

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
RAJYA SABHA  
UN-STARRED QUESTION NO. 2838  
ANSWERED ON – 17.03.2026**

**“GST ISSUES IN ERODE DISTRICT”**

**2838. Shri Anthiyur P. Selvarasu:**

Will the Minister of FINANCE be pleased to state:

- (a) whether Government has reviewed GST audit notices, input credit disputes and compliance hardship in Erode district, Tamil Nadu, including Erode city trade clusters;
- (b) if so, the details of Government grievance disposal, facilitation camps, litigation trends, audit outcomes and corrective support measures in the district; and
- (c) the measures proposed to be taken by Government to strengthen taxpayer services, reduce compliance burden and ensure transparent resolution mechanisms in the said district?

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

(a) and (b): Yes. The details are as under:

(i) Details of GST Audits conducted by Central Tax formations:

Period	No. of audits conducted	No. of GST Audit notices issued	Demand Raised (in Rs. Cr)	Voluntary Payments (in Rs. Cr)	Cases in Litigation
2023-24	42	16	33.61	1.59	5
2024-25	58	12	45.34	3.87	1
2025-26 (upto Feb 2026)	64	12	19.98	4.19	0

(ii) ITC Dispute cases in Erode District (Tamil Nadu) detected by Central Tax formations:

Period	No. of cases	Amount involved (Rs. in Cr)	Voluntary Payment (Rs. in Cr)
2023-24	62	9.89	0
2024-25	203	5.38	0
2025-26 (upto Feb 2026)	6	0.288	0

(iii) Grievances & Facilitation in respect of Erode Distt. (Tamil Nadu) by Central Tax formations:

FY	Grievances Received through letters	Disposed	Avg. Disposal Time (in days)	Facilitation Camps Conducted
2023-24	0	0	0	1
2024-25	0	0	0	3
2025-26 (upto Feb 2026)	4	4	5	4

(b) CBIC regularly conducts Awareness Programmes through Outreach programmes and Webinars/Seminars to educate the taxpayers to effectively comply with the provisions of the GST Law. The jurisdictional Central GST formation has taken various measures for strengthening Taxpayer Services and reduce the compliance burden which are as follows:

- (i) Quarterly meetings are fixed and trade made aware of the dates well in time to ascertain maximum interaction with taxpayers and other stakeholders.
- (ii) Functioning of the Sewa Kendra and Suvidha Kendra has been streamlined and made trade friendly to enhance the ease of doing business.
- (iii) Proactive steps are taken to process and report the suggestions and anomalies pointed out by Tax practitioners/Trade bodies etc. to ensure early resolution of issues.

Further, the recent policy measures undertaken by Government to strengthen taxpayer services, reduce compliance burden and ensure transparent resolution mechanisms applicable to the whole of the country are as follows:

- (i) In order to reduce the frequency of filing of returns, various schemes are available to typically small taxpayers such as:
  - A scheme of quarterly return filing and monthly payment (QRMP) has been introduced where small taxpayers with turnover up to Rs. 5 crores have an option to file return on quarterly basis, instead of monthly return.
  - Similarly, very small taxpayers, with turnover upto Rs. 1.5 crores (75 Lakhs in special category states), can subject to certain conditions, opt to register under composition scheme, under which return is to be filed on annual basis, along with quarterly payment of tax.
- (ii) Simplified registration scheme w.e.f. 01.11.2025 has been introduced wherein automated registration is granted within three working days for low-risk applicants and those with output tax liability up to ₹2.5 lakh per month on supplies to registered persons. This has helped to reduce time for getting registration for small taxpayer.
- (iii) The GST Council in its 56th meeting recommended the sanction of provisional refund of 90% of refund claim on the basis of data analysis and risk evaluation by the system, to facilitate refund claims on account of zero-rated supply of goods or services or both. This will ensure liquidity of the working capital and cash flow for eligible taxpayers. This has been made operational w.e.f. 01.10.2025

- (iv) In order to provide relief to taxpayers, the GST Council in its 56th meeting, recommended amending the provisions of Central/State GST Acts to provide for provisional refund of 90% of the claimed amount in case of refunds arising out of inverted duty structure, on similar lines as is provided for zero rated supply refund claims.
  
- (v) Further, pending requisite amendments in Centre and State GST Act, 2017, instructions have been issued by CBIC to its field formations for grant of provisional refund w.e.f. 1st October, 2025, equivalent to 90% of amount claimed as refund, arising out of Inverted Duty Structure on the basis of identification and evaluation of risk by the system. This step will ensure that the working capital of businesses involved in supply of goods having inversion in rate of inputs vis-à-vis output supplies, is not blocked.

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