

Commissionerate of CT & GST , Odisha (Cuttack)

Press Release

GST State Enforcement Wing cracked another fake invoicing worth Rs.641 Crores, two masterminds arrested

Continuing its drive against the fake invoicing rackets, the State GST Enforcement Wing today (dt.15.07.2021) has nabbed two masterminds i.e Sri Gurdit Dang, Managing partner of M/s. Tirupati Traders and authorized representative of M/s Satguru Metals & Power Pvt. Ltd., Rourkela and Sri Sujay Maitra, Director of M/s Smartageis Trade Venture Private Limited of Rourkela for their involvement in availing and passing of bogus ITC worth Rs.115.10 Crores on the strength of fake invoices to the tune of Rs.641 Crores. While Sri Dang has been arrested in Rourkela, Sri Maitra has been arrested in Bhubaneswar.

The above masterminds in collusion with others, have availed bogus input tax credit (ITC) raising fake purchase invoices in the name of 16 fictitious / non-existent business entities located at Angul, Rourkela, Banai, Ersama, Tirtol, Riamal and Sundargarh.

The present investigation took its origin from an investigation made on a complaint petition filed by one existent dealer of Jogeswarpur, Balasore regarding supply of goods by the above named accused on the strength of fake invoices followed by admission during interrogation made to five existing dealer of Panikoili, Baripada, Rasgovindpur, Bargarh, Puri and Balasore. The investigation got further strength from the evidences collected during mobile activities and revelation made by the driver / transporter carrying goods regarding the real dispatcher of goods contrary to the documents produced during interception of the goods vehicle.

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

1. For creation and operation of the fake firms, the masterminds have obtained identity documents like PAN, Adhar, Bank Passbook etc. of innocent people like plumbers, drivers, electrical mechanic, gas distributing boys, unemployed youth and people below poverty line living in Indira Awas Yojana houses and availing PDS facility of different areas like Panikoili, Baripada, Rasgovindpur, Bargarh, Puri and Balasore and Jharkhand under the pretext of engaging them in different companies and in some cases to provide regular monthly income of Rs.5000/- per month and misutilised the said documents for the purpose of obtaining GST registration.
2. House rent agreement in all the 16 cases were found to be forged. In two cases, house rent agreements have been signed during 2018 in the name of the house owner died in the year 2007.
3. Investigation further reveals that goods were manufactured out of account without payment of tax by M/s Satguru Metals & Power Pvt. Ltd. and to regularize the illegal transaction,

purchase and sale invoices in the name of fictitious firms were being made instead of raising purchase and sale invoices in the name of M/s Satguru Metals & Power Pvt. Ltd. .

4. New mobile SIM in the name of proprietor of fake firms have been taken by masterminds without their knowledge for generation of e-waybills and operation of banking transactions.
5. Goods weighing in Tons were shown to have transported through two wheeler, cars, three wheelers, scooter in many occasions.
6. Investigation reveals that the illegal money accrued from the fake business have ultimately received by the masterminds through different channels and different routes, the evidence of which shall be produced before the Court.

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 20 numbers of fraudsters for their involvement in issuance of fake invoices. Registration of 25400 dealers have been cancelled so far by the state GST officers on the ground of their non-existence after field enquiry or due to non filing of returns. To eliminate bogus registration, the registration process has been streamlined. Moreover, a two month long special drive starting from 16th July 2021 to 15th 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.