

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

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PRESS RELEASE

**Income Tax Department conducts searches on a group engaged in organizing multi-state gaming activities, online betting, etc.**

The Income Tax Department conducted search and seizure operations on a business group engaged in gaming activity, online betting (including cricket betting), etc. on 15.02.2022. Total of 29 premises spread over Mumbai, Delhi, Surat, Jaipur, Pune and Kolkata were covered. The search action revealed that the group was operating in a clandestine manner and had concealed its operations and income from law enforcement agencies. The revenue generated by the group from its activities is largely in cash.

The group operates from Mumbai and has a wide network of agents and area managers in different cities for collection of cash from large customer base who use the websites hosted on cloud servers by private operators. It was detected during the search that, after allotting IDs and passwords to the customers, points are credited into their accounts by agents/area managers after collecting cash from them. The cash is then sent to Mumbai through hawala operators. Handwritten notes, documents and digital evidence containing detailed account of daily cash transactions to be introduced in the books of account have been seized during the search.

The search revealed that the group has been introducing its unaccounted cash into books of account as unsecured loans, security premium, partner's capital, agricultural income, share transactions, commission and trading income, etc., in the form of accommodation entries. This cash has been routed through several layers of dummy/shell companies controlled by the entry provider groups or through hawala channels. The amounts introduced in the books of account have been invested in

real estate and securities market. Preliminary investigation has revealed cash turnover of more than Rs. 600 crore in the last 6 months or so.

Listed securities worth more than Rs. 550 crore and 30 bank accounts have been provisionally attached so far. Cash (including foreign currency) of Rs. 3.08 crore and jewellery worth Rs. 81 lakh has been seized.

Further investigations are in progress.

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