

PRESS RELEASE

Odisha State CT & GST Enforcement Wing busted another racket of claiming erroneous refund of Rs. 4.38 Crore by Maa Salara Fly Ash Bricks, Cuttack

Basing upon extensive data analysis followed by secret market intelligence, the State GST Enforcement Squad, Cuttack comprising of 10 officers, raided the fly ash manufacturing unit and residence of proprietor of Maa Salara Fly Ash Bricks, Cuttack today, i.e. on 14.02.2022. During inspection, the investigation team detected a GST fraud involving claiming of erroneous refund of Rs.4.38 Crore by the said unit. The said refund has been claimed under inverted duty structure. It is claimed that huge amount of ITC have remained unutilized as the main raw material i.e cement is taxable @28% whereas the finished product i.e fly ash bricks is taxable @12%. But verification reveals that the tax payer has shown fictitious purchase of cement from places like Keonjhar, Titrtol, Panikoili, Jagatsinghpur, Sukinda despite the fact that the manufacturing unit is located at Cuttack. No proportionate quantities of bricks were also found to be manufactured in proportion to the consumption of cement.

During investigation, large numbers of incriminating documents, bill books of 6 different firms were detected and seized for further investigation. It is suspected that the mastermind has arranged fake purchase invoices without receipt of cement and utilized the ITC to discharge tax & claimed refund of balance ITC. He has not utilized any e-waybill for purchase of the goods.

The investigation is in progress. The details in this regard can be ascertained after completion of investigation. The Commissionerate is taking steps to identify similar other cases of claiming of erroneous refund.