

**Fwd: Provisionally admitted Rajya Sabha Dy. No. U3166 regarding "Combating GST Tax Evasion and Fraud" - reg.**

8 December 2023 at 12:07

CCU CGST Jaipur Zone <ccu-cexjpr@nic.in>  
To: ccojaipur@gmail.com

**From:** "GST-INVESTIGATION WING (CBIC)" <gstinv-cbic@gov.in>  
**To:** "CCU CGST Ahmedabad Zone" <ccu-cexamd@nic.in>, "PCCO Central Taxes Bengaluru Zone" <ccbz-excise@nic.in>, "CCU CGST Bhopal Zone" <ccu-cexbpl@nic.in>, "CCU CGST Bhubaneswar Zone" <ccu-cexbbr@nic.in>, "CCU CGST Chandigarh Zone" <ccu-cexchd@nic.in>, "Pr CCO CHENNAI GST ZONE" <ccu-cexchn@nic.in>, "CC Office, Cochin" <cccochin@excise.nic.in>, "CCU CGST Delhi Zone" <ccu-cexdel@nic.in>, "CCO Hyderabad GST Zone" <ccu-cexhyd@nic.in>, "CCU CGST Jaipur Zone" <ccu-cexjpr@nic.in>, "CCU CGST Kolkata Zone" <ccu-cexkoa@nic.in>, "CCU CGST Lucknow Zone" <ccu-cexlko@nic.in>, "CCU CGST Meerut Zone" <ccu-cexmeerut@nic.in>, "CCU CGST Mumbai Zone" <ccu-cexmum1@nic.in>, "CCU CGST Nagpur Zone" <ccu-cexngrpr@nic.in>, "CCU CGST Panchkula Zone" <ccu-gstplk@gov.in>, "CCU CGST Pune Zone" <ccu-cexpune@nic.in>, "CCU CGST Ranchi Zone" <ccu-cexranchi@nic.in>, "CCO SHILLONG" <ccshillo@nic.in>, "CCU CGST Guwahati" <cco-cgstguwahati@gov.in>, "CCU CGST Vadodara Zone" <ccu-cexvdr@nic.in>, "CCU CGST Visakhapatnam Zone" <ccu-cexvzg@nic.in>, "DGGI HQRS POLICY" <dggihq-policy@gov.in>, "CCU CGST Thiruvananthapuram Zone" <ccu-cexcok@nic.in>, "ChiefCommissionersUnitCentralExciseShillong" <ccu-cexshlng@nic.in>, "DGGI Hqrs" <prdg.dggihqrs@gov.in>  
**Sent:** Friday, December 8, 2023 12:00:50 PM  
**Subject:** Provisionally admitted Rajya Sabha Dy. No. U3166 regarding "Combating GST Tax Evasion and Fraud" - reg.

**PARLIAMENT MATTER**  
**MOST URGENT**

F. No. GST/INV/RS- PQ/Dy. No. U3166/2023-24  
Ministry of Finance  
Department of Revenue  
Central Board of Indirect Taxes and Customs  
GST-Investigation Wing

Room No.01, 10<sup>th</sup> Floor,  
Tower-2, 124, Jeevan Bharti Building,  
Connaught Circus, New Delhi- 110001.  
Dated 8<sup>th</sup> December, 2023

To  
The Pr. Director General, DGGI.

The Pr. Chief Commissioner/Chief Commissioner, CGST Zones (All)

Sir,

**Subject: - Provisionally admitted Rajya Sabha Dy. No. U3166 regarding "Combating GST Tax Evasion and Fraud" - reg.**

Please see the enclosed provisional PQ RS Dy No. U3166 (copy enclosed) due for answer on 19.12.2023.

2. In this regard, it is requested to provide reply to **part (a) to (e)** and (g) of the above question. The reply to part (f) shall be given by this Wing on the basis of the GST Evasion data already obtained from Zones/DGGI.

3. The above information may please be provided to this office by **11.12.2023 (11:00 hrs)** at [gstinv-cbic@gov.in](mailto:gstinv-cbic@gov.in) in **EXCEL SHEET**, with certification, that no similar PQ/RTI has been replied for the period reported or figures reported tally with the present reply.

Yours faithfully

Encl: As Above

(Vijay Mohan Jain)  
Commissioner (GST-Inv.),  
CBIC

**PARLIAMENT MATTER**  
**MOST URGENT**

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Room No.01, 10<sup>th</sup> Floor,  
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**Subject: - Provisionally admitted Rajya Sabha Dy. No. U3166 regarding**  
**"Combating GST Tax Evasion and Fraud" - reg.**

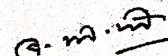
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Encl: As Above

Yours faithfully



(Vijay Mohan Jain)  
Commissioner (GST-Inv.),  
CBIC  
Tel. No.: 011-21400623

**Combating GST Tax Evasion and Fraud**

From : rsqns@sansad.nic.in

Wed, Dec 06, 2023 06:39 PM

Subject : Combating GST Tax Evasion and Fraud

To : soparl-exp@nic.in

PROVISIONALLY ADMITTED QUESTION FOR THE RAJYA SABHA

Starred /Unstarred Diary No.-- U3166

The Question Will be put down for -- 19/12/2023

Answer on the Ministry Department -- Finance( F IN)

**Combating GST Tax Evasion and Fraud**

- a) What are various types of GST evasion detected by the Government? b) measures taken by the Government to detect GST evasion: c) measures taken by the Government to improve GST compliance; d) is availing Input Tax Credit (ITC) in GST one of the fraudulent methods adopted for GST tax evasion?; e) process adopted or steps taken to to detect fraudulently availing Input Tax Credit (ITC); f) Details of cases booked, amount involved, recoveries made ; g) use of advanced technologies such as AI, ML, and data analytics by the Government for checking GST compliance and to detect tax evasion, fraud.

