

Investigations revealed around 60 dummy firms were opened

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CGST Delhi West and CGST Delhi North in a joint operation busted a racket of issuance of invoices without actual supply of goods. The taxpayer availed fraudulent Input Tax Credit for seeking IGST Refunds from Customs formations. Investigations revealed a novel modus operandi wherein the taxpayer showed supplies to SEZ for claiming fraudulent refund from CGST formations.

Devender Kumar Yadav & Sanjeev Maheshwari were the masterminds who created dummy firms and also opened bank accounts. Sh. Bhawani Shanker Sharma, was the accountant who prepared the fake documents and also filed returns on the basis of fake invoices. One person Vinod was shown as proprietor and assisted in the operations of these firms. All four have been arrested and remanded to Judicial Custody for 14 days by the Duty Magistrate at Patiala House Courts, New Delhi. Prima facie, fraudulent ITC of Rs.195 crores has been passed on using invoices involving an amount of Rs.847 crores.

Investigations revealed around 60 dummy firms were opened in the name of persons belonging to the lower income group. Some of these firms passed on fraudulent Input Tax Credit to firms within this group to avail IGST refund or refund against supplies made to SEZ. The accused had applied for IGST refunds from various ports across India and Rs.18.09 crores had been credited to their bank accounts. Also, three refund claims involving Rs.29.66 crores for supplies made to SEZ were filed in CGST North and West Divisional Offices which had not been sanctioned. During search operations unaccounted cash of Rs.91.92 lakhs was also seized and two bank accounts having amount of Rs.1.68 crores have been provisionally

attached.

The accused have committed offence under the provisions of Section 132(1)(b)&(c) of the CGST Act, 2017, which are cognizable and non-bailable under Section 132(5) and punishable under Section 132(1)(i) of the said Act. Accordingly, the four accused were arrested on 14.09.2019 and have been remanded to judicial custody for 14 days.

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