भारत सरकार/ Government of India
वित्त मत्रांलय/ Ministry of Finance
राजस्व विभाग/ Department of Revenue
केन्द्रीय कर प्रधान मुख्य आयुक्त का कार्यालय,बेंगलूर अंचल,
केन्द्रीय राजस्व भवन,क्वीन्स रोड,बेंगलूर–560001
OFFICE OF THE PRINCIPAL CHIEF COMMISSIONER OF CENTRAL TAX, BENGALURU ZONE, C.R. BUILDING, QUEEN'S ROAD, BENGALURU–560001.

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26.09.2025 को आयोजित राज्य समन्वय समिति की बैठक का कार्यवृत्त/ MINUTES OF THE STATE CO-ORDINATION COMMITTEE MEETING HELD ON 26.09.2025

State Co-ordination committee meeting for Karnataka State was held on 26.09.2025 between CGST and SGST authorities for the quarter ending April to June 2025. Meeting was conducted in the Conference Hall, Office of the Pr. Chief Commissioner, Central Tax, Bengaluru Zone. The meeting was co-chaired by Ms. Kajal Singh, Chief Commissioner of Central Tax, Bengaluru Zone and Shri Vipul Bansal, Commissioner of Commercial Taxes, Karnataka. The list of officers who attended the meeting is enclosed as **Annexure- A**.

2. The Chief Commissioner of Central Tax, Bengaluru welcomed all the officers from CGST and SGST and outlined the objective of the meeting. A presentation covering the agenda points received from both CGST and SGST formations was delivered by Shri Rajeev Ranjan, Joint Commissioner, PCCO, Bengaluru.

Discussions/ Observations/ Suggestion-

3. Audit conducted by State GST on Centre GST taxpayers

3.1 The GST Council has recommended that cross-empowerment is permitted only for enforcement actions, and not for activities such as scrutiny of returns, audit, etc. Accordingly, the modules in the GSTN Back Office (BO) application have been designed based on this principle. In the Enforcement Module of the GSTN BO, a message with a Case ID appears on the officer's dashboard if enforcement action has been already initiated for the same taxpayer. However, this functionality is not enabled in the Audit Module.

3.2 Audit-I, CGST Commissionerate has reported two instances where audits of Centre-administered taxpayers were conducted by the State GST authorities:

- M/s Universal Cleanroom Technologies
- M/s PLR Projects Private Limited

3.3 The Pr. Commissioner, Belgavi Audit during the discussions informed that they have also identified 8 such instances where audits of Centre-administered taxpayers were conducted by the State GST authorities.

3.4. On this issue, the Commissioner of Commercial Taxes clarified that once an enforcement action is initiated against a taxpayer, it is the prevalent practice to transfer the case to the Audit wing for issuance of DRC-01 or DRC-07, as applicable. This is a long-standing practice in the State GST Department, continuing from the VAT regime, for the purpose of SCN issuance and adjudication. He further added that;

- It is unlikely that the State GST conducts audits of taxpayers administered by the Centre. However, if such instances are identified, CGST authorities are requested to share the case details for examination. Suitable directions will then be issued to SGST officers.
- If a demand notice or order is issued by Audit Officers pursuant to an enforcement action, this is permissible.
- Cases initiated under enforcement but subsequently transferred to Audit Officers for adjudication purposes only.

3.5 The Commissioner, Audit-I, highlighted that although enforcement action by State GST authorities may be based on specific intelligence or information, the Centre GST authorities cannot undertake the audit of such taxpayers, even though the Taxpayers have been allotted for audit, as per the instructions issued by the Directorate of Audit, CBIC, and the provisions of the Audit Manual. In such cases, the allocated audit must be surrendered.

3.6 The Chief Commissioner, CGST, acknowledged that such instances may be limited in number. However, it was emphasized that the matter should be escalated to the Directorate of Audit, given that the allocation of audits is based on risk parameters associated with the taxpayers. Further, it may also be highlighted to the DG Audit that enforcement action by State GST authorities is focused on examining specific aspects of the GST taxpayers and it does not include full scope audit of the taxpayer.

