

INTERNATIONAL JOURNAL FOR LEGAL RESEARCH AND ANALYSIS



Open Access, Refereed Journal Multi Disciplinary
Peer Reviewed

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COMBATING GST INPUT TAX CREDIT FRAUD IN INDIA: FORENSIC ACCOUNTING, DATA ANALYTICS, AND LEGAL ENFORCEMENT STRATEGIES

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ABSTRACT

This research paper provides an overview of the growing problem of Goods and Services Tax (GST) Input Tax Credit (ITC) frauds in India, which has become a serious risk to the country's fiscal health. Input Tax Credit (ITC) fraud refers to the illegal or wrongful availment and utilisation of input tax credit. The research paper will detail how these frauds are executed—through fake invoices and circular trading schemes, through the creation and use of networks of shell corporations—"virtual economies" and the schemes used to defraud the system. Using recent data from the Central Board of Indirect Taxes and Customs (CBIC) and the Directorate General of GST Intelligence (DGGI), the economic cost of GST frauds has been assessed in this article. The paper provides evidence for a rapidly expanding trend in the scale of fraud, which demands further research, including distinct forensic accounting techniques and forensic practices, as the forensic response to fraud grows. In this study we will investigate the use of forensic methods (such as data analytics, digital forensics and network analysis) that can help identify large scale GST tax frauds in India. This is based on data from government sources along with several case studies of high-profile cases and it was determined that forensic accountants are required to work on investigations into these types of crimes and create effective deterrent programs. It was also found that a combined approach of utilizing advanced technology, harsh legal enforcement and highly skilled forensic personnel will be necessary for protecting the integrity of India's GST initiative going forward.

Keywords: GST Fraud, Input Tax Credit (ITC), Forensic Accounting, Fake Invoicing, Shell Companies, India.

INTRODUCTION

The Genesis Of A New Tax Era And Its Inherent Vulnerabilities

The development of indirect taxation in India was a significant event with the current experience being that of the Goods and Services Tax (GST) which came into effect from July 1, 2017. Before the introduction of the GST experience, the taxing environment in India is unique in comparison to all other countries in the world; this environment is characterized by the imposition of multiple central and state taxes. The government of India imposes several forms of indirect taxes including Central Excise Duty, Service Tax and Cesses etc. Each of the State Governments also impose an indirect tax on transactions through Value Added Tax (VAT), Central Sales Tax (CST), Entertainment Tax, Luxury Tax etc. So, we had not only a convoluted tax system that impeded Commerce but one that disenfranchised its citizens. Disincentives either existed in terms of state taxes preventing free trade across states or physical barriers were imposed at borders creating burdens of trucks queued in stationary positions for hours to either exit or enter any state. Logistically, companies experienced frustrations transporting goods from one state to another due to challenges in planning trailers to fit into their supply chains and delayment in any of the resulting economic activity until the trucks arrived. Inefficiencies in economic production were realized.

Compliance burdens were enormous for businesses. Businesses were responsible for obtaining knowledge of regulatory frameworks for transaction laws or regulations they were doing business in. They had to learn which registration would be applicable, which tax burden was necessary, or what state or authority would investigate their business activity. This learning was beyond the investment of resources in their home state.

More insidiously, the pre-GST construct featured a cascading or "tax on tax" effect whereby tax was imposed on a price that included previous taxes (Bangura, 2020). A manufacturer could pay excise duty on a product, and VAT would then be determined on the price (including excise duty) (Capraş & Achim, 2023). Undoubtedly, this put a premium at every stage of the supply chain, reduced competitiveness for Indian industries in the international arena, and unduly placed a burden on the end consumer (Dalegan & Ishola, 2022). Finally, it should be noted that an inter- state sales system under the GST model based on a web of statutory forms, such as C-Forms, provides a

place for compliance gaps and the loss of revenue (Daraojimba et al., 2023).

