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F No. GST/INV-OD/20-21
 Ministry of Finance
 Department of Revenue
 Central Board of Indirect Taxes and Customs
 GST-Investigation Wing

Room No.01, 10th Floor,
 Tower-2, 124, Jeevan Bharti Building,
 Connaught Circus, New Delhi- 110001.
 Dated the 11th June, 2020

OFFICE MEMORANDUM

Subject: Creation of a Centralized GST offence database of CBIC-reg.

CBIC intends to create a centralized database of GST offences on the DIGIT platform of DGGI. For this purpose, a Standard Operating Procedure, as detailed in Instruction No.01/2020-21 [GST-Investigation] is being prescribed.

2. With effect from 01.07.2020, the offence details are required to be fed in the DIGIT Module of DGGI, within 24 hrs of the date of detection/ initiation. All GST cases detected between 01.07.2017 to 30.06.2020 would also have to be entered in DIGIT.
3. DGGI to send a consolidated monthly performance report in two parts, one for DGGI and other for all Zone(s), by 10th of the subsequent month.
4. This issues with the approval of Member (Investigation), CBIC.

Encl: Instruction No.01/2020-21 [GST-Investigation]

Neeraj Prasad
 (Neeraj Prasad)
 Commissioner (GST-Inv.), CBIC
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To
 Principal Director General DGGI, New Delhi.

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Room No.01, 10thFloor,
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Dated the 11th June, 2020

INSTRUCTION No. 01/2020-21 [GST-Investigation]

SUBJECT: CREATION OF A CENTRALIZED GST OFFENCE DATABASE OF CBIC

CBIC intends to create a centralized database of GST offences on the DIGIT platform of DGGI. For this purpose, a Standard Operating Procedure, as detailed below is being prescribed.

2. DIGIT Standard Operating Procedure (SOP)

DIGIT aims to create a simple, easily accessible and transparent interface for the officers of DGGI and CGST & C. Ex. field formations in storing and retrieving data on cases registered by them. This Module assists in keeping track of the various cases detected and the progress made and status of each case by recording the details of the cases at various stages of investigation, adjudication, appeal, prosecution & rewards. System aims to generate various types of reports. Since this Module is a powerful tool to monitor, track progress of investigation till logical conclusion of the case and store details of the cases, it has, therefore, been considered that this Module will serve as the GST offence Database of the CBIC which can be used for various purposes, such as, generating reports, replying to PQs etc.

3. This Module was launched on 16.11.2018 and made available to all DGGI Zonal Units through Saksham All-in-One at URL <https://sandhaan.cbic.gov.in>. Further, it was also made available to all CGST & C.Ex formations, vide letter of Pr. DG, D.O.F. No. DGGSTI/MZU/I&IS 'B'/30-103/2017 dt: 27.11.2018.

4. Since the utility of this Module depends upon how the data & details are fed so that the same can be subsequently retrieved to meet various purposes, it is, therefore, necessary to take utmost care to feed the data/ details in this Module timely. This Standard Operating Procedure covers the steps to be taken for feeding data/ details into this Module and the frequency at which the same are to be entered.

5. Following steps are normally required for making entry in this Module:

- (a) Login to the DIGIT module through Saksham All-in-One at URL <https://sandhaan.cbic.gov.in> or 10.129.52.70. The username and password is the SSOID of the officer.
- (b) Click on the AE-1 to initiate a new entry. If the case is not AE-1 based, then click on 'INQUIRY' tab to enter the details.
- (c) The subject of the information should be specific to the Act contravened, such as, whether the case is of evasion of Central Excise duty or Service Tax or GST.
- (d) The date of detection should be the date on which search/ visit is made. In case the enquiry is initiated under summons/ letter, the date on which summon/ letter has been issued, should be the date of detection. Further, in case of audit based detection, the date of detection should be the date of audit.
- (e) Utmost care is to be taken while selecting the category of evasion of duty/ tax, i.e. Modus Operandi. For this purpose, the following categories & codes of Modus Operandi have been in built into the DIGIT Module:

Category & Code of Modus Operandi-

- (i) *Non-payment of Tax/ Duty (on account of non-filing of statutory returns): Code 1.1*
- (ii) *Non-payment of Tax (on account of mismatch between GSTR-1 & GSTR-3B): Code 1.2*
- (iii) *Non-payment of Tax (on account of mismatch between E-way Bills & GSTR-3B): Code 1.3*
- (iv) *Non-payment of Tax/ Duty (on account of clandestine supply/ clearance inasmuch where transactions are not available in records): Code 1.4*