(**Action: Audit Commissionerates and PCCO**)

4. Parallel proceedings by Centre GST and State GST

4.1 The Bengaluru South CGST Commissionerate reported two cases-

- M/s Premier IT Solutions India Pvt. Ltd.
- M/s DRG Security Services Pvt. Ltd.

where Show Cause Notices (SCNs) were issued by the CGST authorities based on scrutiny of returns. However, during the Personal Hearing (PH) proceedings, the taxpayers informed that similar SCNs had already been issued and adjudicated by the State GST authorities for the same period and on similar issues.

In view of this, the Bengaluru South Commissionerate dropped its proceedings to avoid duplication of action.

4.2 On this issue, the Commissioner of Commercial Taxes clarified that the demand notices/orders issued by the State GST may have been the result of enforcement actions. However, he assured that these two cases referred by Bengaluru South will be examined, and if necessary, appropriate directions will be issued to SGST officers reiterating that cross-empowerment is permissible only for enforcement actions, not for scrutiny or audit.

4.3 The Bengaluru North Commissionerate reported a case of M/s K2K Infrastructure India Pvt. Ltd., wherein the State GST authorities issued a demand only for SGST, and the taxpayer discharged the liability through DRC-03 under the SGST head.

4.3.1 However, during scrutiny by the CGST authorities, a mismatch in IGST and CGST liabilities was also observed for the same period.

4.4 The Commissioner of Commercial Taxes noted the issue and assured that it will be examined. He further stated that, if required, instructions will be issued to the SGST officers to raise demands or issue orders for IGST, CGST, and SGST, in accordance with Section 6(2)(a) of the KGST Act, 2017.

4.5. **Information Sharing Between CGST and SGST Authorities**

4.5.1 The Commissioner, Bengaluru North-West, suggested that the State GST authorities may share details of enforcement actions initiated against Centre-administered taxpayers, including the outcomes of such actions, and similarly, CGST authorities should reciprocate by sharing enforcement details pertaining to State-administered taxpayers.

4.5.2 The Chief Commissioner, CGST, Bengaluru Zone, advised that all CGST Commissionerates should proactively share such information with their SGST counterparts to ensure better coordination, avoid duplication, and maintain transparency in enforcement actions.

Action points

i. In cases where actions are taken under cross-empowerment, CGST and SGST authorities should share relevant information, including the outcomes of such actions, to ensure coordination and avoid duplication.

ii. A communication may be sent to the Directorate General of Audit, CBIC, seeking clarification on the permissibility of undertaking audits on taxpayers against whom enforcement action has already been initiated or concluded.

(**Action: SGST and CGST**)

5. Establishment of Communication Mechanism and Expedited Action against Non-genuine Taxpayers

5.1 The Commissioner of Commercial Taxes, State GST, shared details of a recent drive launched to tackle the issue of fake Input Tax Credit (ITC). A dedicated system and team have been established to identify high-risk entities based on specific risk parameters. The details of these entities are promptly circulated to all field formations. Physical verifications of Business premises are conducted within 48 hours, and if necessary, the GSTINs are blocked to prevent the further transmission of fraudulent ITC. Special care is taken to ensure that such blocking actions are completed before the 20th of the month—the due date for filing GSTR-3B—since once returns are filed, tracking and recovering fake ITC becomes more difficult. This proactive drive has yielded substantial results and within 2–3 weeks, approximately ₹100 crore worth of fake ITC was blocked, leading to increased GST revenue collection. Notably, around 90% of the entities flagged for verification were found to be non-genuine/ fake entities. Most of these cases were linked to fraudulent claim and passing of the fake ITC in the Metal scrap sector.

5.2 The Commissioner of Commercial Taxes, proposed that Nodal Officers be nominated from both CGST and SGST to facilitate the regular exchange of information, with a dedicated email and communication channel, aimed at curbing the passing of fake ITC ensuring time-bound disposal of suspension and cancellation proceedings in fake Registration and fraudulent ITC passing cases, improving efficiency and reducing manual interventions.

5.3 The Chief Commissioner of Central Tax advised all CGST Commissioners to direct their Range Officers to closely monitor new GST registrations and their transactions for any suspicious activity indicating the intent to pass on fake ITC. Immediate action should be taken within 48 to 72 hours of identifying such cases.

