

Central Goods & Services Tax (CGST) Delhi South Commissionerate detects evasion of Goods and Services Tax (GST) of 16.30 crore in three firms; one held

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The Anti-evasion Branch of the Central Goods & Services Tax (CGST) Delhi South Commissionerate has arrested a key individual for orchestrating the evasion of Goods and Services Tax (GST) of approximately ₹16.30 crore. The arrest follows detailed analysis of GST return data.

The investigation revealed that three closely linked companies, engaged in manpower supply and facility management services, were consistently under-reporting their GST liabilities over multiple financial years.

These entities had declared outward supplies and collected GST from clients. However, they failed to discharge the corresponding tax liabilities. The differential tax collected but not paid to the government was diverted in clear violation of the CGST Act, 2017.

The person arrested was found to be the common director and controlling person in all three entities and admitted to the tax evasion during the investigation. The offence is covered under Section 132(1)(d) and is punishable under Section 132(1)(i) of the CGST Act, 2017. Given that the quantum of evasion exceeds ₹5 crore, the offence is cognizable and non-bailable under Section 132(5) of the Act. The person arrested was produced before the Duty Magistrate and has been remanded to judicial custody for 14 days.

The investigation is ongoing to trace the flow of funds and identify any additional beneficiaries.

NB/KMN

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