

DGGI busts Rs 4500 Cr fake ITC network

By TIOL News Service

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A case was booked by DGGI against some fake firms, which were found non existing at their principal place of business. To trace the real persons behind these fake firms, the physical address from where GST returns were actually filed was ascertained. Then search was conducted on 06.01.2022 at that premises in Delhi. During search, it was found that proprietor is engaged in providing services of "Cloud Storage" on his servers to various customers for maintaining their financial accounts.

On scrutiny of one of the suspicious server, details of certain firms were found in tally data. It was informed by the proprietor that this tally data is being maintained by one syndicate based in Kolkata. The address details of these persons were obtained from Proprietor and then searches were conducted at various premises in Kolkata on 10.01.2022.

During search huge amount of incriminating documents including mobiles phones, various cheque books, stamps of various firms and SIM cards have been recovered. On analysis of electronic devices, documents, mobiles and e-mail of these persons, it has been found that these persons are remotely maintaining data on the server found at the premises in Delhi.

Scrutiny of Tally data has shown that there are 636 firms being operated by this syndicate. The mastermind of syndicate has accepted that they have issued only invoices in these firms and not supplied any goods against them. They have issued invoices involving taxable value of approx. Rs. 4,521 crore having ITC implication of approx. 741 crore.

During the course of investigation, GST amounting to Rs. 4.52 crore has been got deposited by reversal of ITC available in the ITC ledger of these firms. Further, till now approx. Rs. 7 crore lying in various bank accounts of these firms has been frozen. The mastermind behind the whole racket has been arrested on 13.01.2022.