

माल एवं सेवा कर आसूचना महानिदेशालय  
गुरुग्राम आंचलिक इकाई  
प्लॉट नं 44, सेक्टर - 32  
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DIRECTORATE GENERAL  
INTELLIGENCE  
GURUGRAM ZONAL UNIT  
PLOT NO. 44, SECTOR-32  
GURUGRAM - 122001  
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F.No. DGGI/GZU/INV/GR-D/154/2021-22  
DIN- 202305DNNI000000EB7C

1995/2001

Dated : 08.05.2023

SHOW CAUSE NOTICE

M/s. Montage Sales Private Limited, located at Plot No.B-26, B-Block, Jhilmil Industrial Area, Delhi-110095 (hereinafter referred to as "*M/s. MSPL*") is registered with CGST Commissionerate, Delhi-East vide GSTIN-07AAMCM9016D1ZG w.e.f. 20.09.2019, as a 'Trader' for supply of goods falling under HSN 3920, 3923, 4823, 7607 of the GST Tariff Act 2017. The legal name of M/s. MSPL has been changed to Ms. Lagrowth Associates Private Limited. This notice under section 74 of Central Goods and Services Tax Act, 2017 (CGST Act, 2017 hereinafter) read with relevant provisions of Delhi State Goods and Services Tax Act, 2017 and Integrated Goods And Services Tax Act, 2017 is hereby issued to M/s. MSPL to show cause as to why the tax determined herein which has not been paid should not be recovered along with interest under section 50 and penalty under Section 74 & 122 ibid.

2. Whereas, information received by Directorate General of Goods and Services Tax Intelligence (hereinafter referred as 'DGGI'), Meerut Zonal Unit indicated that M/s Montage Enterprises Private Limited (hereinafter referred to as "*M/s MEPL*") having manufacturing unit at Noida, Haridwar, Malanpur and Jammu, & registered principal place of business for their GSTIN-09AACCM8173H1Z6, located at C-20-22, Sector-57, Noida, Uttar Pradesh-201301 was supplying packaging materials i.e. Paper/Aluminium Coated Laminates to Pan Masala/Tobacco manufactures through its associates/dealers and issuing invoices in the name of bogus/non-existent firms. Acting on above information, searches were conducted by DGGI, Meerut Zonal Unit at various premises connected with M/s MEPL on 14/15.06.2021 and on subsequent dates. After conduct of preliminary searches by DGGI, Meerut Zonal Unit, on the basis of executive jurisdiction, the enquiry in r/o various recipient entities was transferred to DGGI, Gurugram Zonal Unit, for conducting necessary investigation.



2.2 Whereas, the investigations conducted by DGGI, Gurugram Zonal Unit has revealed that M/s MEPL was supplying goods i.e. 'Printed Laminate plastic/papers' to its associates/dealers namely M/s. MSPL which in turn was raising invoices in the name of dummy/non-existing firms without concomitant supply and it was found that the finished packaging products were being supplied clandestinely to the manufacturers of Pan Masala/Tobacco etc. The detailed facts of investigation are brought out in subsequent paras of this SCN.

3. Whereas, information received by DGGI, Meerut Zonal Unit indicated that M/s MEPL was supplying packaging materials i.e. Paper/Aluminium Coated Laminates to Pan Masala/Tobacco manufactures through its associates/dealers and issuing invoices in the name of bogus/non-existent firms; that one person namely Shri Sujeet Kumar Singh, Owner of M/s. Bharat Transport Company was a key operative in the entire nexus of clandestine clearance of Printed Packaging Materials (Laminates) by M/s MEPL to the Pan Masala/Tobacco manufacturers.

3.2 Accordingly, search at the residential premises of Shri Sujeet Kumar Singh, located at Flat No.101, 102, Tower-Marvella, Mahagun Moderne, Sector-78, Noida, Uttar Pradesh was carried out by the Officers of DGGI, Meerut Zonal Unit on 25.06.2021 and the proceedings were recorded in Panchnama dated 25.06.2021 (RUD-1). During the course of above said search proceedings various incriminating documents & electronic devices were found, which were resumed for further investigation under GST INS-02 dated 25.06.2021 to the above panchnama. The above said resumed records of transportation inter-alia contained date wise, vehicle wise, brand wise and destination wise details of clandestine supply of laminates by M/s. MSPL to the recipient manufacturer entities.

3.3 Whereas, voluntary statement of Shri Sujeet Kumar Singh, owner of M/s Bharat Transport Company Private Limited, was recorded on 25.06.2021 (RUD-2), and *relevant extracts* of above mentioned statement of Shri Sujeet Kumar Singh are reproduced as under:-

*Page-1 of Statement dated 25.06.2021 tendered by Shri Sujeet Kumar Singh-*



## वयान

(केन्द्रीय मॉल एवं सेवाकर अधिनियम, 2017 की धारा 70 के प्रवाधानों के तहत)

श्री सुजीत कुमार सिंह पुत्र श्री रामानन्द सिंह, उम्र 35 वर्ष, पता 102, मार्वेला टॉवर, महामुन मार्केट, सेक्टर-78, नोएडा, का वरिष्ठ आसूचना अधिकारी, वस्तु एवं सेवाकर आसूचना महानिदेशालय, गाजियाबाद क्षेत्रीय इकाई, गाजियाबाद के समक्ष दिनांक 25.06.2021 को दर्ज बयान।

मेरे बयान को दर्ज करने के पूर्व, मुझे सूचित किया गया है कि मेरा बयान केन्द्रीय वस्तु एवं सेवाकर अधिनियम, 2017 की धारा 70 के प्रवाधानों के तहत दर्ज किया जाना आवश्यक है, जिसके लिए मैं अपनी पदेन सहमति देता हूँ। इसके बाद मुझे समझाया गया, कि केन्द्रीय मॉल एवं सेवाकर अधिनियम, 2017 की धारा 70 के अनुसार मुझे केवल सत्य और सही तथ्यों को बताना है। इसके अलावा मुझे समझाया गया, कि यदि मेरा बयान या उसकी कोई भी सामग्री झूठी, असत्य या भ्रामक पाई जाती है, तो भारतीय चंदा संहिता के प्रवधानों के तहत मेरे विरुद्ध कार्यवाही शुरू की जा सकती है। मुझे यह भी समझाया गया, कि वरिष्ठ आसूचना अधिकारी, वस्तु एवं सेवाकर आसूचना महानिदेशालय, मेरा के समक्ष दर्ज मेरा यह बयान मेरे, मेरी कम्पनी अथवा किसी अन्य व्यक्ति/कम्पनी के विरुद्ध जारी जाँच-पड़ताल में संपूर्ण के रूप में इस्तेमाल किया जा सकता है। उपरोक्त बातों को समझने के बाद मैं बयान दर्ज करने के लिए अपनी सहमति देता हूँ।

प्रश्नोत्तर रूप में मेरा सही बयान निम्नानुसार है।

प्रश्न 1 - कृपया अपना विस्तृत परिचय दें।

उत्तर 1 - मेरा नाम सुजीत कुमार सिंह है पुत्र श्री रामानन्द सिंह हैं। पतेमाला मे मैं प्लॉट नम्बर 102, मार्वेला टॉवर, महामुन मार्केट, सेक्टर 78, नोएडा में रहता हूँ। इस पतेमाला मे लॉजिंग बिदते तीन कमरे 25 इंच हैं। मेरा आकर नम्बर 8553 503 27493 है। मेरा पैन नम्बर BKTJ576955 है। मैं एक

*R. Singh*  
25/6/21

*M. Singh*  
25-6-21



5742-22 45.1

XV. भारत की राजधानी का निर्धारण :- यह <sup>1911</sup> में <sup>अंग्रेजों</sup> द्वारा किया गया था। इस समय <sup>राजधानी</sup> को <sup>राजधानी</sup> बनाने का फैसला किया गया था।

[illegible]

R. L. Jones  
25/1/21

25-6-21

प्रश्न 3: भारतीय राष्ट्रीय कांग्रेस की आगे की नीति के बारे में 'विस्तृत रूप' के तहत किन तथ्यों का वर्णन करें, जिनमें परम, लोकप्रिय और एक निष्ठा तथ्य के बीच का संबंध स्पष्ट कर दिया है।

