

Office of the Principal Secretary & Commissioner  
Kerala Goods and Services Tax Department  
Government of Kerala, Thiruvananthapuram

No.CT/20970/2017-C6

Dated.25/09/2018

**Circular No.23/2018**

Sub:- SGSTD – releasing the Security Deposits furnished during VAT regime – Instructions issued – reg.

Many of the dealers have rightly pointed out that under GST scenario statute does not prescribed any Security as a pre-condition for obtaining registration. However the Security furnished by migrated dealers under VAT regime are still kept in the assessment Circle. Hence, the trade community have requested to return the Security already furnished by them under KGST/VAT system.

The securities furnished by those dealers against whom no liability is outstanding need not be retained by the assessing authorities further and may be released forthwith. In the circumstances, the Deputy Commissioners are instructed to do the needful to return the security deposits after complying with the following instructions-

1. Ensure annual return for 2017-18 is filed by the dealer.
2. Scrutiny of returns up to June 2017 has been completed.
3. Ensure no assessments are pending.
4. Ensure no demands are outstanding.
5. If there is any outstanding demand for any year, the security is to be encashed and the amount received is to be adjusted against the dues.
6. In the case of cancelled business, the assessing authority shall ensure that closing stock for which Input Tax Credit was availed is reversed.
7. Ensure that the statutory forms, audit report, P&L Statement etc. are filed.
8. The assessing authority who returns the security shall write a compliance report on the above aspects and keep it in the respective Registration file.

There should be a Register at district level where Deputy Commissioner shall counter sign after ensuring all the above instructions have been observed by the assessing authorities.

All Deputy Commissioners shall acknowledge receipt of this circular.

  
PRINCIPAL SECRETARY & COMMISSIONER