

**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 Maharashtra

The Income Tax Department carried out a search and seizure operation on 14.03.2022 on a popular chain of educational institutes, running several schools and colleges at multiple locations in India and abroad. The search operation covered more than 25 premises spread over locations in Maharashtra, Karnataka and Tamil Nadu.

During the search, several incriminating evidences including hard copy documents and digital data have been found and seized, which reveal that substantial funds have been siphoned-off from the Trusts for the personal benefit of the group's promoters and their family members, in violation of provisions relating to claim of exemption by the Trusts under the Income-tax Act, 1961.

The modus operandi of siphoning-off the funds from the Trusts includes debiting of bogus expenses in the guise of purchase of goods/services from various dummy companies and LLPs owned by the promoters, their family members, and some of their trusted employees. It was unearthed that no actual goods/services were delivered/rendered by these entities and the same have been corroborated by the employees in their deposition. The money so siphoned-off has been utilised for investment in acquiring benami properties and making unfair payments.

During the search, evidences of about two dozen immovable properties located in Maharashtra, Pondicherry and Tamil Nadu have also been gathered which are either benami properties or not disclosed in the respective returns of Income. These properties have been placed under provisional attachment.

The search also revealed evidences of borrowings on Hundi aggregating to Rs. 55 crore, and their repayment in cash in the form of discharged Promissory Notes/Bills of Exchange, which were found & seized.

The search action has resulted in the seizure of unaccounted cash of Rs. 27 lakh and jewellery worth Rs. 3.90 crore.

Further investigations are in progress.

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