

DGGI busts ₹118 cr refund fraud, 1 held

TN RAGHUNATHA ■ MUMBAI

Busting a ₹118 crore ITC refund fraud case, the Mumbai Zonal Unit of Directorate General of GST Intelligence (DGGI), CBIC, (DGGI-MZU) has arrested one Santosh Doshi for his alleged role in the scam involving raising of fake bills without supplying goods or services.

Doshi was controlling and operating seven companies which had allegedly availed Input Tax Credit (ITC) without any supply of goods and services on the strength of bogus invoices and claimed ₹118 Crore as refund against exports.

The seven companies are: M/s Amal Overseas Pvt Ltd, C-Kluster Expotrade Pvt. Ltd., Ekon Crystal Merchants Pvt. Ltd., Meticulous Overseas Pvt. Ltd., Ninad Overseas Pvt. Ltd., Parees Overseas Pvt. Ltd and White Opal Expotrade Pvt.

Ltd.

The modus operandi allegedly involved in the fraud was that several dummy units were created in the States of Jharkhand and West Bengal on the basis of forged documents.

The alleged dummy units passed on the said bogus ITC to several shell trading firms acting as intermediary entities in Chhattisgarh. Several units were created as exporting fronts at Pune and Mumbai in the State of Maharashtra to whom the units situated in the State of Chhattisgarh supplied fictitious goods purported to be exported. The exporting units were created merely for the purpose of availing refund in a fraudulent manner.

To nab the mastermind behind the whole channel of financial fraud, DGGI, Mumbai launched an operation, by searching concerned

CHAs, CAs, CSs, key persons and freight forwarders and several statements were recorded.

Enquiries revealed that Shri Santosh Doshi, a resident of Pune, Maharashtra, who is also the Managing Director of M/s Masumi Overseas Pvt. Ltd., was actually the promoter and operator of these seven exporting firms.

The accused created a complex web using multiple layers of transactions starting from manufacturers to traders in between and ultimately to exporters to facilitate encashment of accumulated ITC.

Santosh Doshi was arrested on August 17 and he has been remanded to judicial custody.

He is a habitual offender and has also been arrested previously in 2016 by Mumbai Customs. The investigations are on.