

State reported 2nd highest tax fraud, 118 cases in 2020-21

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Haryana has recorded the second-highest fake Input Tax Credit (ITC) fraud in 2020-21 involving an amount of Rs 4,742.15 crore. Only Maharashtra is ahead of the state with fake ITC claims of Rs 5,303.80 crore.

At the time of paying tax on its output, a firm can reduce the tax it has already paid on inputs but fraudsters claim higher ITC based on fake invoices.

As per the information provided by the Finance Ministry in Rajya Sabha in reply to a question on Tuesday, the Directorate General of GST Intelligence registered 30 cases in Haryana in 2019-20 involving an amount of Rs 66.98 crore fake ITC. It jumped to 118 cases in 2020-21 and the amount involved was Rs 4,742.15 crore, which is 71 times what was recorded in 2019-20.

Till June, six cases were registered involving fake ITC of Rs 155.15 crore but only a fraction could be recovered.

As per the information submitted in Rajya Sabha, Rs 9.86

IN PARLIAMENT



FRAUD CLAIMS

- GST Intelligence registered 30 cases in Haryana in 2019-20 involving an amount of ₹66.98 cr fake ITC
- It jumped to 118 cases in 2020-21 and the amount involved was ₹4,742.15 cr

crore was recovered in 2019-20 and 10 people arrested while in 2020-21, Rs 33.56 crore was recovered and 26 people arrested. This financial year till June, Rs 2.69 crore was recovered but with no arrest.

Maharashtra witnessed 160 cases in 2019-20, where fake ITC involved was Rs 1,845.81 crore. It jumped to 301 cases in 2020-21 while the amount involved was Rs 5,303.80 crore.

This financial year, 87 cases were registered involving fake ITC of Rs 984.48 crore. However, Rs 269.52 crore was recovered in 2019-20, Rs 343.42 crore in 2020-21 and Rs 25.44

crore till June of 2021-22.

The neighbouring states of Haryana are far behind in ITC frauds.

Punjab witnessed fake ITC worth Rs 64.39 crore in 2019-20 and Rs 153.17 crore in 2020-21 and this financial year till June, it is Rs 235.81 crore but only Rs 22.75 crore was recovered in 2019-20, Rs 3.93 crore in 2020-21, and Rs 4.76 crore this financial year.

Himachal Pradesh witnessed fake ITC claims of Rs 6.69 crore in 2019-20, Rs 36.20 crore in 2020-21 and Rs 3 crore so far this financial year. However, Rs 2.03 crore was recovered in 2019-20, Rs 5.20 crore in 2020-21, and Rs 1.80 crore in 2021-22.

The Finance Ministry says several steps have been taken to check the misuse of ITC, including integration of FASTag with e-way bill, Aadhaar-based authentication for new applicants, e-invoices being made mandatory for all B2B transactions with turnover above Rs 50 crore and generation of e-way bill by those taxpayers who have not furnished return for a consecutive period of two months.