

## **Income Tax department to probe Saradha investment schemes**

The Income Tax department will probe investments and finances of Kolkata-based Saradha group which is hitting headlines for allegedly defrauding thousands of depositors.

The department will probe the group even as it is investigating five other similar cases of this kind in West Bengal since last year, top sources in the department said.

Showcause notices for production of documents and recording of statements of promoters, investors and prominent agents in this case could be issued soon, they said.

The I-T, according to sources, will also go through the business and personal accounts of the Chairman of the Saradha group Sudipto Sen and his close associates and the transactions of the groups' various investment schemes, they said

The I-T will also sift all the bank drafts and fixed deposits of the group to check if there were any irregularities as alleged by numerous investors of the schemes floated by the group.

Investors and agents of various investment schemes launched by Saradha group in West Bengal have been protesting against the group alleging dubious ways. The issue has also snow-balled into a political controversy with various parties blaming each other for not taking enough steps to rein in fraudulent deposit-taking activities.

The department had in 2011 cracked a Rs 150 crore 'ponzi' or chitfund scam in West Bengal's Asansol and subsequently it brought on radar a few other firms dealing in this illegal duping business in the state.

Under the scanner of the department are also a number of investment agents who have publicised about the investment schemes of the group, sources said.

"Usually, the modus operandi in such cases is that the firm which collects the money partly uses it to honour the deposits which mature and the balance is siphoned off as cash and investments. The probe will establish the mechanism and if there is tax evasion done by the firm," they said.

A 'ponzi scheme' (popular local name) or chitfund is an illegal investment scheme that pays returns to investors not from the actual profit earned by the operators of the scheme but from illegal funds or money paid by subsequent investors, thereby evading taxes and duping poor people.

Market regulator SEBI has also initiated a probe into the fund-raising activities of Saradha group.

*(Economic times)*