

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO. 1487
ANSWERED ON- 20/12/2022

“GST EVASION”

1487. SHRI SUSHIL KUMAR GUPTA:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that a lot of unscrupulous people have exploited policy loopholes for wrongdoings since GST has come into effect;
- b) if so, the measures taken so far to address this problem; and
- c) the steps taken to curb fake billing to avoid tax evasion?

ANSWER

MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHOUDHARY)

(a), (b) & (c): No, Sir. However, certain unscrupulous people were found to be involved in tax evasion by resorting to fake invoicing. Government has taken several policy measures from time to time to curb GST evasion through fake invoicing by fraudulent and unscrupulous persons. Some of the recent measures taken by the Government to prevent tax evasion are as under:

1. Using robust data analytics and artificial intelligence to identify and track risky taxpayers and detect tax evasion;
2. Carrying out a nationwide special drive against unscrupulous entities for availing and passing on input tax credit (ITC) fraudulently on the strength of fake/bogus invoices. Further, availment of ITC has been restricted to invoices and debit notes furnished by the supplier in their statement of outward supplies;
3. Sharing of data with partner law enforcement agencies for more targeted interventions;
4. Mandatory Aadhaar based authentication for new GST registrations as well as centralized suspension of registrations of registered persons who default in timely filing of returns;
5. Reduction in threshold limit for issue of e-invoice for B2B transactions from Rs. 20 crore to Rs. 10 crore w.e.f. 01.10.2022;
6. Restriction of generation of e-way bills by non-compliant taxpayers; and
7. Making the beneficial owner liable for penal action and prosecution similar to that of actual supplier/recipient, in cases where a supply has been made without the issuance of an invoice, or invoice has been issued without supply, or excess ITC has been availed/distributed.
