



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)

GST & Indirect Taxes Committee

F. No.GST/INV/Audit Report No.7 of 2024/33/2024-25

वित्त मंत्रालय
राजस्व विभाग
केन्द्रीय अप्रत्यक्ष कर एवं सीमा शुल्क बोर्ड
GST-Investigation Wing

10वाँ माला, टावर-2, जीवन भारती बिल्डिंग
कनाट सर्कस, नई दिल्ली-110001.
03-08-2026

Instruction No. 01/2026-GST

Subject: Instruction regarding Coordination with State Mining Authorities for sharing information relating to illegal mining and transportation of minerals – reg.

The undersigned is directed to refer to the Draft Performance Audit Report of the Comptroller and Auditor General of India (C&AG) on "Assessment, Levy and Collection of GST on Minerals" wherein it has been observed that State Mining Authorities detect numerous instances of illegal mining, illegal transportation of minerals, seizure of minerals and vehicles, cancellation/suspension of mining leases, excess extraction of minerals, and other violations under the mining laws.

1.2 Such information has potential implications under the Central Goods and Services Tax Act, 2017, as it may indicate suppression of taxable supplies, non-registration, undervaluation, non-payment or short payment of tax or other forms of GST evasion. The audit report further observed that there is presently no structured or institutional mechanism for periodic sharing of such information between the State Mining Authorities and the CGST field formations. Consequently, valuable enforcement intelligence available with the State Mining Authorities is not being systematically utilised by the GST authorities for examination of possible tax implications and initiation of appropriate action under the GST law.

2. The matter has been examined by the Board. It has been observed that timely sharing of information relating to illegal mining and transportation of minerals would facilitate identification of cases involving possible suppression of taxable supplies, non-payment or short payment of GST, wrongful availment of input tax credit and other violations of the provisions of the Central Goods and Services Tax Act, 2017.

3. Accordingly, it is hereby directed that all Principal Chief Commissioners/Chief Commissioners of CGST Zones shall ensure that:

- (i) a Nodal Officer is designated in each CGST Zone for coordination with the respective State Mining Department;
- (ii) a mechanism is established with the State Mining Authorities for

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periodic sharing of information relating to illegal mining and transportation of minerals detected within the jurisdiction;

(iii) information so received shall be suitably analysed for identification of GST implications and appropriate action shall be initiated wherever warranted under the provisions of the CGST Act, 2017 and the rules made thereunder;

(iv) intelligence generated from such information is disseminated to the jurisdictional Commissionerates/DGGI formations, wherever necessary, for further necessar action;

(v) periodic meetings with the State Mining Authorities are held to review the effectiveness of the information-sharing mechanism and to resolve operational issues.

4. The field formations are hereby directed to circulate these instructions to all the formations under their charge for strict compliance. Difficulties, if any, in implementation of the aforesaid instructions may be brought to the notice of the Board. Hindi version will follow.

(प्रभाकर कुमार)
आयुक्त (जीएसटी - अन्वेषण प्रकोष्ठ)
ईमेल आईडी: **gstinv-cbic@gov.in**

To,

- 1.The Principal Chief Commissioners/ Chief Commissioners CGST All Zones
 - 2.The Director General DGGI(Hqrs.), MTNL Building, Dwarka Sec-6, New Delhi.
 3. Webmaster, CBIC (www.cbic.gov.in) for uploading on the website of CBIC under Instructions.
- Copy to : The Commissioner(PAC), CBIC, New Delhi.