

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

TRADE CIRCULAR NO. 07/2015

DATED: 13.05.2015

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

Queries have been received from different quarters in connection with the adjustment of Cash Securities paid by dealers at the time of registration under the West Bengal Value Added Tax Act, 2003, and rules framed thereunder.

At the time of registration, a dealer may have furnished one of the following types of cash securities, namely-

- (a) Rs. 10 lakh under third proviso to rule 6B(1) for 'Tatkhanik Registration', adjustable immediately after registration;
- (b) Up to Rs. 1 lakh under section 24(2B), adjustable after 1 year from the date of issue of certificate of registration (omitted w.e.f. 01.07.2014); and
- (c) Rs. 10,000/- to 25,000/- for voluntary registration (up to 30.06.2014) adjustable after 2 years or Rs. 25,000/- for both Voluntary as well as Compulsory Registration (w.e.f. 01.07.2014) under rule 195(2), adjustable after 1 year from the date of issue of certificate of registration.

In order to resolve the problems faced by dealers in adjusting such cash securities paid at the time of registration, the Directorate has come up with a solution with the following procedure:-

1. Dealer manually applies for adjustment of security at Charge Office;
2. Assessing Authority verifies all necessary documents to his/her satisfaction and issues a Refund Adjustment Order (RAO) to the dealer equal to the amount paid by the dealer as cash security at the time of registration or the amount which remains after forfeiture, if any;
3. Dealer then adjusts the RAO against the amount of tax, interest and late fee payable according to return or successive returns which is or are due immediately after the issue of RAO.

The RAO adjustment column in return (under all Acts) shall validate the RAO Book No. and Serial No. so that a single RAO cannot be re-used for further adjustment.

This procedure shall come into effect from the returns for the quarter ending 30.06.2015 (i.e. returns falling due on 01.07.2015).

Sd/-13/05/2015
(Binod Kumar)
Commissioner,
Commercial Taxes, W.B.

Memo. No. 406CT/PRO
3C/PRO/2012

Date: 13.05.2015

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/-13/05/2015
(Adesh Kumar)
Sr.JCCT & PRO