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OFFICE OF THE CHIEF COMMISSIONER
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Minutes of the 3rd State Co-ordination Committee Meeting for the State of Madhya Pradesh held on 27.05.2025

The 3rd meeting of State Co-ordination Committee for the state of Madhya Pradesh was held on 27.05.2025 at the Conference Hall, Manik Bagh Palace, Indore. The meeting was attended by the following officers:

CGST BHOPAL ZONE			SGST MADHYA PRADESH & CHHATTISGARH	
Sl. No.	**Name of the Officer (Shri/ Mrs./Ms.)**	**Designation**	**Name of the Officer (Shri/ Mrs./Ms.)**	**Designation**
1	Sh. Manas Ranjan Mohanty	Chief Commissioner, CGST, Bhopal Zone	Sh. Dhanaraju S.	Commissioner, SGST Madhya Pradesh
2	Sh. Pratul Tiwary,	Commissioner, CGST, Indore	Smt. Tanvi Hudda	Special Commissioner, Madhya Pradesh
3	Sh. Dilip Goyal	Commissioner (Appeals), Indore	Sh. Manoj Kumar Chaubey	Additional Commissioner (Technical), Madhya Pradesh
4	Sh. Faraz Ahmad Qureshi	Additional Commissioner (CCO), Bhopal	Smt. Preeti Johri	Joint Commissioner, Indore
5	Sh. Aakash Singhai	Additional Commissioner CGST, Indore	Sh. Neeraj Srivastav	Joint Commissioner (AEB), Madhya Pradesh
6	Sh. Manish Choudhary	Joint Commissioner, CGST, Bhopal		
7	Sh.	Joint Commissioner		

	Eishvaryesh Bhardwaj	CGST, Indore		
8	Sh. Unde Yogesh Pandurang	Joint Commissioner CGST, Indore		
9	Sh. Dhiraj More	Deputy Director DGGI, Indore		
10	Dr. Pinky Baskey	Deputy Commissioner (CCO), Bhopal		

2. The following officers attended the 3 rd State Co-ordination meeting in respect of Madhya Pradesh in virtual mode.

i. Shri Anil Kumar, Deputy Secretary, GST Council Secretariat.
ii. Shri Arvind Kumar, Assistant Director, DGGST, Western Zonal Unit, Mumbai.

3. At the outset, the Additional Commissioner (CCO), Bhopal Zone and Member Secretary, welcomed all the members to the 3rd meeting of State Co-ordination Committee for the state of Madhya Pradesh. As several officers had recently assumed their respective roles, the Sh. Manas Ranjan Mohanty, Chief Commissioner Central GST invited all participants to introduce themselves. This introductory round facilitated mutual familiarity among the members and set the tone for collaborative discussions during the course of the meeting.

4. Thereafter, following agenda points were taken up for discussion:

i. Review of minutes of the last State Coordination Committee meeting held on 27.03.2024.
ii. Review of minutes of the Grievance Redressal Committee meeting for the state of Madhya Pradesh held on 22.11.2024.
iii. Any other agenda item endorsed by the members with the permission of the Co-Chairs.

5. Dwelling on the first agenda point, the minutes of the second State Co-ordination Committee held on 27.03.2024 were reviewed and the gist of deliberations held, is as under:-

5.1 Appointment of separate Nodal Officers for Enforcement, Legal, GST registration and General Coordination for better coordination and information sharing: Shri Faraz Ahmad Qureshi, Additional Commissioner, CCO, Bhopal, re-emphasized the importance of information sharing and essential role of Nodal officers for coordination. He informed that some of the officers previously designated as Nodal Officers have since been transferred, necessitating fresh appointments. He further underscored the importance of coordination on the enforcement front. He stated that the appointment of dedicated Nodal Officers would significantly enhance the efficiency of information exchange and reduce response time.

5.2 Mutual participation in Audit Monitoring Committee Meeting (MCM): While highlighting the fact that regular Audit of taxpayers are being conducted by CGST department and Monitoring Committee Meetings (MCM) conducted in monthly basis by the Audit Commissionerate's at Indore and Bhopal, it was enquired whether the audit of taxpayers is being conducted by the State GST officers to which Shri Manoj Kumar Choubey, the Additional Commissioner, State GST responded that audit of taxpayers is being conducted by State GST officers also.