उपरोक्त: मैंने गुरुदास सांजपोई काको के लिखे वर्ष 2011 में  
अपना कार्य आरत सांजपोई काको की के नाम में  
किसी विषयका जोषा गुरुदास में था। वर्ष 2011 में मैंने  
मैंने आरत सांजपोई काको को अखेर लिखि दे  
नाम को अपन काको की पंजीकृत काको का जोषा गुरुदास  
काको (आरत सांजपोई काको) का काको का को काको में  
- गुरुदास के अखेर / वर्ष 2011 और 2012 में मैंने  
और मैंने को गुरुदास को अखेर के वर्ष  
2012 के अंत में यह काको को अखेर नाम का  
और नाम को अखेर नाम को अखेर  
और इस अंत में अखेर को अखेर  
विषयों के अंत में को नाम का अखेर को  
विषयों को अखेर को अखेर मैंने यह काको  
अपन अखेर को अखेर को अखेर  
को अखेर को अखेर को अखेर  
अखेर को अखेर को अखेर को अखेर

R. Chelms  
25/12/21

25-6-21  
(7)



उनके द्वारा जो राशि हमें देनी थी उसका अंश हम  
 समय पर न हमारे को वापस तथा ग्राहकों को बिना भी  
 उनके द्वारा हमें या न जमा करने के कारण बैंक से काटे  
 कारण हमारा काम चलाना, क्योंकि बैंक में हम लेने नहीं  
 ग्राहकों के लिये लिये जाने के कारण है।  
 मैं उनका काम पूरी तरह उपरोक्त कारणों के कारण  
 से ग्राहक के अंतर ही किए से हमारे बंधन है के बिना  
 हमारे कामकाजी है और वे हमारे साथ ही उपरोक्त  
 हैं। वह कामकाजी के अंतर पर, क्लॉक में है अथवा  
 का है। वह हमारे है कि वह ग्राहक से क्लॉक  
 से ला रही हैं। वर्तमान में कामकाजी का पता B-134,  
 सेक्टर - 65, हांगवॉर्ड - नगर है। वर्तमान में ग्राहक  
 हांगवॉर्ड बस, सड़क, माली, फल, लाला पिंड  
 एवं ग्राहक के फ्लॉक लेने के का हांगवॉर्ड का  
 किया जाता है।

*(Signature)*  
 25-6-21

*(Signature)*  
 25-6-21

प्रश्न 4 - अंतर का अंश हमारे में हमारे कामकाजी के कारण अंतर अंश को  
 हमारे कामकाजी के कारण अंतर है, तथा अंतर अंश हमारे में काम  
 का कामकाजी के कारण अंतर है, और अंतर अंश हमारे में काम  
 का कामकाजी के कारण अंतर है।

अंतर - मैं मोटे का अंतर अंश को उपरोक्त लिखित मोटा  
 और मोटे के अंतर अंश को उपरोक्त लिखित मोटा  
 कामकाजी है। यह लिखित लेने के कारण कामकाजी,  
 लाला, माला, ग्राहक, सड़क, फल, लाला पिंड  
 के कारण कामकाजी के कारण अंतर है।

प्रश्न 5 - हमारे कामकाजी के कारण अंतर अंश को  
 कामकाजी के कारण अंतर है। हमारे कामकाजी के कारण अंतर अंश को  
 कामकाजी के कारण अंतर है। हमारे कामकाजी के कारण अंतर अंश को  
 कामकाजी के कारण अंतर है।

अंतर - मैं मोटे का अंतर अंश को उपरोक्त लिखित मोटा  
 कामकाजी है। यह लिखित लेने के कारण कामकाजी,  
 लाला, माला, ग्राहक, सड़क, फल, लाला पिंड  
 के कारण कामकाजी के कारण अंतर है।  
 P.N. Purohit को हमारे में। तथा मोटे के अंतर अंश को  
 लिखित लिखित के कारण अंतर 2013 से कामकाजी  
 है। यह ग्राहक के कारण अंतर अंश को हमारे में  
 कामकाजी है।

*(Signature)*  
 25-6-21

*(Signature)*  
 25-6-21



25-6-21

444  
125-6-21

41

2.5/10/21

21-6-21



इन शीटों में आठ हाइपाथि के एक इस विधि से दिये हैं,  
24 नो. का निम्न है।

इन शीटों में भी किनांक, आईनों का नाम, सिग्रेट पसनामा  
प्राण के निम्न जो A. एसी आईनों द्वारा 1-12-2020 है  
31-12-2020 के बीच प्रोटेक्शन बोनस प्रोटेक्शन सिग्रेट के  
सिग्रेट जंटक बोनस के बीच प्रोटेक्शन बोनस के सिग्रेट के  
इन सिग्रेटों में पात्र प्रोटेक्शन प्राण का नाम, सिग्रेट का नाम,  
आई जंटक बोनस बोनस बोनस का नाम, सिग्रेट का नाम,  
बोनस है।

इन धुन्धों में इनांक तब देना अच्छी का विवरण है जो कि  
छाती जाड़िते <sup>मौसम के अनुसार लिखा है</sup> करते हैं। इन धुन्धों में अक्सर जो लम्बा  
करने के हवा में दिख जाता है। अतः में यह की

R. Rolan  
25/12/21

2000



प्रश्न 9 - कृपया फाइल नं० 12, जो मैं आपके 'आवसीन' पत्रा 102, मार्केट हाथर, गझानुन भाद्रिया, वेस्ट-19, नैथिंग में बसाए गए वेनामना रिजॉल्यूट 25.06.2021 में लब्ध किया गया था को देखते, इस फाइल में इसकाया को कि मैरिज गैररजॉल्यूट प्राप्ति, रिजॉल्यूट मैरिज अग्रीड ट्रेडिंग, प्रथम बार, 50 नमूने पीट, प्रीमम गैररजॉल्यूट, प्रीमम गुणवत्ता को जारी की गई है, कि प्रसिद्धि है जहां में 68 नमूने संलग्न हैं।

पृष्ठ संख्या 1 से 4 पर इसकाया संख्या DS D2122/1215 रिजॉल्यूट 21.05.2021 और इसके संदर्भित ईले मित्र न है जो कि मैरिज रजॉल्यूट ट्रेडिंग के नाम पर जारी है, जिसे फिर गैररजॉल्यूट प्रिन्टर "Printed Paper M. Gill Laminated" है कुल बर 2021.12.20/21 और 547 नमूने।

पृष्ठ संख्या 1 पर जारी संख्या UP 5287 7162 रिजॉल्यूट 21.05.2021 तथा प्रिन्टर 547 नमूने तथा 2021.12.20/21 का निवेदन है।

पृष्ठ संख्या 4 में इसकाया इसकाया गैररजॉल्यूट पृष्ठ संख्या 1 में कि प्रथम में जारी की निवेदन नमूने हैं। इससे देखा प्रतीत होता है कि इसकाया संख्या DS D2122/1215 रिजॉल्यूट 21.05.2021 जो कि मैरिज रजॉल्यूट ट्रेडिंग को जारी है, जिसे फिर Printed Paper M. Gill Laminated का निवेदन बरतते कि प्रिन्टर के Laminated हैं।

① Raystone Gold Line 1/10 1/1-	15267.22kg	320000
② Raystone Gold Line 1/10 1/1-	3190.40kg	64000
③ Kanto Award 1/10 1/1-	6412.96kg	143000
Total	22281.62kg	547000

कुल अर्थोक्त के नमूने में लगाए।

अंतर 9 - इसके बारे में कुल बताया है कि गाल (लेकनेट) जो कि

*Rajon*  
25/6/21

*Sujeet*  
25.6.21

(16)



2-5-6-78

7/20/80 - 1980 was a year of significant change for the Department of Health and Human Services. The Department has been reorganized several times during the year, and the new structure is still being implemented.

251921

20-6-21



3.4 Whereas, on the basis of above said voluntary admissions made by Shri Sujeet Kumar Singh, owner of M/s Bharat Transport Company Private Limited under his statement dated 25.06.2021, it emerged that :-

- A. there were around 125 Trucks in M/s. Bharat Transport Company Private Limited and although, Shri Keshav Chandra Patra and Shri Madan Mohan Jeena were Directors of the company, the entire day to day operations were being looked after & controlled by Shri Sujeet Kumar Singh;
- B. he was working as Transporter for M/s. MEPL since 2012 and for M/s. MSPL since October 2019;
- C. the documents resumed during the search of residential premises of Shri Sujeet Kumar Singh, inter-alia contained date wise, vehicle wise, brand wise and destination wise details of clandestine supply of laminates by M/s. MSPL to the recipient manufacturer entities under the guise of bogus invoices issues to non-existent entities. Such details were pertaining to the period from December 2020 to June 2021;
- D. M/s. MEPL and M/s. MSPL had devised a nexus in active collaboration of Pan Masala/tobacco manufacturers and with operational assistance of Shri Sujeet Kumar Singh, wherein M/s. MEPL was supplying Laminates to M/s. MSPL/other dealers, which in turn was issuing bogus/fraudulent goodsless invoices to non-existent/fake entities and the concomitant goods were being delivered to the factory premises of various Pan Masala/Tobacco manufacturers through the transportation carried out by company of Shri Sujeet Kumar Singh.

