

Ministry of Finance

Second edition of National Conference of Enforcement Chiefs of State and Central GST Formations held in New Delhi today

Two months' Special drive by Central and State formations to identify and weed out fake registrations underway since 16th August

Central and State GST formations must focus on fake registrations during the special drive to ensure deterrence: Revenue Secretary

Balance between enforcement actions and ease of doing business is important: Revenue Secretary

Enforcement units must focus on real evasion: CBIC Chairman

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The second edition of the National Conference of Enforcement Chiefs of the State and the Central GST Formations was held in New Delhi today. The conference was chaired by Shri Sanjay Malhotra, Secretary, Department of Revenue, Ministry of Finance. The National Conference comes in the backdrop of special drive being undertaken by both Central and State formations to identify and weed out fake registrations.



The Conference was attended by senior officers of the Department of Revenue, CBIC, Commissioners of Commercial Tax (CCT) and GST Enforcement Chiefs of the States and CEO and officers of GSTN. Other enforcement and intelligence authorities like the Central Board of Direct Taxes (CBDT), Directorate of Enforcement (ED), Directorate of Revenue Intelligence (DRI), Financial Intelligence Unit (FIU-IND) and Central Economic Intelligence Bureau (CEIB) also participated in the deliberations.

In his address on the occasion, the Revenue Secretary stressed the importance of maintaining a fine balance between enforcement actions and ease of doing business. He exhorted the Central and State GST formations to focus on the fake registrations during this special drive and stressed on the need to track the masterminds and beneficiaries of fake ITC so that strict action is taken to have the necessary deterrence effect. Shri Malhotra said that the recent changes implemented in the GST returns such as GSTR-1A would further aid the efforts of tackling GST evasion in a systematic manner.



Setting the context of the one-day conference, Shri Sanjay Agarwal, Chairman, Central Board of Indirect Taxes and Customs (CBIC), recalled the discussion in the first edition of the conference and emphasised the need for enforcement agencies to stay ahead of the evaders so that the sanctity of the GST system is preserved. He advised the enforcement units to focus on real evasion rather than interpretative issues and general industry practice.



In his welcome address, Shri Vivek Agarwal, Additional Secretary, Revenue, expected that the participating officers would benefit from the agenda which includes discussion on sector specific enforcement issues, emerging issues in enforcement and techniques to tackle evasion. He stressed the importance of following up on the actions identified so that the useful purpose of the deliberations in the conference are achieved.



During the one-day conference, various presentations were also made by the GST formations. Action taken report of the actions identified in the first edition of the conference held in March 2024 was reviewed and the formations were advised to continue their efforts in ensuring that the actions are completed. The participants were acquainted with the details of the 2 months' special drive on fake registrations which has been launched on 16th August 2024. This drive will be undertaken in a co-ordinated manner between the Central and State formations. Based on certain identified risk parameters, close to 59,000 potential fake firms have been identified for verification and further enquiry. CEO, GSTN made a presentation on various technological initiatives to tackle the issue of evasion while at the same time ensuring business facilitation is not hampered.

In his presentation, DG, DGGI said that the DGGI has detected fake ITC evasion of Rs. 1,20,000 crore from the year 2020 till date with special emphasis being laid on identifying and apprehending the masterminds and disrupt syndicates, operating across the country; with 170 such masterminds have been apprehended already. Some of the best practices/guidelines issued to bring in uniformity in action and ensuring ease of doing business were also deliberated.

Commissioner of Maharashtra State GST showcased the GST Enforcement Management System (GEMS) implemented in the State to ensure that the enforcement actions are properly tracked and closed so that there is transparency in the process and demands are crystallised within a reasonable time paving way for higher probability of recovery of evaded taxes.

During the focussed thematic sessions, zonal units of DGGI/CBIC presented various case studies on misuse of APMC accounts, fintech companies, clandestine clearances, issues in financial sector, taxation of emerging service sector as cryptos, NFTs, TDRs etc.

Chief Commissioner Tax (CCT), Gujarat, discussed the modes of evasion detected in manpower supply services and presented the learnings and way forward. Officials from West Bengal presented the enforcement cases in real estate sector while Karnataka SGST officer shared their experience in leveraging interdepartmental data for enhanced evader detection. CCT, Rajasthan, presented various enforcement case studies; while CCT, Tamil Nadu elaborated on the state's efforts in state wide surprise enforcement operation against bill trader, street surveys conducted and a unique process of detecting fake registrants by sending a friendly welcome letter to new registrants.



Various participants stressed the need for building a national register of enforcement actions so that real time information gets disseminated to all enforcement units in Centre and State formations. Taking cue from the 'Samvad' sessions conducted by Rajasthan and street surveys conducted by Tamil Nadu, Revenue Secretary underscored the importance of being continuously connected to the trade and business in the field reducing the need for intrusive enforcement action and enabling proactive compliance.



The conference provided an effective forum for experience sharing and knowledge transfer between the GST officers of Central and State formations.

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