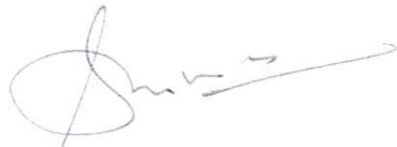


PRESS RELEASE

The Enforcement Wing, South Zone, Bengaluru of Commercial Taxes Department, Government of Karnataka has busted a "Fake GST Bill operators" racket who used to run a syndicate to help companies in the service sector of manpower and labour supplies to avail fake Input Tax Credit (ITC) and to inflate the turnover artificially. This is the first of its kind of operation where fake invoice racket in the service sector is busted.

The Enforcement Wing's probe has revealed that around 30 fake entities were floated using the credentials of family members, relatives, friends and other persons. While the transaction under the scanner involves a total turnover of Rs.525 Crores, the enforcement wing suspects a revenue loss of approximately Rs.90 Crores to the government. The enforcement officers arrested two alleged masterminds namely Guru Prakash H M and Manjunathiah H M on the dawn of the 30th day of August 2023. More Arrests are likely to follow in this matter.

In this pursuit, the Department of Commercial Taxes of Karnataka is rigorously contemplating strong action against fake invoicing and tax evaders. Fake invoicing and tax evasion in GST can result in the arrest, prosecution and imprisonment of those involved, along with other such measures as fines, penalties, confiscation of goods and provisional attachment of properties and bank accounts.



(C. SHIKHA I.A.S.)

Commissioner of Commercial Taxes

(Karnataka), Bengaluru.

Commissioner of Commercial Taxes
Karnataka, Bangalore.