

Crackdown on GST evaders continues

In 2020-21, as many as 8,000 cases involving fake ITC detected, 426 held: Ministry

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The Centre continues to tighten the noose around GST evaders, though its crackdown on fake invoices slowed down in recent months due to the COVID-19 resurgence, the Finance Ministry said on Tuesday.

Citing the misuse of Input Tax Credit (ITC) provisions as the most common modus of tax evasion under the Goods and Services Tax regime, the Directorate General of GST Intelligence (DGGI) and Central GST (CGST) formations also detected other tax fraud means such as evasion involving “misclassification, undervaluation and clandestine supplies of goods and services”.

About 8,000 cases involving fake Input Tax Credit of over ₹35,000 crore were detected during 2020-21, leading to the arrest of 426 per-



Strict checks: Action against fake invoices slowed down due to the COVID-19 pandemic, the Ministry said. ■ FILE PHOTO

sons, which included 14 professionals, such as chartered accountants and lawyers.

“Masterminds, beneficiaries and directors” were also arrested under an ongoing nationwide special drive against fake GST invoices since November 2020.

In 2021-22 so far, the DGGI and CGST Zones under the Central Board of Indirect Taxes and Customs (CBIC) have detected more than 500 cases involving 1,200 entities. Twenty-four persons have been arrested since April this year, with the Ministry stating that the ar-

rests made by the CBIC officers are “one of the highest in recent times”.

“CBIC officers are using the latest IT tools, digital evidence and also collecting information from other government departments to catch the fraudsters. Along with legislative and procedural changes in the law, the nationwide drive has contributed to better compliance and revenue collection. During the drive, cases of fake ITC availment against some well-known companies were also booked,” said a statement.

“The enforcement drive against the fake invoice fraudsters and other GST evaders is likely to intensify with an objective to catch and book unscrupulous elements engaged in illegal activities to defraud the government exchequer,” the Ministry said.