

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

**LOK SABHA UNSTARRED QUESTION NO.1380
TO BE ANSWERED ON 25th NOVEMBER, 2019/ AGRAHAYANA 4, 1941 (SAKA)**

“GST fraud”

**1380. SHRI RAJA AMARESHWARA NAIK,
DR. SUKANTA MAJUMDAR AND
SHRI BHOLA SINGH.**

Will the Minister of Finance be pleased to state-

- (a) whether the Directorate General of GST Intelligence (DGGI) has unearthed a scam of exporters who allegedly availed Goods and Services Tax refund of Rs. 400 crore and if so, the details thereof;
- (b) whether some exports units situated in Gujarat's Kandla Special Economic Zone were also partner in this financial scam;
- (c) if so, the details thereof including investigation conducted by the Directorate of Custom and Excise in this regard;
- (d) whether the DGGI has identified over 25 suppliers from various States including Assam, Bihar, Delhi, Haryana, Madhya Pradesh and Uttar Pradesh who were involved in this racket and issued fake invoices of more than Rs. 1,000 crore to the exporters to facilitate refunds; and
- (e) if so, the details thereof along with the other preventing steps taken by the Government to crack such type of *modus operandi* in financial scams in the country?

ANSWER

**MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)**

(a) & (d) Yes, Sir. Pan India searches were carried out in a joint operation by the Directorate General of GST Intelligence and the Directorate General of Revenue Intelligence at 336 different locations across the country on 11.09.2019. The operation covered several exporters and suppliers in the states of Delhi, Haryana, Uttar Pradesh, Gujarat, Maharashtra, Tamil Nadu, West Bengal, Karnataka, Madhya Pradesh, Telangana, Punjab, Rajasthan, Himachal Pradesh, Uttarakhand and Chhattisgarh. The operation revealed that many of the entities spread across the length and breadth of the country were either non-existent or had given fictitious addresses. As per preliminary estimates of bogus Input Tax Credit of approx. Rs. 470 crores has been availed. Further investigations are under progress.

(b) & (c) The investigations are under progress.

(e) Yes, Sir. For strengthening monitoring tools to prevent GST evasion emphasis has been laid on system based analytical tools and system generated intelligence. In this direction, the Directorate General of Analytics and Risk Management (DGARM) has been set up by the CBIC. Further, E-way bill squads have been activated for the purposes of random verification of the goods in transit.