Shri Manas Ranjan Mohanty, Chief Commissioner, Bhopal Zone, reiterated the benefit of officers from the State GST department attending the MCM, being conducted on monthly basis. This would enable them to provide their inputs and comments, as well as stay informed about the types of objections and observations being raised by CGST officers. Similarly, CGST officers will also participate in audit meetings conducted by the SGST department to ensure mutual exchange of insights and better coordination.

5.3. Special drive against fake entities and verification/cancellation of suspicious firms/bogus dealers: While discussing coordination on the enforcement front—particularly in relation to the special drive against fake entities, Shri Faraz Ahmad Qureshi, Additional Commissioner, CCO, Bhopal, stated that significant progress has been made in information sharing. All fake entities detected during the special drive, along with details of their recipients, have been shared with the State GST (SGST) department. In addition, alert circulars and notices related to bogus firms and dealers are also being regularly communicated to the SGST department. Similarly, the SGST department is also forwarding references to the Central GST for verification of suspected fake entities, ensuring a two-way flow of information.

Shri Faraz Ahmad Qureshi also shared that the CGST Commissionerates of Indore, Bhopal, and Jabalpur have collectively made 1,245 references to the SGST department for the verification of fake entities. Additionally, in 2025 alone, 145 references have been received from the SGST department for similar verification. It was requested that required actions are also completed by field formation and report sent back to State in timely manner. It was also acknowledged that the response time can be improved further.

Further contributing to the discussion, Shri Dhanaraju S, Commissioner, SGST Madhya Pradesh, proposed the creation of a dedicated WhatsApp group to enhance real-time information sharing between CGST and SGST Enforcement authorities. The matter regarding the development of an enforcement portal by SGST Madhya Pradesh for sharing details of enforcement actions for data sharing, as decided in the previous meeting, was deliberated upon. During the discussion, Shri Dhanaraju S, Commissioner, SGST Madhya Pradesh pointed out that since an enforcement module already exists within the GSTN Back Office (GSTN BO) ecosystem, operating a parallel system may dilute the benefits of functioning within a unified and integrated GSTN platform. However, he added that he is reviewing the need for this parallel system and if it is found that the platform is far more effective and helps avoid duplicate investigations and improves enforcement efficiency, it could be further developed and utilized.

Shri Manas Ranjan Mohanty, Chief Commissioner, CGST Bhopal Zone, concurred with views of Shri Dhanaraju S. He emphasized that, post-migration, both CGST and SGST departments are operating within the same GSTN BO environment, which eliminates the need for a separate enforcement module. He further suggested that the existing enforcement module in GSTN BO should be leveraged for coordination on enforcement matters. In case there are any shortcomings or limitations within the current module, those could be discussed and addressed for improvement, rather than developing parallel systems.

5.4 Closure of cases where taxpayer had requested for conclusion of proceedings: Shri Faraz Ahmad Qureshi, Additional Commissioner, CCO, Bhopal, informed that during the last State Coordination Meeting, it was decided that closure reports should be issued in eligible cases after the completion of investigations and shared between Central GST (CGST) and State GST (SGST) departments. This measure is aimed at preventing multiple investigations against the same taxpayer on identical issues.

In line with this decision, closure reports issued by CGST Bhopal Commissionerate were also marked to State department. Other Commissionerates under the CGST Bhopal Zone have also been instructed to do the same. However, closure reports are not being received from SGST formations. Sh. Dhanaraju S., Commissioner, MPGST said he would be looking into the matter and instruct the investigation wing accordingly.

5.5 Establishment of GSTAT Benches in the state of Madhya Pradesh: Regarding the establishment of office of GSTAT Bench in Madhya Pradesh, Shri Faraz Ahmad Qureshi, the Additional Commissioner, CCO, Bhopal stated that State PWD department is handling the office developmental work of GSTAT Bench at Bhopal. He stated that the dismantling work at the designated office premises has been completed. He requested the State Commissioner to consider personally intervening and urging the State PWD to expedite the development work, as this would facilitate faster progress in the establishment of the office.

5.6. Role of NACIN in capacity building of officers from CGST as well as SGST: Shri Faraz Ahmad Qureshi, Additional Commissioner, CCO, Bhopal Zone, informed that steps are being taken to strengthen capacity building and training of SGST officers through NACIN (National Academy of Customs, Indirect Taxes and Narcotics). He stated that NACIN Bhopal has already conducted a training programme for one batch of SGST officers in Raipur, and suggested that a similar programme be organized in Bhopal as well for MP State Officers.

