



# ALL INDUSTRIES & TRADE FORUM

(APEX NATIONAL BODY OF TRADE & INDUSTRIES)

HEAD OFFICE: 208, IMPERIAL TOWER, NARAINA VIHAR, NEAR C BLOCK COMMUNITY CENTER, NEW DELHI-110028

Office of National President 48, Basant Avenue, Ludhiana-13

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Web: [www.msmseindia.org](http://www.msmseindia.org), [www.corruptofficers.info](http://www.corruptofficers.info)

Ref No: aitf/24/6067

July 26, 2024

**Shri Bhagwant Singh Mann,**  
Honourable Chief Minister,  
Government of Punjab,  
Chandigarh.

**Sub: Request for ED or CBI investigation in regard to huge Bogus Billing in Punjab.  
Investigation of connivance of SGST or CGST officials with the Bogus Billing Companies (If Any)**

**Dear Mann Sahib,**

Punjab is passing through the toughest financial crises and at such time, the SGST department fully failed to check the evasion of revenue. Due to such criminals, the state is losing a revenue of more than 20000 crores a year. We have compiled a report that will prove the volume of tax evasions in Punjab.

As per data presented by Minister of Finance in the Parliament against the question of Member Parliament Mr. Sushil Modi, **The Punjab shown no interest in checking the evasions.** The figures presented to the Ministry of Finance we fake and unauthenticated, as it is not possible to recover 200 Crores against the GST evasion of 296 crores during 2019-20.

This clearly shows the connivance between the corrupt officers of bogus billing companies. Due to this Punjab only detected 1% of National evasion. The nearest states are much ahead of PUNJAB in investigation of fake billing.

	DELHI		
	GST EVASION INVESTIGATED	AMOUNT RECOVERED	NUMBER OF ARRESTS
2019-20	10790	3302	57
2020-21	4277.41	780.48	47
2021-22	3332.96	644.36	23
2022-23	3543.55	1088.71	21
UPTO NOV 2023	3592.98	1464.3	22
	<b>25536.9 crore</b>	<b>7279.89 crore</b>	<b>170</b>



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<b>Rajasthan</b>	<b>GST EVASION INVESTIGATED</b>	<b>AMOUNT RECOVERED</b>	<b>NUMBER OF ARRESTS</b>
2019-20	999.35	491.37	13
2020-21	2709.25	739.85	35
2021-22	3423	988	22
2022-23	10990.07	6516.33	15
UPTO NOV 2023	2943.7	551.21	10
<b>TOTAL</b>	<b>21065.37 crore</b>	<b>9286.76 crore</b>	<b>95</b>
	<b>HARYANA</b>		
	<b>GST EVASION INVESTIGATED</b>	<b>AMOUNT RECOVERED</b>	<b>NUMBER OF ARRESTS</b>
2019-20	948.64	338.03	3
2020-21	6488.78	490.48	33
2021-22	4878.55	1161.69	21
2022-23	10156.93	3463.85	24
UPTO NOV 2023	13794.53	2901.08	18
<b>TOTAL</b>	<b>36267.43 crore</b>	<b>8355.13 crore</b>	<b>99</b>



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	<b>NATIONAL</b>		
	<b>GST EVASION INVESTIGATED</b>	<b>AMOUNT RECOVERED</b>	<b>NUMBER OF ARRESTS</b>
2019-20	40853	18464.07	231
2020-21	49384	12235	460
2021-22	73237.65	25156.53	342
2022-23	131612.91	33226.4	190
UPTO NOV 2023	151083.75	18541.38	154
<b>TOTAL</b>	<b>446171.31 crore</b>	<b>107623.38 crore</b>	<b>1377</b>

	<b>PUNJAB</b>		
	<b>GST EVASION INVESTIGATED</b>	<b>AMOUNT RECOVERED</b>	<b>NUMBER OF ARRESTS</b>
2019-20	296.3	200.2	4
2020-21	715.14	299.73	25
2021-22	1522.84	164.07	27
2022-23	1153.56	367.45	2
UPTO NOV 2023	481.98	145.68	3
<b>TOTAL</b>	<b>4169.82 CRORE</b>	<b>1177.13 CRORE</b>	<b>61</b>

This data clearly shows that The SGST department of Punjab is least serious about the tax evasion in the state. The other nearby states has recovered from 7000 crores to 9000 crores whereas Punjab hardly crossed the 1000 figure. One of the reasons could be the shelter of few senior corrupt officers to the bogus billing companies. There is dire need to investigate this connivance and these officers are also supporting such criminals for transportation of unbilled goods called PASSING.