(Action: Executive Commissionerates)

Action points

i. Shri Harikrishna, Deputy Commissioner, PCCO, Bengaluru (CGST), and Shri Prakash J. J., Deputy Commissioner of Commercial Taxes (Service Analysis and Intelligence – I), have been nominated as Nodal Officers for facilitating intelligence-based information exchange between CGST and SGST. They will serve as the single points of contact for CGST and SGST coordination, particularly in matters relating to information exchange and monitoring the timely disposal of suspension and cancellation proceedings recommended by both Central and State authorities in cases involving fake registrations and fraudulent ITC transactions.

ii. The Nodal Officers may develop a standardized format and a dedicated E-Mail ID for the exchange of information between GST authorities with respect to speedy disposal of suspension and cancellation in fake Registration and ITC claim cases. Once finalized, this format and a dedicated E-Mail ID can be circulated across all GST formations (CGST and SGST) to ensure uniformity and effective communication. The standardized format and dedicated E-Mail ID is enclosed as **Annexure- B.**

iii. In relation to fake ITC, instructions should be issued to Range Officers in CGST Commissionerates to closely monitor transactions of newly registered taxpayers and take timely action where necessary.

6. Regarding mapping of MDP and E-way bill details as per Budget Proposal

6.1 The Commissioner of Commercial Taxes, State GST, highlighted ongoing efforts to curb suspected tax evasion in the mining industry. He mentioned that all mineral dispatches require a Mineral Dispatch Permit (MDP). To strengthen monitoring, Government of State of Karnataka has mandated the issuance of e-way bills concurrent with MDPs. The integration of MDPs with e-way bills aims to enhance oversight of mineral transportation, reduce tax evasion in the mining sector, and boost revenue collections, given the high volume of such transactions.

6.2 He further suggested that many of the entities involved in mineral dispatches may fall under the administrative control of the Central GST. Accordingly, CGST authorities may increase focus on this sector to prevent potential tax evasion.

6.3 The Chief Commissioner of Central Tax, Bengaluru, informed that the majority of mining-related taxpayers fall under the jurisdiction of Belagavi CGST Commissionerate. The Principal Commissioner, Belagavi was advised to undertake verification of such taxpayers, following the approach adopted by the State GST.

Action Point:

The Belagavi CGST Commissionerate to initiate verification of taxpayers involved in the movement of minerals.

7. Issuing different SCNs for different financial year as per certain Hon'ble High Court orders

7.1 Hon'ble High Courts have delivered judgments against the issuance of bunched Show Cause Notices (SCNs) covering multiple financial years under Sections 73 and 74 of the CGST Act, holding that such clubbing is not in accordance with the law. These decisions have been challenged by the CGST Department before the Hon'ble Supreme Court. In this regard, the Central Board of Indirect Taxes and Customs (CBIC) has issued guidelines on 15.09.2025 for defending the matter.

Action Point:

The CBIC guidelines dated 15.09.2025, issued for defending the matter, have been shared with the SGST authorities.

8. Flagging the actions initiated on the taxpayers by State and Central Authorities; Mechanism to be built in BoWeb system to know that Intelligence, Audit and Adjudication actions initiated by State and Centre Authorities to avoid the overlap/ parallel proceedings.

8.1 The Commissioner of Commercial Taxes, State GST, suggested that an alert mechanism should be activated in the GSTN Back Office (BO) modules, visible on officers' dashboards, whenever any enforcement or audit action is initiated by either State or Central GST authorities against a taxpayer.

8.2 The Joint Commissioner, PCCO, informed that such an alert system already exists in the enforcement module of the GSTN BO. However, since audit and assessment are administrative functions rather than enforcement actions, no alert or flagging mechanism is currently available in the audit module.

8.3 The Chief Commissioner of Central Tax emphasized that the effectiveness of the alert system within the enforcement module depends on its consistent usage by all officers. Training for CGST officers on the GSTN BO for enforcement modules is underway, and it is expected that full-scale implementation and usage across CGST formations will be achieved by December 2025. Further, it was also suggested to explore the option with GSTN if the alert input from the enforcement module on the GSTN BO can be shared on audit module.

8.4 The Joint Director, DGGI Bengaluru, and the Deputy Director, DGGI Belagavi, confirmed that officers in the DGGI formations of the Bengaluru Zone are actively using the GSTN enforcement module for their cases.