4. Whereas, for illustration purposes, the details of movement of Laminates mentioned on one of the pages of documents resumed during search of residential premises of Shri Sujeet Kumar Singh is as under:-



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Date	Vehicle	Name	Box	Material	Weight	Destination	Expen	feeding	Vehicle Exp.
1-Mar	2671	Dinesh	109	M-4	3,126.400	Ghaziabad	3,000	-	-
1-Mar	2669	Binod	106	SILVER CLASSIC	5,172.710	Sonipat	5,000	-	-
1-Mar	2663	Viresh	33	Vimal	991.010	Faridabad	5,000	-	-
1-Mar	2668	Gopal	100	-	4,913.290	Sonipat	5,000	-	-
1-Mar	7160	Sheshvir	399	Vimal	13,725.950	Lucknow	-	-	-
1-Mar	7158	Shyamanand	234	-	8,106.280	Kanpur	-	-	-
1-Mar	-	Lal Ram	-	-	-	-	-	300	-
1-Mar	2670	Sanjay	-	-	-	-	-	300	18,600
2-Mar	5869	Amarpal	140	Vimal	6,834.070	Sonipat	5,000	-	-
2-Mar	2669	Binod	137	Vimal	6,687.270	Sonipat	5,000	-	-
2-Mar	2671	Dinesh	300	TS - 6	8,472.920	Patparganj	1,500	-	-
2-Mar	5236	Hem Singh	325	TS - 2	10,249.530	Mansesa	6,000	-	17,500
3-Mar	5869	Amarpal	200	TS	6,421.480	Mansesa	5,000	-	-
3-Mar	2668	Gopal	200	TS	5,469.350	Patparganj	1,500	-	-
3-Mar	2671	Dinesh	200	TS	5,626.180	Patparganj	1,500	-	-
3-Mar	2663	Lal Ram	165	TS	5,308.950	Mansesa	5,000	-	-
3-Mar	0772	Shivpratap	654	KP	26,305.310	Lucknow	-	-	-
3-Mar	2671	Dinesh	220	TS	6,982.980	Mansesa	5,000	-	-
3-Mar	7152	Rupnaraya	660	-	20,136.090	-	-	-	-
3-Mar	2669	Binod	237	-	8,467.120	HARDOL	-	-	-
3-Mar	2668	Gopal	200	KP	8,869.150	Ghaziabad	3,000	-	-
3-Mar	6300	Viresh	100	KP	4,376.080	Ghaziabad	2,500	-	23,500
4-Mar	2668	Gopal	110	Vimal	5,265.610	Sonipat	5,000	-	-
4-Mar	5869	Amarpal	116	Vimal	5,552.830	Sonipat	5,000	-	-
4-Mar	2663	Viresh	200	TS	5,570.690	Patparganj	1,500	-	-
4-Mar	2670	Kanlav	238	TS	6,454.840	Patparganj	1,500	-	-

M-4

4.2 As may be seen from above, on 02.03.2021, 140 Boxes of Vimal Brand Laminates having total weight of 6834.070 KGs was delivered through Vehicle No."5869" at Sonipat, where the factory premises of M/s. VSG is located. As brought out in preceding paras, the modus adopted by M/s. MSPL was that goodsless paper invoices were being issued to non-existent fake entities, while the concomitant goods were being delivered at the factory premises of recipient manufacturer entities. In order to corroborate the above aspect, the details of vehicle movement in respect of E-way Bills generated by M/s. MSPL on 02.03.2021 was analysed wherein it emerged that on 02.03.2021, M/s. MSPL had generated a E-way Bill No. 791177901501 in respect of their Sale Invoice no. D5D2021/2983 dated 02.03.2021 issued to *M/s. KUMAR TRADING COMPANY, HOUSE NO/37, SHIV BUCKS PARK, NAGLOI, WEST DELHI, DELHI-110041, GSTIN-07LLYPS5428NIZO*, wherein the quantity of Laminates is also same i.e. 6834.07 KGs. The relevant extracts of above mentioned E-way bill are as under:-



E-WAY BILL Details				
eWay Bill No: 7911 7790 1501	Generated Date: 02/03/2021 12:11 PM	Generated By: 07AAM CM901 6D1ZG Valid Upto: 03/03/2021		
Mode: Road	Approx Distance: 32km			
Type: Outward - Supply	Document Details: Tax Invoice - DSD2021/2983 - 02/03/2021			
Address Details				
From		To		
GSTIN: 07AAM CM901 6D1ZG MONTAGE SALES PRIVATE LIMITED B-26, B Block, Jhilmil Industrial Area East Delhi-110095 DELHI, DELHI-110095		GSTIN: 07LLY PS542 8H1ZO KUMAR TRADING COMPANY HOUSE NO/37, SHIV BUCKS PARK NAGLOI, WEST DELHI DELHI, DELHI-110041		
Goods Details				
HSN Code	Product Description	Quantity	Taxable Amount Rs.	Tax Rate (C+S+H+CESS)
7607	PRINTED PAPER AL FOIL LAMINATE	6634 07 KGS	1961378 10	9.000+9.000+0+0.000
Total Taxable Amount 1961378 10		COST Amount 176524 03	SGST Amount 176524 03	IGST Amount 0.00 CESS Amount 0.00

4.3 Further, during the course of investigation, search of the registered Principal Place of Business of *M/S KUMAR TRADING COMPANY, HOUSE NO/37, SHIV BUCKS PARK, NAGLOI, WEST DELHI, DELHI-110041, GSTIN-07LLYPS5428NIZO*, was carried out on 18.10.2022, whereby it emerged that the above entity didn't existed at the above mentioned address; never carried out any business activities and was created by its operators, for fraudulent purposes.

4.4 Whereas, the documents resumed during search carried out at the residential premises of Shri Sujeet Kumar Singh, inter-alia contained the details of destination-wise, brand-wise & date-wise movement of Laminates from M/s. MSPL to the Pan Masala/Tobacco Manufacturers.

4.5 Whereas in order to conduct further enquiry, summons dated 21.11.2022, 19.01.2023 & 02.02.2023 were issued to Shri Sujeet Kumar Singh, however, he is presently absconding and not appearing despite repetitive summons.

5. Whereas, from the foregoing, it appeared that in the entire nexus of clandestine procurement of Laminates by the Pan Masala/Tobacco Manufacturers from M/s. MSPL, the fake/non-existent entities played a key role, as the invoices corresponding the diversion of Laminates was issued in their name. Whereas, on the basis of scrutiny of records of M/s.



Bharat Transport Company Private Limited (hereinafter referred to as “*M/s. Bharat Transport*”) related to supply of Laminates to pan masala manufacturers and their correlation with the corresponding E-way bill data, the details of total fake firms/entities involved was worked out. It emerged that in totality, M/s. MSPL had issued bogus invoices to 53 entities against which the accompanied goods were diverted elsewhere to the Pan Masala manufacturers.

