

**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 Pune & Thane based unicorn start-up group

Income Tax Department conducted a Search & Seizure operation on a Pune & Thane based unicorn start-up group, primarily engaged in the business of wholesale and retail of construction material, on 09.03.2022. The group has Pan-India presence having annual turnover exceeding Rs. 6,000 crore. A total of 23 premises were covered in Maharashtra, Karnataka, Andhra Pradesh, Uttar Pradesh and Madhya Pradesh, in the search operation.

A large number of incriminating evidences in the form of hard copy documents and digital data have been found & seized during the search operations. These evidences revealed that the group has booked bogus purchases, made huge unaccounted cash expenditure and obtained accommodation entries, aggregating to the tune of over Rs. 400 crore. These evidences were confronted to the Directors of the group, who admitted under oath this modus operandi, disclosed additional income of more than Rs. 224 crore in various assessment years, and consequently offered to pay their due tax liability.

The search action also revealed that the group had obtained huge foreign funding via the Mauritius route, by issuing shares at exorbitantly high premium.

During the search operation, a complex hawala network of some Mumbai and Thane based shell companies, was also unearthed. These shell companies exist on paper, and were created only for the purpose of providing accommodation entries. Preliminary analysis has revealed that the total quantum of accommodation entries provided by these shell entities exceeds Rs. 1,500 crore.

So far, unaccounted cash of Rs. 1 crore and jewellery of the value of Rs. 22 lakh have been seized.

Further investigations are under progress.

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