Action Point:

i. All CGST officers are to ensure full and consistent use of GSTN BO enforcement modules by December 2025.

ii. Letter may be written to GSTN to check the feasibility of sharing of the alert input from the enforcement module on the GSTN BO with the audit module. **(Action: PCCO)**

9. Sharing of new Modus Operandi identified with respect to investigation of taxpayers

9.1 On this issue, the Joint Commissioner, PCCO, informed that offence reports are recorded in Form AE-II. A sample copy of Form AE-II has been shared with State GST officers for reference.

9.2 As discussed, Nodal Officers from both CGST and SGST were directed to develop simple, standardized formats for sharing identified modus operandi between CGST and SGST.

Action Point:

The format for sharing identified modus operandi between the two administrations is enclosed as **Annexure- B**.

10. Joint Action at high-risk sectors; Iron and Steel, Metal scrap, Textiles, Cigarettes, Tobacco etc. show recurrent fraud; and Central and State Co-ordination with Railways in conducting raid and investigation at railways of evasion prone commodities

10.1 The Commissioner of Commercial Taxes, State GST highlighted the need for checks on high-risk, evasion-prone commodities transported via Railways. He expressed concern over the lack of cooperation from the Railways Department and suggested CGST authorities to take the lead in establishing coordination with Railways for GST enforcement activities. Effective collaboration would enable GST officers to access and inspect parcels or consignments based on specific intelligence inputs.

10.2 He further suggested that, if necessary, joint operations involving both Central and State GST authorities could be planned to tackle GST evasion in high-risk sectors; Iron and Steel, Metal scrap, Textiles, Cigarettes, Tobacco etc.

10.3 The Chief Commissioner, CGST suggested that the Nodal Officers may co-ordinate and plan for joint operations, as and when required. Nodal officer of CGST was also directed to examine the issue related to information sharing with the Railway Authorities.

11. Sharing of information relating to Import of Precious Metals, Cell Phones, Arecanut and Contraband Products by Customs authorities

11.1 The Joint Commissioner, PCCO, informed that currently, ICES (Indian Customs EDI System) data from Customs is not being transmitted to the GSTN Back Office (BO). At present, only IGST-related data is reflected.

11.2 The Chief Commissioner of Central Tax suggested that a request may be sent to CBIC to enable the sharing of ICES data with GSTN, which would aid in better analysis and enforcement.

(Action: PCCO)

12. Case selection criteria and methodology and sharing of intelligence-based enforcement cases

12.1 The Commissioner of Commercial Taxes, State GST informed that State GST is working on building analytical software with minimum human intervention, to select the taxpayers for enforcement action. This software will flag the taxpayers, based on risk parameters. He enquired about risk parameters in place for selection of taxpayers in CGST formations. He requested to share risk parameters used for selection of taxpayers for audit, so that those parameters can be analysed, for their analytical software.

12.2. The Commissioner of Central Tax, Bengaluru South, informed that GSTINs are selected for scrutiny and verification by the Directorate General of Analytics and Risk Management (DGARM) based on risk analysis. DGARM circulates the list of such identified GSTINs to the CGST formations for further action.

12.3 It is further informed that physical verifications (PV) under CGST are primarily system-selected during the registration process. In addition to these system-selected verifications, PVs are also undertaken based on risk-based analysis conducted by field officers.

12.4 Taxpayers selected for audit are identified by the Directorate General of Audit and by the Office of the Principal Chief Commissioner, based on inputs from local Audit Commissionerates, using local risk parameters. These risk parameters are documented in the Audit Manual issued by the Directorate General of Audit.

12.5 The Chief Commissioner, CGST, directed that the gist of Audit Manual and the broad Risk Parameters for Selection of Taxpayers for Audit may be shared with the SGST authorities.

(Action: PCCO)

12.6 The Commissioner of Commercial Taxes, State GST also highlighted that many taxpayers are showing different business during registration process while their transactions (invoices and e-way bills) reflect commodities with different HSN. In such cases where evasion prone commodities are not shown in registration application, tax officers may be advised to consider physical verification (PV).

Action points

Range officers should be sensitized to take extra caution on verification of registration applications reflecting risk prone commodities.

(Action: Executive Commissionerates)

The meeting concluded with vote of thanks to the Co-Chairs, members of the committee and the officers.

