मुख्य आयुक्त का कार्यालय, वस् तु व सेवाकर एवं सीमा शुल् क
OFFICE OF THE CHIEF COMMISSIONER OF GST AND CUSTOMS
हैदराबाद क्षेत्र, HYDERABAD ZONE
जी.एस.टी. भवन ,लाल बहादुर स्टेडियम रोड, बशीरबाग, हैदराबाद– 500004
GST BHAVAN, LAL BAHADUR STADIUM ROAD:
BASHEERBAGH: HYDERABAD-500 004

GCCO/TECH/Meet/15/2023-TECH Dated: 24-04-2025

MINUTES OF THE MEETING OF THE STATE CO-ORDINATION COMMITTEE, TELANGANA STATE HELD ON 20.03.2025

Meeting of the State Co-ordination Committee of Telangana State for the Quarter ending March, 2025 was held on 20.03.2025 at 15.00 hrs. This was the fourth meeting for the financial year 2024-25 as mandated by the GST Council in its 50th Meeting. The meeting was chaired by Shri Sandeep Prakash, IRS, Principal Chief Commissioner, Central Tax & Customs, Hyderabad Zone and co-chaired by Smt Haritha, IAS, Commissioner, Commercial Taxes, Government of Telangana. The list of officers who attended the meeting is as under:

Sl. No	NAME OF THE Attendees (Mr. / Ms.)	Designation
1	Ch. Venkat Reddy, IRS	Additional Director General, DGGI, Hyderabad
2	Dr. Gandhi Donthi	Additional Commissioner, CCO
3	K. Ravi	Joint Commissioner, Policy, State Commercial Taxes Dept.
4	Mahesh Singarapu	Deputy Commissioner, Chief Commissioner's office.
5	Swati Nokhwal	Under Secretary, GST Council Secretariat
6	T.V. Suresh	Assistant Director, DGGST, SZU
7	B. Rajasekharan	Assistant Director, DGGST, SZU

The following points were discussed in the meeting:

1. Fake ITC cases:

CCT, Telangana informed that the department was able to take action in the cases identified by DGGI and further mentioned that quicker action in this

matter would yield even better results, by preventing the fake entities from passing on ITC.

2. Improper orders of Cancellation of registration:

ADG, DGGI raised a concern regarding a challenge being faced by them in the Courts regarding cancellation of registration of fake entities. He observed that in several cases, the cancellation notices, orders are not being issued in the proper format leading to the situation where taxpayers are approaching the judiciary and the Courts are rejecting the cancellation orders on the ground that orders are not reasoned or speaking orders and the principles of natural justice are not being followed. He further mentioned that DGGI HZU had started the practice of sharing draft Show Cause Notices for such cancellations, so that necessary facts alongwith applicable statutory provisions are clearly brought out, thereby affording an effective opportunity to the taxpayer. Pr. Chief Commissioner observed that instructions have already been issued to the field formations to ensure that material relied upon should be specifically brought out in the SCNs. Further, the officers should pass speaking orders in this regard.

Decision: It was decided that State and Central formations would use the draft notice shared by DGGI for such cases, with further additions by the RO if any.

3. **Blocking of credit under Rule 86A of the CGST Rules, 2017**:
The Rule 86A authorizes Commissioner or any officer authorized by him, not below the rank of Assistant Commissioner, having reasons to believe that credit of input tax available in the electronic credit ledger has been fraudulently availed or is ineligible, to disallow the taxpayer to debit their Electronic Credit Ledger for a period up to one year. In the case of M/s Bhavani Oxides and Others, vide WP No: 10930,10425, 10459 & 12733/2024, Hon'ble High Court of Telangana has held that Rule 86A(2) does not provide for any statutory remedies and that principles of natural justice must be observed while taking an action under Rule 86A of the Rules and a speaking order must be issued. It was noted that the purpose of Rule 86A is to protect the revenue pending investigation, and such purpose would be defeated if action under Rule 86A has to be preceded by issuance of a SCN as the errant tax payer can utilize and exhaust the ITC believed to have been obtained fraudulently while the SCN is being adjudicated. Principal Chief Commissioner mentioned that, in light of the Hon'ble High Court's judgment, a reference has been made to the Board/ GST Policy Wing for consideration. In the meantime, CC, Telangana was requested to challenge the order before the Apex Court. CCT, Telangana informed that a SLP has been filed.

Decision: It was decided that in view of the far reaching implications, CCT, Telangana would get the matter pursued in the Apex Court for early hearing.

Signed by
Dr Gandhi Donthi
Date: 24-04-2025 17:56:40

(Dr. Gandhi Donthi)
ADDITIONAL COMMISSIONER