*D/o Revenue*

Dy. No. RS. 254 /PARL/EXP.

DATED 7/12/23

*(b) & (d) - DGARM  
(c) - GSTPW*

कार्यालय मुख्य आयुक्त  
Office of the Chief Commissioner  
सीजीएसटी एवं केन्द्रीय उत्पाद शुल्क (जयपुर परिक्षेत्र), जयपुर  
CGST & Central Excise (Jaipur Zone), Jaipur

F.No. GCCO/PQ/172/2023-LEGAL

Date: .12.2023

To

Shri Vijay Mohan Jain,  
Commissioner (GST – Inv.),  
GST-Investigation Wing,  
Central Board of Indirect Taxes & Customs,  
Room No.01, 10<sup>th</sup> Floor, Tower-2, 124,  
Jeevan Bharti Building, Connaught Circus, New Delhi - 110001

Sir,

**Subject:** - Provisionally Admitted Rajya Sabha Dy. No. U3166 regarding “Combating GST Tax Evasion and Fraud”-reg.

Please refer to OM F. No. GST/INV/RS-PQ/Dy. No. U3166/2023-24 dated 08.12.23 on the above cited subject.

2. In this regard, the requisite information for part (a) to (e) and (g) of the question is as under:-

- a) What are various types of GST evasion detected by the Government?
- i. short payment of tax by undervaluing taxable goods and services,
  - ii. wrong availment of exemption notifications,
  - iii. clandestine removal of goods
  - iv. wrong availment / non-reversal of input tax credit,
  - v. non-payment of tax on supply of taxable goods and services (clandestine removal),
  - vi. tax collected but not paid to Govt. exchequer,
  - vii. non-payment of tax under reverse charge mechanism,
  - viii. fraudulent availment of input tax credit on the basis of invoices from fake firms,
  - ix. fraudulent availment of refund of IGST on export of goods, etc.

b) Measures taken by the Government to detect GST evasion:

- i. Information technology and data analytics tools (BIFA, ADVAIT etc.) are being used in identification of high-risk cases, fast e-verification of suspect cases and enforcement actions in appropriate cases.
- ii. Sharing data with partner law enforcement agencies for more targeted interventions
- iii. E-way Bill Mechanism
- iv. Scrutiny of returns
- v. DGARM Reports
- vi. Special drive to identify fraudulent GSTIN.
- vii. Road patrolling & checking of e-way bill
- viii. Regular Audits

c) Measures taken by the Government to improve GST compliance

- i. 'mera bill mera adhikaar' scheme by the tax authorities to step up GST compliance.
- ii. Reduction in threshold limit for issue of e-invoice for B2B transactions from Rs 10 crore to Rs 5 crore from August 1, 2023.
- iii. Computer Assisted Scrutiny Selection (CASS) for selection of cases for Scrutiny
- iv. Non-filers Monitoring System (NMS) to prioritise action on non-filers
- v. Regular taxpayer outreach
- vi. Cancellation of registration
- vii. Third party verification
- viii. Various penalty provisions incorporated in the GST Act.

d) Is availing Input Tax Credit in GST one of the fraudulent methods adopted for GST tax evasion ? - Yes

e) Process adopted or steps taken to detect fraudulently availing ITC :-

Following safeguards are being taken as key elements of risk profiling to check such GST frauds i. e. enhanced Scrutiny/Verification of registered taxpayers through risk profiling, verification for early identification of fraudsters, timely analysis of data, audit, preventive checks, identification of taxpayers indulging in issuing fake invoices and passing credit, issuance of alert; sharing of information with LEAs, timely completion of investigation and issuance of SCN as well adjudication etc, Further, CBIC has issued various OMs/ Circulars regarding process or steps to be taken to detect fraudulently availing ITC. These steps are being followed in above cases.

g) Information technology and data analytics tools (BIFA, ADVAIT etc.) are being used in identification of high-risk cases, fast e-verification of suspect cases and enforcement actions in appropriate cases. Further, steps like to prevent unauthorized use of PAN or Aadhaar documents by third parties by tracking IP addresses during registration and flagging deviations in registered addresses for further verification; Registration via Biometric Process ; real-time verification of PAN and Aadhaar details during the registration process to immediately identify any discrepancies ; creating transparent procedure for individuals to report any suspected instances of fraudulent registrations ; raising awareness among individuals and businesses

regarding the potential dangers and repercussions associated with unlawfully registering for GST using someone else's identity; promoting use of digital signatures; implementation of a blockchain-based system for GST registration to create a solid and unshakable ledger of all registrations, making it extremely difficult to manipulate or misuse etc. records may help to prevent and detect GST fraud case.

Maximum utilization of artificial intelligence (AI) for in-depth identity verification by analyzing facial recognition, voice recognition, and behavioural patterns to ensure that the person registering is the legitimate owner of the PAN and Aadhaar and by maximising machine learning (ML) techniques to detect anomalies and unusual patterns in registration data, which can work as indicators of fraudulent activities; authenticate Geo Location; validation of the physical location of individuals registering for GST by utilizing geolocation data, enhancing the overall security measures will help to prevent and detect GST fraud case.

This is for information and necessary action.

Yours faithfully

*Babneet*  
11/12/2023  
(Babneet Tuli)  
Additional Commissioner