This issues with the approval of the Chief Commissioner of Central Tax, Bengaluru CGST Zone and Commissioner of Commercial Taxes, Bengaluru, Karnataka (Co-chairs).

संलग्नक: उपरोक्तानुसार/Enclosure: As above

Digitally signed by
Indira Priyadarshini A
Date: 15-10-2025
11:15:49

(इंदिरा प्रियदर्शिनी / INDIRA PRIYADARSHINI)
अपर आयुक्त /ADDITIONAL COMMISSIONER
प्र.मु.आ.का.का., बेंगलुरु /PCCO, BENGALURU

ANNEXURE- A

List of the officers attended the State Co-ordination committee meeting held on 26.09.2025

Sl. No.	NAME OF THE OFFICER	DESIGNATION
01	Ms. Kajal Singh	Chief Commissioner of Central Tax, Bengaluru Zone (Co-chair)
02	Shri Vipul Bansal	Commissioner of Commercial Taxes, Karnataka (Co-chair)
03	Ms Kiran Verma	Pr. Commissioner of Central Tax, Bengaluru West
04	Shri Samir Subhash Bajaj	Pr. Commissioner of Central Tax, Belagavi and Belgavi -Audit (additional charge)
05	Shri Pradip Kumar Suman	Pr. Commissioner of Central Tax, Mysuru Audit
03	Shri Santosh Kumar Mohanty	Commissioner of Central Tax, Bengaluru South
06	Shri M.V. Badriprasad	Commissioner of Central Tax, Audit – I
07	Shri Imamuddin Ahmed	Commissioner of Central Tax, Audit – II
08	Shri Rajiv Kumar Agrawal	Commissioner of Central Tax, Bengaluru Northwest
09	Shri S. Kesava Narayana Reddy	Commissioner of Central Tax, Mangaluru
10	Shri Kanishka	Additional Commissioner (Enforcement), South Zone (Member of the Committee) -SGST
11	Shri Narayanswamy	Additional Commissioner (Audit) -SGST
12	Shri Meghannanavar	Additional Commissioner (HQ – 2)-SGST
13	Ms. Indira Priyadarshini	Additional Commissioner of Central Tax, PCCO Bengaluru
14	Shri Rajeev Ranjan	Joint Commissioner of Central Tax, PCCO Bengaluru (Member of the Committee)
15	Ms Vinuta Malleshappa	Joint Director, DGGI, Bengaluru Zonal Unit
16	Shri Pramod Nayak	Deputy Director, DGGI, Belagavi Zonal Unit (Member of the Committee)
17	Ms Smita Roy	Deputy Secretary, GST Council Secretariat
18	Shri Harikrishna	Deputy Commissioner of Central Tax, PCCO, Bengaluru
19	Shri Prakash J.J.	Deputy Commissioner of Commercial Taxes (Service Analysis and Intelligence -1)
20	Shri T.V. Suresh	Assistant Director, DGGST, Southern Zonal Unit
21	Shri Vinayak Hegde	Assistant Commissioner of Central Tax, PCCO, Bengaluru
22	Shri Sudhendu Mukesh	Assistant Commissioner, PCCO Bengaluru
23	Shri Rangappa K.G.	Assistant Commissioner of Commercial Taxes (Enforcement and Intelligence Unit -2)
24	Shri B.R. Keshavamurthy	Assistant Commissioner of Commercial Taxes (Service Analysis and Intelligence – 4)-SGST
25	Shri Rajesh	Commercial Tax Officer (Policy and Law)

ANNEXURE- B

Dedicated E-mail ID(Centre): bzpcco-inv.coord@gov.in

Dedicated E-Mail ID(State): adcomsawctd@gmail.com

Incident Report Format for sharing information between CGST and SGST

Sl. No	Areas	Details
1	Entity Name/ GSTIN/ Address	
2	Jurisdiction Office	
3	Date of Detection/ Date of visit of the business premises	
4	Commodity/ Services involved	
5	Nature of Contravention/Sections Invoked	
6	Estimated Duty / Tax involved	
7	Brief Facts & Modus Operandi	
8	Name and Designation of the Inspecting Officer	
9	Field Visit Report (if any, to be attached)	
10	Action Required (Suspension/Deregistration of TP/ITC Blocking etc)	