, advocate-counsel, I.T.P., Accountant etc.) as my lawful attorney to obtain pass book for getting challan forms, and to further authorise upto five persons and de-authorise all or any of them, by making appropriate entries in the pass book under his signature and date, for getting challan forms on behalf of me. This attorney shall be valid upto (date).

Sd.

Sd.

(Attorney holder)

*Proprietor/Partner/Director/President/Karta

Signature of Shri (attorney holder) are attested

Sd.

Proprietor/Partner/Director/President/Karta

Dated:

Place:

*Strike out whichever is not applicable

^{iv} “Daily Stock & Issue Register of Pass Books” shall be maintained in the following format-
Name and designation of the assessing authority maintaining the register:

Sr. N ^o Date	Receipt		Issue								Bal.	
			Pass book details		Dealer’s details		Recipient’s detail		Holding limit of Challan forms in figures and words			
	Qty.	Sr. N ^o	Sr. N ^o	Validation N ^o	Name	R.C.N ^o	Name & status	Signature	Inward	Outward	Qty.	
DD/ MM/ YY												

Note-(i) The register shall be maintained by the assessing authority in its own hands.

(ii) At the end of the day, the assessing authority shall append its signature with stamp of his name and designation in proof of having made the entries.

^v See para 4.4.4.4., sub-clause (3) for purpose of supplying list.

^{vi} “Dealer Master (Challan) Ledger” shall be maintained in the following format-

PART-I

Page No.1

Name and designation of the official keeping the register:

Name of the dealer:

Address:

Registration certificate N^o

Notes-

Challan outward (facing challan inward)

Sr. N ^o	Date of issue/ return/ surrender	Issue		Return		Surrender		Balance	Signature of clerk making entries with date	Signature of assessing authority
		Qty.	Sr. N ^o	Qty.	Sr. N ^o	Qty.	Sr. N ^o			
	DD/MM/YY									

Note-Information in Part-II should also be computerised for facility of frequent access and use.

vii “Register of Lost Pass Books” shall be maintained in the following format-

Name and designation of the official maintaining the register:

Sr. No. and date of entry in the register	Details of the dealer who lost pass book		Details of the lost Pass book			
	Name and address	R.C.No.	Serial No.	Validation No.	Date of issue	Date of loss

viii “State Stock & Issue Register of Challans” shall be maintained in the following format-

Name and designation of the official maintaining the register:

Sr. N ^o	Date	Receipt			Issue				Balance
		Qty.	Sr.N ^o ..	From whom recd.	Qty.	Sr. N ^o	Name of district	Signature of recipient with full name and designation	
	DD/MM/YY								Qty.

Note- Separate registers shall be maintained for challan inward and outward.

ix “District Stock & Issue Register of Challans” shall be maintained in the following format-

Name and designation of the official maintaining the register:

Sr. N ^o	Date	Receipt			Issue				Balance	Amount
		Qty.	Sr. N ^o .	From whom recd.	Qty.	Sr. N ^o	Name and address of Stamp vendor or Trade & Industry Org. or official of the Dept. with code	Signature of recipient with his full name and status		
	DD/MM/YY								Qty.	Paid by Stamp vendor or Trade & Industry Org.

Note- Separate registers shall be maintained for challan inward and outward.

x The Ledger shall be maintained in the following format-

Name and designation of the official keeping the register:

Name, address and code of the challan issuing agency:

Facing pages for record of challans inward and challans outward

Sr. N ^o	Date of issue/ surrender	Issue		Surrender		Bal.	Signature of clerk making entries	Remarks relating to destruction of surrendered forms
		Qty.	Sr. N ^o	Qty.	Sr. N ^o			
	DD/MM/YY							

xi “Register of Ineligible Dealers” shall be maintained in the following format-

Name of the person maintaining the register:

Sr. N ^o	Name of ineligible dealer	R.C.N ^o	Date from which ineligible to get challans	Reason of ineligibility	Reference of DETC’s letter to issuing Agency

Note - If the name of a dealer is struck off the register by order of the assessing authority, the corresponding entry shall be struck through.

xii “Daily Stock & Issue Register of Challans” shall be maintained in the following format-

Name, address and code of the issuing agency maintaining the register:

Date:DD/MM/YY

S.N ^o	Receipt		Issue					Balance
	Quantity	Sr.N ^o	Challan details		Dealer’s details		Recipient’s details	
			Qty.	Sr.N ^o	Name	R.C.N ^o	Name & status	

Note-(i) At the end of the day, the issuer shall append his signature and write his full name in proof of having issued the challan forms in accordance with the entries made.

(ii) Inward and outward registers shall be maintained separately.

(iii) These registers shall be maintained in duplicate - Original and duplicate carbon copy.

^{xiii} Statement of Receipt & Use of Challans

Type of Challan	Stock of challans held at the beginning of the return period		Challans received during the return period		Challans used during the return period		Stock of challans held at the end of the return period	
	Qty	Serial N ^{OS}	Qty.	Serial N ^{OS}	Qty.	Serial N ^{OS}	Qty	Serial N ^{OS}
Challan inward								
Challan outward								

^{xiv} “Register of Lost Challans” shall be maintained in the following format-

Name and designation of the official maintaining the register:

Sr. N ^o	Name of the dealer with address and R.C.N ^o	Details of lost challan(s)		
		Serial N ^{OS} of the lost Challan(s)	Date of issue	Date of loss