

8th floor, Vikrikar Bhavan,
Mazgaon, Mumbai-400 010.

TRADE CIRCULAR

To

.....

.....
No. CST-1005/7 / Adm-3
Cir. No. 16 T of 2005

Mumbai, dt. 8th August 2005

Sub: Release of Bank Guarantees or securities in the form
of National Saving Certificate.

Gentlemen/Sir/Madam,

The Bank Guarantees or securities in the form of National Saving Certificates are accepted for the grant of Declarations, Licences, Authorisations, Recognitions or Permit etc. by the department and are released after the expiry of the period for which the Bank Guarantees or securities in the form of National Saving Certificates are furnished. It is noticed that in many cases the Bank Guarantees or securities in the form of National Saving Certificates are not released even after the stipulated period. The amounts involved therein are unnecessarily held over by the Bank or Postal Department even after the expiry of the guarantee period, causing inconvenience to the dealers.

2. It appears that the delay in releasing of the Bank Guarantees or securities in the form of National Saving Certificate is on account of the fact that the assessments are not timely completed by the Sales Tax Officers. It is, therefore, directed that the assessments of dealers furnishing the Bank Guarantees or securities in the form of National Saving Certificate should be completed for a period ending on the last day of the year following the year in which the Bank Guarantees or Securities are deposited, on priority basis, and definitely before the expiry of the guarantee period.

3. To exercise proper control on the timely disposal of the assessments of such cases, it is directed that Assistant Commissioners/ Deputy Commissioners (Adm) should maintain check-list of such cases Sales Tax Officer-wise and watch the progress of the work from time to time and issue necessary instructions to the Sales Tax Officers, keeping in view the dates of the expiry of the Bank Guarantees or securities in the form of National Saving Certificate.

4. Further, Deputy Commissioners (Adm) and Assistant Commissioners (Adm) keeping Bank Guarantees or securities in the form of National Saving Certificate in their Custody, should ensure that actions of recovery or release of the Bank Guarantees or securities in the form of National Saving Certificate, as the case may be, are not delayed for completion of assessment at the end of Sales Tax Officers. It is hereby made abundantly clear that Bank Guarantees or National Savings Certificates should be

released immediately, within 30 days, after the expiry of the period for which they are kept.

5. This circular cannot be made use of for legal interpretation of provisions of law, as it is clarificatory in nature. If any member of the trade has any doubt, he may refer the matter to this office for further clarification.

6. You are requested to bring the contents of this circular to the notice of all the members of your association.

Yours faithfully,

(B.C.KHATUA)
Commissioner of Sales Tax,
Maharashtra State, Mumbai.