

ITC fraud: Revenue dept busts fake invoice racket worth ₹470 cr

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THE INVESTIGATIVE agencies of the revenue department have busted a fake invoice racket involving input tax credit (ITC) worth at least Rs 470 crore (Rs 3,500 crore in invoice value), in a day-long operation spanning 336 locations across 15 states, a government statement said.

The joint operation was carried out by the Directorate General of GST Intelligence and Directorate General of Revenue Intelligence against exporters, as per the statement.

"The joint operation of the two premier intelligence agencies of the Central Board of Indirect Taxes and Customs (CBIC) was a first of

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its kind in the history of the CBIC which involved about 1,200 officers from both the agencies," the release said.

It added that intelligence for the operation was developed in close coordination by both the agencies on the basis of data analytics, which revealed that some exporters were exporting goods on payment of tax (IGST). It was being done almost entirely out of

the ITC availed on the basis of ineligible/fake supplies. Further, such IGST payment was claimed as refund on export, it said.

Based on data provided by the Directorate General of Analytics and Risk Management, an analysis was conducted wherein certain 'red flag' indicator filters were applied to the Customs' export data in conjunction with corresponding GST data of exporters.

"It was also noticed that there was no or negligible payment of tax through cash by exporters as well as their suppliers. In a few cases, even the tax paid through ITC was more than the ITC availed by these firms. On the basis of this intelligence, massive searches were conducted on the premises of exporters and their suppliers," the statement said. **FE**