

DGGI finally nabs foxy tax evader - Rs 200 Cr GST evasion detected

By TIOL News Service

NEW DELHI, AUG 24, 2021: THE Ahmedabad Zonal Unit of Directorate General of GST Intelligence (DGGI), a Central Government Agency has arrested Hardik Panchal, resident of Ahmedabad, who is the mastermind involved in issuing fake ITC bills of about Rs. 1000 crores. It has resulted into evasion of taxes of about Rs. 200 crores. This person was evading arrest for the last 5-6 months by changing locations frequently.

The officers got a tip off that he was expected to visit his sister on the occasion of "**Rakshabandhan**". It was a holiday but the officers organised a team swiftly and started surveillance. Shri Hardik Panchal avoided coming to his sister's residence and decided to meet her at some business premises. The officers were able to locate Shri Hardik Panchal near the business premises and apprehended him.

Shri Hardik Panchal has been arrested after a brief interrogation. The evidences available with the agency overwhelmingly indicate his complicity in the offence. This person's interrogation may give the DGGI further clues to detect more such cases. Further, the DGGI is also trying to find out whether Shri Hardik Panchal had the support or assistance of any tax official in the wrongdoings. He is being produced before the Designated Court today. The DGGI proposes to seek custody of Shri Hardik Panchal for a few days for sustained interrogation.

It is widely known that the Government of India has launched a **Special Drive since 09.11.2020**, to tackle the menace of fake ITC bills, leading to leakage of revenue. It is a cognizable and non-bailable offence under the provisions of GST law, if the tax evasion is more than Rs. 5 crores.

During the special drive, Ahmedabad Zonal Unit of DGGI has been successful in **booking 686 cases involving 747 fake/non-existent GST registrations and detected tax evasion of Rs. 1,936 crores. In these cases, an amount of Rs. 122 crores has already been recovered against the tax dues and 26 persons have been arrested** which include some professionals and masterminds who were found to be instrumental in orchestrating the offence and causing substantial loss to the government exchequer.