

PRESS NOTE

Enforcement Wing Interacts with Restaurant Association; Emphasises Risk-Based, Randomised and Transparent Enforcement

Bengaluru: The Commercial Taxes Department, Enforcement South Zone, Bengaluru, held an interaction with representatives of the Restaurant Association to discuss GST compliance issues concerning the restaurant sector and to create greater awareness regarding the Department's risk-based, technology-driven and transparent enforcement practices.

The interaction was chaired by the Additional Commissioner of Commercial Taxes (Enforcement), South Zone, Bengaluru. All Deputy Commissioners and other Enforcement Officers participated in the programme.

During the interaction, the Department explained that cases for inspection are not selected arbitrarily or merely at the discretion of individual officers. Considering the large number of registered taxpayers in the restaurant sector, the Department follows a data-driven risk assessment mechanism for identifying cases requiring verification. Taxpayers are analysed based on turnover and compliance patterns and are broadly categorised into High, Medium and Low Risk categories.

It was clarified that the Department examines available return data and other compliance indicators to identify cases where further verification may be warranted. At the same time, a data mismatch or risk indicator by itself does not establish tax evasion. Taxpayers are given an opportunity to explain genuine discrepancies with supporting records during verification.

The Department further explained that, even after cases are identified through risk analysis, the allocation of inspection cases to Enforcement Officers is randomised through the system. The inspecting officer therefore does not personally choose a particular taxpayer for inspection. This system-driven allocation is intended to minimise individual discretion, eliminate the possibility of bias and strengthen fairness and objectivity in enforcement proceedings.

The Enforcement Officers also highlighted various e-initiatives introduced to improve transparency and traceability of departmental proceedings. Inspection authorisations are being issued through the GST Common Portal, and statutory communications such as intimations, Show Cause Notices, endorsements and orders are also issued through the GST Common Portal and made available to taxpayers through the GST Common Portal. Wherever applicable, such communications are also sent to the registered e-mail address of the Registered Taxable Person (RTP).

Members of the Association were specifically cautioned that any purported departmental notice or communication without a valid GST Common Portal reference or identifiable system-generated reference should not be accepted or acted upon without verification. Such instances may immediately be brought to the notice of the Department for appropriate verification and action.

The Department reiterated that the objective of the Enforcement Wing is to adopt fair, transparent, technology-based and non-discretionary enforcement practices, while ensuring that

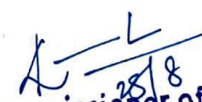
compliant taxpayers are not subjected to unnecessary inconvenience. At the same time, cases reflecting significant risk indicators would be appropriately verified in accordance with law.

The Association was also encouraged to sensitise its members regarding proper invoicing, accurate reporting of turnover, reconciliation of billing records with GST returns, timely filing of returns and maintenance of proper books and records. The interaction provided an opportunity for representatives of the restaurant sector to raise practical issues relating to GST compliance and to seek clarity on procedural requirements.

Members of the Restaurant Association appreciated the initiative and requested the Department to conduct such informative and interactive sessions periodically, particularly whenever important amendments, procedural changes or new compliance requirements are introduced under GST law. They expressed that regular interaction with the Department would enable taxpayers to understand changes in law in a timely manner, ensure effective compliance, minimise inadvertent errors and reduce avoidable disputes.

The Department welcomed the suggestion and emphasised that continuous engagement between the tax administration and trade bodies is important for improving voluntary compliance and building greater clarity and confidence among taxpayers.

The interaction concluded with an assurance that the Enforcement Wing would continue to strengthen risk-based selection, randomised allocation of inspection cases, digital communication and transparent procedures, while maintaining constructive engagement with the trade and facilitating better voluntary compliance.


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Addl. Commissioner of Commercial
Taxes (Enforcement), South Zone,
Bengalore