

# **Taxmen to file court cases against bankers, depositors**

The Income Tax department will file court cases for "wilful evasion of taxes" against depositors and those bank authorities who have been found guilty in an RBI probe following allegations of money laundering in a sting operation conducted by an online portal.

The department will prosecute individuals and banking authorities under 276C of the Income Tax Act which deals with the offence of 'wilful attempt to evade tax' and the Central Board of Direct Taxes (CBDT) has issued directions to all its chief commissioners in the country to speed up investigation in their respective jurisdictions with regard to this expose.

The department's action, according to top sources, is based on a RBI report which was obtained in the case of three banks which had featured in the first edition of the online portal's expose.

The RBI report explicitly mentions that in a number of cases neither PAN nor Form-60 was obtained by the banks and in another set of cases "dummy" PAN card numbers were quoted for facilitation of huge cash and deposits.

A Form-60 is a declaration that has to be filed by a person who does not have a Permanent Account Number (PAN).

The department, after going through this RBI report, recently initiated the action of summoning the evidence from banks (under section 131 of I-T Act) and various tax collection ranges of the department will then launch prosecution in the competent courts, sources said.

The department has recently issued notices, summoning for documents, to three private banks-- Axis, ICICI and HDFC-- in this regard and it is now in the process of initiating similar action against 23 other public and private sector banks and insurance companies which figured in the later editions of online news portal Cobrapost.

The department has also begun action in those cases where Form-60 was quoted despite possessing a PAN, which is seen by investigators as an attempt to evade the tax scanner.

The final case papers will be prepared and sent for prosecution after collecting data and evidence from the RBI reports, documents submitted by the banks and internal enquiry reports which were conducted by the individual banks, they said.

Following the exposes by Cobrapost in March, RBI had initiated an investigation into the working of banks. The investigation by RBI reportedly showed some bankers giving suggestions to customers on ways to bypass regulatory norms and the sting operation alleged violation of money laundering and tax laws in this process.

(Business Standard)