IMPORTANT NOTICE

All India Mobile Retailers Association ®
AIMRA

Celebrating 8 years of AIMRA

Reference No: IN-0104-01

Dated: 1st April 2023

'Say 'No' to Fake Invoice Against Credit Notes'

What is a "Fake Invoice"?

Fake Invoice refers to a "Non-Compliant GST Invoice".
"Non-Compliant GST Invoice" means any invoice which does not comply with the provisions of the CGST Act and Rules, 2017. Usually, "Fake Invoice" refers to non-compliant GST invoice of the following types:

a. Invoice without any "Supply" of Goods or Services
b. Invoice with a "Non-Compliant" Goods Or Services.

What are Induced FAKE INVOICES in Mobile Retail?

a. Distributors demanding Invoices to issue credit notes in the name of board installation or any other head. The point is Invoice issued against no service and material supply. Recently media reports shared an OPPO employee been arrested in FAKE Invoice / E-way bills.

Consequences of "Fake Invoice"?

Any business or trade found indulging in issuance of "Fake Invoice" to earn Input Tax Credit which is illegal are liable for punishment under various heads of the CGST Law. Section 132 of CGST act 2017, Section 69 entails authorities with 'Power to arrest. Preparing and trading "Fake Invoice" is a criminal activity; this crime is punishable under the law with maximum imprisonment of up to five years, in addition to recovery of illegal Input Tax Credit with Interest and penalty.

What is the Socio - Economic effect of "Fake Invoice"?

It is a social menace; it is against economy, society, and development. Illegal Input Tax Credit earned using "Fake invoice" is a drain on the economy and affects the GST revenue collections. Evil forces use "Fake Invoice" to generate "cash" which is most likely to be used for nefarious crimes and to fuel social tension.

IMPORTANT NOTICE

All India Mobile Retailers Association ®

AIMRA

• Celebrating •

years of AIMRA

Reference No: IN-0104-01

Dated: 1st April 2023

Solution & Word of Caution:

Say No to FAKE Invoices!

a) Contact your Auditors and GST consultant for better clarity to avoid consequences.

b) Ask your distributors to issue GST Credit notes without any fake invoices to avoid any future consequences on account of breach& bypass of taxation laws.

c) **Strictly demand GST credit Notes**

d) Samsung Oppo, Vivo, & Realme' as brands, indulge in issuing commercial/ Financial credit notes which have been questioned by the GST department and retailers have received notices from the law enforcement units.

What is your role as responsible Retailer and citizen of Country?

If you come across any such undue demands forcing, you to indulge into issuance of 'Fake Invoices' immediately.

- Raise a query in writing to seek clarity of its legality after consulting with your auditor.
- Strictly say 'No to Fake Invoicing'.
- Escalate to info@aimra.org for taking it with the brand for necessary corrections.

Disclaimer - Issued in retailers' interest for awareness & correct compliance to avoid future consciousness based on discussion and inputs received from Retailers (who got the GST notices), GST & B4 Company expert by AIMRA leaders.

Regards,

Team AIMRA