

From	Karvy Data Management Services Ltd.
Date	March 30, 2019
Subject	Verification of applications for grant of new registration.
Category	Circular
Reference	Circular No. 95/14/2019 dated 28.03.2019
Series	Karvy/GST/110

Background

In recent past, large number of GSTIN registrations have been **cancelled** by proper officer on account of **non-compliance of required statutory provisions**.

Instances have come to notice that person who desire to continue to carry on business even after cancellation of registration on account of non-compliance of statutory provisions, are applying for **fresh registration instead of applying for revocation of cancellation of earlier registration**.

Person applying for revocation of cancellation of registration is **required to pay all liabilities** due from them for relevant period.

By making fresh application, such persons are avoiding payment of tax not paid earlier and are also not filing returns for default period. It is important to note that a person may take **Separate registration on same PAN in the same State**.

Addressing this concern, the Government vide enclosed Circular has instructed the concerned officer to exercise due caution while processing application for new registration.

Gist of the issued circular are presented below.

Rejection of application of registration:

- ✚ Application of registration can be rejected if information or documents submitted by the applicant are found to be deficient.
- ✚ It is possible that applicant may suppress some material information in **FORM GST REG-01** such as date of commencement of business, date on which liability to register arises, reason to obtain registration or non-furnishing of details of earlier registrations, if any obtained in GST on same PAN.
- ✚ Through this circular, it is instructed to proper officer to exercise due caution while processing application for registration from taxpayer who are already registered in same state or whose registration is being cancelled earlier.
- ✚ Registration of a person may be cancelled by proper officer on below grounds:
 - a) A person being a composite dealer has not furnished return for three consecutive tax periods or
 - b) Any registered person, other than composite dealer who has not furnished returns for a continuous period of six months.

It is clarified that a person whose registration is cancelled due to above reasons need to apply for revocation of cancellation of registration, failing which shall be deemed to be deficient.

- ✚ Proper officer may reject the application of registration if earlier registration of applicant was cancelled due to the reason of non-filing of return and such applicant –
 - Fails to file revocation for cancellation of registration and
 - Still continues the default of not filing returns.

Therefore, it is advised that where the applicant fails to furnish sufficient convincing justification or the proper officer is not satisfied with the clarification, information or documents furnished, then, his application for fresh registration may be considered for rejection.

Verification of application by proper officer:

- While verifying present application for registration, proper officer may compare information pertaining to earlier registrations, grounds on which earlier registration were cancelled and **current status of violations basis which earlier registration was cancelled.**
- The data may be verified on common portal by fetching the details of registration taken on the PAN mentioned in the new application Vis-a-Vis cancellation of registration obtained on same PAN.
- The information regarding the status of other registrations granted on the same PAN is displayed on the common portal to both the applicant and the proper officer.
- If required, proper officer may also analyse information submitted by applicant in FORM GST-REG-01 regarding details of proprietor, all partner/Karta/Managing Directors and whole time Director/Members of Managing Committee of Associations/Board of Trustees etc. may be analysed vis-à-vis any cancelled registration having same details.

Press release states that suitable trade notices may be issued to publicize the contents of this circular.

The Press release can be accessed on <http://www.cbic.gov.in/resources//htdocs-cbec/gst/circular-cgst-95.pdf;jsessionid=DA61DAE9AD801CE745226AFA36D2EB19>

About KARVY DATA MANAGEMENT SERVICES LTD.

Karvy Data Management Services Limited (KDMSL), a GST Suvidha Provider which has developed ASP Solution for easing GST compliance for tax payers. Easy to use interfaces are made available at the disposal of the tax payers to simplify their compliances in terms of dashboards, MIS, returns, payments, refunds and other compliance process. So, 'HELP US HELP YOU' we offer following services for GST - GSP & ASP Services (on cloud or on premises) with ERP Integration and Vendor Management Solution. We also offer managed services for Outsourced GST Compliance which will take care of end to end compliances.

In India, GST Team of KDMSL are located in following cities: Hyderabad, Mumbai, Bangalore, New Delhi, Chennai, Pune and Kolkata. For more information about KDMSL service offerings, visit www.karvygst.com

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