



# GST Evasion: Fake Credit Claims Worth Rs 19,690 Crore

## Why in News?

Recently, **Haryana** along with Delhi, **stood at the top in terms of value** detected in **fake Input Tax Credit (ITC) claims** as [Goods and Services \(GST\)](#) Evasion.

## Key Points

- A total of 1,999 cases have been booked for fake ITC claims in India in the ongoing financial year 2023-24 (till January), involving an amount of Rs 19,690 crore.
- The amount involved in fake ITC claims in FY24 (till January) is **49% higher** than Rs 13,175 crore detected in 1,940 cases in FY23.
- In **terms of value detected, Haryana and Delhi stood at the top** with an amount of Rs 10,851 crore, as per data. Haryana and Delhi together account for **55% of the total amount** of Rs 19,690 crore detected in the fake ITC claims under GST in the current financial year.

## Input Tax Credit

- It is the **tax that a business pays on a purchase** and that it can use to reduce its tax liability when it makes a sale.
- It means **at the time of paying tax on output, one can reduce the tax that has already been paid on inputs** and pay the balance amount.
- **Exceptions:** A business under **GST composition scheme cannot avail** of input tax credit. ITC cannot be claimed for personal use or for goods that are exempt.

## GST Council

- **Article 279A** - GST Council to be formed by the President to administer & govern GST. It's Chairman is Union Finance Minister of India with ministers nominated by the state governments as its members.
- The council is devised in such a way that the centre will have **1/3<sup>rd</sup> voting power and the states have 2/3<sup>rd</sup>**.
- The decisions are taken by 3/4<sup>th</sup> majority.