Ministry of Finance

Inter State Fake Invoice racket with fake transactions valued at over Rs. 131 Crore value busted by DGGI involving fraudulent Input Tax credit of Rs. 26.09 Crore

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An Inter State fake invoice racket with fake transactions valued at over Rs. 131 Crore involving 3 Taxpayers, one based in Maharashtra and 2 based in Karnataka, was busted by the officers DGGI, Nagpur Zonal Unit yesterday.

On the basis of intelligence developed using online tools, searches were conducted in remote areas of Chandrapur District against a Taxpayer involved in issuance of fake invoices and availment of fraudulent ITC.

The searches revealed that the Taxpayer was fake and non-existent. Further investigations revealed that the documents uploaded on the GST Portal as proof of address by the Taxpayers like electricity bills etc. were all forged and fabricated.

The investigations also revealed the details of 2 more Taxpayers based in Karnataka who were a part of this racket as they were found to have taken GST registration on the same date, had declared the same e Mail addresses in REG 01 and were sole suppliers/buyers of each other**.**

- **Total fraudulent ITC detected = Rs. 26.09 Crore**
- **Total entities involved = 3**
- **Services involved = Works Contract services, Labour Supply**

The matter has been taken up with the jurisdictional DGGI, Zonal Units for apprehending the kingpin who is reportedly based in Karnataka.

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S.Rai/DR