



सत्यमेव जयते



केंद्रीय कर बेंगलूर दक्षिण आयुक्तालय
OFFICE OF THE COMMISSIONER OF CENTRAL TAX
बेंगलूर दक्षिण आयुक्तालय केंद्रीय राजस्व भवन,
BENGALURU SOUTH: CENTRAL REVENUE BUILDING

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PRESS NOTE

**A MODULE OF TRADING IN FAKE GST INVOICES FOR CLAIMING INPUT TAX CREDIT
BUSTED**

In a significant effort towards curbing evasion under GST, Headquarters Preventive Wing, Bengaluru South Commissionerate, Bengaluru had gathered credible intelligence and taken up search operations on 12.11.2018 at various locations in Bengaluru as well as in other cities. During the search operations, the Officers have busted a big racket of fraudulent companies engaged in trading of fake tax invoices for availing Input Tax Credit by various steel scrap dealers and manufacturers of iron and steel products.

Based on specific intelligence information and through data based analysis, the Officers under the supervision of Shri. G. Narayanaswamy, IRS, Commissioner of Central Tax, Bengaluru South raided various locations on 12.11.2018. The teams found incriminating documents pertaining to fake companies in 25 locations which were searched.

The investigation further revealed that the fake companies registered with the department are engaged in trading of Iron and Steel scrap to various other companies. Shri Suhail, Shri. Basha and Shri Hafeezur were found to be the masterminds of illegal activities done by the companies.

Shri. Md. Basha had obtained 14 no. of GST registrations in the name of his relatives and other people and Shri. Suhail had obtained 6 GST registrations and totally floated 20 fake companies together. Their modus operandi involved creating/floating fake companies at fake/wrong addresses, issuing fake GST invoices and generating e-way bills with fake/wrong vehicle registration details without supply of any goods. The fake companies are floated with an intention to fraudulently pass on input tax credit by issuing fake invoices without any supply of goods causing loss to the exchequer. Prima-facie it is evidenced that these persons have generated and issued tax invoices having turnover of Rs.1200 crore (approx) with a GST liability of nearly Rs.200 crore (approx). The individuals have admitted that the said firms do not exist physically and that they do not have space for stocking of scrap and that the said firms were floated with the intention of earning money by issuing fake invoices. Based on the records/documents and committal statement, all the three persons were taken into the custody of the Officers and have been arrested under the provisions of the GST Law. The Officers Sri Tej Kumar (Deputy Commissioner) and Kum. Akshatha Shrinivas (Assistant Commissioner) along with their team of Officers have played a key role in detecting the fraud. Further investigation is in progress.

(G. Narayanaswamy)
Commissioner
Bengaluru South

Place: Bengaluru
Date: 14.11.2018