Shri Dhanaraju S, Commissioner, SGST Madhya Pradesh, concurred with the proposal and emphasized that having a dedicated training center is a significant advantage. Shri Manas Ranjan Mohanty, Chief Commissioner, CGST Bhopal Zone, further added that NACIN is fully equipped to deliver customized training programmes, tailored to the specific needs and focus areas relevant to SGST officers. He emphasized that such targeted training initiatives would greatly contribute to the capacity building and professional development of SGST personnel along with CGST personel.

6. Review of minutes of the Grievance Redressal Committee meeting for the state of Madhya Pradesh held on 22.11.2024 : Regarding the second agenda item on reviewing the minutes of the previous GRC meeting for Madhya Pradesh, Shri Faraz Ahmad Qureshi, Additional Commissioner, CCO, Bhopal Zone, while briefly narrating important issues raised during the last GRC meeting, noted that since the GRC meeting is scheduled on the same day(27.05.2025), all related issues and key points from the last meeting may be addressed during the current session and the same was agreed upon.

7. Agenda items endorsed by the members with the permission of the Co-Chairs:

7.1 Achieving Return filing Targets: Shri Dhanaraju S., the Commissioner of State GST, Madhya Pradesh stated there are some serious challenges to increasing the return filing compliances. As on the date of the meeting, the return filing percentage of SGST is 82 % and that even 90% return filing is not reached by the end of the month. Certain geographical areas including Gwalior and Bhopal are having lowest return filing percentages and a common strategy needs to be worked out for improving return filing. He highlighted that in the last 3 months, they have been trying to identify non-serious taxpayers in the system as it is because of them that the entire return filing percentage is being pulled down. He further stated that they are working on segregating non-serious filers, Nil filers etc as in Madhya Pradesh. An increase in 1 percent of return filing could result in revenue augmentation of 0.4 percent accordingly it is imperative that the return compliance is increased.

Shri Manas Ranjan Mohanty, Chief Commissioner, Bhopal while concurring the view said that there is monthly monitoring mechanism put in place with respect to top non-filers of Centre, however field formations are required to further work on effective plan on increasing the filing percentage in their respective jurisdiction. He also asked CCO and CGST Bhopal to conduct study to find out the reason for the low filing percentage in Gwalior and Bhopal area.

7.2 New Registration granted by Center: Shri Dhanaraju S., the Commissioner of State GST, Madhya Pradesh stated that govt revenue is suffering because of improper registrations being granted by officers. It is noticed that officers while processing GST registrations are not thoroughly verifying the documents uploaded by the applicant. For instance, 03-04 years old electricity bill is uploaded by the applicant while other details are being photoshopped. Such obvious discrepancies are being overlooked by officers resulting in fake registrations. Thus, there is dire need to train officers for scrutiny of such documents. The documents such as electricity bill, consent letter, copy of rent agreement should be invariably scrutinized and authenticity of the document to be verified from website of the authority who has issued the document.

In this regard, Shri Faraz Ahmad Qureshi, Additional Commissioner, CCO Bhopal informed that Standard Operating Procedure for this task is already in place and that the officers are verifying the authenticity of documents from respective government websites.

Shri Dhanraju S., the Commissioner of State GST, Madhya Pradesh then stressed upon the fact that while taxpayers should not be harassed in any way, at the same time govt revenue cannot be compromised. He stated that approx. 2-3% of ITC being availed by taxpayer under state is fake ITC and this quantum of ITC is generated within short period of time after new registrations are granted to fake entities, which is a serious cause of concern. Thus, any sudden increase in ITC within short period of time is to be checked and monitored. In several GST registrations, a common mobile number and email address of same CA was also noticed, which is objectionable. Further, new GST registration is being immediately granted to individuals whose registration application earlier have been rejected multiple times. All these aspects need to be thoroughly looked into.

Shri Manas Ranjan Mohanty, Chief Commissioner, Bhopal while concurring the views of Shri Dhanaraju S., the Commissioner of State GST, Madhya Pradesh informed that Board Instruction issued in this regard is more geared towards avoiding undue harassment of the applicants. There needs to be a balanced approach and he directed that a detailed advisory may be issued to all the CPC officers, for verification of documents listing out all the necessary precautions and check along with strict compliance of Board's latest Instructions .

