



Government of Haryana
Excise and Taxation Department
Haryana State GST-Intelligence Unit

17th August, 2021

Press Release

Haryana GST Intelligence Unit was in receipt of certain information regarding fraudulent transactions being carried out by some firms engaged in the business of Iron and Steel scrap to evade tax and passing on fraudulent ITC without actual supply of Goods.

During the course of investigation it came to the notice of the unit that these firms namely M/s Arya Trading Company (Jind), M/s Sai International (Kaithal), M/s Shri Krishna Traders (Kaithal), M/s Aarti Trading Company (Karnal) and M/s Bala Trading Company (Fatehabad) were involved in availing input tax credit from cancelled firms or fake/bogus firms during the course of investigation and also there by passing such fraudulent ITC to various firm within and outside the State of Haryana.

It was found that these firms had a combined turnover of Rs. 162.99 Cr and availed input tax credit to the tune of Rs. 30.65 Cr as per their returns. It was also found that these firms were fraudulently availing input tax credit mostly from cancelled / non-existent firms registered in the State of Delhi and passing the same to various firms in Haryana, Punjab etc.

Based on this information, a simultaneous search/inspection was conducted on 10 premises including some firms who had availed input tax credit from these aforesaid fraudulent firms. On the spot recovery of Rs. 73.48 lacs was made and input tax credit of Rs. 33.78 lacs was also blocked from those taxpayers. Further investigation is under progress.

It may be noted that the Government of Haryana will have a zero tolerance for suppliers and recipients of fake / bogus dealers and appropriate action under the Act will be taken against them. Taxpayers are advised to not to indulge into fraudulent practices to discharge their tax liabilities.
