



PRESS RELEASE

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ED files Prosecution Complaint in fake ITC case involving M/s Amit Traders; fraudulent ITC of about Rs. 116 Crore detected;

Directorate of Enforcement (ED), Itanagar Sub Zonal Office, has filed a Prosecution Complaint before the Hon'ble Special Court (PMLA), Yupia, Arunachal Pradesh, under the provisions of the Prevention of Money Laundering Act (PMLA), 2002, in connection with a fake Input Tax Credit (ITC) racket involving M/s Amit Traders and other entities. The Prosecution Complaint has been filed under Sections 44 and 45 of the PMLA for commission of offence of money laundering.

ED initiated investigation under the provisions of the PMLA on the basis of FIR registered by Bureau of Investigation (Economic Offences), Police Station, Guwahati, based on a complaint filed by the State Tax Department, Assam, alleging fraudulent availment and circulation of ITC on the basis of fictitious invoices without actual supply of goods. The said offences are scheduled offences under the PMLA.

ED investigation has revealed that a well-organised network of fictitious and non-existent entities was created for generation and circulation of fraudulent ITC through issuance of invoices without actual supply of goods or services. It has been further revealed that M/s Shree Ram Enterprises was the principal entity involved in generation of fraudulent ITC amounting to approximately Rs. 116 Crore, which was subsequently layered and routed through multiple shell entities including M/s Amit Traders, M/s Nemchand Singh Traders, M/s Yogesh Traders, M/s Paras Traders, M/s Shri Mahalakshmi Enterprises and M/s Technofab International.

It has further been revealed that M/s Amit Traders is a non-existent entity created for the purpose of facilitating fraudulent availment and passing on of ITC, and had declared high-value transactions without any corresponding business infrastructure or actual movement of goods, thereby acting as a conduit in the fake ITC chain.

Investigation has further revealed that M/s Shri Mahalakshmi Enterprises and M/s Technofab International, represented by Ubaid Rehman, are fictitious entities created solely for layering and circulation of fraudulent ITC. Investigation has revealed that M/s Technofab International functioned as a central conduit entity in the network.

It has been further revealed that funds amounting to approximately Rs. 51 Crore were transferred from M/s Prisha Exim to the bank account of M/s Technofab International on the basis of fictitious invoices without any underlying supply of goods. Further investigation has revealed that instead of being utilised for genuine business purposes, the said funds were diverted to multiple unrelated third-party bank accounts, thereby evidencing deliberate layering, diversion and dissipation of Proceeds of Crime. The financial trail clearly indicates that the bank accounts of the said entities were used merely as pass-through channels for laundering of Proceeds of Crime.

Investigation has further revealed that the Proceeds of Crime were ultimately routed to beneficiary entities including M/s Prisha Exim, which availed and utilised fraudulent ITC amounting to approximately Rs. 7.39 Crore. The said transactions involving generation, layering and utilisation of fraudulent ITC constitute processes and activities connected with Proceeds of Crime under Section 3 of the PMLA.

Investigation has revealed that most of the entities involved in the chain were non-existent at their declared places of business and summons issued under Section 50 of the PMLA were returned unserved, thereby establishing their fictitious nature. Statements recorded during investigation are stated to corroborate the modus operandi of issuance of invoices without supply of goods and utilisation of such ITC for discharge of GST liabilities.

During the course of investigation, search operations were conducted under Section 17 of the PMLA, leading to seizure of incriminating documents, GST records and digital evidence. The Hon'ble Adjudicating Authority, vide order dated 24.02.2026, has, inter alia, observed that the seized material prima facie indicates absence of genuine supply of goods and existence of fictitious invoicing.

ED has taken action to secure Proceeds of Crime by provisionally attaching immovable properties valued at Rs. 3.30 Crore in the name of M/s Prisha Electricals, representing equivalent value of Proceeds of Crime, under the provisions of the PMLA, 2002.

The matter is presently before the Hon'ble Special Court (PMLA), Yupia and further investigation in the matter is under progress.