

GST infra to detect fraud in real time

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- **Using data mining and artificial intelligence, the tax department already spots bogus invoices and shell companies before it is too late.**

Companies under the tax department's scanner for evading goods and services tax (GST) will be automatically blocked from issuing electronic invoices when they attempt suspicious transactions, a government official said. The move aims to prevent tax evasion and enhance the efficiency of the indirect tax system.

Using data mining and artificial intelligence, the tax department already spots bogus invoices and shell companies before it is too late, the official cited above said.

"Now what will happen is that our intervention can also happen almost on a real-time basis. With data analytics, we can identify and block such entities from issuing electronic invoices so that they aren't able to damage the system. While deterring fraudulent elements, this also provides greater simplicity and convenience to honest taxpayers," the official said on condition of anonymity.

Electronic invoicing (e-invoicing) is the system of validating transaction details in real-time on a portal run by the National Informatics Centre. It has been made compulsory for companies with sales above ₹500 crore from 1 October. The government plans to make e-invoicing facility available to businesses with ₹100 crore sales from 1 January and to everyone from 1 April.

The data included in the e-invoice—details of buyers, sellers, description of the item sold as per the harmonized system of nomenclature (HSN), the amount and the tax payable—will be used to pre-populate some of the tax return forms and compute the eligible tax credit and tax liability of the parties to the transaction. The government's move is towards pre-filled return forms which businesses can validate or modify at the end of every month, giving the tax administration greater oversight on economic activities and ensuring that these businesses do not escape the tax net.

Meanwhile, the Goods and Service Tax Network (GSTN), the company that processes GST returns, on Sunday introduced auto-populated monthly tax returns for businesses, making tax filings easier and improving compliance.

A statement from GSTN said that auto-populated tax forms showing the summary of monthly transactions (form 3B) will be available from the October tax period.

These forms will be available in the GSTN portal from 12 November.

In a separate statement, GSTN said that it has stepped up its IT systems to handle 300,000 concurrent logged in users at a time, twice what it used to handle earlier.

The upgrade has also enabled GSTN to scale up to 500,000 concurrently logged in taxpayers, if necessary, the company said.