3rd August 2021

GST authorities recover more than Rs 1,900 crore in tax evasion in FY 2021-22 (upto June 2021)

The interface for the taxpayers is on a digital platform and software-based, to be used for payment of tax and to comply with the requirements of law and procedure by taxpayers. This was stated by Union Minister of State for Finance Shri Pankaj Chaudhary in a written reply to a question in Rajya Sabha on 3rd August 2021.

Giving details of total tax evasion detected in GST in last three years, the Minister stated:

Period	No. of Cases	Detection (In Rs. Cr.)	Recovery (In Rs. Cr.)
2019-20	10657	40853.27	18464.07
2020-21	12596	49383.96	12235.00
2021-22 (upto June 21)	1580	7421.27	1920.20

Elaborating further, the Minister stated that, however, tax evaders are known to commit fraud even on electronic platforms by way of mis-representation of facts like furnishing of fake credentials at the time of registration; by indulging in raising fake invoice to avail under Input Tax Credits; mis-declaration of classification etc.

The Minister stated that evasion may be committed intentionally and at times non-payment of tax may happen due to human error. However, no evasion of tax has been reported due to failure in the CBIC back-end system.

Enumerating the steps taken to prevent tax-evasion, the Minister stated that various validations have been built in GSTN/CBIC system to weed out tax- evaders, such as:

- Introduction of AADHAR authentication for processing of new registration application. Applicants not opting for Aadhaar authentication or failing authentication are subjected to physical verification of the Principal Place of Business before grant of registration;

- 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;

- Bulk cancellation of registration of taxpayers who failed to file GSTR3B returns for six or more consecutive months;
- Blocking of ITC credit;
- Facility to verify ITC through generation of GSTR2A.