CGST Delhi South Commissionerate detects fraudulent availment of Input Tax Credit (ITC) of around ₹60.59 crore through bogus invoices valued at ₹397.23 crore; one arrested

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In another significant enforcement action against GST fraud, the Anti-Evasion Branch of CGST Delhi South Commissionerate has arrested the son of a director of the beneficiary entity in a major case involving fraudulent availment and utilisation of Input Tax Credit (ITC) of ₹60.59 crore through bogus invoices valued at ₹397.23 crore.

Investigation revealed that a non-functional entity was engaged in the fraudulent passing of inadmissible ITC without any actual supply of goods or services. Verification of its declared place of business established that the premises was merely a co-working space, with no evidence of genuine commercial activity, stock, invoices, or financial records. Further probe identified another entity engaged in smartphone trading as the principal beneficiary of the fraudulent scheme.

The son of the director of the beneficiary entity, who was actively managing and controlling its business operations and financial transactions, was found to have knowingly availed and utilised fake ITC through fraudulent transactions supported solely by paper invoices. Examination of statements, financial trails, and transactional records exposed a carefully orchestrated network designed exclusively to defraud government revenue.

The offence, involving deliberate contravention of Section 16 and punishable under Section 132 of the CGST Act, 2017, led to the arrest of the accused, who has been remanded to judicial custody for 14 days.

CGST Delhi South Commissionerate remains steadfast in its crackdown on tax evasion, ensuring strict compliance and safeguarding public revenue through robust enforcement action.

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