

## Income tax raids two govt contractors; detects bogus claims

By TIOL News Service:

**NEW DELHI, OCT 21, 2020:** THE Income Tax Department carried out searches on Monday in the cases of two Government contractors having premises in Purnea, Kishanpur and Saharasa and a silk trader in Bhagalpur in Bihar. The searches were based on intelligence gathered, which indicated that large scale unaccounted cash was being generated and used for various purposes.

The contractors were making bogus claims of labour, transportation and fuel expenses, which were found to be not supported by any document. Further, they have been found to be withdrawing money in cash from the bank accounts of fictitious parties. Incriminating documents including signed blank cheques have been seized during the searches. In some cases, the liabilities were shown to be continuing in the books of accounts for bogus expenses. They were also maintaining undisclosed bank accounts, in which unaccounted cash was being deposited which was used for making fixed deposits, which in turn were pledged to Government departments as security for getting contracts. Large cash withdrawals have also been noticed in these bank accounts. The assessee could not explain the purpose of these cash withdrawals. The transactions in the undisclosed bank accounts are being examined.

During the search, unaccounted cash, fixed deposits and bullion of more than Rs. 2.40 crore have been seized/restrained. In the case of the silk trader, unaccounted stock has also been detected. Evidences indicating suppression of income of about Rs. 10 crore, along with documents showing large unaccounted investments in immovable properties have been found and seized. These properties are in the process of being valued and attached. Further investigations are in progress.