

## **Commissionerate of CT & GST , Odisha (Cuttack)**

### **Press Release**

#### **Fake invoicing racket worth Rs.1819 Crores busted by State GST Enforcement Wing; one Chartered Accountant and another accused arrested**

Continuing its drive against the fake invoicing rackets, the State GST Enforcement Wing today (dt.**02.09.2021**) has arrested Sri Amit Kumar Agrawal, a Chartered Accountant, partner of Sri Amit Kanheyalal and Co, Jharsuguda and Sri Satindra Kumar Yadav, proprietor of M/s. S.S Syndicate, Bhubaneswar, the masterminds involved in creation and operation of 13 fictitious firms. While Sri Amit Kumar Agrawal, Chartered Accountant has been arrested in Jharsuguda, Sri Satindra Kumar Yadav has been nabbed in Bhubaneswar.

The above masterminds in collusion with others, have availed and passed on bogus input tax credit (ITC) worth Rs.323 Crores raising fake purchase and sale invoices to the tune of Rs.1819 Crores in the name of 13 fictitious / non-existent business entities. Actual loss to the Government is Rs.58.14 Crores i.e the ITC passed on to the recipient of outside the State of Odisha. Taking advantage of simplification of GST newly introduced, the fraud has been committed by the culprit.

The present investigation took its origin from interception of goods vehicle supported by documents issued in the name of non-existing and fake firms.

During investigation, the following types of frauds have been unearthed –

1. Since, the route of this tax fraud have spread over to different States like West Bengal, Jharkhand, Chattishgarh, Delhi, the State Enforcement Officers have moved to different States and conducted investigation taking the help of the jurisdictional officer of the concerned States.
2. Investigation reveals that the accused in this case have obtained identity documents like PAN, Adhar, Bank Passbook, voter ID, photograph from etc. from different persons especially staying in Kolkata, West Bengal fraudulently in the name of providing them job and have mis-utilised the documents for obtaining VAT and GST registration in their name. Out of 13 fictitious firms, the proprietors of three firms are found to be jute mill worker / sweeper in Dalhousie Jute Mill located at Champdani, West Bengal.
3. The principal place of business of 10 fictitious firms have been shown on a barren land without any building or infrastructure i.e Bagdehi, Jharsuguda, two in other area i.e Beheramal, Jharsuguda and one in Sambalpur.
4. All house rent agreements / consent letters / genuineness certificates uploaded for registration under the VAT and GST Act are found to be forged.
5. One particular photograph has been uploaded in three different names while obtaining three different GST registration under different proprietorship.
6. A single person having the same father name has different PAN number.

7. One mobile number has been shown as the mobile number of proprietors of three different firms having three different names and residential address. The residential addresses of proprietors of 10 fictitious firms are found to be forged. Only 4 mobile numbers have been mentioned as authorized mobile number in case of 13 fake firms having different proprietors.
8. Investigation reveals that registration / conversion in the case of 13 different fictitious firms have been done on the basis of documents provided by a single person without having authorization from the proprietor of the concerned firms.
9. Investigation reveals that a portion of illegal money accrued from the fake business have ultimately received by the masterminds through different channels and different routes.
10. The current bank accounts of proprietor of the non-existing firms have mostly been opened in West Bengal. The authorized mobile number mentioned in the concerned bank account relates to some other person than the accountholder.
11. The masterminds have got fictitious firms registered under GST in the State of West Bengal, Jharkhand, Madhya Pradesh, Delhi in the name of the proprietor of the above firms whose registration certificate including those in Odisha have already been cancelled.

The offences committed are cognizable and non-bailable offence u/s 132 (1) (b) (c) & (l) of OGST Act, 2017 read with section 132(5) of the said Act and is punishable U/s 132(1)(i) of the OGST Act, 2017.

The State GST Enforcement Wing has so far arrested 23 numbers of fraudsters for their involvement in issuance of fake invoices. Registration of 29002 dealers have been cancelled so far by the state GST officers on different ground after field enquiry. To eliminate bogus registration, the registration process has been streamlined. Moreover, a two month long special drive starting from 16<sup>th</sup> July 2021 to 15<sup>th</sup> September 2021 has been launched to weed out all non-existing registrants.

The Commissioner of State GST appeals to general public that they should not share their identity documents, personal details, bank details etc. with any unauthorized persons. Also, they should not permit any unauthorized person to operate a business or bank account on their behalf or in their name. In case, it comes to their notice that their credentials and other personal documents are being misutilised by someone for running a business the same should immediately be intimated to the nearest GST office.