

News Release



**Ravindranath, Principal Commissioner, GST and Central Excise, Chennai Outer,
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Rs. 107 Crore GST Credit Fraud, One Arrested

Chennai, 16 September 2020 – GST and Central Excise Department, Chennai Outer has arrested a 56 year old person from Kodungaiyur area of Chennai city for committing a GST credit fraud of Rs. 107 Crore. The arrest was made after carrying out detailed investigation and conducting searches to gather evidence.

The person was arrested yesterday and produced before the Hon'ble Economic Offences Judge-II, Egmore, Chennai. He was remanded to judicial custody till 29.09.2020.

The case against the arrested person is that he along with some others has taken GST registration in the name of other persons on non-existent addresses using doctored documents. The purpose of floating such fictitious companies is to commit GST credit frauds. These fictitious companies issued tax invoices to various business entities without supplying any goods or services to facilitate, for a commission, fraudulent availment of GST credit by these business entities. GST on such bogus invoices was also paid using input tax credit based on fraudulent tax invoices received from some other fictitious companies opened by the associates of the arrested person and his accomplices. In the process, GST credit fraud of Rs. 107 Crore on invoice value of Rs. 740 Crore was committed by the arrested person along with his accomplices. The arrested person was not cooperating with investigation. However, he was nabbed after sustained surveillance and arrested following the due process of law. The department is on the lookout for his accomplices. The department also identified all the business entities who had availed fraudulent GST credit passed on by the companies floated by the arrested person and those companies which passed on fraudulent credit to the companies floated by the arrested person and his accomplices.

Further investigation is ongoing.

While the GST department is committed to non-adversarial tax administration and assists honest and law abiding taxpayers in complying with the tax laws, it is in hot pursuit of all those deliberate tax defaulters, fraudsters and evaders. The department has also observed that many taxpayers under investigation and those whose cooperation is needed for investigation are dodging summons issued by the department in the course of investigation. All such persons are warned that not responding to summons itself constitutes an offence that carries a jail term of six months.

A handwritten signature, possibly 'R', is written above a long diagonal line that extends from the bottom left towards the center of the page.

The GST and Central Excise Department, Chennai Outer is happy and eager to provide advice and guidance to all taxpayers, potential taxpayers and consumers concerning their GST related formalities, procedures and practices, and to help increase voluntary tax compliance levels and consumer awareness.

For all Goods and Services Tax (GST) related queries, the Goods and Services Tax (GST) Helpdesk of the GST and Central Excise Department located at its Anna Nagar Headquarters office may also be contacted by all taxpayers and consumers either in person or by calling any of these numbers: 26142850, 26142851, 26142852 and 26142853 or by writing to Sevakendra-outer-in@gov.in

Dr. Ravindranath

Ravindranath, IRS
Principal Commissioner



GOVERNMENT OF INDIA
CENTRAL DEPARTMENT OF REVENUE AND CUSTOMS
Office of the Principal Commissioner of GST and Central Excise

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