5.2 Whereas, physical verification of total,59 entities (53 suspicious entities along with additional 6 firms registered on PAN of these entities) was carried out and entity-wise outcome of the same is as under:-

Sl. No.	GSTIN	Trade Name	Outcome of physical verification	Total quantum of fraudulent ITC passed on by M/s. MSPL
1	07CDCPK2241L2ZM	H K Enterprises	Found Non-existent	46019601
2	07AAMCA0840R1Z9	Arranger Tradelinks (India) Private Limited	Found Non-existent	26793942
3	07AKLPJ5035D1ZD	Blue Star	Found Non-existent	23113403
4	07EKFPS8144Q1Z7	Bsa Industries	Found Non-existent	34947285
5	07BGKPM8680D1Z2	Convergent Alliance	Found Existent & party submitted that they never made any business from MSPL and they have issued invoices in favour of their firm without any knowledge and never took credit against said transaction	12538740
6	07IQCP2541L4ZC	Gee Kay Sales	Found Non-existent	10397583
7	07AAPCA3521N1ZE	Goyal Aluminiums Limited	Found existent	9910142
8	07EUXPK1745P1ZM	Jk Trading Co	Found Non-existent	15492436
9	07FIFPK1036L1Z7	Kc Laminates	Found Non-existent	19249940
10	07DRBPK8521B2Z3	Kumar Enterprises	Found Non-existent	11298288
11	07LLYPS5428N1ZO	Kumar Trading Company	Found Non-existent	41777979
12	07DHRPR6682G1ZI	Mahaveer Industries	Found Non-existent	7332943



13	07AAEPK3770F2ZT	Mahaveer Ji Sales Corp.	Found Non-existent	34605445
14	07CGLPN7896N3Z4	Niraj Enterprises	Found Non-existent	40574744
15	07BXQPN0974E1Z5	Pitamber Packaging	Found Non-existent	77362814
16	07HJJPS0550Q1ZG	Prasad Enterprises	Found Non-existent	67380460
17	07ABAFR7758R1Z9	Radical Corporation	Found Non-existent	9952069
18	07IVWPK9323M1ZH	Ravi Kumar Laminates	Found Non-existent	41541614
19	07CBHPR7202R1Z0	Sameer Trading Company	Found Non-existent	34678667
20	07AAPCS3358F1Z2	Shc Exports Limited	Found Existing	19709025
21	07DOPPR4508E1Z0	Subham Warpors	Found Non-existent	85419662
22	07BLVPP6162R1ZV_	Subrat Trading Company	Found Non-existent	74578642
23	07BLZPT9351G1Z5	Tiwari Trading Company	Found existing	23998999
24	07AAGFU2991L1ZL	Urban Trade Industries	Found Non-existent	741612
25	07BJVPK8809G1ZL	Winjet Industries	Found Non-existent	15045271
26	07EWAPS6954P1ZK	Jyoti Traders	Found Non-existent	41362090
27	07AFUPJ0552P1ZU	Mahalaxmi Enterprises	Found Non-existent	36249176
28	07DIOPP3069P1ZA	Sitakant Trading Co	Found Non-existent	32110288
29	07AYQPT5265L2ZG	ST Traders	Found Non-existent	22892645
30	07ALGPU1224R2ZK	Aggarwal Traders	Found Non-existent	14187157
31	07AAUPQ6586B3Z2	Swastik Enterprises	Found Non-existent	10713145
32	07AAUPQ6586B1Z4	Ramesh Plastics	Found Non-existent	PAN of Swastik Enterprises
33	07AAIFL7295E1Z0	Life Wellness	Found Non-existent	19586596
34	07DLXPG8767F1ZA	Gita Enterprises	Found Non-existent	11926274
35	07AKLPJ5035D2ZC	Arihant Impex	Found Non-existent	Pan of Blue star
36	07BDNPS7160Q1ZJ	Ajay Trading Co	Found Non-existent	64497036
37	07AAEPK3770F1ZU	SK Packaging Solutions	Found Existing	PAN of Shri Mahavir Ji Sales Corp.
38	07AAFCV2795K1ZR	Velocious Trading Pvt. Ltd.	Found existing but non-functional at given place of business	13327505
39	07AAIFE1973E1ZI	Elfed Industries	Found Non-existent	553339



40	07AASFB1417EIZO	Baba International	Found existent but non-functional at given place of business	1696375
41	07ABGFM1099LIZU	Mirzapuria International	Found Existent	4520196
42	07AHGPR4479KIZO	Katyayni Enterprises	Found existent but non-functional at given place of business	768578
43	07AOKPK9451R2ZZ	Jajoria Enterprise	Found Non-existent	12342301
44	07ASQPR5114GIZI	P.R. Traders	Found Non-existent	15438301
45	07BETPY0156F2ZI	Kapur Enterprises	Found Non-existent	17774279
46	07CDCPK2241LIZN	Quickbik Enterprises	Found Non-existent	PAN of H.K. Enterprises
47	07EUIPP4391DIZD	Shiv Shakti Enterprises	Found Non-existent	14198049
48	07EWAPS6954P2ZJ	Bika International	Found Non-existent	PAN of Soham Marketing
49	07EWAPS6954P3ZI	Soham Marketing	Found Non-existent	12915735
50	07IQCPS2541LIZF	Dream Business Services	Found Non-existent	PAN of Gee Kay Sales
51	07AAICK5965HIZ4	Korporate Bizmax Limited	Found Existent	22244992
52	07CBGPT7205KIZA	Tradezone Enterprises	Found Non-existent	8267977
53	07HINPK9189NIZZ	Seaborne Creations	Found Non-existent	22772232
54	07HKJPS1195GIZO	Shree Shyam Trading Company	Found Non-existent	56644911
55	07EFZPS6397GIZ8	Sharma Enterprises	Found Non-existent	517762
56	07DFRPM5804P1ZM	A M Enterprises	Found Non-existent	14268156
57	07FXVPM4565HIZO	Vishnu Traders	Found Non-existent	28953865
58	07FRMPRI240DIZU	Pandit Traders	Found Non-existent	24009842
59	07AOC PK8764KIZG	Kumar Enterprises	Found Non-existent	13089938

5.3 Whereas, as brought out in above table, during physical verification of the 59 entities, 49 entities were found to be non-existent at their registered place of businesses, while 10 entities were found to be existent and functional and however, on upon verifications, their transactions with M/s. MSPL haven't been found to be genuine as brought out in subsequent paras.



5.4 Analysis of transactions of some of non-existent entities with M/s MSPL indicate the pattern that cash has been deposited in the accounts of fake firms in equal amount before transferring it to M/s MSPL against sale shown to fake firms by M/s MSPL providing that these transactions were also fraudulent. Further, transactions shown from M/s MSPL to remaining 10 existent entities were also found to be fraudulent.

5.5 Whereas, on the basis of above facts & findings, it appears that M/s. MSPL only issued goodsless invoices to the above mentioned 53 entities and passed on inadmissible ITC amounting to Rs. 132,22,90,046/- while the goods accompanying the invoices were diverted elsewhere to the manufacturers/end users.

6. Whereas, during investigation, it emerged that M/s MSPL was the nodal point for diversion of Laminates to the Pan Masala/Tobacco Manufacturers in the guise of goodsless invoices to various non-existent entities. Accordingly, in order to conduct necessary enquiry, search was carried out at the registered premises of M/s. MSPL, located at B-26, B-Block, Jhilmil Industrial Area, Shahdara, Delhi on 10.08.2022 and proceedings were recorded in Panchnama dated 10.08.2022 (RUD-3).

6.2 During visit, none of the Directors of M/s. MSPL were available. Accordingly, summon dated 10.08.2022 (RUD-4) was issued to Shri Tarun Kumar Maiti, Manager of M/s. MSPL for tendering his voluntary statement.

6.3 Whereas, voluntary statement of Shri Tarun Kumar Maiti, Manager of M/s. MSPL was recorded on 10.08.2022, which is reproduced as under:-

*“Q.1. Please give your brief introduction and details of occupation.*

*A.1. I am a resident of H.No.180-GF, Gyan Khand-4, Indirapuram, Ghaziabad, Uttar Pradesh-201014. I have done MBA (PGDM) ICBM University, Ahmedabad. I am working as Manager in M/s. Montage Sales Pvt. Ltd. since last 1 year. Prior to this, I was working in M/s. Dharampal Satyapal Ltd. for the last 8 years. I am looking after the day to day commercial and administrative activities of the company in M/s. Montage Sales Pvt. Ltd. in the absence of the Directors as they are residents of Madhya Pradesh and not attending office on daily basis.*

*Q.2. Please provide details of directors of M/s. Montage Sales Pvt. Ltd. and activities carried out by this company along with details of major customers/suppliers.*



A.2. I state that M/s. Montage Sales Pvt. Ltd. was formed in 2019 and is directorship of Mr. Subodh Kumar Sharma and Mr. Ashish Kumar Singh, who are both residents of Madhya Pradesh. Their relevant details are as under:-

1. Mr. Subodh Kumar Sharma, R/o 403, Sukoon Apartment, Rajesh Prasad Colony, Gwalior, Madhya Pradesh-474002 (Phone No.8839093037).
2. Mr. Ashish Kumar Singh, R/o 28-29B, Satyaraj Enclave, C.P. Colony, Gwalior, Madhya Pradesh-474006 (Phone No.9752728155, 9555975729).

