



PRESS RELEASE
02/06/2023

Directorate of Enforcement (ED) has carried out search operations at 25 locations on 02.06.2023 in Ahmedabad, Gandhinagar, Bhavnagar, Botad, Gandhidham, Mumbai (Maharashtra) and Bengaluru (Karnataka) in the case registered against Mohammad Ejaj Bomar & others (GST Fraud case) under the provisions of the Prevention of Money Laundering Act (PMLA), 2002. In this search action the premises of accused persons who were involved in preparing bogus documents on the basis of which fake GST firms were made and the entities which were used for providing bogus Input Tax Credit (ITC) were covered.

ED initiated money laundering investigation on the basis of FIRs registered by Bhavnagar Police for various offences punishable under various sections of IPC, 1860 against Mohammad Ejaj Bomar & others. Further, as per chargesheet of police, these accused persons have changed the mobile number linked to Aadhar card of several persons promising them financial assistance under government scheme and later on used these Aadhar for obtaining PAN and then GST registration. As per the police charge sheet, fake invoices of more than Rs.1102 Crore involving evasion of GST of Rs. 122 Crore using 461 bogus firms were issued.

The modus operandi of this fraud is that accused are creating fake entities through forged documents to obtain GST registration. Later on these fake entities are passing on Input Tax Credit to beneficiaries by generating fake invoices on commission basis. Payment for these fake invoices is made through banking channels and later on the amount is settled in cash between operator of fake entity and beneficiary.

During the course of search action, incriminating documents in huge quantity such as form for changing mobile number from Aadhar cards, fake bills issued from these bogus entities and digital evidences were seized under the provisions of PMLA, 2002. Further during the course of search cash amounting to Rs. 29 lakh has also been seized.

Further investigation is in progress.

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