

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

New Delhi, 24th November 2021

PRESS RELEASE

Income Tax Department conducts search operation on two real estate groups based in Delhi-NCR

The Income Tax Department carried out a search and seizure operation on two real estate groups based in Delhi-NCR on **17.11.2021**. These groups are engaged in the construction of commercial and residential projects.

During the course of the search action, various incriminating evidences in the form of digital and physical data have been found and seized. On preliminary analysis of such data, it has been found that these groups are receiving part of the sale consideration in cash against the sale of flats and such cash is not recorded in the books of accounts. Thus, there is a large scale tax evasion, and due tax on such income has not been offered.

The search team has gathered evidence indicating that unaccounted income so earned is routed into the business through non-descript and non-functional shell entities run by professional entry providers or employees/associates of the group working as directors. One of the groups has also been found to be using a network of charitable organizations engaged in educational activities, purportedly for the purpose of tax evasion and financing its real estate business. Evidence has also been found showing that the books of accounts maintained and produced before tax authorities are doctored by 'reversal of payables', 'diminution of investment' & 'bad debts written-off'. Instances of non-genuine claim of expenses by way of bogus purchases by connected parties from non-existent suppliers have also come to notice. Evidences of cash payments made to various parties towards securing land deals and other contracts, and making various unaccounted expenses in real estate activities have been unearthed.

During the search operations, unaccounted cash of **Rs. 10 crore** has also been seized. The evidence gathered so far, prima facie, indicates that undisclosed income could be to the tune of about **Rs. 400 crore**.

Further investigations in these cases are under progress.

(Surabhi Ahluwalia)
Commissioner of Income Tax
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Official Spokesperson, CBDT