The intellectual justification for the GST reform was that the Government wanted to tear down this inefficient structure and replace it with a unified, transparent, destination-based consumption tax, which is embodied in the wording, "One Nation, One Tax, One Market." GST was supposed to assimilate the range of previous taxes into a common national market by streamlining logistics, providing transparency, and eliminating, most importantly, the cascading effect of taxes (Doloksaribu et al., 2025). The mechanism they chose to implement to achieve this was the Input Tax Credit (ITC), a structure to enable businesses to claim credit for taxes they paid on their inputs, thereby taxing only on value addition (Dutta, 2021). This smooth and technologically driven credit flow process was also seen as one of the systems progressive aspects in the fact that it demonstrated its progressive design.

However, this aspect of the system that made it so attractive, was also the downfall of the system. The reason for this was the self-assessment method used by the taxpayers; the fact that the taxpayer would enter their own tax transactions into the tax authority database, made the opportunity for a wide range of more sophisticated types of financial fraud possible (Venigandla & Vemuri, 2022). The reason for this is evident when analyzing the two fundamental economic concepts of asymmetric information (taxpayer's knowledge of the legitimacy of each transaction verses the tax authorities) and moral hazard (ease of committing fraud through the internet), both of these concepts support why the self assessment process may pose problems.

In addition to the above-mentioned economic concepts, another well-established theory in criminology is the Fraud Triangle. The Fraud Triangle is based on the idea that there are three elements required to perpetuate fraud: pressure (financial gain or risk of loss of business); an opportunity (in this case the ability to commit fraud within the GST system); and rationalization (the moral reasoning behind the taxpayer's decision to commit illegal activity). These GST related frauds are certainly more than just simple tax avoidance. They are actually complex schemes involving creating intricate webs of fictitious companies, generating invoices for products/services that were never provided, and laundering the proceeds of fraudulent "tax credits." As well as costing the government directly and obviously lost revenue to fund basic public services (healthcare, education, public

infrastructure) (Thakkar et al., 2024), the fraud distorts the market environment so that businesses that cheat on taxes gain an unfair competitive edge by being able to lower prices by not having to pay taxes while still getting to benefit from "free" tax credits to grow their gross margin through capital savings. Furthermore, the frauds skew the macro-economic performance of the economy, producing misleading data for policymakers to use in making decisions. Finally, the frauds undermine public confidence in the fairness and transparency of the tax system, ultimately contributing to the increased likelihood of other members of their compliance community participating in the fraud in the future, if the issue continues to exist.

At this time, when traditional audit methods (limited to checking compliance and sampling adherence) will not serve as an adequate defense against sophisticated adversaries operating in the shadows, we need to employ more aggressive, evidence based forensic accounting techniques. Forensic Accounting is a hybrid profession of the skills of accountants, auditors, and investigators (Thakkar et al., 2024). Forensic Accounting looks past the numbers to answer questions about what happened during a financial transaction, where the deception may have taken place, and provides evidence to support the findings in a courtroom.

We will begin at the beginning and describe the purpose of GST and the ITC mechanism and its legislative and process framework; after that we will determine what is wrong with the system, and the fraud schemes that have been developed and perpetrated by fraudsters; next we will review the fraud schemes that have become increasingly sophisticated and the types of fraud committed, and ultimately we will evaluate how fraud can be quantified based upon data gathered from publically available sources provided by the Department of Goods and Services Tax Intelligence (DGGI), and how fraudsters have evolved their fraud schemes. The majority of this study will deal with the forensic accounting process, and briefly look into the methodologies, techniques, and processes that forensic accountants employ to investigate and detect fraud and other financial crimes. Finally, we will make several realistic recommendations to policymakers, tax authorities, and business leaders to develop an multi- faceted approach to developing a stronger GST environment to combat the long-standing epidemic of economic fraud.

"GST Fraud," as defined by Bhadra et al. (2024), represents a deliberate alteration of a tax system to circumvent taxation and/or acquire incorrect refund payments. GST Fraud occurs when individuals intentionally create a series of schemes that include generating and distributing fictitious invoices, engaging in circular trade and under-reporting income through the utilization of shell companies generated to generate phantom ITC without producing an actual good/service (Banda et al., 2025). In addition to the loss of government revenue due to the activities of fraudulent actors, such practices have also produced an unfair advantage in the marketplace (Thakkar & Datta, 2025). Tax authorities, therefore, utilize advanced analytical and AI technologies to identify and investigate fraudulent transactions with regard to the prevention of GST fraud (Thakkar & Datta, 2025). Furthermore, tax authorities are enhancing and expanding their capacity to perform real time invoice matching, and interagency coordination and cooperation to improve transparency and accountability to effectively detect and prosecute cases of GST related fraud (Gore et al., 2025).