I further state that Mr. Subodh Kumar Sharma and Mr. Ashish Kumar Singh were appointed as directors in the company in September 2021 and prior to them, Mr. Harvinder Singh Matharoo (R/o Plot E-8, Flat No.E-601, Krishna Apra Garden, Indirapuram, Ghaziabad-201001) and Mr. Jasmeet Singh (R/o A-2/602, Krishna Apra Garden, Indirapuram, Ghaziabad-201001) were working as Directors in the company. However, after joining of Mr. Subodh Kumar Sharma and Mr. Ashish Kumar Singh as Directors, both of them resigned from the company and sold their shareholdings.

I further state that the day to day affairs of the company are presently being looked after by Mr. Subodh Kumar Sharma and I am reporting to him only. As he is residing in Madhya Pradesh, I telephonically update him on daily basis regarding the total sales, purchase, dispatches etc. of the company. Mr. Subodh Kumar Sharma is also looking after the finance related matters of the company.

As regards the business activities of our company, I state that M/s. Montage Sales Pvt. Ltd. is into trading of various types of Printed Laminates (of Plastic, Aluminium & Paper type). We do not have any manufacturing facility of our own and are only carrying out trading activities. Our main suppliers are M/s. Montage Enterprises Pvt. Ltd., Noida (manufacturer of various types of laminates), M/s. Montage Global Pvt. Ltd., Silvassa (manufacturer of various types of laminates) and M/s. Ultimate Flexipack Pvt. Ltd., Jammu (manufacturer of plastic zip pouches). Our main customers are M/s. Smartpaddle Technology Private Limited, M/s. Southern India, M/s Trimurti Fragrances Pvt. Ltd., M/s. VSG Pan Industries Pvt. Ltd., M/s. Kamna Industries Pvt. Ltd. etc. We are also making online sales of our products through Amazon, Flipkart etc.



*I further state that the laminates supplied by our company are printed with brand names of various companies like Ananda, Haldiram, Tansen, Vimal, Kuber, Kamla Pasand, Coolip, Nevla, Shikhar, Southern Bidi, Vedant Pastries.*

*Q.3. Do you have any agreements with the owners of above brand names for trading of laminates printed with their logos/brands.*

*A.3. We do not have any agreements with the owners of the above mentioned brands for trading of laminates printed with their logos/brands. These laminates are received by our company from M/s. Montage Enterprises Pvt. Ltd. & Ors. and further supplied as per the directions given by our directors.*

*Q.4. Please provide details of transportation mechanism in respect of your sale/purchases and details of your transporters.*

*A.4. I state that in respect of our purchases made from M/s. Montage Enterprises Pvt. Ltd., M/s. Montage Global Pvt. Ltd. & Ors., the transportation is arranged by the respective suppliers only. As per my knowledge, the transportation charge is included in the invoice price. I am not aware about any agreement entered into with our suppliers, however, I will check with the directors of our company and will submit the copies of relevant agreements to your office shortly.*

*As regards our outward supplies, I state that in some cases the transportation is arranged by our company, while in other cases, the same is arranged by the respective customer only. The transporters through whom we are majorly supplying our traded goods are :-*

- 1. M/s Sahara Transport (Contact person Sonu – 9821327466).*
- 2. M/s. TCI*
- 3. M/s. Safexpress.*
- 4. M/s Star Transport (Contact person Santosh – 8287088089).*
- 5. M/s. Shakti Logistics (Contact person Suraj – 6307971819).*

*Copies of sample GRs/bills of these transporters shall be submitted to your office shortly.*

*Q.5. What is the selection process of vendors to whom laminates are supplied by M/s. Montage Sales Pvt. Ltd.*



A.5. I state that I am not aware about any written agreements with customers regarding supply of printed laminates to them. Our director namely Mr. Subodh Kumar Sharma may be aware about the same. Prior to him, Mr. Harvinder Singh Matharu used to look after the process of vendor management. As regards our vendor selection process, our director is having a separate marketing team which procures orders from market for supply of printed laminates. The marketing team conveys the requirements of printed laminates of various brands to our director who in turn corresponds with the manufacturers viz. M/s Montage Enterprises Pvt. Ltd., M/s. Montage Global Pvt. Ltd. and Ors. for supply of the printed laminates to our company. After manufacturing the printed laminates are received by us and Mr. Subodh Kumar Sharma informs us about the details of parties to whom laminates are to be supplied. We are not aware as to which brand of laminates are being supplied to which vendor, however, the manufacturer may be aware about the same. I further state that we never receive any drawings etc. from the vendors and only our directors knows about the brands of laminates supplied to respective vendors. All of our vendors are in contact with Mr. Subodh Kumar Sharma and all dispatches take place on his instructions only. He daily calls me from his mobile and informs about the details of parties to whom invoices and e-way bills are to be issued along with the details of quantity to be supplied. As a standard practice, we add margin of Rs.2 per kg. in the pricing of laminates supplied to the customers.

Q.6. Have you or your team ever physically verified the existence of your customers or contacts the concerned person for taking deliveries etc.

A.6. No, we have never verified the existence of our customers to whom goods are supplied by us and all communications of the customers are with our director Mr. Subodh Kumar Sharma only. We only manage the dispatches as per his instructions.

Q.7. Please provide details of bank accounts of M/s. Montage Sales Pvt. Ltd. and who operates these bank accounts.

A.7. As per my knowledge, our company is having accounts in two banks, (i) A/c No.50200044023860 in HDFC Bank, Noida Sector-121 Branch (ii) in ICICI Bank, account details of which shall be provided to your office shortly. As per my knowledge, Mr. Subodh Kumar Sharma operates these accounts himself, however, on telephonic confirmation/conversation with him on speaker in your presence, he couldn't inform the bank accounts of our company and also couldn't give details of



*the persons who operates the above mentioned bank accounts of our company & only informed that our advisor is handling the same. I will ascertain the factual position as regard to operation of above bank accounts and will submit the details of concerned persons to your office shortly.*

*Q.8. Are you carrying out transit insurance in respect of all the consignments dispatched from your premises.*

*A.8 We normally do transit insurance in respect of consignments supplied to our customers. However, no transit insurance is done in case of customers who take delivery of goods from our premises by arranging transport themselves only. Like in case of dispatches made to M/s. Kapur Enterprises yesterday i.e. on 09/08/2022, no transit insurance was done from our side.*

*Q.9. Who looks after payment receivables & payables.*

*A.9. I state that Mr. Subodh Kumar Sharma, Director of our company looks after the matters related to payments to be made to our suppliers viz. M/s. Montage Enterprises Pvt. Ltd., M/s Montage Global Pvt. Ltd. & Ors. Further, he is also looking after the payments to be received from our customers and myself or my team never follows up on the payments issue with any of the vendors.*

*Q.10. I have been shown a sheet comprising GSTIN & names of 37 firms/companies to whom we have supplied printed laminates and further have been requested to sign the same. I have also been asked to inform about the concerned persons of the following entities to whom our company has shown supplies of various types of Laminates and to also provide their ledgers & contact details. Please also provide account details of these customers.*

*A.10. I state that I have perused the said sheet comprising GSTIN and names of 37 firms/companies to whom our company has supplied printed laminates of various brands and have also signed the same. I am also providing herewith ledgers of these 37 parties to whom our company has shown supply of printed laminates. I am aware about the concerned person of only two parties out of these 37 customers viz. M/s Kapur Enterprises & M/s Tradezone Enterprises. One person namely Mr. Gaurav (Phone No.8564062421) contacts me for supplying laminates to both the above mentioned firms. On confirmation by Mr. Subodh Kumar Sharma, I arrange supply of laminates to both the above firms of Mr. Gaurav. As regards the details of concerned*



persons of remaining firms/companies, I state that Mr. Subodh Kumar Sharma may be having the relevant details of these entities. Further, the account details of these entities from which we have received payments against our supplies shall be submitted to your office shortly.

Q.11. What kind of printed laminates (brand/logo etc.) were supplied to the above mentioned 37 customers of your company. Please provide the copies of purchase orders received from above entities. Also inform as to who manages printing, drawings of laminates, etc. to be provided to Montage Enterprises Pvt. Ltd./other manufacturers for printing.

A.11. I state that I am not aware about the different types of printed laminates supplied to the above mentioned 37 customers, however, Mr. Subodh Kumar Sharma may be having knowledge about the same as he only interacts with these parties. Further, the copies of purchase orders related to these customers can also be provided by him only. Also, only Mr. Subodh Kumar Sharma coordinates with the customers regarding drawings, printing etc. with the manufacturers and I am not having any knowledge about the same.

