

PRESS RELEASE

Odisha State GST Enforcement Authorities raided tobacco manufacturers / traders at 17 places simultaneously in Odisha. **Collected penalty worth Rs.2 Crores in cash.**

The Odisha Commercial Tax and GST Enforcement Authorities under the CT & GST Commissionerate have conducted a series of raids on 17 business premises and warehouses of tobacco and Pan Masala manufactures and traders simultaneously on dt.11.09.2020. Large scale unaccounted for purchase and sales detected during inspection for which penalty of Rs.2 Crores have been collected in 13 cases. Raids in business as well as factory premises of other 2 big tobacco and pan masala manufacturers and one trader is still continuing at Sambalpur.

Based on internal intelligence, extensive data analysis and frequency of interception of vehicles carrying tobacco products in clandestine manner, the State GST Enforcement Wing identified 2 big manufacturers and 13 other traders of pan masala and tobacco products and conducted simultaneous raid at Bhubaneswar Jatni, Jajpur, Bhadrak, Balasore, Baripada, Angul, Dhenkanal, Sambalpur, Bargarh and Bolangir. The Enforcement officials also raided the premises of the transporters who were suspected to be in collusion with the traders and manufacturers to evade GST. During inspection, incriminating documents, computers, laptops, secret transaction details, bank accounts containing the suspected transactions were detected and seized for further investigation.

While proceeding to Sambalpur on dt.11.09.2020 (morning), the inspecting teams intercepted 3 trucks bearing No. OD-15N-4935 , OD-15Q-3500 and OD-23H-3156 loaded with huge quantity of tobacco products of Rs.1.10 Crores at Jujumara near Sambalpur. The said goods were being carried from M/s K.P Sugandh Ltd and M/s Narayani Trading Company, Sambalpur to Cuttack / Bhubaneswar / Jatni on the strength of waybill No.891114560533 dt.09.09.2020 and 851114746441 , 881114744811 dt.10.09.2020. On confrontation, the drivers of the vehicles have categorically admitted that they have delivered the goods on the strength of above waybill number to the respective consignee on dt.10.09.2020 without handing over the

e-waybills and invoices as per the instruction of the consigner and they have handed over the said e-waybills and invoices to the consigners immediately on return to Sambalpur. Adding further, all the drivers admitted that they have been transporting the present consignment for the second time in the name of the same consigner and consignee recycling the above mentioned invoices and e-waybills. The drivers admitted to have been engaged by one M/s Shyam Transport Company of Sambalpur. For the fraudulent transaction effected through the above mentioned three vehicles, Orders in MOV-7 have been issued to the consigner of the goods to pay tax and penalty amounting to Rs.1.25 Crore u/s 129 of OGST Act.

In order to establish the fraudulent multiple transaction by recycling the same waybills and invoices, three business establishments (consignees) to whom the said goods were admitted to have been delivered earlier on dt.10.09.2020 were searched. During search and inspection, huge unaccounted for stocks were detected which corroborated the admission of the drivers of the above mentioned vehicles. Moreover, one of the consignees has admitted to have already received the goods on dt.10.09.2020 on the strength of waybill No. 881114744811.

During inspection and search of business premises of M/s K.P Sugandh Ltd, M/s K.Y Tobacco Works Pvt. Ltd. and M/s Narayani Trading Company located at Sambalpur on dt.11.09.2020, large scale unaccounted purchase and sale of goods have been detected. Incriminating documents, computers, laptop containing fraudulent transactions have also been recovered. Due to deliberate non-cooperation by the directors of the company, completion of search and inspection works have been delayed. The Directors of the company have been issued with notices and summon to appear and co-operate in the search and inspection works. The enforcement teams including Police personnel are still in the business and factory premises to complete the search and inspection work and to rule out the possibility of removal of stocks or tampering of documents. The value of actual suppression of purchase, sales and the amount of tax evaded etc. shall be worked out soon after arrival of the Directors or their authorized representatives and completion of inspection and search.