LITERATURE REVIEW

A foundational understanding of the legal and procedural architecture of GST is essential to appreciate how its core features are being systematically exploited.

The Legislative Underpinnings: A Constitutional Shift

Passage of GST was much more than a change in the policy, but also a constitutional amendment and as such involved many years of difficult and complicated negotiation and the creation of an agreement by the Empowered Committee of State Finance Ministers. The negotiations among the members of this committee ultimately produced the Constitution (One Hundred and First Amendment) Act, 2016, and subsequently created new power for both the Parliament and State legislatures to create law related to GST (Thakkar et al., 2024). The constitutional framework of GST allowed for a new, collaborative framework for laws. The framework consists of a collection of statutes that fit together: the Central Goods and Services Tax (CGST) Act 2017, is a law enacted by the Central Government under the CGST Act and has to do with the levy of GST on supplies within the state that the Central government owns; the State Goods and Services Tax (SGST) Acts, actual Acts of each state and union territory with a legislative assembly that pertain to the state's portion of the intra-state supply amount of tax; the Integrated Goods and Services Tax (IGST) Act, 2017, the law that governs

levy of GST on inter-state supplies and imports. In addition, all of these statutes are supplemented by the GST (Compensation to States) Act, 2017, to compensate states that incur any loss of revenue within the 5-year window of part implementing GST (Heinemann & Stiller, 2025).

The entire ecosystem is overseen by the GST Council, a constitutional institution demonstrating the cooperative federalism nature of the system (Kumar et al., 2023). The Union Finance Minister is the chair of the GST Council, made up of all the finance ministers in the states, to make it the "Governance" body in the system, of course within the boundaries of the Constitution. The GST Council operates using a weighted voting system (one-third for the centre / and two-thirds for the States) that requires a three-fourths majority. This provides some guarantee that before determining key decision points, such as rates of tax, exemptions, or rules and procedures, the required consensus by the states is possible. Thus, a certain degree of coherence and cohesiveness to national goals of indirect taxation is more attainable (Ikhsan et al., 2022).

The Input Tax Credit (ITC) Mechanism: The Engine Of GST

ITC is the foundation of the GST system since it allows a registered taxpayer to claim credit for GST paid on business inputs and use it to offset GST on their outputs (Ilori et al., 2024). The flow of ITC through a supply chain can be seen as a virtuous cycle, ensuring that tax is only charged on what's added in value (Koreff et al., 2021). The flowchart below depicts the process of ITC being legitimately transferred along the supply chain from manufacturer to retailer (Malempati, 2025). This legitimate transfer protects the categorical effects of tax and is part of the very framework of GST (Mohammad et al., 2024). However, it is this simplicity that is exploited for fraud (Novita & Anissa, 2022).

The requirements for claiming Input Tax Credit (ITC) are not absolute and contingent on certain conditions set out under Section 16 of the CGST Act. A registered person will be entitled to credit only when it is in possession of a tax invoice or debit note, it has received the good and/or services, the supplier has remitted the tax charged in relation to the supply to the Government, and it has lodged the relevant GST returns (Saheed et al, 2022). Section 17(5) of the Act provides a limited list of blocked credits (i.e., a list of certain goods and services owned by the taxpayer whereby ITC cannot be claimed even if used for a business purpose) (Shalhoob et al, 2024). Blocked credits include some or all costs related to motor vehicles owned for a private use, food and beverages,

club memberships and works contract services for the construction of an immovable property (Udeh et al, 2024). The intricacy of the rules attached to VAT, relating to the reversal of credit for goods not used for statutory purposes, or for some exempt supplies, creates another avenue for confusion and opportunistic fraud.



