



Government of Karnataka
Department of Commercial Taxes

No.KGST/eAudit/PA/CR-1/2019-20

Office of the Commissioner of
Commercial Taxes (Karnataka)
1st floor, VTK-1, Kalidasa Road,
Gandhinagar, Bengaluru
Date: 01.04.2019

COMMISSIONER OF COMMERCIAL TAXES CIRCULAR NO: 01 /2019-2020

Sub: KGST Act 2017- Verification of GST registration details of
newly registered person, procedures to be followed-reg

The new tax regime under indirect tax system, Goods and Service Tax (GST), was introduced with effect from 01.07.2017, where in, most of the taxes administered under Central and State indirect taxes have been subsumed. For ease of doing business under the new regime, the registered dealers under earlier regime were migrated to the new system and newly registered taxable persons have been granted new registration within three (3) working days from the date of application on the Goods and Services Taxes Network (GSTN) portal without any physical verification of the business premises declared in the application form before granting registration.

2. Registrations are being granted under GST regime after preliminary verification of the documents uploaded onto the electronic portal by the Central or State authorities as the case may be within three (3) working days. If the registration approval is not done by the authorities within the given time the portal itself auto-approves the registration and provides 15 digit alphanumeric Goods and Services Taxes Identification Number (GSTIN) based on the permanent account number (PAN).

3. On sample verification of such newly registered taxable persons under the GST regime, it is observed that, in many instances the registration has been auto approved and in some cases, the authorities have approved the registration request without verification of the credentials of the taxable persons uploaded on the electronic portal. Thus, post non-verification of credentials of auto-approved or verified and approved taxable persons is a matter of serious concern particularly with regard to sensitive and evasion prone commodities as many cases of these taxable persons having indulged in either bill trading or facilitation of clandestine movement of goods by generating e-way bills without doing any transactions leading to loss of revenue have been reported.

4. Therefore, there is a need to verify the credentials of the newly registered person by visiting the business premises and to verify the documents uploaded and to

record the geo co-ordinates of the business concern along with other details. In this regard, the National Informatics Centre (NIC) in association with the Commercial Taxes Department has developed a module to record and upload the details of the business entity under GST pro module at <https://gst.kar.nic.in/gstpro>. The process to use the app is provided in Annexure I.

6. The officers have to prioritize the data for verification based on their past experience in the department. The newly registered taxable persons dealing in Arecanut, Cashew, Rubber, Automobile Parts, Electrical goods, Electronic Goods, Edible Oil, Ready Made Garments and Construction material (Iron and Steel, Cement, Ceramic Tiles, Granites, Timber, etc) and the like are to be invariably chosen for physical post verification. Further, the newly registered persons, 1) who have generated e-way bills being a non-filer, 2) generating large number of e way bills compared to average e waybills generated during previous periods, 3) generated e waybills for outward supply which is not commensurate with the inward supply or vice versa or the information available in any analytic report which the officer deems fit to be considered on the basis of his knowledge and experience should be included for verification on priority. To begin with the LGSTO/GSTSO are instructed to identify newly registered persons during the tax period January 2019 to March 2019 and shall take up field visit of such business entities from 05.04.2019. A monthly report with regard to verifications carried out shall be submitted in Annexure II before 5th of every month.

7. To make the Field Visit more effective and efficient, the details of such field visits shall be reviewed by the DGSTOs concerned on weekly basis and it shall be made more dynamic by modifying or including the relevant parameters and criteria for selection of cases for field visit.

8. After the field visit of business concern is undertaken and the data is uploaded to the GST Pro at **Updates> Field Visit reports>GSTIN**, the system displays **“Field Visit Success”** and a reference number will be generated. The field visit updation also can be viewed at GSTN portal and at **“Field Visit Conducted?”** Menu it shows as **“YES”**, once the data is uploaded on GST Pro.

9. If any clarifications required, DGSTOs shall contact Joint Commissioner of Commercial Taxes (e-Audit) of this office.

10. All divisional GST officers (DGSTOs) are instructed to monitor and supervise the performance of the field visits undertaken to verify and record the credentials of business entity by the concerned LGSTO/GSTSO. All the officers are instructed to follow the instructions in this circular scrupulously.



(M.S.SRIKAR)

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ANNEXURE- I

1. The LGSTO/GSTSO officers have to login to the <https://gst.kar.nic.in/gstpro>, and they should create user login to the staff of the office who have been assigned with the task of verification.
2. Those who have username and password for GSTPro should go to the menu **“Download Mobile App”** to their respective mobile phones(smart phones), to record the field visit details by using this app when they visit the business premises. Alternatively, the officers/staff can record the details of place of business at the time of field visit manually and enter the Field Visit details by using the path **Updates> Field Visit reports>GSTIN**
3. To record the geo location Viz; Latitude and Longitude of the business entity, the **“location”** menu in the phone should be enabled to record the same in the smart mobile phone.
4. To begin with, the LGSTO/GSTSO officers have to pull out the registered details of the registered persons from the following path. After the login to <https://gst.kar.nic.in/gstpro>, officers have to choose the path **“ Detailed Report> REG Requests> Reports on List of Tax Payers”**. In the **“Reports on List of Tax Payers”**. They have to choose the radio button **“New”** under Registration type, **“State Approval”** under Approval category and select the tax period from **“01.01.2019 to 31.03.2019”**, approved at the **“Date of registration”**. After collecting the details on a excel sheet, the officers have to sort the data into Individual, (Proprietorship), HUF, Firm, Private limited company and public limited company and to tabulate the sorted data with the nature of business and commodity and the residential address, if given address is from outside the State.

ANNEXURE-II

POST-VERIFICATION REPORT OF REGISTERED PERSONS

Sl No	GSTIN	Trade Name	Legal Status	Commodity	Remarks(Any difference with Original and field visit)
1	2	3	4	5	6

To,

All the officers of the Commercial Taxes Department.


Commissioner of Commercial Taxes
Karnataka, Bangalore.