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OFFICE OF THE COMMISSIONER GOODS & SERVICE TAX/CEN.EX. DELHI - EAST

केन्द्रीय राजस्व भवन
CENTRAL REVENUE BUILDING
इन्द्रप्रस्थ एस्टेट, नई दिल्ली-110109
INDRAPRASTHA ESTATE, NEW DELHI - 110109

18th March, 2020

PRESS RELEASE

Officers of Anti-Evasion, Central GST Commissionerate, Delhi East, have unravelled an operation involving availment of fraudulent Input Tax Credit on the basis of fake invoices and evasion of GST by utilizing the said fraudulent ITC to the tune of Rs. 24 crores approx. by M/s Shub Conductors LLP.

Investigation was initiated against M/s Shub Conductors LLP on intelligence that the firm had been availing fraudulent ITC on the basis of fake invoices raised by fictitious suppliers. Searches were conducted in the premises of M/s Shub Conductors LLP along with the suppliers suspected of being fake. It was found that among other firms, M/s Een Een Sales Corporation and M/s A.N. Marketing had passed on fake ITC to M/s Shub Conductors. During investigation, Shri Naresh Goel and Shri Anil Kumar Yadav, proprietors of M/s Een Een Sales Corporation and M/s A.N. Marketing respectively, agreed to have passed on fraudulent ITC to M/s Shub Conductors LLP, among other parties, by raising fake invoices without actual supply of goods. The suppliers of M/s Een Een Sales Corporation and M/s A.N. Marketing were also found to be non-existent. Consequently, both Shri Naresh Goel and Shri Anil Kumar Yadav were arrested under Section 69(1) of the CGST Act, 2017, on 29.01.2020 and remanded to judicial custody.

The investigation further revealed that atleast 7 firms were floated in the names of fictitious entities for the sole purpose of creating a complex network of transactions among themselves, including transfer of money in bank accounts to make them appear genuine. This enabled them to raise fake invoices to manufacturers such as M/s Shub Conductors LLP, who availed the fraudulent Input Tax Credit without actual receipt of goods. The money received in Bank accounts was then withdrawn and routed back in cash to the recipients. Thus, the operation involved not only violation of GST law but also laundering of money.

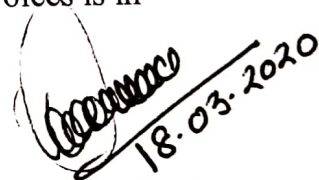
Searches were conducted in the business of M/s Shub Conductors LLP, as well as the residential premises of the partners, namely, Shri Vishal Gupta and his wife, Smt. Divya Gupta. The partners were not found to be present in either of the locations. Thereafter, both the partners who are authorized signatories in the firm, repeatedly evaded summons issued by the department, with the deliberate intention of hindering investigation. The partners also absconded for more than one month.

During the course of investigation, a residential property and 6 vehicles owned by Shri Vishal Gupta and Smt. Divya Gupta along with the bank accounts of M/s Shub Conductors LLP were provisionally attached under Section 83 of the CGST Act, 2017. This action was finally able to bring Shri Vishal Gupta out of hiding. However, Shri Gupta continued to remain evasive during his statement recorded under Section 70 of the CGST Act, 2017. He also refused to divulge the location of his wife and partner in M/s Shub Conductors LLP, Smt. Divya Gupta, who remains absconding till date.

Shri Vishal Gupta, Partner in M/s Shub Conductors LLP appeared to have knowingly committed offence under the provisions of Section 132(1)(c) of the Central Goods & Services Tax Act (CGST), 2017, which is a cognizable and non-bailable offence, punishable under Section 132(5) of the CGST Act, 2017. Accordingly, Shri Vishal Gupta was arrested on 17.03.2020 under Section 69(1) of the CGST Act, 2017 and remanded to judicial custody by the Duty Metropolitan Magistrate (MM) till 31.03.2020.

Further investigation to unearth GST evasion racket on fake invoices is in progress.




(Dr. Prem Verma)
Commissioner
CGST & CX Delhi East