

From

Excise and Taxation Commissioner,
Haryana, Chandigarh.

To

All The Dy. Excise and Taxation Commissioner,(ST)
in the State of Haryana.

Memo No. 2973 /ST-5,
Chandigarh, dated the 30.11.06

Subject: Renewal of the Bank Guarantees.

Memo

As provided under section 12(1) of Haryana Value Added Tax Act, 2003 the Assessing Authority can impose a condition for the issue of a registration certificate, that the dealer shall furnish in prescribed manner and within such time as may be specified in order, such security as may be so specified, for all or any of the purpose of the Act. Further as prescribed under rule 13(7), the Assessing Authority has to certify, before issue of the registration certificate that the dealer/person has furnished the security as demanded under section 12.

The dealers have normally been furnishing surety bond whenever directions are issued by the Assessing Authority under section 12 above. However in some cases the dealers/persons have been furnishing Bank Guarantee instead of surety bond. Normally such Bank Guarantees are valid for a specific period thereafter same are required to be renewed. It has, however, been observed that the Assessing Authorities are neither maintaining any record of Bank Guarantees so furnished nor getting the same renewed from time to time. Such lapse causes difficulties in the recovery later on. Because, by the time the matter is referred to the concerned bank for the encashment of the Bank Guarantee, it is learnt that the same has been released due to non submission of the request for renewal.

You are, therefore, advised to direct all the Assessing Authorities to maintain a proper register of the Bank Guarantees received by them and to ensure that the same are renewed from time to time. Any lapse in the matter shall be viewed seriously.

Addl. Excise and Taxation Commissioner (T)
for Excise and Taxation Commissioner, Haryana.

Endst. No. 2947 /ST-5, Chandigarh, dated the 30.11.06

A copy is forwarded to All. the Jt. ETC (Range) for information.

They are directed to furnish a compliance report in this regard to this office, after verifying the registers from all the Assessing Authorities.

Addl. Excise and Taxation Commissioner (T)
for Excise and Taxation Commissioner, Haryana.