

Drive against fake GST registrations kicks off today

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The Centre and States are launching a two-month special drive from today against GST fraudsters. However, experts say GST assessees need not panic.

“A special all-India drive may be launched by all Central and State tax administrations from May 16, to July 15 to detect suspicious/fake GSTINs and conduct requisite verification and remedial action to weed out these fake billers from the GST ecosystem and to safeguard government revenue,” the Central Board of Indirect Taxes and Customs said.

As of date, there are 1.39-crore registered taxpayers, which is more than double the assesses registered during the pre-GST or Central Excise-VAT regime. However, what's worrying is the mounting evasion. Last month, officials said that GST evasion detection by

GST: Evasion and action in key States

(Amount in ₹ crore/2017-18 to February, 2022-23)

State/UT	Amount detected	Recovery	Persons arrested
Maharashtra	60,059	26,066	289
Karnataka	40,507	9,473	35
Gujarat	26,156	8,009	179
Delhi	24,217	7,057	161
Haryana	22,712	5,267	92
Rajasthan	19,005	9,132	104
Uttar Pradesh	18,954	5,164	130
West Bengal	17,604	5,227	44
Tamil Nadu	10,698	4,925	99
Telangana	9,783	3,527	69

Source: Lok Sabha

tax officers almost doubled y-o-y to over ₹1.01-lakh crore in FY23, of which ₹21,000 crore was recovered by the Directorate General of GST Intelligence (DGGI) officers.

VERIFICATION DRIVE

Based on data analytics and risk parameters, GSTN will identify fraudulent GSTINs. Details of the suspicious GSTINs, jurisdiction-wise, will

be shared with the state/central tax administration concerned for initiating a verification drive and conducting necessary action.

If, after detailed verification, it is found that the taxpayer is non-existent, the action will be initiated for suspension and cancellation of the registration of the said taxpayer. Further, the matter may also be examined for blocking of input

tax credit in electronic credit ledger. Additionally, effort will also be taken to identify the recipients to whom the input tax credit has been passed by the non-existing taxpayer.

“Action may also be taken to identify the masterminds/beneficiaries behind such fake GSTIN for further action, and to recover government dues and/or provisional attachment of property/bank accounts,” the instruction added. A National Coordination Committee headed by Member (GST), CBIC, including Principal Chief Commissioners/Chief Commissioners Delhi and Bhopal CGST Zones and Chief Commissioners/Commissioners of State Tax of Gujarat, West Bengal, and Telangana will monitor the progress of this special drive.

Pawan Arora, Senior Partner, Athena Law Associates, says genuine taxpayers need not panic as the verification is unlikely to be carried out on them.