Figure 1. The Legitimate Flow of Input Tax Credit (ITC) Source: Compiled by Author

The Compliance Framework: GST Returns And Their Vulnerabilities

The complete ITC process is channelled through a process of interconnected online returns filed on the GSTN portal; the compliance workflow effectively starts when the supplier files their GSTR-1, which is the basis of the ITC available for the recipient in GSTR-2 B. As the taxpayer submits their GSTR-3B as a summary return claiming the credits they have earned, and settling their net tax liability, there are some risks because the system is dependent upon the information provided by the taxpayers in their GSTR-1 being accurate.

The GST Compliance System was established with the implementation of GST. At the time, it was planned to establish a strong invoice matching system which would allow the buyer to either accept or reject an invoice based upon the invoices that were reported by the seller in the GSTR-2 return. Technical and operational problems led to the invoice matching and GSTR-2 undertaking being suspended, and instead a system of "trust" was adopted whereby taxpayers could first claim ITC based on their own records (Thakkar et al., 2025). This opened up a significant opportunity for fraud. Over time, the rules were tightened, and we are now at a point where nearly all ITC

claims originate from the auto-populated GSTR-2B information (Hossain, 2023). Although this has removed some risk, the risk remains: if a fraudster establishes a fake GSTIN and files a fraudulent GSTR-1 with bogus invoices for transactions that did not occur, they can still introduce fake credits into the system (Thakkar et al., 2024).

Table 1: Overview of Key GST Returns and Their Function

Return Form	Filed By	Frequency	Key Contents	Role in ITC Process
GSTR-1	Supplier	Monthly / Quarterly	Invoice-wise details of all outward supplies (sales) made.	Foundation of ITC: Creates the credit that becomes available to the recipient.
GST R-2B	Auto-populated for Recipient	Monthly	A static statement of eligible and ineligible ITC based on the GSTR-1s filed by suppliers.	Source of Truth for ITC: The primary and definitive document for determining available ITC.
GST R-3B	Every registered taxpayer	Monthly Quarterly	ITC claimed, and tax payable.	Claim and Settlement: The return where the taxpayer formally claims their ITC and pays net tax liability.
GSTR-9	Annually registered taxpayers	Annually	A consolidated annual return of all supplies for the financial year.	Annual Reconciliation: Used to reconcile data declared in monthly/quarterly returns

Source: Compiled by Author

RESEARCH METHODOLOGY

The following study uses qualitative, descriptive, and analytical research design to give a thorough analysis of GST & ITC frauds in India and the important aspect of forensic accounting. The research design was selected because it is equipped to integrate complex information from multiple types of sources such as legal documents,

government documents, professional literature and news articles in order to provide a unified view of this complicated social, economic and legal phenomenon. The research approach draws together a doctrinal analysis of the legal framework with a thematic analysis of fraud schemes and forensic accounting investigation techniques.

Data Collection And Sources

This study seeks to analyse the area and make suggestions based on the analysis of the evidence collected. It achieves the goal of conducting a robust and comprehensive study that draws on both primary and secondary sources of evidence.

Primary Sources: The evidence base for understanding the legal framework relies on primary legal documents. The author performed a doctrinal analysis of the key statutes, which are the Central Goods and Services Tax (CGST) Act, 2017, the Integrated Goods and Services Tax (IGST) Act, 2017, and the rules related to the same. The author also used the government bodies' official and legal documents issued by the government, such as Circulars, Notifications, and Press Releases issued by the Ministry of Finance, the Central Board of Indirect Taxes and Customs (CBIC), and the Directorate General of GST Intelligence (DGGI) as primary data sources for official statistics related to the enforcement.

Secondary Sources: A broad range of secondary sources systematically reviewed the qualitative and quantitative data on the extent of fraud, methods of fraud, and forensic uses, such as:

Government Reports: The annual reports and publications from the DGGI and CBIC have been used to collect and analyse statistical data on the detection of fraud, recoveries and arrests.

Academic and Professional Journals: An extensive literature review was conducted through academic databases such as JSTOR, Google Scholar, SSRN, and archives of professional journals from agencies including the Institute of Chartered Accountants of India (ICAI). Search key terms were GST fraud India, Input Tax Credit fraud, forensic accounting tax, and modus operandi of ITC fraud.

