

## GST - Another kingpin nabbed in Rs 1278 Cr ITC fraud

By TIOL News Service

**NEW DELHI, OCT 29, 2020:** THE CGST Commissionerate, Delhi (East) have busted a major racket for generation of huge inadmissible input tax credit (ITC) through fake billing to the tune of Rs. 1278 crores. The well established syndicate was being operated by floating seven different fake firms with the intent of passing of inadmissible credit to the tune of Rs 137 crores. Searches were conducted over more than nine places spread over different locations in the state of Delhi and Haryana to identify the taxpayers, who were defrauding the Government of its legitimate taxes. The modus operandi of the fraudulent taxpayers includes bogus invoices/bills creation, without actual movement of goods. All the e-way bills generated to transport the goods were fake.

The mastermind of the entire racket Ashish Agarwal has been arrested under Section 132 of the CGST Act on 29.10.2020 and has been remanded to the transit judicial custody by the duty Metropolitan Magistrate till the hearing of regular judicial remand application by the CJM Patiala House Court. The accused kingpin of this fake billing racket has been absconding for more than 60 days and after intense coordinated efforts of the officers of Anti Evasion branch, his presence was secured to record the statement, wherein he admitted his guilt and was arrested subsequently.

The primary beneficiary firm of this bogus billing network, was M/s Maya Impex, which has been registered in the name of Sh. Ashish Agarwal's 66 years old mother through which fake ITC of Rs. 77 crores has been passed on. Sh. Ashish Agarwal knowingly committed offences under Section 132(1)(b) and 132(1)(c) of the [CGST Act, 2017](#) which are cognizable and non-bailable offences as per the provisions of Section 132(5) and punishable under clause (i) of the sub section (1) of Section 132 of the Act *ibid*. The fake billing operation was primarily engaged in generating and passing of fake ITC primarily to the milk products industry. Bogus invoices were raised against fictitious sale of milk products such as Ghee, milk powder etc. During the course of search operations huge quantum of incriminating documents pertaining to this racket were recovered, which are under scrutiny.

So far the inadmissible input tax credit to the tune of Rs more than seven crores has been recovered and further investigations are underway to expose the other fictitious billing entities associated with this syndicate, who have defrauded the exchequer.

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