



OFFICE OF THE COMMISSIONER CENTRAL TAX (DELHI WEST)

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INCIDENCE REPORT

CGST Delhi-West has yesterday busted a racket of 9 export firms at Punjabi Bagh, Delhi, claiming refund of Rs. 89 Crores on the basis of fake invoices worth Rs. 701 Crores, on which tax was never been paid to the Government. They have availed fraudulent Input Tax Credit for seeking IGST Refunds from Custom formations. Investigations have revealed a novel modus operandi, wherein inferior / cheap goods were being exported by these firms to various countries such as Dubai, Nigeria, Germany etc., while their major suppliers, were non-existent and had taken GST registration on the basis of forged documents without paying any GST.

Inferior and cheap goods were manufactured by the accused at their factory at Kirti Nagar Industrial area of Delhi and overvalued but good-less invoices were taken from fictitious suppliers. Search operations were carried out on various firms such as M/s SSAP Overseas, M/s Raheja International, M/s Omnia Inc., M/s Raj International etc. across the jurisdiction of Central Tax GST Delhi West.

Their suppliers had taken the registrations of GST by using forged documents such as forged electricity bills, forged rent agreements, forged bank passbooks and scanned forged cheques having signatures of different person on same cheque made possible by misusing scanning technology etc. In most of the cases even the addresses on which these are registered, do not exist at all. Jurisdictional Customs authorities have been requested to withhold pending scrolls of refund of almost 15 Crores.

The accused has admitted fraud and undertook to pay all his dues. Overall, **fraudulent ITC of Rs. 89 Crores seems to have been passed on from such fake invoices worth Rs.701 Crore. Revenue has been safeguarded to the tune of Rs.20.11 Crore.** Investigations are underway.


19.10.2019
(Ranjan Khanna)

Commissioner,
CGST Delhi West