Ministry of Finance

DGGI Meerut officials bust racket involving 246 fake entities with turnover of Rs. 3,242 crore involving ITC of Rs. 557 crore, three held

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The Meerut Zonal Unit of Directorate General of GST Intelligence (DGGI) unearthed two major fake billing rackets involving 246 shell/fake entities, which have passed on fraudulent ITC of Rs. 557 crore. In this matter till date, three key operatives have been arrested. One of this racket had close nexus with fake firms unearthed by Noida Police in June, 2023.

Taking clue from the Noida Police case and based on extensive data mining coupled with human intelligence, 2 major syndicates, being operated by masterminds Mr. Anand Kumar & Mr. Ajay Kumar, involved in creating and operating fake shell entities have been busted. Several documents related to fake firms like forged stamps, debit/credit cards, cheque books, Aadhaar card, PAN card, etc. were resumed from the secret offices of Mr. Anand Kumar & Mr. Ajay Kumar at Adhyapak Nagar and Paschimpuri, Delhi respectively. This indicates close nexus of these masterminds with brokers/agents which specialise in procuring IDs of poor, needy and susceptible people in lieu of petty monetary benefits. Both the masterminds have been arrested.

Forensic examination of seized laptops & mobile phones led to retrieval of ledgers, invoices, e-way bills, bilties etc. being maintained in Tally/BG systems software. Apart from this, bundles of WhatsApp chat/ voice massages evidencing the transactions of fake GST bills & illegal cash flow has also been retrieved. Initial probe has also indicated the involvement of bank officials in opening of the bank accounts in the name of fake firms.

These 2 syndicates have issued invoices having taxable turnover of Rs. 3,142 crore involving ITC of Rs. 557 crore through 246 fake firms to more than 1,500 beneficiary firms**. Major beneficiary firms are located in Delhi and others are spread across 26 other states.** Mr. Vikram Jain, Proprietor of one such beneficiary firm, has also been arrested during the investigation.

All the three accused were produced before Economic Offence Court, Meerut on 26.07.2023 and have been remanded for judicial custody till 08.08.2023.

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