Q.12. On perusal of the ledgers of 37 parties provided by you, it is seen that huge amounts of receivables are due from various parties, some of which are pending for more than 1 year. Please comment on the same.

A.12. As stated above, the receivables of the company are being looked after by Mr. Subodh Kumar Sharma only and I can't comment on the same. I am also not aware if any legal action has been taken by our company in respect of payments which are pending for a considerable time and only Mr. Subodh Kumar Sharma can provide details of the same.

Q.13. Please provide ageing breakup of the creditors of your company as on date. Also inform if your company is reversing the ITC involved on account of non-payment to your creditors within 180 days. If yes, provide details of the same.

A.13. I state that I am hereby submitting details of the age-wise break up of our creditors as per which an amount of Rs.61,05,53,543/- is due for more than 180 days. We have not reversed any ITC on account of above said non-payment to creditors within 180 days. The applicable ITC on above amount works out to Rs.10,98,99,638/-. I have telephonically discussed the matter with Mr. Subodh Kumar Sharma and he



*has ensured that the reversal of above said ineligible ITC shall be done within 2 days & the relevant payment particulars shall be submitted to your office shortly.*

*Q.14. Has your company engaged the services of M/s. Bharat Transport Company Pvt. Ltd. If yes, please provide the details of concerned person of the above company.*

*A.14. I state that in past, we had engaged the services of M/s. Bharat Transport Company Pvt. Ltd. for transportation of our supplies to customers. However, we dis-engaged their services around 1 year back. I am not able to recall the name of the concerned person of above company."*

6.4 Whereas, summon dated 10.08.2022 (RUD-5) was issued to Shri Subodh Kumar Sharma, Director of M/s. MSPL for submitting various requisite documents related to the subject investigation and also tendering his voluntary statement. In response to above, Shri Subodh Kumar Sharma, Director of M/s. MSPL vide letter dated 27.08.2022 sought some time for submitting the requisite documents and his appearance.

6.5 Whereas, further summons dated 16.02.2023 and 03.03.2023 (RUD-6) were issued to M/s. MSPL, Sh. Ashish Kumar Singh, Director of M/s. MSPL, Sh. Subodh Kumar Sharma, Director of M/s. MSPL, Sh. Jasmeet Singh, Ex-Director of M/s MSPL and Sh. Harvinder Singh Matharoo, Ex-Director of M/s. MSPL, however, neither anyone appeared in response to the same nor submitted the requisite documents/information called for vide the above said summons. Another summon dated 19.04.2023 was also issued to M/s. MSPL (now known as M/s. Lagrowth Associates Private Limited), however, the same also remains unanswered till date.

7. Whereas, during pendency of above investigation, it was found that M/s. MEPL had filed Company Petition No. (IB)-796(ND)/2022 in the NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI, to initiate Corporate Insolvency Resolution Process against M/s MSPL for defaulting the payment of Rs.5,54,88,94,974/- which includes principal amount of Rs.5,161,762,767/- and interest amounting Rs.38,71,32,207/- @18% p.a. on the outstanding principal amount. The brief facts of the application is reproduced as under:-

*"3. Briefly stated the facts of the present case as averred by the applicant are that the applicant is engaged in the business of traders, wholesalers and distributors of flexible packaging materials and other allied products and had entered into a 'Goods Sale and Purchase Agreement' dated 19.09.2019 ('Agreement') with the Corporate*



Debtor. The applicant submits that as per the terms of the said agreement dated 19.09.2019, the applicant supply goods to the corporate debtor in furtherance of which the applicant raised the bills. The corporate debtor has started making wilful default in payments to the applicant despite several repeated requests and reminders by the applicant and cited the difficulties of financial crunch due to COVID-19 and other factors. The applicant getting distressed by the repeated defaults and false positive assurances of the Corporate Debtor was compelled to stop the supplies to the corporate debtor and conveyed the same to the corporate debtor vide letter dated 27.06.2022. The applicant had sent a Demand Notice in Form-3 as provided under Section 8 of the Code, 2016 dated 10.09.2022 to the corporate debtor demanding outstanding principal amount of INR 5,161,762,767/- along with interest calculated at the rate of 18% per annum amounting to Rs. 38,71,32,207.50/-, which was duly delivered and received by the Corporate Debtor on 13.09.2022. The corporate debtor had sent reply to the demand notice on 20.09.2022 to the applicant wherein the corporate debtor had admitted its liability. Hence the applicant prays for the initiation of the CIRP of the corporate debtor.

4. The corporate debtor has filed its reply dated 10.12.2022 and submits that the applicant had entered into "Goods Sales and Purchase Agreement" dated 19.09.2019 with the corporate debtor based on the credentials set forth back then by the corporate debtor. The corporate debtor submits that even in the light of Covid-19, when the whole world was struggling to run the business, the corporate debtor never made any unreasonable delay in payments, however due to post Covid-19 recession, the corporate debtor faced shortage of funds and a financial crunch which made it difficult for the corporate debtor even to run the business.

5. Further, the corporate debtor submits that it is an admitted fact that the corporate debtor was unable to adhere to the payment due to the applicant since 01.04.2022 upon which the corporate debtor requested the applicant to continue the supply and as soon as the financial situation of the corporate debtor is restored to normal, the corporate debtor shall clear the entire debt on a priority basis. The corporate debtor was shocked to receive demand notice dated 12.09.2022 on 13.09.2022 demanding the outstanding operational debt for the default arising from 01.04.2022 to 26.08.2022. The corporate debtor has duly responded to the demand



*notice vide reply dated 20.09.2022 requesting the time to repay the debts. The corporate debtor submits that it has never denied in admitting claim due to the applicant, it is only because of the plight of the corporate debtor that the corporate debtor is unable to meet the expenses owed to the applicant. The corporate debtor seeks three year's time to repay the defaulted principal amount without any interest in instalments.*

6. *The applicant had filed its rejoinder dated 13.12.2022 and submitted that the applicant have tried every remedy available at their disposal to settle the due debts with corporate debtor, however, despite numerous bona-fide attempts, the same has gone into vein. Further, it is submitted that the corporate debtor had assured the applicant that the dues would be cleared positively within a period of 60 days, however the default has been committed. It is submitted that the operational creditor had served the Demand Notice after being affected by the actions of the Corporate Debtor by defaulting to make the payment within the stipulated period and the debt keeps on accumulating.*

8. Whereas, on the basis of facts & findings of investigation brought out in preceding paras, it has emerged that M/s. MSPL acted as conduit between M/s. MEPL and the Pan Masala/Tobacco Manufacturers, for supply of Laminates in a clandestine manner via the façade of issuance of goodsless invoices to non-existent / bogus entities. The shareholding pattern M/s. MSPL indicates that the Directors namely Sh. Subodh Kumar Sharma & Sh. Ashish Kumar Singh have negligible capita contribution and they do not have any prior commercial backing or locus standi to conduct affairs of business with turnover running into hundreds of crores. Further, it is far from commercial rationale for any company to extend credit limit exceeding Rs.500 Crores to any entity for a long period of time as observed in this case. It is also pertinent to mention that one of the Ex-Directors of M/s. MSPL namely Sh. Harvinder Singh Matharoo is an ex-employee of M/s. MEPL and left the company after the instant investigation was initiated against M/s. MSPL & M/s. MEPL. All the aforesaid facts point to the direction of M/s MSPL being a dummy entity run by M/s. MEPL itself.