- (v) *Mis-classification: Code 2.1*
- (vi) *Under-valuation: Code 3.1*
- (vii) *Misuse of Exemption Notification: Code 4.1*
- (viii) *Misuse of ITC facility (on account of mismatch with GSTR-3B & GSTR-2A): Code 5.1*
- (ix) *Misuse of ITC facility (on account of availment of ITC on inward taxable supplies used exclusively in the outward exempted supplies): Code 5.2*
- (x) *Misuse of ITC facility (on account of utilization of ITC on common inward taxable supplies used in outward taxable as well as exempted supplies): Code 5.3*
- (xi) *ITC fraud (where bogus invoices have been issued without supply of goods or services or both): Code 5.4*
- (xii) *ITC fraud (where ITC has been availed without receipt of goods or services or both and such ITC has not been used for IGST refund): Code 5.5*
- (xiii) *ITC fraud {where ITC has been availed without receipt of goods or services or both and such ITC has been used for IGST refund (Type-I: Refund of unutilized ITC in zero rated supply) under Section 16(3)(a) of the IGST Act, 2017}): Code 5.6*
- (xiv) *ITC fraud {where ITC has been availed without receipt of goods or services or both and such ITC has been used for IGST refund (Type-II: Refund of IGST paid in zero rated supply) under Section 16(3)(b) of the IGST Act, 2017}): Code 5.61*
- (xv) *ITC fraud {where ITC has been availed without receipt of goods or services or both and such ITC has been used for GST refund (Type III: Refund of accumulated credit on account of inverted duty structure) under clause (ii) of the proviso to Section 54(3) of the CGST Act, 2017}): Code 5.62*
- (xvi) *Others (e-way bill offence etc.): Code: 6.1*

[Note: Format of the template vide which the offence data/details is to be populated on the DIGIT platform is attached with the Instruction.]

- (f) While entering the cases relating to ITC fraud, the category & code of the Modus Operandi need to be carefully selected. If it is the case of ITC fraud-issuer, the category &

code have to be selected accordingly and if it is the case of ITC fraud-avaler, the category& code have to be selected depending upon whether it is ITC refund fraud (Type-I, Type-II or Type-III) or ITC non-refund fraud. Further, in a case involving a number of Modus Operandi, the categories& codes of the Modus Operandi for this case, are to be shown separately along with quantum of evasion.

(g) Since one of the main objectives is to have GSTIN wise offence data base, the connecting GSTINs as ascertained during investigation/ inquiry, pertaining to the category of cases of ITC fraud are, therefore, also required to be carefully entered. Further, the State in which the GSTINs are located, is also required to be mentioned along with other details, such as, constitution of firm (of the GSTIN), the nature of transactions inasmuch as whether the same are B2B, B2C, B2G or overlapping, the HSN codes of the commodities involved/ SAC of services involved, name of the person(s) arrested, if any.

(h) It may so happen that at the time of detection, the details of quantum of evasion as well as the amount of recovery are not available. These details should be entered immediately into the Module as & when the same are available. This requires that the data/ details are to be fed timely.

(i) While issuing the Incident Report, it should be clearly mentioned that the data/ details of the case up to the stage of issuance of the Incident Report, have been entered in the Module and particulars of DIGIT Module case number should be invariably mentioned in the Incident Report.

(j) After completion of investigation, either the case is closed by voluntarily deposit of duty/ tax or show cause notice is issued. The details regarding the same shall be carefully entered in the respective fields. It needs to be appreciated that the pendency of the show cause notices before the Adjudicating Authority can be monitored only after the entry of the same is made in the Module.

(k) On adjudication of the show cause notice and issuance of O-I-O, the particulars of the Order including a brief of the Order (whether the demand has been dropped or confirmed), the status thereof (whether appeal has been filed or accepted by the Department or the O-i-O

has been subjected to revision or the appeal has been filed by the party) should be entered in the Module by ascertaining the relevant details, in a timely manner. Similarly, the details of (i) the orders of the appellate authority/ tribunal/ court, (ii) of launching of prosecution & subsequent development thereof and (iii) of advance/ final reward to the officers/ informers should also be entered in a timely manner.