Reputable Media Reports: Numerous reputable media reports from credible financial journalists published in outlets such as The Economic Times, Business Standard, and Live Mint were used to inform the particulars of the recent high-profile case studies. It was important to obtain contemporaneous information on developing fraud patterns, which have not yet been included in the annual government reports.

Books and Treatises: Standard articles on forensic accounting, auditing and indirect taxation were consulted to tie the analysis to some fundamental theories and established workflows in practice.

DATA ANALYSIS AND SYNTHESIS

The data have been analysed through a thematic synthesis approach. This process involved the following: **Fraud Scheme Identification:** Information from multiple case studies and media coverage was summarized to ascertain whether there were repeated patterns. This led to the articulation of different themes, by modus operandi, such as 'Fake Invoicing', 'Shell Company Networks', 'Circular Trading', and 'IGST Refund Fraud'. Each theme was then studied to unravel the typical lifecycle and characteristics of the theme.

Forensic Accounting Thematic Analysis: The methods in which forensic accounting was analyzed by grouping of the main forensic accounting techniques (Data Analysis, Digital Forensics, and Fund Flow Analysis) and mapping each method to a specific challenge/ data type within the GST framework.

Quantitative Analysis: Trend tables were created with the data collected from government entities as a way to examine the trends over time. In addition to creating trend tables, some simple quantitative analysis was completed (year-over-year percent change; and percent recovery rate) to assist in understanding both the magnitude and rate at which the fraud issue is growing. These data points will be utilized to create graph(s) that illustrate the trends described above in this research paper.

THE MENACE OF GST AND ITC FRAUDS:

A QUANTITATIVE DEEP DIVE

The theoretical vulnerabilities of the GST system have been exploited on an industrial scale. Data from official bodies provides a chilling insight into the magnitude of this economic crime.

The Unprecedented Surge In Fraud Detection

The Directorate General of GST Intelligence (DGGI) performance in the fiscal year

2023-24, when compared to the previous year, reveals an alarming escalation in fraudulent activity.

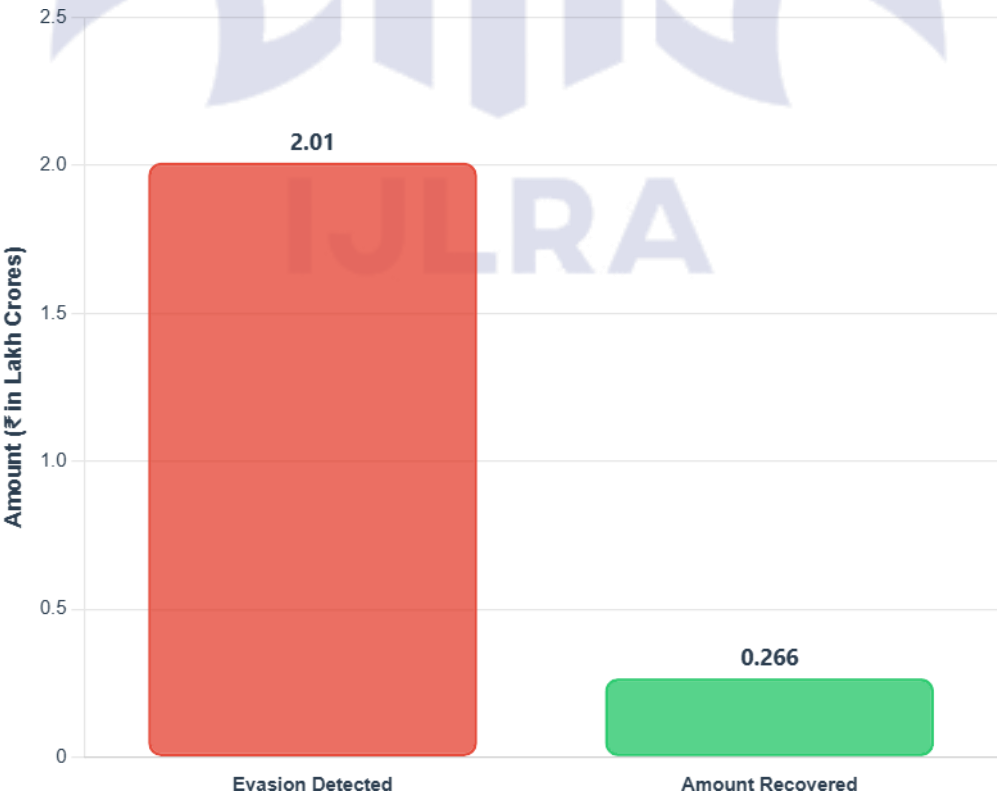
Table 2: GST Fraud Statistics: FY 2022-23 vs FY 2023-24

