

**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 in Mumbai**

The Income Tax Department carried out search and seizure operations on 25.02.2022 on certain contractors executing contracts of Brihanmumbai Municipal Corporation (BMC), a prominent person and their close associates. In all, more than 35 premises in Mumbai have been covered during the search operation.

During the course of the search operation, numerous incriminating documents, loose sheets and digital evidences have been found and seized. The evidences so seized strongly indicate a close nexus between these contractors and the said person. Particulars of about 3 dozen immovable properties, whose value could be more than Rs. 130 crore have also been detected. It includes properties acquired either in their name or their associates or benamidars. Evidences of their involvement in international hawala transaction and routing of the ill-gotten money to certain foreign jurisdictions have also been recovered. Loose sheets and excel files with details of unaccounted cash receipts and payments aggregating to several crores have also been found and seized, which have not been recorded in the regular books of account.

In the case of contractors, the seized documents reveal the modus-operandi adopted by them for large-scale suppression of taxable income by inflating their expenses. For this purpose, the prominent recourse is over-invoicing of sub-contract expenses through a maze of entities and by claiming non-genuine expenses. Certain instances show that cash has been taken out from these entities and the same has been utilized for obtaining undue favours for awarding of contracts and also for making unaccounted payments for investments in properties. The preliminary investigation indicates that these contractors have evaded income to the extent of Rs. 200 crore on account of the above malpractices.

During the search operation, undisclosed cash of Rs. 2 crore and jewellery of Rs. 1.5 crore have been seized so far.

Further investigations are in progress.

(Surabhi Ahluwalia)  
Commissioner of Income Tax  
(Media & Technical Policy)  
Official Spokesperson, CBDT