



GOVERNMENT OF KARNATAKA

Commercial Taxes Department

PRESS NOTE

CARTEL INVOLVED IN TRADING OF BOGUS GST INVOICES FOR CLAIMING
INPUT TAX CREDIT BUSTED

In a major step towards curbing evasion under GST in Karnataka, Enforcement Wing, South Zone of Commercial Taxes Department of Karnataka, in continuation of their investigation into GST tax evasion, have identified a gang of persons who have created a cartel to issue bogus GST invoices facilitating various purchasers to claim input tax credit illegally. The cartel was involved in issuing fake GST invoices worth Rs.203 crore. This investigation follows close on the heels of the first arrest made in Karnataka under GST by the Commercial Taxes Department on 5th September 2018.

Sri. Vikram Jeet Duggal S/o. Balbir Kumar Duggal Proprietor of M/s. Rajiv Enterprises in connivance with Sri. Ashfaq Ahamed and Nayaz Ahmed had obtained 14 GST registrations in the name of their relatives and other people and were issuing fake GST invoices without supply of goods and services. Their modus involved creating an office at second floor of one of their residences where clandestine generation of invoices and e-way bills without movement of any goods used to take place. Based on specific intelligence information and thorough data based analysis, the officers under the supervision of Sri. Nitesh Patil, IAS, Additional Commissioner (Enforcement) raided his office on 25th September 2018. The team found documents pertaining to 14 firms in a small room. The Enforcement Wing has seized two laptops, 1 mobile phone, diaries and other documents for further investigation. The accused was found in possession of username and password of all the 14 firms.

The accused, Vikram Jeet Duggal, along with his associates Ashfaq Ahamed and Nayaz Ahmed have been arrested by the officers on 25/09/2018. They are set to be produced before the Hon'ble Special Court for Economic Offences. In the last one month, the officers have identified gangs of bogus dealers who are involved in bill trading and raising of fake invoices. More than 50 business premises in Bangalore have been raided and inspected. Investigation is in progress to initiate appropriate penal action against the persons involved.

All the taxable persons under GST are hereby informed that strict penal action will be initiated against the dealers who are indulging in bill trading and those who are purchasing these bogus invoices for a certain percentage of commission. The Department will also take action against conniving purchasers who are involved in this fraudulent activity of tax evasion. This is a serious offence under GST law and the Commercial Taxes Department will enforce all penal provisions in the GST law to punish the guilty. Dealers are hereby informed not to indulge in such practices as well as inform the Enforcement Wing of such nefarious activities. The Department is closely analyzing data to detect and unearth more such cartels and groups in the coming days.

Bengaluru.

Dated. 26.09.2018


SRIKAR. M.S., I.A.S.,
Commissioner of Commercial Taxes
(Karnataka), Bengaluru.