



DGGI Delhi Zonal Unit uncovers racket for fraudulently availing Rs. 645 crore ITC; Key operator arrested

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The Directorate General of GST Intelligence (DGGI), Delhi Zonal Unit, has uncovered a massive case of fraudulent availment and passing of Input Tax Credit (ITC) through a web of 229 dummy GST-registered firms, controlled and operated by a Delhi-based syndicate.

Acting on credible intelligence, DGGI officers conducted coordinated search operations at multiple premises across Delhi, unearthing huge cache of incriminating documents, digital devices, and ledgers that established the operation of non-existent firms engaged in issuing invoices without actual supply of goods or services. This included 162 mobile phones, probably used to get OTPs for GST/banking purposes, 44 Digital signatures and over 200 cheque books of various firms. The preliminary findings indicate that these bogus entities were engaged in issuance of invoices without any actual supply of goods or services, resulting in the fraudulent passing of ineligible ITC amounting to Rs. 645 crore approx, causing substantial loss to the exchequer.

Investigations have revealed that Shri Mukesh Sharma, a key conspirator, orchestrated the operations of this network of fake entities. Evidence points to his active role in managing GST registrations and returns and records of dummy firms, managing banking transactions, and facilitating the circulation of illicit funds through multiple layers. As the offences of Sh. Mukesh Sharma are cognizable and non-bailable, he has been arrested on 11.11.25 under Sections 132(1)(b) and 132(1)(c) of the CGST Act, 2017 and has been sent to judicial custody.

The investigation has also brought to light a possible money-laundering component, wherein proceeds of the fraud were allegedly rotated through an NGO and a political outfit. Further investigation is underway.

NB/KMN

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