7.3 Novel Modus Operandi's noticed by DGGI Indore: Shri Dheeraj More, the Deputy Director, DGGI, Indore shared the information about new patterns of the cases viz.

(i) ***Misuse of credit notes and debit notes*** – He explained that in several instances, credit and debit notes are being issued without being reported in the taxpayer's GSTR-3B or GSTR-1 returns. As a result, these transactions are not flagged by the traditional mismatch-based reporting systems and are effectively bypassing standard compliance checks.

To illustrate, he described a case involving a Delhi-based taxpayer, who issued five debit notes of ₹100 each (totaling ₹500) to a recipient. Simultaneously, the same entity issued five credit notes of similar value to other suppliers, effectively neutralizing the tax impact. In a more complex variant, a taxpayer registered in Madhya Pradesh issues debit notes to recipients located in Punjab, who then issue the same debit notes back to the original Delhi-based supplier. This circular pattern is used to bypass standard reporting mechanisms. Importantly, the Delhi-based entity is a fake firm, knowingly accepting these debit notes to create artificial liabilities. This enables illegitimate input tax credit (ITC) to be passed on to the Punjab-based entities, without any actual movement of goods or flow of payments, thus constituting a fraudulent scheme.

(ii) ***Extended Monitoring of New GST Registrants in ADVAIT*** : Under the current framework of ADVAIT, new GST registrants from the past three months are being monitored for sudden increases in turnover and inconsistencies in Input Tax Credit (ITC) claims. However, tax offenders appear to be aware of this monitoring pattern. To evade detection, they often remain inactive for 8–9 months, filing Nil returns during this period to avoid triggering any alerts in the ADVAIT system. After this dormant phase, they begin claiming large amounts of fraudulent ITC and subsequently shut down operations abruptly, leaving authorities with little time to intervene. Given this evolving modus operandi based on the present tools available with GST Officers, the task of enforcement officer and MI/AI Tools developed by

Department needs dynamic and constant upgradation.

7.4 Issue Related to IGST Settlement Due to Missing Place of Supply Details: Shri Dhanaraju S., Commissioner, State GST, Madhya Pradesh, highlighted challenges in IGST settlement arising from the absence of 'place of supply' information in payments made by DRC-03. He explained that without this crucial detail, the state is unable to receive its rightful share of IGST, as the settlement process in case of such DRC-03 is not completed and is stuck locked until verification of the detail. To address this, he requested that all CGST formations may be instructed to ensure that the 'place of supply' is clearly mentioned in payments made through DRC-03 by Enforcement, Audit or Tax Recovery Officers.

7.5 Ensuring Clarity in References to facilitate cancellation of GST Registration of Center Taxpayers:- Shri Eishvaryesh Bhardwaj, Joint Commissioner, CGST Indore, with the permission of the Co-Chairs, stated that often references received by the CGST department for cancelling the GST registration of Taxpayers under Center jurisdiction, from the SGST department in case their investigation has established that the taxpayers are fictitious firms, often lack critical details. In particular, these references frequently do not elaborate on the basis of the SGST department's findings that the entity is fictitious. Such information is essential for the Range Officer to appropriately process the cancellation of registration. He recommended that the SGST department should include some background details in such references, so that same is put in record and strict action like cancellation of registration are timely taken by the proper officer to avoid any further loss of government revenue.

Shri Dhanaraju S., Commissioner, State GST, Madhya Pradesh, acknowledged the suggestion and agreed that such references should include certain mandatory observations so as to avoid unnecessary record calling from the proper officer and immediate cancellation of such fake registration.

8. Schedule of next Meeting:

The date of next State Co-ordination Committee Meeting was decided to be informed in due course.

9. The Meeting ended with a vote of thanks by the Additional Commissioner (CCO), Bhopal.

Digitally signed by
FARAZ AHMAD QURESHI
Date: 05-08-2025
17:55:07

(Faraz Ahmad Qureshi)

Additional Commissioner (CCO)

Copy To:

1. The Pr.DG, DGGST, New Delhi for information please.
2. The ADG, DGGST, Western Zonal Unit, Mumbai for information please.
3. The GST Council Secretariat, for information please.
4. All the Members of State Co-ordination Committee of Madhya Pradesh and Chhattisgarh.

Additional Commissioner (CCO)