GST intelligence officials detect Rs 105 cr tax evasion by Indore-based cigarette manufacturer

OUR CORRESPONDENT

BHOPAL: GST intelligence officials have detected tax evasion of Rs 105 crore by a cigarette manufacturing firm in Indore in the last one year, according to an official statement issued on Monday.

The officials of the Directorate General of GST Intelligence (DGGI) here had conducted searches at the firm's premises last week that revealed that a secret exit had been set up on the rear side of the factory through which unaccounted raw materials were brought in and finished goods cleared, it said explaining the modus operandi. It was also found that the generator sets used for operating machines were manipulated to suppress production, the probe agency said.

"Investigations conducted by the DGGI has unearthed a major tax/duty/cess evasion estimated to be about Rs 105 crore only for the period since April, 2019 till May, 2020," said the statement issued by the Additional Director General, DGGI Bhopal.

Similar evasion is suspected to have been resorted to by the unit during remainder of GST and erstwhile central excise periods also, it said.

Hence the total revenue evasion, which would be clear only after completion of investigation, is suspected to be multiple times higher, the DGGI said.