

## Income Tax raids Healthcare Provider Groups in Haryana and Delhi

By TIOL News Service

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Income Tax Department carried out search and seizure operations on 27.07.2022 on several groups engaged in the healthcare services by running hospitals. A total of 44 premises were covered during the search action in Delhi-NCR.

During the course of the search operation, huge incriminating physical and digital evidence has been seized.

The analysis of evidences revealed that the one of the groups was maintaining a parallel set of books of account, indicating systematic under-reporting of receipts received from patients in cash. The modus-operandi adopted by this group included removal of invoices or deflation of the invoice amount by marking them as "Discounts/Concessions" etc., at the time of discharge of patients from the hospital. This practice, resulting in evasion of income, is being followed across all the hospitals of the group and is spread over various years.

The other healthcare groups covered in the search operation have been found to be engaged in obtaining either bogus or inflated invoices for pharmaceutical drugs and/or medical devices such as stents, leading not only to suppression of actual profits, but also overcharging from the patients. The money trail found during the investigations has further corroborated the fact that the groups have been receiving back cash in lieu of payments made through banking channels for these bogus/inflated invoices. One of the hospitals of these groups was also found to be claiming wrong deduction over the years without fulfilling the necessary conditions for the hospital to be eligible as specified business.

The seized evidence has also revealed the practice of referral payment to doctors and clinics without duly recording these in the books of account. The referral payment has been fixed at a percentage of invoices raised to the patients. Evidences pertaining to transaction of benami nature have also been uncovered during the search action.

The search operation has led to the seizure of unexplained cash of over Rs.3.50 crore and jewellery valued at Rs. 10.00 crore. So far, the unaccounted income of all the groups detected in these operations, is estimated to be more than Rs. 150 crore. More than 30 bank lockers have been put under restraint.