

■ '₹1.81 lakh crore accumulated not utilised so far' Sisodia demands to put an end to integrated GST

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Demanding that integrated GST (IGST) be abolished, deputy chief minister Manish Sisodia on Wednesday said ₹1.81 lakh crore has accumulated in the IGST fund, but the money is lying idle and is causing economic loss.

He also favoured bringing real estate within the fold of GST, as it will help deal with black money and called for doing away of inspector raj associated with e-way bill system.

Mr Sisodia said the Goods and Services Tax (GST) was first conceptualised as "one nation, one tax", but with five tax slabs, it has come out as "one nation, several taxes". He said that he had opposed IGST from the very beginning and had suggested sticking with only Central GST and State GST.

"I feel IGST is a bad idea. In the last GST Council meeting, we got the figure



Deputy Chief Minister Manish Sisodia addresses a gathering at the "Assocham national conclave on GST" in New Delhi on Wednesday.

— PTI

of ₹1,81,418 crore IGST, which we had collected and has been lying idle in an escrow account. This is neither in the state government's account, nor in the Centre's account. It is just lying idle. It's a loss to the economy," he said at an Assocham event.

Under the GST, the tax levied on consumption of goods or rendering of service is split 50:50 between the Centre and

the state. Such tax is known as Central-GST (CGST) and State-GST (SGST).

On inter-state movement of goods as well as imports, an IGST is levied, which accrues to the Centre. A cess is levied on top of these taxes on luxury goods, which make up for the compensation used to make good revenue shortfall faced by the states on GST implemen-

tation. IGST is an interim tax paid by businesses and can be adjusted when they pay CGST or SGST.

"After one year if we can decide to abolish IGST... this is not required. Today or tomorrow we have to do it if we have to make GST effective. IGST is the biggest problem in way of GST," Mr Sisodia said.

Mr Sisodia said that the requirement of e-way bill should be done away with for intra-state movement of goods.

"Inspector raj should be done away with. We should do data driven inspection. If everything is online, then you do not need inspectors to ask drivers about goods being transported in the truck.

"E-way bill is not a good idea. It should not be there for intra-state; in such a case there would be inspectors from one district to the other," he said. When everything is online, then why the need for physical presence of inspectors?" he said.

Mint

₹2,000 cr tax evasion detected in two months, says GST probe wing

New Delhi: The Goods and Services Tax (GST) investigation wing has detected tax evasion of over ₹2,000 crore in two months, and data analysis reveals that only 1% of over 1.11 crore registered businesses pay 80% of the taxes, a senior official said on Wednesday.

CBIC member John Joseph said like small businesses which are making mistakes while filing GST returns, multinationals and big corporates too have slip-ups. "If you

look at the way tax revenues are paid, it gives an alarming picture. We have registration of more than 1 crore businesses. But if you look at where the tax is coming from, it is less than 1 lakh people paying 80% of the tax, one does not know what is happening in the system, it is an important thing to study," Joseph said at an Assocham event here.

Joseph, who is also the director general of GST Intelligence (DG GSTI), said the analysis of composi-

tion dealers data shows that most of them have an annual turnover of ₹5 lakh.

"This shows that a lot of compliance is required." Under the composition scheme, traders and manufacturers are allowed to pay taxes at a reduced rate of 1%. "Government revenue is being taken away. We have in a short period of 1-2 months detected over ₹2,000 crore evasion which could be the tip of the iceberg," Joseph said. **PTI**



GST evasion of ₹2,000 cr unearthed in two months

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Joseph, who is also the Director General of Goods and Services Tax Intelligence (DG GSTI), said the analysis of composition dealers data shows that most of them have an annual turnover of Rs 5 lakh. Under the composition scheme, traders and manufacturers are allowed to pay taxes at a reduced rate of 1%, while restaurant owners have to pay at 5% rate. Joseph said investigation has revealed that a modus operandi is being followed. —PTI

₹2,000 cr GST evasion unearthed in 2 months

PTI ■ NEW DELHI

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alarming picture. We have registration of more than 1 crore businesses. "But if you look at where the tax is coming from, it is less than 1 lakh people paying 80 per cent of the tax, one does not know what is happening in the system, it is an important thing to study," Joseph said at an Assocham event here.

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GST dodgers drill hole in govt coffers

By Mail Today Bureau in New Delhi

THE GST investigation wing has already detected tax evasion of over Rs 2,000 crore in just two months while an analysis of the data reveals that a minuscule 1 per cent of the over 1.1 crore registered businesses account for as much as 80 per cent of the total tax collected, a senior official said on Wednesday.

Central Board of Indirect Taxes and Customs (CBIC) member John Joseph said, "If you look at the way tax revenues are paid, it gives an alarming picture. We have registration of more than 1 crore businesses. But if you look at where the tax is coming from, it is less than 1 lakh people paying 80 per cent of the tax. One does not know what is happening in the system, it is an important thing to study," Joseph added.

Speaking at an Assocham event, Joseph, who is also the Director General of Goods and Services Tax Intelligence, said the analysis of composition dealers data shows that most of them have an annual turnover of Rs 5 lakh. This shows that a lot of compliance is required.

Under the composition scheme, traders and manufacturers are allowed to pay taxes at a reduced rate of 1 per cent, while restaurant owners have to pay a higher 5 per cent as tax. The scheme is open for manufacturers, restaurateurs and traders whose turnover does not exceed Rs 1.5 crore.

Joseph said investigation has revealed that a modus operandi is being followed whereby fake invoices are being generated for goods which have not been supplied at all. Based on these invoices, some entities are claiming input tax credit.

Besides, without

Revelation is in sharp contrast to finance secy Hasmukh Adhia's claim

actually exporting goods, some entities are claiming GST refunds based on fake invoices. Government revenue is being taken away.

"We have in a short period of 1-2 months detected over Rs 2,000 crore evasion which could be only the tip of the iceberg," Joseph said, adding the GST Intelligence wing will step up efforts in the days ahead.

He also said that like small businesses who are making mistakes while filing GST returns, multinationals and big corporates too have slip-ups.

The startling revelation comes a day after finance secretary Hasmukh Adhia saying on Tuesday

that GST has entered a smooth phase within a year of its rollout, with pretty good tax compliance and the efforts will now be to simplify tax return forms.

Biggest tax reform since Independence, the GST was rolled out on July 1, 2017 which subsumed over a dozen local taxes. It transformed India into a single market for movement of goods and services. Over 1.11 crore businesses have registered themselves under GST. The average monthly compliance of return filing and tax payment is going up in a staggered manner and over a period it is expected to be around 96 per cent, Adhia had said.

He had also said that the initial glitches in GST also mainly on

HARSH FACTS

- Only 1% of registered businesses paying 80% of total taxes collected
- Tax evasion of Rs 2,000 crore already detected in two months which is seen as tip of the iceberg
- Input tax credit being claimed on fake invoices in cases where no goods have been supplied
- GST refunds also being claimed against fictitious export
- Modus operandi in both cases is to generate fake invoices to cheat the government



account of lack of information and so the moment information gap was removed, people felt more comfortable. "I think all the glitches are over and we are in a smooth phase of implementation," said Adhia, who also holds the charge of Revenue Secretary.

Adhia had also pointed out that the number of business entities coming into the tax net has gone up after the rollout of the new indirect tax regime. Pre-GST there were about 60-65 lakh businesses who were migrated and the remaining (nearly 48 lakh) are all new. He said percentage wise this was quite high and represented a formalization of the economy.