

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

**UNSTARRED QUESTION No. 2238**

TO BE ANSWERED ON MONDAY, DECEMBER 02, 2019/AGRAHAYANA 11, 1941 (SAKA)

**GST AUDIT**

**2238. SHRI M. K. RAGHAVAN:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government has prevented any comprehensive audit of the Goods and Services Tax (GST) and instead had to carry out only a test audit instead even after the GST implementation after two years;
- (b) if so, the details thereof and the reasons for such prevention;
- (c) whether it is a fact that the state of GST is in much worse in shape than what is being projected and if so, the details thereof;
- (d) whether it has been cautioned that the system in vogue today is an unverified return, without an IT-based checking of invoices and is prone to ITC frauds including pointed out Rs. 1.77 trillion of IGST standing unsettled by the end of financial year 2018; and
- (e) if so, the action proposed to rectify the defects in the system?

**ANSWER**

**MINISTER OF STATE FOR FINANCE (SHRI ANURAG SINGH THAKUR)**

(a) and (b) No Sir.

(c) No Sir. The successful rollout of GST has resulted in creation of a unified national market through seamless flow of credit and reduction in cascading of taxes. Simplification of procedures and automation of processes has reduced the overall compliance burden for the taxpayers, thereby promoting the ease of doing business in the country.

(d) and (e) The return filing under GST is based on self-assessment by the taxpayers. The taxpayer declares his tax liability and avails input tax credit while filing return in FORM GSTR – 3B. Also, each taxpayer is required to declare his outward supplies in FORM GSTR-1, the details of which are visible to the recipient of such supplies as well as the jurisdictional tax officer. Such mechanism to verify the details of outward and inward supplies acts as a self-policing mechanism under GST which creates effective deterrence against tax evasion and other fraudulent activities.

In order to reduce the amount of unsettled IGST, necessary amendment has been carried out to section 49 of the Central Goods and Services Tax Act, 2017. As per the amended provisions, taxpayer is required to first exhaust IGST credit before using the CGST/SGST credit to discharge his tax liability. The details of the IGST collection and settlement in the last three months are as follows:

(in Rs. Crores)

Month	IGST Collection	IGST Refund	Net IGST	Settlement
August, 2019	48958	6025	42933	45788
September, 2019	45069	9054	36015	42941
October, 2019	46517	7741	38776	40613

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