

**OFFICE OF THE COMMISSIONER; VALUE ADDED TAX
VALUE ADDED TAX DEPARTMENT
I.P. ESTATE, NEW DELHI**

No. F.663-813

Dated 26/04/2005

CIRCULAR NO. 01 OF 2005-06

**Non-Requirement of Security in case of Govt. Organisations, PSUs,
Govt. Undertakings, etc.**

Exemptions were granted to various Govt. Organisations, Govt. undertakings, PSUs etc. such as Canteen Stores Department, from levy of Sales Tax by the Govt. of NCT of Delhi under rule 11 of the Delhi Sales Tax Act, 1975. Since 1/04/05 the Delhi Sales Tax Act, 1975 has been repealed these organizations are now coming up for getting registration under the Delhi Value Added Tax 2004 as the exemptions granted to them under the repealed DST Act stands withdrawn w.e.f. 01/04/2005.

Under sub-section (1) of Section 25, Commissioner may require security from certain class of dealers as a condition for registering a person as a dealer. However, under sub-section (2) the Commissioner may waive the prescribed amount of the security having regard to the creditworthiness of the person.

Therefore, in exercise of powers conferred under sub-section 2 of section 25 of the DVAT Act, 2004, the Commissioner hereby withdraws the condition of security in respect of registration of Govt. Organisations, PSUs, Govt. Undertakings, etc. under the said Act.

**(R.K. VERMA)
COMMISSIONER : VAT**

Copy for immediate follow up action to :

1. PS to CST
2. PS to Addl. CST I, II, III & IV
3. All Joint Commissioner/Dy. Commissioners
4. All Assessing Authorities
5. Manager (EDP) with the request to make arrangement for circulation on web site.
6. President, Sales Tax Bar Association, New Delhi.
7. Guard file.

**(S.S. GHONKROKTA)
JOINT COMMISSIONER : (VAT/POLICY)**