8.2 Whereas, vide multiple summons, M/s. MSPL and its Directors have been directed to join investigation, however, they have not cooperated so far. As brought out in the petition filed by M/s. MEPL before the NCLT, an amount of Rs.5,161,762,767/- remains unpaid by M/s. MSPL to M/s. MEPL on account of the goods supplied to the former by the latter and the



period of above outstanding payments is beyond 6 months. Bifurcation of taxable value and applicable tax on the same is explained below in tabular form :-

Taxable Value	Rate of GST	GST applicable	Total amount payable
Rs. 437,43,75,226/-	18 %	Rs. 78,73,87,541/-	5161762767/-

9 Whereas, Section 16 of the CGST Act, 2017 provides for the eligibility and conditions for taking input tax credit (ITC) and the same is reproduced as under: -

*Section 16. Eligibility and conditions for taking input tax credit. -*

*(1) Every registered person shall, subject to such conditions and restrictions as may be prescribed and in the manner specified in section 49, be entitled to take credit of input tax charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person.*

*(2) Notwithstanding anything contained in this section, no registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless,-*

*(a) he is in possession of a tax invoice or debit note issued by a supplier registered under this Act, or such other tax paying documents as may be prescribed;*

*(aa) the details of the invoice or debit note referred to in clause (a) has been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note in the manner specified under section 37;*

*(b) he has received the goods or services or both.*

*Explanation .- For the purposes of this clause, it shall be deemed that the registered person has received the goods or, as the case may be, services-*



*(i) where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;*

*(ii) where the services are provided by the supplier to any person on the direction of and on account of such registered person;*

*(ba) the details of input tax credit in respect of the said supply communicated to such registered person under section 38 has not been restricted;*

*(c) subject to the provisions of section 41, the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilisation of input tax credit admissible in respect of the said supply; and*

*(d) he has furnished the return under section 39 : Provided that where the goods against an invoice are received in lots or instalments, the registered person shall be entitled to take credit upon receipt of the last lot or instalment:*

*Provided further that where a recipient fails to pay to the supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, the amount towards the value of supply along with tax payable thereon within a period of one hundred and eighty days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon, in such manner as may be prescribed :*

*Provided also that the recipient shall be entitled to avail of the credit of input tax on payment made by him of the amount towards the value of supply of goods or services or both along with tax payable thereon.*

10. Whereas, Section 155 of the CGST Act provides that the burden of proof for availing input tax credit shall lie on the claimant, thus "Where any person claims that he is eligible for input tax credit under this Act, the burden of proving such claim shall lie on such person."



11. Whereas, Section 50 of the CGST Act provides that:

*(1) Every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding eighteen per cent., as may be notified by the Government on the recommendations of the Council:*

*Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be levied on that portion of the tax that is paid by debiting the electronic cash ledger.*

*(2) The interest under sub-section (1) shall be calculated, in such manner as may be prescribed, from the day succeeding the day on which such tax was due to be paid.*

*(3) Where the input tax credit has been wrongly availed and utilised, the registered person shall pay interest on such input tax credit wrongly availed and utilised, at such rate not exceeding twenty-four per cent. as may be notified by the Government, on the recommendations of the Council, and the interest shall be calculated, in such manner as may be prescribed]*

12. Whereas, Section 74 of the CGST Act, provides that:

**Section 74. Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised by reason of fraud or any willful- misstatement or suppression of facts.-**

(1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so



short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty equivalent to the tax specified in the notice.

(2) The proper officer shall issue the notice under sub-section (1) at least six months prior to the time limit specified in sub-section (10) for issuance of order.

(3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.

(4) The service of statement under sub-section (3) shall be deemed to be service of notice under sub-section (1) of section 73, subject to the condition that the grounds relied upon in the said statement, except the ground of fraud, or any wilful-misstatement or suppression of facts to evade tax, for periods other than those covered under subsection (1) are the same as are mentioned in the earlier notice.

(5) The person chargeable with tax may, before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 and a penalty equivalent to fifteen per cent. of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment.

(6) The proper officer, on receipt of such information, shall not serve any notice under sub-section (1), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder.

(7) Where the proper officer is of the opinion that the amount paid under sub-section (5) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.

(8) Where any person chargeable with tax under sub-section (1) pays the said tax along with interest payable under section 50 and a penalty equivalent to twenty-five per cent. of such tax within thirty days of issue of the notice, all proceedings in respect of the said notice shall be deemed to be concluded.



(9) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order.

(10) The proper officer shall issue the order under sub-section (9) within a period of five years from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within five years from the date of erroneous refund.

(11) Where any person served with an order issued under sub-section (9) pays the tax along with interest payable thereon under section 50 and a penalty equivalent to fifty per cent. of such tax within thirty days of communication of the order, all proceedings in respect of the said notice shall be deemed to be concluded.

13. Whereas, Section 122 of the CGST Act provides for penalty for certain offences, which is reproduced as under: -

- (i) *Where a taxable person who...*
- (ii) *issues any invoice or bill without supply of goods...in violation of the provisions of this Act or the rules made thereunder;*
- (iii) *collects any amount as tax but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due;*
- (iv) *collects any tax in contravention of the provisions of this Act but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due;*
- (vi) *fails to collect tax in accordance with the provisions of sub-section (1) of section 52, or collects an amount which is less than the amount required to be collected under the said sub-section or where he fails to pay to the Government the amount collected as tax under sub-section (3) of section 52;*
- (vii) *takes or utilises input tax credit without actual receipt of goods ...either fully or partially, in contravention of the provisions of this Act or the rules made thereunder;*
- (viii) *fraudulently obtains refund of tax under this Act;*
- (ix) *takes or distributes input tax credit in contravention of section 20, or the rules made thereunder;*



(x) falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information or return with an intention to evade payment of tax due under this Act...

(xiii) obstructs or prevents any officer in discharge of his duties under this Act: ...

(xvi) fails to keep, maintain or retain books of account and other documents in accordance with the provisions of this Act or the rules made thereunder;

(xvii) fails to furnish information or documents called for ...or furnishes false information or documents during any proceedings under this Act...

he shall be liable to pay a penalty of ten thousand rupees or an amount equivalent to ...input tax credit availed of or passed on or distributed irregularly...whichever is higher.

(2) Any registered person .... Where the input tax credit has been wrongly availed or utilised, --

(a) for any reason, other than the reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be liable to a penalty of ten thousand rupees or ten per cent of the tax due from such person, whichever is higher;

(b) for reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be liable to a penalty equal to ten thousand rupees of the tax due from such person, whichever is higher.

(3) Any person who...

(a) aids or abets any of the offences specified in clauses (i) to (xxi) of sub-section (1)...

shall be liable to a penalty which may extend to twenty-five thousand rupees."

14. Section 20 of Integrated Goods and Services Tax Act, 2017 provides as under:

Subject to the provisions of this act and the rules made thereunder, the provisions of CGST act relating to -

(i) scope of supply;

(ii) composite supply and mixed supply;

(iii) time and value of supply;

(iv) input tax credit;

(v) registration;

(vi) tax invoice, credit and debit notes;

(vii) accounts and records;



(viii) returns, other than late fee;  
(ix) payment of tax;  
(x) tax deduction at source;  
(xi) collection of tax at source;  
(xii) assessment;  
(xiii) refunds;  
(xiv) audit;  
(xv) inspection, search, seizure and arrest;  
(xvi) demands and recovery;  
(xvii) liability to pay in certain cases;  
(xviii) advance ruling;  
(xix) appeals and revision;  
(xx) presumption as to documents  
(xxi) offences and penalties;  
(xxii) job work;  
(xxiii) electronic commerce;  
(xxiv) transitional provisions; and  
(xxv) miscellaneous provisions including the provisions relating to the imposition of interest and penalty,

*shall, mutatis mutandis, apply, so far as may be, in relation to integrated tax as they apply in relation to central tax as if they are enacted under this Act.*

15. Whereas, on the basis of foregoing paras, it appeared that M/s MSPL had failed to fulfill the aforementioned requirements of law and hence contravened the above provisions of the Act, *ibid* and the Central Goods and Service Tax Rules, 2017& State Goods and Service Tax Act, 2017. In view of facts and findings discussed above, it appeared that M/s MSPL received Laminates under the cover of various sale invoices issued by M/s. MEPL. Correspondingly, M/s. MSPL issued sale invoices in the name of non-existent/bogus entities thereby passing on fake ITC amounting to Rs. 132,22,90,046/- and diverted the goods elsewhere to the establishments of Pan Masala/Tobacco Manufacturers, which is evident from the transportation data/evidences recovered from the transporter's premises. As such, M/s. MSPL have rendered themselves liable for Penalty under Section 122 for issuance of godsless invoices and passing on fraudulent ITC. Further, an amount of Rs.5,161,762,767/- remains unpaid by M/s. MSPL to M/s. MEPL on account of the goods received, beyond a



period of 180 days, however, the ITC involved in said transactions hasn't been reversed by M/s. MSPL whereby violating the provisions of Section 16(2) of CGST Act 2017 and the ITC involved amounting to Rs. 78,73,87,540/- is liable to be recovered from them along with interest as applicable under the provisions of Section 50 of CGST Act, 2017. Had the department not initiated investigation against M/s. MSPL, the above facts would have remained unearthed. Therefore, M/s. MSPL have also rendered themselves liable for penal action under the provisions of Section 74 of the CGST Act, 2017/SGST Act, 2017. Further, for committing the offence of availment of inadmissible ITC, they have also rendered themselves to penalty under Section 122 of the CGST Act, 2017 read with mirror provisions of the SGST Act, 2017 & the IGST Act, 2017.

