

**GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT
OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES
EZHILAGAM, CHENNAI- 600 005**

**PRESENT: Thiru K. PHANINDRA REDDY I.A.S ,
ADDITIONAL CHIEF SECRETARY/ COMMISSIONER OF
STATE TAX**

**Circular No: 10/2022
(PP2/GST-15/20/2022)**

Date: 07.06.2022

Sub: TNGST Act, 2017- Identification and prevention of bill traders in the newly applied cases – certain instructions-issued

Ref : Commissioner of State Tax, Tamil Nadu Notification. No 6/2022, dated 07.06.2022.

Under the Goods and Service Tax Acts, registration process has been simplified as a part of ease of doing business, without undergoing the process of pre-verification of business premises. Taking advantage of the same, many unscrupulous persons have taken multiple registrations to indulge in bill trading activities causing loss of revenue to the state exchequer. In our State, 771 bill traders involving revenue of Rs. 1,648 crore have been detected by the Department and their registrations were cancelled and action is being pursued on the beneficiaries. In order to prevent the potential bill traders applying for the registration, the following instructions are issued.

2. TNGST Rules 8 and 9 have been amended to implement the process of Aadhaar Authentication in new registration cases. The proviso (b) to rules 9(1) and 9(2) of the Tamil Nadu Goods and Services Tax Rules states that "provided that where the proper officer, with the approval of an officer authorised by the Commissioner not below the rank of Assistant Commissioner, deems it fit to carry out physical verification of places of business, the registration shall be granted within thirty days of submission of application, after physical verification of the place of business in the presence of the said person, in the manner provided under rule 25 and verification of such documents as the proper officer may deem fit."

3. Our experience shows that the bill traders after getting registrations, issue invoices without supply of goods or services for huge amount within a short span of time. The Department comes to

know about the bill trading activities only when he files return on the 20th day of the subsequent month, by which time he disappears from the declared place or non-existent even from the date of registration, leaving no trail to find them out by the Department. Again the bill traders come into system with different name and continue the same bill trading activity. Hence, it is imperative that the Department has to strengthen the scrutiny of the new registration applications in a robust manner to identify the bill traders at the entry level itself.

4. Hence it is instructed that any application for new registration filed has to undergo the process of matching with the database as to whether any of the following six parameters pertaining to cancelled registration found to have been matched with details provided in the application for new registration, to invariably undertake pre-verification of the business premises, by the jurisdictional proper officer as per the notification in the reference cited, so as to deter the bill traders from applying for new registration.

- i. Place of business,
- ii. PAN,
- iii. Mobile number,
- iv. e-mail ID,
- v. Authorized signatory and
- vi. Bank account number.

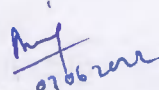
The IT wing shall make available the above list to the proper officer of the base circle on a daily basis.

5. The Deputy Commissioners (Territorial) are requested to monitor this closely, so as to identify the bill traders at the time of entry itself.

Sd/- K. Phanindra Reddy
Additional Chief Secretary /
Commissioner of State Tax.

To
All the territorial JCs and DCs in the State
Copy to all the ADCs in the Commissionerate
Copy to the Director, CTSTI, Chennai-35
Copy to all the JCs Intelligence in the State
Copy to all the DCs (Intelligence) in the State
Copy to JC (IT), Chennai-35 (for necessary action and to upload in the department intranet website.)
Copy to all Heads of assessment circle.

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Joint Commissioner

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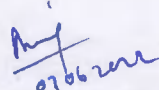
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