

DGGI busts racket of exporters claiming fraudulent tax refunds across the country

Officials of Directorate General of GST Intelligence (DGGI) and Directorate General of Revenue Intelligence (DRI) searched 336 locations across India and tracked down fraudulent exporters.

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Government has detected large scale misuse of export benefits and the agencies entrusted with the monitor and control of the largesse are now going after these companies. This is a form of indirect tax violation where the businesses show fraudulent figures and documents to claim GST refunds.

Officials of the Directorate General of GST Intelligence (DGGI) and the Directorate General of Revenue Intelligence (DRI) are reported to have carried out massive raids at around 336 locations across the country to unearth the evidence on these frauds. These locations belong to exporters who have been claiming integrated GST (IGST) not exactly due to them.

The amount involved is said to be approximately around Rs. 470 crore. This is the amount claimed as input credit and claimed to have been paid as IGST on products exported by these firms. The amount reported as the invoice value covering these exports is Rs. 3,500 crore.

Intelligence units attached to the tax departments receive tipoffs and intercept consignments either on suspicion or on a random basis. The exporter is then called upon to submit the back documents connecting the IGST paid on inputs etc. In this case certain shipments being made out of the Vadodara Rail Container Terminal, Mundra Port and Nhava Sheva Port had been intercepted and found to be cases of misdeclaration. Thanks to the digital data keeping, it did not take much time or effort for the agencies to link up the details and detect the fraud.

There were at least 15 states covered in the search operations to pin down the offending parties. These included the states of Delhi, Haryana, Uttar Pradesh, Gujarat, Maharashtra, Tamil Nadu, West Bengal and Karnataka.