6. In order to ensure that the data/ details in the Module are updated in a timely manner, strict and continuous monitoring at the Commissionerate/ Zonal level is necessary. It is also prescribed that DGGI and Zonal Chief Commissioner(s), through a monthly communication addressed to Member (Investigation), inform about the major detection(s) made during the month including arrest(s), while annexing the Zonal/ DGGI GST offence details as entered in 'DIGIT', by 10th of the subsequent month.

7. With effect from 01.07.2020, the offence details are required to be fed in the DIGIT Module within 24 hrs of the date of detection/ initiation. All GST cases detected between 01.07.2017 to 30.06.2020 would also have to be entered in DIGIT platform in the prescribed template.

8. This issues with the approval of Member (Investigation), CBIC.


(Neeraj Prasad)
Commissioner (GST-Inv.), CBIC
Tel. No.: 011-21400623
Email id: gstinvt-cbic@gov.in

[Note: Format of the template vide which the offence data/details is to be populated on the DIGIT platform is attached with the Instruction.]

To

Principal Director General DGGI, New Delhi.

Principal Chief Commissioner(s)/ Chief Commissioner(s), [All CGST ZONES].

A. GST Offence:

Sl. No.	Name of the Entity	GSTIN		Constitu-tion of Business	State/ UT where main GSTIN located	Date of Detection	Quantum involved	Recovery effected	HSN of Commo-dities involved	SAC of Services involved	Name of Person(s) arrested	Modu-s Operandi	(Amount in Rs. Crore)				Re mar ks* *
		Main	Linked										B2 B	B2 C	B2 G	Overla-ping	

Category & Code of Modus Operandi-

- (i) Non-payment of Tax (on account of non-filing of GSTR-3B Returns): **Code 1.1**
- (ii) Non-payment of Tax (on account of mismatch between GSTR-1 & GSTR-3B): **Code 1.2**
- (iii) Non-payment of Tax (on account of mismatch between E-way Bills & GSTR-3B): **Code 1.3**
- (iv) Non-payment of Tax (on account of clandestine supply inasmuch where transactions are not available in records): **Code 1.4**
- (v) Mis-classification: **Code 2.1**
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- (vii) Misuse of Exemption Notification: **Code 4.1**
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- (x) Misuse of ITC facility (on account of utilization of ITC on common inward taxable supplies used in outward taxable as well as exempted supplies):
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- (xi) ITC fraud (where bogus invoices have been issued without supply of goods or services or both): **Code 5.4**
- (xii) ITC fraud (where ITC has been availed without receipt of goods or services or both and such ITC has not been used for IGST refund): **Code 5.5**
- (xiii) ITC fraud (where ITC has been availed without receipt of goods or services or both and such ITC has been used for IGST refund (Type-I: Refund of unutilized ITC in zero rated supply) under Section 16(3)(a) of the IGST Act, 2017}): **Code 5.6**
- (xiv) ITC fraud (where ITC has been availed without receipt of goods or services or both and such ITC has been used for IGST refund (Type-II: Refund of IGST paid in zero rated supply) under Section 16(3)(b) of the IGST Act, 2017}): **Code 5.61**
- (xv) ITC fraud (where ITC has been availed without receipt of goods or services or both and such ITC has been used for GST refund (Type III: Refund of accumulated credit on account of inverted duty structure) under clause (ii) of the proviso to Section 54(3) of the CGST Act, 2017}): **Code 5.62**
- (xvi) Others (e-way bill offence etc.): **Code: 6.1**

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B. Cases closed during the month, without issuance of Show Cause Notice:

Sl. No.	Name of the Entity	GSTIN	Constitution of Business	Amount detected	Duty/ Tax amount deposited	Interest	(Amount in Rs. Crore)	
							Penalty	Remarks

C. Show Cause Notice during the Month:

Sl. No.	Name of the Entity	GSTIN	Constitution of Business	SCN No.	Date of SCN	(Amount in Rs. Crore)	
						Duty/ tax amount	Remarks

D. Order-in-Original issued during the Month:

Sl. No.	Name of the Entity	GSTIN	Constitution of Business	O-i-O No.	Date of O-i-O	Duty/tax amount confirmed	Duty/ tax amount dropped	(Amount in Rs. Crore)	
								Penalty imposed	Remarks
								Entity	Personal

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