Metric	FY 2022-23	FY 2023-24
Total Evasion Detected	₹1.01 lakh crore	₹2.01 lakh crore
Cases Booked	4,872	6,084
Voluntary Payments (Recovery)	₹20,713 crore	₹26,605 crore
Arrests	97	140

Source: DGGI Annual Report Data, FY 2023-24

The numbers are shocking, with almost a 100% increase in identified evasion within just one year. The following bar graph provides a clear illustration of the difference between the volume of fraud identified and the revenue recovered by authorities. This highlights the difficulty of achieving financial recovery.

Figure 2. Comparison of Detected GST Evasion and Recovered Amounts for FY 2023-24



Source: Compiled by Author

In response to the rising scale of these frauds, authorities have increased enforcement actions. The line chart below illustrates the significant year-on-year growth in the number of arrests made by the DGCI, reflecting a more aggressive posture against the masterminds of these economic crimes.



Figure 3. Growth in Enforcement Actions (Arrests) Source: Compiled by Author

Anatomy Of Deceit: Modus Operandi And Sectoral Vulnerabilities

Fraudsters employ a variety of methods. The pie chart below provides a breakdown of the primary techniques used, revealing that while fake ITC claims are a major problem, traditional evasion through clandestine supplies remains the most prevalent issue.

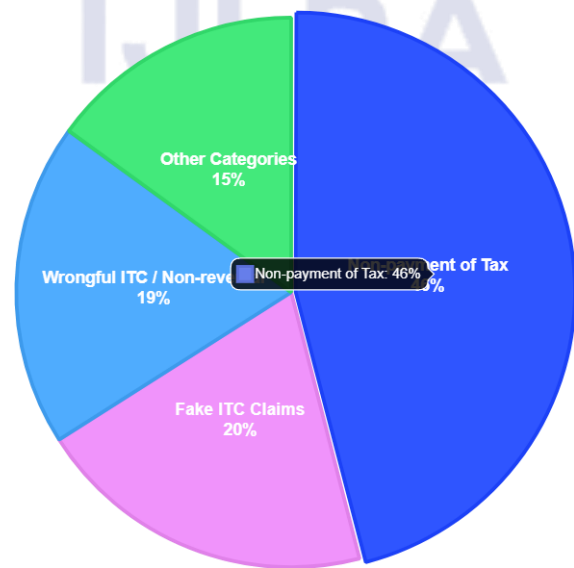


Figure 4. Anatomy of GST Evasion Methods (FY 2023-24)
Source: Compiled by Author

A closer look at how they operate will show numerous elaborate schemes; the most prevalent being a scheme called Fake Invoicing. With Fake Invoicing, the business who issues the invoice has no associated actual supply of goods and/or services for the invoice it is issuing. Fake Invoicing transactions usually involve a supply chain of "Shell Companies", fictitious companies which exist only on paper and were formed utilizing stolen or borrowed identities. A second, more complex method of credit fraud is called Circular Trading, where a small group of companies with known relationships take turns issuing invoices to each other in a circular chain transactions, for one or two reasons: to inflate turnover for increased loan amounts from banks for essentially the same work/project, or for the sole purpose of being able to pass through and encash ITC amongst the co-conspirators.

