ONE-STOP DESTINATION FOR TAXMAN AND TAXPAYER

Income Tax raids doctors & civil contractors; detects cash and forensic evidences of bogus entries

By TIOL News Service

NEW DELHI, JAN 12, 2021: WITH the financial year advancing close to an end and the fiscal deficit precariously soaring to a new high, the Income Tax Department has stepped up its pedal on search and survey across the country. In the latest operation, it swooped down on popular doctors and medical professionals in Assam and cash-friendly civil contractors in Hyderabad. In the first case, it detected unexplained entries of over Rs 100 Crore and in the second, accommodation entries worth Rs 160 Crore.

The I-T sleuths raided as many as 29 premises in Guwahati, Dibrugarh and Nalbari last Friday. During the operation, the group of professionals was found to be engaging in out-of-books transactions. Many documents and cash receipt slips were found which highlighted the hugely suppressed turnover in the case of their hospitals and clinics.

The quantum of suppressed turnover detected in few cases alone appears to be upward of Rs 50 to Rs 60 crore. Further, the net profit shown in the medical and pharmaceutical business is also extremely low, stated the Press Release.

Total cash of about Rs 7.54 crore was seized by the IT sleuths from various residential and business premises of the medical professionals and their allied business. An unexplained amount of Rs 1.76 crore cash was also found in Nalbari in the hands of various hospitals and medical professionals.

Papers of huge parcels of land purchased in cash were also seized. Hand written notes show further investments made in immovable assets in cash of around Rs 20 crore.

In the second case, accommodation entries of over Rs 160 crore were found in Hyderabad. The Department also found income tax evasion using bogus sub-contractors and shell entities along with enquiries made relating to entities flagged for providing fake Input Tax Credit.

The search was carried out on 19 premises of a prominent civil contractor working in Hyderabad, generating cash through the use of bogus sub-contracts and bogus billers.It covered a network of individuals running the racket of entry operation and generation of huge cash through fake billing.

Statements of such entry operators, their dummy partners or employees, the cash handlers of the beneficiaries have also been recorded by the IT Department, clearly validating the entire money trail.

The search has led to seizure of evidences of bogus sub-contracts being given through intermediaries operating shell entities.

Evidence of the use of this modus to generate huge unaccounted cash was found along with details of the entire network of the entry operators, intermediaries, cash handlers, beneficiaries and the firms and companies involved.

Forensic analysis of digital data has been used as evidence. Further investigations are ongoing.