

Income Tax raids businesses in Srinagar and Kupwara

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By TIOL News Service

NEW DELHI, SEPT 03, 2020: THE Income Tax Department has carried out simultaneous search and seizure operations on 2nd September, 2020 in the case of three prominent businessmen in Srinagar and Kupwara. These operations have, prima facie, led to the detection of huge amount of undisclosed income, seizure of unaccounted assets and incriminating evidence and involvement in benami transactions by these three groups.

The search action revealed that the key person of one of the groups, although engaged in Cross-LOC trade until the suspension of trade by the Government in April 2019, has not filed his Income Tax Returns. He was also found to be having two active PANs. His proprietary concern has made exports of over Rs. 25 crore in the last few years. However, no income tax has been paid at all. Incriminating documents related to the LoC trade have been seized from the Custodian of cross-LOC trade, indicating large-scale tax evasion. There are also evidences of unexplained expenditure on the education of his daughter in Pakistan.

In another case, the key person and his brother were engaged in Cross-LOC trade until the suspension of trade by the Government. He had made total exports of Rs 3 crore in the last two years, while he had filed his Income Tax Return for only one year and that too, showing meager receipts. The Income Tax Return filed also does not match with the credits in multiple bank accounts which run into crores of rupees. Further, evidences showing illegal trade in violation of suspension of cross LoC trade have been seized. The passport of the assessee reveals that he had travelled to Pakistan for 20-25 days every calendar year since 2017 and the source of expenditure on this account is prima-facie unexplained.

In yet another case, it was seen that the group was engaged in Cross- LOC trade of vegetables and fruits. In this case, unaccounted cash of Rs. 15 lakh has been seized. The group is having multiple concerns. However, transactions of these concerns have not been reflected in their Income Tax Returns. In the case of a person of this group, who is a non-filer, documents pertaining to the unaccounted business transactions of about Rs.10 crore have been seized. In another case of a firm, one of the partners in the firm has admitted that his name was only being used, though he was not involved in any activity of the firm. The matter is being examined from the angle of Benami transactions. A locker has also been found which is yet to be searched and has been placed under restraint.

Further investigations are going on.