In addition to those, fraudsters carry out IGST Refund Fraud, where exporters take advantage of fake export documentation or claim for IGST on goods exported that are hugely over-invoiced, resulting in a cash refund that is much greater than the input tax they had actually paid. Furthermore, there is also Misclassification Fraud, where businesses clearly misclassify a high tax product (e.g. luxuries at 28%) as a lower tax product and basic at 12% in their returns in order to pay less tax. Also, sometimes, large businesses misuse the Input Service Distributor (ISD) mechanisms whereby, when a head office has common branches, the head office is able to distribute common input credits to its branches. This can result in fraud if businesses wrongly distribute the input service credits among branches that are not entitled to credits or inflate their common credit pool.

These methods are particularly prevalent in certain high-risk sectors.

Table 3: Top Sectors Targeted by GST Fraud (FY 2023-24)

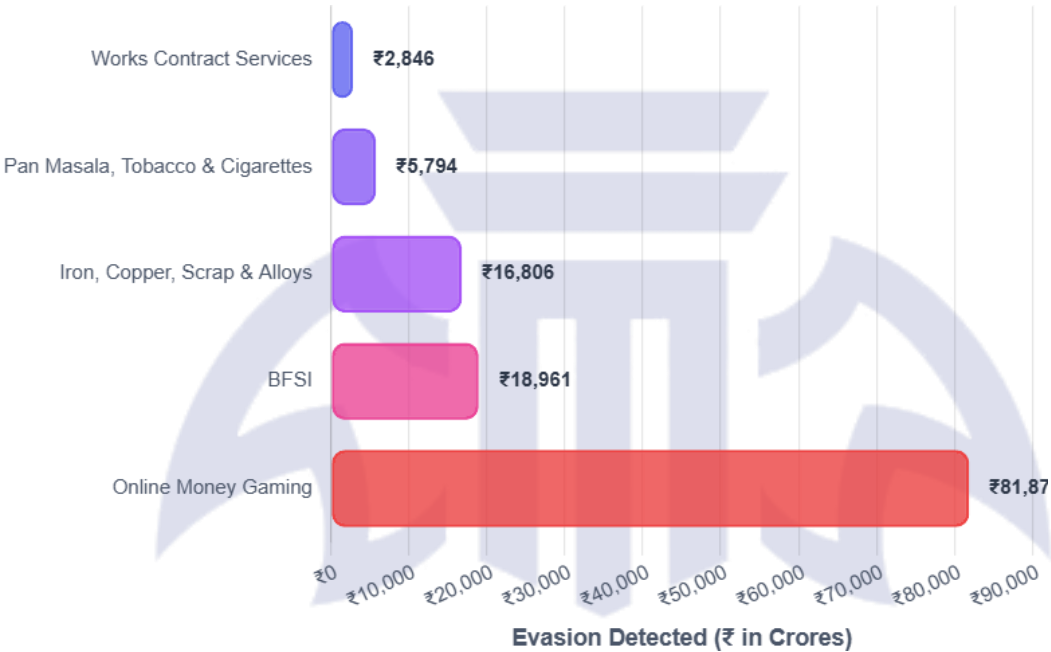
Sector	Evasion Detected (₹ in Crores)	Number of Cases
Online Money Gaming	₹ 81,875	78
Banking, Financial Services & Insurance (BFSI)	₹ 18,961	171
Iron, Copper, Scrap & Alloys	₹ 16,806	1,976

Pan Masala, Tobacco & Cigarettes	₹ 5,794	212
Works Contract Services	₹ 2,846	343

Source: DGGI Annual Report Data, FY 2023-24

The horizontal bar chart below visually contrasts the financial impact of fraud across these top sectors, illustrating the dual nature of the fraud landscape.

Figure 5. Sector-wise Distribution of Detected GST Evasion (FY 2023-24)



Source: Compiled by Author

The War On Fake Registrations

A cornerstone of the government's response has been a series of special drives to weed out fake GSTINs.

