

**Government of India
Department of Revenue
Ministry of Finance
Central Board of Direct Taxes**

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PRESS RELEASE

Income Tax Department conducts searches in Assam

The Income Tax Department started a search and survey action on 04/12/2020 in the cases of leading Coal Traders of Assam. The search and survey actions are being carried out at 21 locations in Guwahati, Digboi, Margherita and Delhi.

The main allegations against the group are that it has routed accommodation entries of more than Rs.23 crore and Rs.62 crore in the form of non-genuine share capital and non-genuine unsecured loans respectively, through certain Kolkata-based shell companies. All this was done by suppression of its true net profit.

During the course of the search action, it has been established that the group engages in out-of-books transactions. Handwritten documents/Diaries regarding cash transactions have been recovered which are not reflected in the regular books of accounts. Such transactions detected so far across all the locations combined is upwards of Rs.150 crore, of which payments made of a total of more than Rs.100 crore have been found to be violative of various sections of the Income-tax Act, 1961. Such seized documents are voluminous and are being investigated further.

Further, loan transactions made in cash were also found to be more than Rs.10 crore. Stock difference of more than Rs.7 crore was found and no cogent explanation regarding the same was provided.

In the office of the Kolkata-based shell company acquired by one of the entities of the group, no books of accounts and ROC mandated documents were found, proving the same to be a bogus entity used only to route unaccounted income of the group.

Unexplained cash of approximately Rs.3.53 crore has also been found during the search, which has been seized by the Department. Cash investments in Share Capital during demonetization period were also detected.

Further investigations are going on.

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