

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5962
ANSWERED ON:02.05.2003
BOGUS TDS CLAIMS
RAMDAS ATHAWALE

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the Central Vigilance Agency has unearthed a big scam involving cheating of crores of rupees in the name of bogus tax deduction at source in the Income Tax Department during second week of April, 2003;
- (b) if so, the details thereof; and
- (c) the corrective steps taken in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(Sh. GINGEE N. RAMACHANDRAN)

(a) Yes, Sir. The CBI has registered three cases i.e.RCs.1(A)/2003, 2(A)/2003 and 6(A)/2003 in ACB, Chandigarh branch relating to bogus refunds claimed on the basis of the forged Tax Deducted at Source certificates.

(b) As per Annexure.

(c) To counter any malpractices relating to refund claims, the Central Board of Direct Taxes has issued instructions from time to time, for streamlining the procedure. Some such measures include issue of refunds by Registered Post, chronological processing of refund claims etc. Further, the computerisation of Income Tax Department, which is at an advanced stage, will gradually eliminate human intervention.

Annexure

DETAILS OF BOGUS REFUNDS CLAIMED ON THE BASIS OF FORGED TDS CERTIFICATES AT ROHTAK, BHIWANI AND JAGRAON (PUNJAB).

Case RC.1(A)/03 has been registered on 27.01.2003 against Shri M.C. Sharma the then ITO Rohtak, Shri A.K. Mehta the then ITC Rohtak and Shri D.S. Narwal U.D.C., Shri V.K.Gupta, U.D.C. who entered into criminal conspiracy with each other and with Shri S.K. Bansal, Chartered Accountant r/o 1061/23 D.L.F. Colony Rohtak and Sh. Naresh Gupta/o 81, Adarash Nagar, Bhiwani who after floating fictitious companies filed income tax returns in the name of said companies claiming TDS refunds on the basis of forged and fictitious TDS certificates reportedly to have been issued by existent and non-existent companies based at Surat, Mumbai, Thane, New Delhi etc. and defrauded the Income Tax Department to the tune of Rs.11,17,566/- during the year 1996-2000.

Case RC.2(A)/03 has been registered on 27.01.2003 against Shri R.S. Ranga the then ITO Bhiwani, Sh. V.K. Jain, TA, Sh. Ashok K. U.D.C., Shri Anil Singla, U.D.C., Sh. Pawan Sharma, U.D.C., who entered into a criminal conspiracy with each other and Sh. S.K. Bansal Chartered Accountant r/o 1061/23 D.L.F. Colony Rohtak and Sh. Naresh Gupta/o 81, Adarash Nagar, Bhiwani who after floating fictitious companies filed income tax returns in the name of said companies claiming TDS refunds on the basis of forged and fictitious TDS certificates reportedly to have been issued by existent and non-existent companies based at Dispur (Assam), Guwahati, Kohipurati, Surat, Delhi, Mumbai, Calcutta, Meerut etc. and defrauded the Income Tax Department to the tune of Rs.43,38,424/- during the year 1994-1999.

Case RC.6(A)/03 has been registered on 10.03.2003 against Sh. R.S. Ranga, the then ITO Jagraon, Sh. Paramjit Singh, the then ITC Jagraon, Sh. Hari Chand, the then Sr. T.A., Sh. Sadhu Singh, the then T.A., Sh. Ram Lubhaya, the then T.A. who entered into a criminal conspiracy with each other and Sh. Amarjit Singh Taneja, Advocate, Jagraon, Sh. Hukum Chand Gupta, Advocate, Faridkot, and Sh. Naresh Gupta r/o 81, Adarsh Nagar, Bhiwani who filed Income Tax returns in the names of individuals claiming T.D.S. refunds on the basis of forged and fictitious T.D.S. certificates purportedly to have been issued by existent and non-existent companies/firms based at Mumbai, Kolkata, New Delhi, Lucknow etc. and defrauded the Income Tax Department to the tune of Rs.22,37,266/-.

In this case an attempt was also made by the above named accused persons to claim TDS refunds in the similar fashion, but the same was foiled as refund advices were withheld and the accused persons could not succeed in getting refund that is to the tune of Rs.13,46,390/-.

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