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## **More than 100000 Crores of Bogus Billing in State & No action against any official:**

Since the introduction of GST regime in country the Bogus Billing score crossed 1 Lakh Crores in State. Such a big scam was impossible without the connivance of the officers but unfortunately no action taken against any of the officers of department. In some cases the officers suspended by the previous government for involvement in corruption cases are promoted by the present government on very important posts (Copy Enclosed). The officers earmarked by the vigilance in Amritsar Bogus Billing Scam were also given the top posts by the government.

## **Officer on suspension due to corruption or facing vigilance cases given top positions:**

In Punjab many officers those were suspended from the department due to corruption were given the very important positions. Similarly there are officers whose name were highlighted by the vigilance were also awarded with the promotions. This act promotes the corruption in state so the government must remove such officers from the important positions.

## **Punjab is ahead the National Monthly Per Capita Expenditure (MPCE):**

Punjab is having the 5<sup>th</sup> Highest MPCE among major Indian states. The Rural MPCE of Punjab is 5363Rs & Urban is 6577, whereas the National average is 3860 for the Rural and 6521 for the urban population. The Rural MPCE of Haryana is 4912 and Urban is 7948. But the difference in GST ratio is almost 3 times more than Punjab. As per MPCE the Food Expenditure is 40% and Non Food Expenditure is 60%. So if we compare the data of Punjab ,Haryana and Delhi than we can easily judge the GST evasion in Punjab.

## **State loosing 20000 crores annually due to Bogus Billing & Bill Swapping:**

Punjab is passing through the toughest financial face due to the heavy burden of interest payments. But even after such circumstances the finance department of state is hardly bothered about the loss of 20000 crores annually caused due to ingenuine and bogus billing. There is an evasion of around 40% of total collection. The major sectors of evasion are as under:

TMT Steel	90%
Cement Sheets	90%
Galvanized Corrugated Sheets plain/colour	90%
Construction Hardware	90%
Cement	90%
Construction material	90%
Furniture	90%
Footwear	80%
Auto Parts	70%
Structure Steel	70%
Garments	60%



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General Steel Items	50%
General Hardware	50%
Machine tools	50%

This list is endless and even after sending the evidences the department shown no interest to check this evasion which clearly proves a connivance between the officials and the evaders. The housing sectors tops in tax evasions but due to vested interests the department never check this sector. The tax evasion volume is high in auto part sector due to high rate of GST so they issue less than 5% invoices to the retail customers.

### **Punjab collects the lowest per capita GST:**

Punjabi's are known for their lavish life styles, big houses and fat wedding parties. Their expenditure is surely highest from many other states of India. But when we go through the data of per capita GST collection of the state we will be shocked to know that our per capita GST collection is lowest in the region. The per capita GST collection of Punjab from January 2024 to May 2024 is as under:

STATE	PER CAPITA SGST collection Jan 24 to May 24	
DELHI	3036	Rs
HARYANA	3237	Rs
HIMACHAL	1159	Rs
PUNJAB	730	Rs
<b>National</b>	<b>1013</b>	Rs

### **Exporters across the country are purchasing the invoices from Punjab:**

Due to these tax evasions, Punjab is the soft target of exporters of India. They purchase invoices from Punjab to get the input tax credits. Even the exporters of Punjab shows higher selling value as the input tax credit invoices are easily available in state.

