

Government of Telangana
Commercial Taxes Department

PRESENT: Sri. Nikhil Chakravarthi, IA&AS
Special Commissioner of Commercial Taxes

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Sub: TGST Act, 2017-Newly registered taxpayers- Standard Operating procedure (SOP) to be followed- 'welcome letter' to be sent by Deputy Commissioner (STU)/Assistant Commissioners – Guidelines issued – Regarding.

Under the erstwhile APGST Act 1957, APVAT Act 2005 and TVAT Act, 2005, the registration certificate of newly registered dealers were sent by Registered post with Acknowledgement Due (RPAD). This communication served as a welcome bondage between the department and dealer. The acknowledgement received from postal Department was also a proof of existence of business. However, with the introduction of TGST Act, 2017 the communication of hard copy is not in practice and the proof of existence of place of business is available through physical verification only.

Further, the importance of eradicating the non-existent taxpayers and bill traders is emphasized in various forums and review meetings. It is felt that, the RPAD service could be effectively used for such verification in the initial stage. In order to welcome the newly registered taxpayer as a goodwill measure and also to prevent the proliferation of bill traders and nipping them in bud, the following Standard Operating Procedure is prescribed to be followed by the field formations.

I. Actions to be initiated by the Deputy Commissioners (STU) / Assistant Commissioners of Circles.

1. Once the registration task is approved by the registration authority, task will be created in the login of the Deputy Commissioners (STU) / Assistant Commissioner.
2. The Deputy Commissioners (STU) / Assistant Commissioner can download the draft 'Welcome letter' from the portal.
3. The Deputy Commissioners (STU) / Assistant Commissioner shall handover the signed 'welcome letter' to personal of the postal department on daily basis.
4. The Deputy Commissioners (STU) / Assistant Commissioner shall update reference number and date of dispatch shall be entered in the portal.
5. The Deputy Commissioners (STU) / Assistant Commissioner shall obtain the information of 'welcome letters' delivered and undelivered on the taxpayers from the postal department on daily basis.
6. If the 'welcome letter' is delivered, the date of delivery as per acknowledgement shall be entered in the portal and action is deemed to be completed.

7. If the letter is undelivered, the date of return by post shall be entered in the portal and task shall be forwarded immediately to the registering authority for further action.
8. ITC to be blocked by the Deputy Commissioners (STU) / Assistant commissioner pending enquiry by Registration Authority.

II. Action to be taken by the Registration Authorities.

1. A task shall be created in the login of the registering authority in respect of those cases in which the 'welcome letter' was not delivered/returned by post.
2. Based on the above preliminary verification, the registering authorities shall issue a show cause notice (SCN) to the taxpayer in GSTN back office system.
3. The registering authority shall conduct immediate physical verification of place of business for existence of tax payer and upload the physical verifications report in Form GST REG30.
4. Based on the reply received from the taxpayer for the SCN issued and physical verification report the registering authority may either drop or cancel the registration of the tax payer with effect from Effective Date of Registration (EDR) in the GST portal.

The workflow in the system for above procedure and MIS report including the action taken on the cancellation initiated cases will be provided to all the Joint Commissioners, Assistant commissioners and registration Authorities.

All the Deputy Commissioners (STU) / Assistant Commissioners are instructed to implement the above welcome letter procedure seamlessly to create a meaningful relation with Tax Payer and monitor the follow-up action by registering authorities closely to prevent the non-existent registered taxpayers from misusing the GST system.


Special Commissioner of Commercial Taxes

To,
All the Senior Officers of HOD
All Joint Commissioners of Divisions
All Deputy Commissioners of Divisions
All Assistant Commissioners and Registration Authorities in the State