



**Press Release**  
**12/09/2025**

Directorate of Enforcement (ED), Itanagar has carried out search operations on 11/9/2025 at 10 premises across Arunachal Pradesh, Delhi, Haryana, Tamil Nadu, and Telangana in connection with a multi-crore fake Input Tax Credit (ITC) fraud under the Prevention of Money Laundering Act (PMLA), 2002. The case stems from a complaint against M/s Amit Traders, Guwahati, found to be non-existent at its declared address. Investigation revealed that the firm had fraudulently shown purchases, passed on fake ITC and was linked to M/s Shree Ram Enterprises, which itself availed fake ITC about Rs. 116 Crore on bogus invoices worth nearly Rs. 700 Crore.

During the searches, significant frauds came to light. In Arunachal Pradesh, the proprietors of Rainbow Enterprises and A.K. Enterprises admitted availing fake ITC of over Rs. 2 Crore each without any actual supply or movement of goods. Another entity, Tanor Engineering, was found to have fraudulently obtained fake ITC of Rs. 4 Crore, with property worth Rs. 3 Crore and bank balances of Rs. 36 lakh frozen. In Hyderabad, M/s Vinardh Automobiles Pvt. Ltd. admitted to projecting a fake turnover of Rs. 110 Crore during FY 2022–23 and 2023–24, fabricating records of vehicle manufacture and sales through bogus invoices, and fraudulently claiming GST refunds which were siphoned off and shared among promoters, suppliers, and professional facilitators, with fake e-way bills and kickbacks to officials also detected.

In Haryana, M/s Jai Shree Balaji Traders and M/s Jai Shree Balaji Trading Co. declared fictitious turnovers of Rs. 87 Crore and Rs. 62 Crore respectively, and passed on fraudulent ITC to leading multinational companies, highlighting the scale of misuse of the GST mechanism. In Delhi, M/s Prisha Exim admitted to a reported turnover of Rs. 200 Crore in recent years, with partners claiming little knowledge of transactions carried out in its name, indicating the use of dummy entities.

The searches resulted in freezing of bank balances, seizure of immovable property documents, and recovery of incriminating records exposing systematic misuse of the GST framework through bogus invoicing, fake e-way bills, and layered fund transfers.

The primary investigation reveals that fake ITC has been passed to big genuine MNCs for which detail investigation is going on.