**Lowest ratio of average GST collection from per GST Taxpayer in Punjab for the last five months.** The national average of GST collection from per tax payer in India during 2022-23 was 4.80 lakh whereas in Punjab the average collection was merely 2.77 lakh. If we discuss about the migrated tax payers the national average is 27.33 lakh per tax payer whereas in Punjab this average is 13.85 lakh. In case of new tax payers Punjab is collecting 4833 crores from 152209 tax payers with an average of 3.18 lakh whereas the national average of new tax payers is 4.78 lakh per tax payer.



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**Even after repeated complaints no action taken by the GST department of big trading houses:**

Bill swapping is even bigger fraud than the bogus billing in state. There are thousands of stores in Punjab those are involved in such activities. They are selling the material in retail but issuing the invoices to the exporters and other companies for taking full input tax credit from the government.

**After Imposition of GST the revenue gap between Punjab and other states Increased:**

As per data of revenue department the revenue of the states in 2015-16 was as under. This was the revenue of all the accounts subsumed in GST.

**Tax Collection of 2015-16 (Taxes Subsumed in GST)**

RAJSTHAN	17158 Cr
DELHI	16784 Cr
HARYANA	15230 Cr
<b>PUNJAB</b>	<b>14471 Cr</b>

Whereas, after the implementation of GST the revenue collection gap between these states increased many folds. The figures of GST collection from Jan 2024 to May 2024 is as under:

HARYANA	48893 Cr (Increased of 685%)
DELHI	32422 Cr (Increased of 465%)
RAJSTHAN	23506 Cr (Increased of 330%)
<b>PUNJAB</b>	<b>11220 Cr (Increased of 186%)</b>

**Punjab is ahead the National Monthly Per Capita Expenditure (MPCE):** Punjab is having the 5<sup>th</sup> Highest MPCE among major Indian states. The Rural MPCE of Punjab is 5363Rs & Urban is 6577, whereas the National average is 3860 for the Rural and 6521 for the urban population. The Rural MPCE of Haryana is 4912 and Urban is 7948. But the difference in GST ratio is almost 3 times more than Punjab. As per MPCE the Food Expenditure is 40% and Non Food Expenditure is 60%. So if we compare the data of Punjab ,Haryana and Delhi than we can easily judge the GST evasion in Punjab.

**Registration of High Value Vehicles in nearby states:** To evade the higher road tax in Punjab the high value vehicles are registered by the buyers in Chandigarh and Himachal. There is dire need to investigate such purchases where the vehicles have purchased in other states by the Punjab's residents.



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**Huge evasion in Online Gaming & Lottery:** show cause notices involving GST to the tune of Rs. 1,12,332 Cr. have been issued to online gaming companies during financial years 2022-23 and 2023-24 by many states but Punjab is still behind in investigating the GST evasion in this sector.

**Corruption in VAT & GST Assessment & issuing of refunds:** There are endless complaints in regard to corruption in settlement of cases picked for assessment and even after the online refund system it is hard to get the refund without the help of the middlemen in Punjab. The revenue involved in such corruption is in billions but the department never bothered to check such complaints. The CBI ordered the enquiry of VAT refunds in 2015 but the same was dropped as few industrial Organizations moved to the Honourable High Court of Punjab against this enquiry. There is a dire need of third party inspection of all the assessments conducted by the SGST department.

**Punjab, the one of the richest state of India is struggling to collect the GST. The main reason behind this is Bogus Billing, Bill Swapping & Passing and Huge Corruption in State. There is a dire need to order and enquiry to unearth all such GST frauds in Punjab.**

Thanks & Regards

**Badish Jindal**

National President : AITF

National Chairman: FASII

President:FOPSIA (Government of India Recognized)

EX CENTRAL GOVERNMENT BOARD MEMBER OF: ESIC, EPFO, MSME, NPC. NSCC, NATIONAL BUDGET

ADVISORY COMMITTEE, NATIONAL DIRECT TAXES ADVISORY COMMITTEE, SPECIAL COMMITTEE OF

DEFENCE, COMMITTEES OF PLANNING COMMISSION.