

The [GST](#) investigation wing has detected [tax evasion](#) of over Rs 20 bn in two months, and data analysis reveals that only 1 per cent of over 11.1 million registered businesses pay 80 per cent of the taxes, a senior official said today.

CBIC member John Joseph said alike small businesses who 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 10 million 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.

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 500,000. "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 at 5 per cent rate. The scheme is open for manufacturers, restaurateurs and traders whose turnover does not exceed Rs 10.5 million.

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 actually exporting goods, some entities are claiming [GST](#) refunds based on fake invoices.

"Government revenue is being taken away. We in a short period of 1-2 months have detected over Rs 20 bn evasion which could be only the tip of the ice berg," Joseph said, adding the [GST Intelligence](#) wing will step up efforts in the days ahead.