



Ministry of Finance



# CGST authorities bust input tax credit fraud of more than Rs 31,000 crore involving more than 7,200 cases in FY 2020-21



Posted On: 03 AUG 2021 5:29PM by PIB Delhi

**in**The Goods and Services Tax authorities have unearthed over Rs 31,000 crore of tax fraud committed by misuse of input tax credit (ITC) provision under the Goods and Services Tax (GST) regime during the financial year 2020-21 and booked more than 7,200 cases involving fake ITC. This was stated by Union Minister of State for Finance Shri Pankaj Chaudhary in a written reply to a question in Rajya Sabha today.

Giving details, the Minister stated Input Tax Credit (ITC) fraud detected by CGST formations under Central Board of Indirect Taxes & Customs (CBIC) as following:


S. No.	Period	No. of Cases	Quantum involved (in Rs. crore)
1	2020-21	7,268	31,233.40


The Minister stated that the Government has taken many steps to prevent such frauds, such as:

- Introduction of AADHAR authentication for processing of new registration application;
- Facility to verify cancelled / existing registrations of the applicants seeking new registrations;
- Provisions to suspend / cancel registration of taxpayers found to the adverse notice of the department;
- Bulk suspension of registration by GSTN based on business intelligence and further follow up of the same by the CBIC;
- Additional grounds for cancellation of registration have been introduced where there is mismatch between FORM GSTR1 and FORM GSTR 3B (Rule 21) of CGST Act, 2017, etc.;
- To prevent fake dealers and shell companies to pass on fake credit, without filing their GSTR3B returns and paying taxes, a provision has been made to block furnishing of outward supply statement in FORM GSTR-1 by a taxpayer, if 2 or more GSTR 3B returns are not filed by the said taxpayer.
- E-invoices have been made mandatory for all B2B transaction with turnover above Rs. 50 crore.
- Generation of E-way bill by those taxpayers who have not furnished return for consecutive period of two month has been restricted.
- Blocking of ITC Credit under Rule 86A of CGST Act, 2017, was introduced if the proper officer has reason to believe that ITC has been availed fraudulently.

\*\*\*\*

 RM/KMN

 (Release ID: 1741939) Visitor Counter : 1045

 Read this release in: Telugu , Marathi



