

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA STARRED QUESTION NO. 30*
ANSWERED ON – 05/12/2023

Special drive against fake GST Registration

*30 Smt. Mausam Noor:

Will the Minister of FINANCE be pleased to state:

- a) the number of entities identified as having fake registrations , and total amount of evasion detected (in terms of value) during the special drive against fake GST registrations conducted by CBIC from May to July 2023;
- b) whether Government has taken measures to ensure legitimate taxpayers, especially small and medium sellers, are not adversely affected during this drive;
- c) if so , the details thereof;
- d) whether Government has considered the challenges faced by e-commerce enterprises in obtaining GST Registrations, especially operating in virtual spaces; and
- e) whether Government is planning to implement any changes in the GST registration process?

ANSWER

THE MINISTER OF FINANCE
(SMT. NIRMALA SITHARAMAN)

(a) to (e): A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PART (a) to (e) OF RAJYA SABHA
STARRED QUESTION NO. 30* DUE FOR ANSWER ON 5th December, 2023**

(a): A total of 21791 entities (11392 entities pertaining to State tax jurisdiction and 10399 entities pertaining to CBIC jurisdiction) having GST registration were discovered to be non-existent. An amount of Rs. 24010 Crore (State – Rs.8805 Crore + Centre-Rs. 15205 Crore) of suspected tax evasion was detected during the special drive.

(b & c): Yes, to safeguard the interest of honest taxpayers and avoid extreme hardship to taxpayers, instructions have been issued from time to time directing officers to exercise due caution and care in exercise of powers such as summons, provisional attachment of property, blocking of tax credit etc.

(d & e): Considering the special nature of e-Commerce operators, a simplified procedure for registration of e-Commerce operators has already been notified. It provides that when an e-commerce operator applies for registration in a particular State or Union Territory where he does not have a physical presence, he can apply for registration by giving details of the principal place of business located in another State or Union Territory. Further, the following amendments have been made in GST Rules to strengthen the registration process:

- i. Biometric-based Aadhaar authentication would be done for applicants seeking GST registration who have opted for authentication of Aadhaar number and have been identified as high risk, along with the verification of the original copy of the documents uploaded with the application at one of the Facilitation Centres notified for the purpose. A Pilot project for this was launched in the State of Gujarat. Further, in July 2023, the said Pilot project has been extended to the State of Puducherry and in November, 2023, extended to the State of Andhra Pradesh.
- ii. Details of bank account, in name and PAN of the registered person, is required to be furnished within 30 days of grant of registration or before filing of statement of outward supply, whichever is earlier. The registration in respect of such registered persons who do not furnish the details of valid bank account within the time period prescribed would be suspended automatically by the system. However, upon compliance with this provision subsequently, by the registered persons such system based suspension would be automatically revoked by the system.