16. The Present & Ex-Directors of M/s MSPL have also been hand in gloves with M/s. MEPL for carrying out the above fraud. Further, they haven't extended any sort of cooperation with the investigations and remained absent despite issuance of multiple summons to them. Hence, they have also rendered themselves liable for penal action under Section 122 of the CGST Act 2017. Furthermore, Shri Sujeet Kumar Singh, Director & Operator of M/s Bharat Transport Company Private Limited acted as a key player in the entire modus of tax evasion by M/s. MSPL and facilitated diversion of goods to the manufacturers of Pan Masala/Tobacco through its vehicles. As such, Shri Sujeet Kumar Singh, Director of M/s. Bharat Transport Company Private Limited has also rendered himself liable for penal action under Section 122 of the CGST Act 2017.

16.1 Now, M/s Montage Sales Private Limited, GSTIN-07AAMCM9016D1ZG (presently known as M/s Lagrowth Associates Private Limited, G-242, Ground Floor, Ghazipur Road, Delhi-110096) therefore called upon to show cause to the Additional/Joint Commissioner, CGST Delhi West Commissionerate having office at 4th & 5th Floor EIL Annexe Building, Bhikaji Cama Place, New Delhi - 110066 within 30 days of the receipt of this Show Cause Notice as to why:-

- (i) ITC amounting to Rs. 132,22,90,046/- against issuance of goods less invoices to various entities shouldn't be recovered from them under proviso to Section 74(1) along with interest payable thereon under Section 50 of the CGST Act, 2017 read with relevant provisions of the Delhi GST Act, 2017.



- (ii) Penalty shouldn't be availed under Section 122(1)(ii) for issuance of goods less invoices to fake firms and passing on fraudulent ITC amounting to Rs. 132,22,90,046/-.
- (iii) ITC amounting to Rs. 78,73,87,540/- wrongly availed on value of Rs. 437,43,75,220/- which has not been paid to M/s MEPL and shouldn't be recovered from them under proviso to Section 74(1) along with interest payable thereon under Section 50 of the CGST Act, 2017 read with proviso to Section 16 (2) ( d ) of the CGST Act, 2017 and relevant provisions of the Delhi GST Act, 2017.
- (iv) Penalty shouldn't be recovered from them under Section 74 of the CGST Act, 2017.

16.2 Whereas, from the facts and findings as stated above, it appears that **Sh. Harvinder Singh Matharoo, Sh. Jasmeet Singh**, both Ex-Directors of M/s MSPL and Sh. Subodh Kumar Sharma , Sh. Ashish Kumar Singh, both present Directors of M/s MSPL, jointly and severally have committed offences:-

- i) Non reversal of ITC amounting to Rs. 78,73,87,540/- on non payment to its vendors within time-period of 180 days.
- ii) Passed on ITC of Rs. 132,22,90,046/- on goodsless invoices to different entities.

and **Sh. Harvinder Singh Matharoo , Sh. Jasmeet Singh**, both Ex-Directors of M/s MSPL and Sh. Subodh Kumar Sharma , Sh. Ashish Kumar Singh, both present Directors of M/s MSPL masterminded the said fraud, with intent to evade payment of CGST/SGST/IGST.

16.2.1 Now, therefore **Sh. Harvinder Singh Matharoo , Sh. Jasmeet Singh**, both Ex-Directors of M/s MSPL and Sh. Subodh Kumar Sharma , Sh. Ashish Kumar Singh, both present Directors of M/s MSPL are hereby called upon to show cause to the Additional/Joint Commissioner, CGST Delhi-North Commissionerate, having office at C.R. Building, I.P. Estate, New Delhi-110109, within 30 days of the receipt of this Show Cause Notice as to why:-

(i) They should not be treated as the person retaining the benefits arising out of issuance of goodsless invoices by M/s. MSPL, in terms of Section 122(1A) and non-reversal of ITC against non-payment to its suppliers even after expiry of period of 180 days in terms of Section 74 of the CGST Act 2017 read with relevant provisions of the Delhi SGST Act 2017 and IGST Act 2017.

(ii) Penalty as applicable for non reversal of ITC of Rs. 78,73,87,540/- on non payment to its suppliers entities within time-period of 180 days should not be imposed upon them under Section 74 of the CGST Act, 2017 read with relevant provisions of the Delhi SGST Act, 2017 & the IGST Act, 2017.



(iii) Penalty as applicable for wrongly passing on the ITC of Rs. 132,22,90,046/- on goodsless invoices should not be imposed upon them under Section 122(1)(ii) of the CGST Act, 2017 read with relevant provisions of the Delhi SGST Act, 2017 & the IGST Act, 2017.

16.3 Whereas, from the facts and findings as stated above, it appears that Sh. Sujeet Kumar Singh, Director of M/s Bharat Transport Company Private Limited has facilitated passing on of fraudulent ITC of Rs. 132,22,90,046/- by M/s MSPL on goodsless invoices to different entities.

16.3.1 Now, therefore Sh. Sujeet Kumar Singh, Director of M/s Bharat Transport Company Private Limited is hereby called upon to show cause to the Additional/Joint Commissioner, CGST Delhi-North Commissionerate, having office at C.R. Building, I.P. Estate, New Delhi-110109, within 30 days of the receipt of this Show Cause Notice as to why:-

i) Penalty as applicable for the above offence should not be imposed upon him under Section 122 of the CGST Act, 2017 read with relevant provisions of the SGST Act, 2017 & the IGST Act, 2017.

17. The noticees should produce at the time of showing cause, the evidence, documentary or otherwise, on which they intend to rely in support of their defence. They should also mention in their written explanation whether they wish to be heard in person or through their legal representative/counsel before adjudication of the case. If no such mention is made in their written explanation, it will be presumed that they do not wish to be heard in person.

18. The noticees should also note that if no cause is shown against the action proposed to be taken within the stipulated period of 30 days or if they do not appear before the adjudicating authority when the case is posted for hearing, the case will be decided ex-parte on the basis of evidence already available on record.

19. This show cause notice is issued without prejudice to any other or further action that may be taken against the noticees, either in this case or any other case under the provisions of CGST Act, 2017 read with section 20 of IGST Act, 2017 and SGST Act, 2017 and Rules made thereunder or any other law for the time being in force.

20. Copies of all the relied-upon-documents, as per the enclosed RUD List, are attached to this show Cause Notice.

21. The non-relied upon documents to the show cause notice, resumed during the course of investigation, may be collected from O/o Directorate General of GST Intelligence,



Gurugram Zonal Unit, 1<sup>st</sup> Floor, Plot No.44, Sector-32, Gurugram, Haryana-122001, within 30 days of receipt of this Show Cause Notice.

22. The above Show Cause Notice is limited to the issues of GST as mentioned above and does not restrain the department from demanding tax, duties and liabilities on other issues, if any, for the period covered under this notice.

Encl: Relied Upon Documents (1-6).

*Dr. Bijendra K. Meena*  
08/5/2023

(Dr. Bijendra K. Meena)  
ADDITIONAL DIRECTOR

**BY REGD. POST A.D/By Hand/By Email**

1. M/s Montage Sales Private Limited, GSTIN-07AAMCM9016DIZG (presently known as M/s Lagrowth Associates Private Limited, G-242, Ground Floor, Ghazipur Road, Delhi-110096).
2. Ex-Directors of MSPL
3. Present Directors of MSPL
4. Sujeet Kumar Singh, Bharat Transport

Copy submitted for information and necessary action to:-

1. The Principal Commissioner, CGST Delhi-North Commissionerate, C.R. Building, I.P. Estate, New Delhi-110109 - For allocation of adjudication of this SCN to the Addl/Joint Commissioner posted in the Commissionerate, in terms of Circular No.169/01/2022-GST dated 12/03/2022.
2. The Additional/Joint Commissioner, CGST Delhi-North Commissionerate, C.R. Building, I.P. Estate, New Delhi-110109 - For adjudication.
3. Sh. Mohan Lal Jain, (Resolution Professional), F-2/28, Sector-15, Rohini, New Delhi-110089. (E-mail Id- [ml.jain@sumedhamanagement.com](mailto:ml.jain@sumedhamanagement.com)) with reference to company



Petition No. (IB)-796(ND)/2022 passed by Hon'ble NCLT, NEW DELHI vide order dated 10.02.2023.

4. Notice Board.

(Rajkaran Agarwal)  
Deputy Director

