

**GOVERNMENT OF WEST BENGAL
DIRECTORATE OF COMMERCIAL TAXES
14, BELIAGHATA ROAD, KOLKATA-700015**

TRADE CIRCULAR NO. 13/2017

DATED: 27.11.2017

**Sub: Procedure for Adjustment/Refund of Cash Security Paid
by Dealers at the Time of Registration**

After implementation of the West Bengal Goods and Services Tax Act, 2017 (hereinafter referred to as the WBGST Act) queries have been received regarding adjustment/refund of cash security paid by the dealers at the time of registration under the West Bengal Value Added Tax Act, 2003 (hereinafter referred to as the VAT Act). Following guidelines are issued to deal with matters of such security.

A. Security furnished for registration and the dealer registered as per law:

A Trade Circular bearing No. 07/2015 dated 13.05.2015 was issued laying down the procedure in the matter and the same continues to hold good for the dealers registered under the VAT Act. It is reiterated that adjustment of the said security, after the lock-in period, if any, can be made against the amount of tax, interest and late fee payable according to return(s) filed under the VAT Act on or after the issue of RAO and not under the WBGST Act. In case the dealer informs that there is no liability to pay tax, refund will have to be made by issuing RPO (Cash) after ascertaining dealer's outstanding liability under the VAT Act, if any.

B. Security furnished for registration and the dealer not registered for any reason whatsoever:

An applicant had to make payment of cash security before applying for registration on line, under the VAT Act. In case of rejection of application for registration or for not getting registered for any other reason, the applicant is entitled to refund of security. Such applicant for registration shall apply manually before the Joint Commissioner of the respective Charge (that is, the Charge having jurisdiction over the place or principal place of business of the applicant), seeking refund of security giving details like registration application No., date, name of the applicant, trade name, full address, bank account No., phone No., e-mail, e-Challan GRN and date and BRN date, etc., along with a statement of purchases and sales of goods in the years 2016-17 and 2017-18 (up to 30.06.2017) and liability to pay tax under the VAT Act and the CST Act, if any, during the relevant period. The applicant shall furnish paid copy of challan evidencing payment of security and in case of rejection of application for registration he/she shall also furnish copy of e-mail intimating rejection of such application.

The applicant shall also furnish an undertaking to the effect that particulars given in the application are correct and complete and he/she has no liability to pay tax under the VAT Act and CST for the relevant period and he/she did not adjust the amount of security with any other application or liability.

The Joint Commissioner may allot applications received to other assessing officers of the Charge and *prima facie* if the applicant has no liability to pay tax, the security amount shall be refunded by the assessing authority after examining the claim of refund and issue RPO (Cash) observing usual formalities. In case the applicant has some liability to pay tax any such refund will be made only after assessing the applicant as an un-registered dealer.

The process of refund of security is to be completed preferably within 3 months from the date of filing of application for refund if no assessment is required to be made and within 6 months in case assessment is made.

This procedure shall come into force with immediate effect.

Sd/-27/11/17
Commissioner,
Commercial Taxes/Sales Tax, W.B.

Memo. No. 925CT/PRO
3C/PRO/2012

Date: 27.11.2017

Copy forwarded for information to the Sr.JCCT/ISD for information and for uploading it on the official as well as internal website of the Directorate for information of all concerned.

Sd/-27/11/17
(Adesh Kumar)
Addl.CCT & PRO