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## Mumbai GST Directors Arrested in ₹50 Crore Fraud.

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– Categories: Crime



The State GST Department has arrested two company directors in Mumbai for allegedly orchestrating fraudulent Input Tax Credit (ITC) claims amounting to over ₹50 crore. The arrests come as part of an ongoing crackdown against tax evasion through fake invoicing.

According to officials, **Yashwant Kumar Tailor**, director of *Magic Gold Bullion Pvt Ltd*, claimed ₹30.5 crore in ITC based on invoices issued by non-existent firms. Investigations revealed that between **June 2020 and June 2025**, the company allegedly generated fake

purchase transactions without having the infrastructure or manpower required to support such large-scale operations.

Authorities further stated that Tailor did not cooperate with the investigation and failed to provide relevant documents or appear before the department when summoned. He was subsequently arrested for his involvement in the fraudulent claims.

In a separate case, **Om Jay Ramrakhiani**, director of *RFIC Trading Pvt Ltd*, was taken into custody for allegedly evading GST of over ₹20.05 crore. Officials noted that his company had also engaged in suspicious transactions to generate false ITC claims.

Both arrests highlight the State GST Department's efforts to identify and penalize those attempting to exploit loopholes in the tax system. The department has intensified monitoring of ITC claims and continues to investigate other firms that may be involved in similar fraudulent activities.

Officials emphasized that the crackdown serves as a warning to businesses attempting to misuse GST provisions. By inflating transactions through non-existent firms, such entities not only cause financial loss to the government but also undermine the integrity of the tax framework.

The cases of Tailor and Ramrakhiani are expected to proceed under relevant provisions of the Goods and Services Tax Act, with further investigations likely to identify additional individuals or entities linked to the fraud. Authorities confirmed that more arrests may follow as the inquiry expands.

The GST system, introduced in 2017 to streamline indirect taxation across India, has faced challenges with fraudulent ITC claims. Enforcement agencies have since increased the use of data analytics and inter-departmental coordination to detect irregularities and ensure compliance.

The State GST Department reiterated its commitment to curbing tax evasion and safeguarding revenue collection. The arrests in Mumbai mark another significant step in strengthening enforcement against financial fraud in India's taxation system.