

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO. 541**

To be answered on Tuesday, July 25, 2023/Sravana 3, 1945 (Saka)

“FAKE GST INVOICES AND CLAIMS”

541 SHRI KUMAR KETKAR:

Will the Minister of FINANCE be pleased to state:

- (a) the total amount of fake GST invoices identified by GST Council during the last five years;
- (b) whether it is a fact that fake GST invoices amounting to Rs. 63,000 crore have been identified by the GST Council in the last three years;
- (c) the steps Government has initiated to stop this fake GST invoices and how much has been recovered so far; and
- (d) the details thereof, years-wise?

ANSWER

**MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a) and (b) : GST Council constituted under Article 279A of the Constitution is mandated, interalia, to make recommendations on important issues related to GST, like the goods that may be subjected or exempted from GST, model GST laws, GST rates etc. However, Central Tax Administration which alongwith State Tax Administration is involved in day to day implementation of GST, has detected cases of fraudulent availment of Input Tax Credit (ITC) on fake GST invoices involving amount of Rs. 115457 crores for the period 2018-19 to 2022-23. Further, during the last three years from 2020-21 to 2022-23, amount of detection of fraudulent availment of ITC by Central Tax Administration was Rs. 83395 Crore.

(c) and (d): The steps taken by the Government to curb the availment of ITC on fake GST invoices are as under:

1. Using robust data analytics and artificial intelligence to identify and track risky taxpayers and detect tax evasion;

2. Carrying out special all India drive to weed out fake/bogus registrations from 16.05.2023 to 15.07.2023;
3. Insertion of sub-rule (4A) in rule 8 of CGST Rules, 2017 to provide for risk based biometric-based Aadhaar authentication of registration applicants;
4. Amendment in rule 9 of CGST Rules, 2017 to provide for physical verification in high risk cases, even when Aadhaar has been authenticated;
5. Amendment in rule 10 A of CGST Rules, 2017 to provide for requirement of bank account furnished as a part of registration process to be in the name of the registered persons and obtained on PAN of the registered person and also linked with Aadhaar in case of proprietorship firm. Also, the GST Council in its 50th meeting has recommended further amendment in rule 10A to provide that the details of bank account will be required to be furnished within 30 days of grant of registration or before filing of GSTR-1, whichever is earlier;
6. Restriction on availment of ITC to invoices and debit notes furnished by the supplier in their statement of outward supplies;
7. Sharing of data with partner law enforcement agencies for more targeted interventions;
8. Reduction in threshold limit for issue of e-invoice for B2B transactions from Rs. 10 crore to Rs. 5 crore w.e.f. 01.08.2023;
9. Restriction on generation of e-way bills by non-compliant taxpayers;
10. 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; and
11. Amendment in Section 83 of the CGST Act to provide that provisional attachment of property can be done in respect of any other person who has retained benefits of such transactions.

An amount of Rs. 10346 crore has been realized in such cases from 2018-19 to 2022-23.

Year wise details are as under:

Year	Amount realised on fake ITC cases (Rs. In Crore)
2018-19	1186
2019-20	2417
2020-21	2232
2021-22	2027
2022-23	2484
