

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO. 621**

To be answered on Monday, July 24, 2023/Sravana 2, 1945 (Saka)

“FAKE COMPANIES REGISTERED UNDER GST”

621. SHRIMATI KESHARI DEVI PATEL:

Will the Minister of FINANCE be pleased to state:

- (a) the total number of fake companies registered under Goods and Services Tax (GST) and the names of States where these companies are located; and
- (b) the steps taken/being taken by the Government to check the said registered companies and the total amount collected from such companies?

ANSWER

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

(a): 1850 fake companies registered under GST have been identified by Central Tax Administration from 01.07.2017 to 30.06.2023. These fake companies are located in States/UTs of Andhra Pradesh, Assam, Bihar, Chandigarh, Chattisgarh, Delhi, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura, Uttar Pradesh, Uttarakhand and West Bengal.

(b) The steps taken/being taken by the Government to check the fake companies registered under GST 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 person 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.

Further, an amount of Rs. 543 crore has been realized in such cases from 01.07.2017 to 30.06.2023.
