

Firm busted for claiming bogus Input Tax Credit of around Rs 281 Crores

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In an investigation led by CGST Meerut team has prima facie revealed issuance of GST invoices of Rs. 1,708 crores from a chain fake firms/companies operating from Delhi, Moradabad and Meerut, involving fraudulent ITC of about Rs 281 crores. The fraud amount may exceed on further probe.

On the basis of initiative taken by the Chief Commissioner, Meerut, Data Analytics team analysed suspected firms. They passed on an information on the basis of which CGST Meerut unearthed a case of issuance of fake GST invoices without actual supply of goods and passing on the said fraudulent ITC to the other existing firms after circulation of invoices through a chain of fake firms/ companies which are non- existing. These firms/ companies were operating from a small Janta Flat in Rohini Sector-6, New Delhi.

The modus operandi, inter alia, involved not only creating fake firms/ companies by misusing the IDs of different people but also purchasing non-active companies from others and getting the names of directors changed and using these for fake GST billing purposes. Before passing the ITC to ultimate business buyers, ITC was rotated multiple times among the non-existing firms and companies to make it difficult to find the trail. Against these fake invoices, ITC was passed on to existing firms/ companies for further utilization in the payment of GST. The end recipients from these fake firms made payment through Bank which was subsequently withdrawn and returned back to those end recipients in cash after deduction of certain commission. On preliminary scrutiny, it appeared that the accused namely Shri Pradeep Kumar (kingpin) and his associates Shri Mohd. Shamshad and Shri Mohd. Sajjad had taken multiple GST Registrations at common address using common email ID and mobile number.

During the search conducted at Meerut, Moradabad and Delhi, incriminating records, cash of Rs. 9.56 lakhs, flex boards of several firms, rubber stamps of various firms/ companies, digital signature dongles, Credit / Debit Cards with different names, photographs, Bank chequebooks, PAN cards etc. have been recovered & seized.

The offence committed by the accused Sh. Pradeep Kumar and his associates Shri Mohd. Shamshad and Shri Mohd. Sajjad is covered under Section 132(1)(b) &(c) of the CGST Act 2017, falling in the category of cognizable and non-bailable offence under Section 132(5) and the same is punishable under Section 132(1)(i) of the said Act. Accordingly, the above 3 accused were arrested under Section 69 of the CGST Act, 2017 on 20.03.2020 and produced before the Economic Offences Court at Meerut. They have been sent to jail on judicial remand for 14 days on 21.03.2020 by order of the Special CJM, Meerut. Further investigations are underway.

RM/KMN

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