

Income Tax Department conducts searches in Punjab and Haryana

Posted On: 10 SEP 2021 5:14PM by PIB Delhi

The Income Tax Department conducted search and seizure operations on 08.09.2021 on three prominent Commission agent groups based in Punjab, covering many premises across Punjab & Haryana. These groups are also engaged in the business of running Steel Rolling Mill, cold storage, General Mills, Jewellery shop, Poultry, Rice Mills, Oil Mill, Flour Mill apart from the business of Commission Agents.

The search action revealed that these Groups are suppressing their business receipts and inflating expenses. They also do not account for most of the sums received and paid in cash. Further, certain documents showing payments of on-money in cash in acquiring immovable properties have been recovered and seized. In one of the groups, it has been found that the purchases of fruits have been done during the harvest period at low cost, whereas the sales have been done in odd period at very high rates after storing the goods in cold storage. Similar modus operandi has been found in other Groups. Major findings are as under:

1. Books of accounts (Kacha Khata Bahi) in Laddo script have been found, which show substantial unaccounted transactions running into crores. These books of account are being deciphered with the help of an expert. Parallel sets of books of accounts of some of the business concerns have also been found which show suppression of gross business receipts running into crores on yearly basis.
2. It is found that advances in cash aggregating to crores are given to farmers and interest rates of 1.5 % to 3.00% per month is charged. The interest is received in cash and not shown in the books of account.
3. Cash purchase and sale related to poultry business and Rice sheller worth more than Rs. 9.00 crore has been found. Unaccounted purchases amounting to Rs. 1.29 crore have been found from one of the premises situated in Jalandhar. Details of unaccounted sales have also been found.
4. Two suspected benami firms in the names of employees have been unearthed, whose turnovers are in crores per year.
5. In one of the concerns, the main assessee has accepted that payments in violation of Section 40A(3) of the Income-tax Act, 1961 have been made running into crores over the years, by accounting the same after splitting the payments in the books of account.
6. In Steel Rolling Mills, discrepancy in stock of finished goods has been found and stock taking of raw material (scrap) is underway. Unaccounted stock of finished goods of more than Rs.25 lakh has been worked out as yet.
7. Unaccounted investment in immovable property amounting to Rs. 3.40 crore has been detected and has also been accepted by the owners of the properties covered during the search.
8. At some premises, the digital evidence found has been seized, analysis of which is in progress.
9. Diversion of business funds as interest free loans/advances to family members of one of the Groups has been detected by the search team.
10. Unaccounted Cash aggregating to Rs.1.70 crore has been found in these groups.

Unexplained jewellery valued at Rs. 1.50 crore has been found. Unexplained stock of Flour valued at Rs.1.50 crore has also been found. Eight Bank lockers have been put under restraint, which are being operated today.

The search operation is still continuing and further investigations are in progress.

RM/KMN

(Release ID: 1753867)