Table 4: Crackdown on Fake Registrations (Special Drives 2023-24)

Drive Details	Fake GSTINs Detected	Tax Evasion Detected
First Drive (May-July 2023)	21,791	₹ 24,010 crore
Second Drive (Aug-Oct 2024, partial data)	~10,700	₹ 10,179 crore

Source: Data from CBIC and Ministry of Finance press releases

Deconstructing A Fake Invoicing Syndicate

The process of a typical fake invoicing fraud is a multi-step criminal conspiracy. The flowchart below visualises this entire criminal enterprise, highlighting its organised and repeatable nature.



Figure 6. The Lifecycle of a Fake Invoicing Fraud Source: Compiled by Author

RECOMMENDATIONS FOR A FORTIFIED GST ECOSYSTEM

The only means to properly counteract the increasingly severe problem of GST fraud is through the establishment of a strategic approach which encompasses both proactive and comprehensive elements. In order to achieve such a goal, tax authorities and policymakers should make it their top priority to develop a Unified Economic Intelligence Grid (Unified EIG), which would allow for the sharing of information

between various agencies and jurisdictions, in real time, while also allowing for cooperative law enforcement efforts. Two methods to effectively combat GST fraud are: (1) implement a dynamic risk modeling/Artificial Intelligence (AI) strategy for the purposes of GST registration to identify potential fraudulent business at the time they register, and (2) continue to build the ongoing capacity of tax officers in forensic accounting, digital investigation techniques, and data analysis, as well as provide them with continuous professional development. A further key element of the overall strategy will be the creation of a legal/recovery structure which will allow for the rapid prosecution

of those who commit GST related crimes, increase the rate of convictions for those who do commit GST crimes, and create a deterrent effect against committing tax crimes by recovering the full amount of fraudulent GST credits claimed under the GST. Businesses and professionals will have a critical role to play in this regard by incorporating forensic due diligence into the vendor selection and management process. Additionally, technology tools can help to create systems of continuing internal monitoring to detect and prevent fraudulent activity earlier and prevent it from occurring in the future. Most importantly, organizations need to adopt a "zero-tolerance" policy for tax evasion so that tax compliance is part of the organization's operating philosophy. The only way to realize all the possible benefits of the GST regime will be through a collaborative multi-stakeholder approach.

LIMITATIONS AND FUTURE SCOPE OF THE STUDY

This study sets forth some limitations and sets the stage for future research. As we note, this study relies upon public sources of information found only in government and media archives, and not confidential internal investigations, therefore limitations on what we can conclude based on information available only in detection cases of fraud; so this is a knowledge limitation. This piece is qualitative, therefore, our study does not contain direct primary observational or empirical information such as surveys and interviews. We note that GST legislation and fraudulent manifestations are always changing and our findings could be influenced by this change, particularly the findings for India, which has dual governance implementation, are not generalizable. Future studies should focus on impression, and empirical studies could involve interviews with relevant tax authorities and forensic practitioners to have live situational evidence. It would also be valuable to the nature of ITC fraud in India with VAT fraud in other jurisdictions for example carousel fraud in the EU, to comparison to be made of global best practice. Quantitative research capacity to conduct fraud detection in support of AI systems, leading to case studies in industry regarding GST fraud in high risk areas, including the legal judiciary avenues outcomes of GST fraud matters.

CONCLUSION

As the largest fiscal reform ever undertaken in India, the Goods and Services Tax (GST) has, unfortunately, failed to live up to its promises because of the growing and

emerging problem of Input Tax Credit (ITC) fraud — as found within this study, what at one time were just a few isolated instances of evasion has now become a complex, sophisticated form of criminal behaviour that is impeding the free flow of money through the legitimate economy. Therefore, by using Forensic Accounting Techniques it is possible to stop ITC Fraud under GST. The application of Forensic Accounting Techniques utilizes Data Analytics, Digital Forensic Tools and Investigative Techniques to identify Schemes and provide Information or Insight which may not have been found during Compliance Audits. Therefore, there must be an emphasis on moving from a Compliance Focused Response to a Forensic Identity and Technology Enabled Response to achieve a Compliant and Functioning GST Regime. It will only be when we have provided GST administrations and businesses with sufficient forensics capabilities to enable them to protect their tax revenues generated by the GST that India's aspirations for revenue from tax reform can be achieved.

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