

**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**

Income Tax Department carried out a search and seizure operation on 05.07.2022 on a group engaged in agro and textile business, and another group of entry operators. A total of 27 premises were covered during the search action in Mumbai and Delhi NCR.

During the course of the search operation, a large number of incriminating evidences in the form of hard copy documents and digital data have been found and seized.

It was found during investigation that most of the turnover of the listed companies of the main group has been generated through circular trading. The promoter of the group was involved in systematic manipulation of performance of certain group companies on stock markets, with the help of stock brokers. Several instances of out of books payment to some stock brokers for unlawful purposes, have also been found. All such irregularities have been admitted by both, the promoter and the stock brokers. The group is also supported by a professional person, who is primarily engaged in providing accommodation entries to several other groups, in exchange of cash.

These evidences also revealed that the group has generated huge amount of cash through claiming bogus purchases of various materials including packing material of more than Rs. 100 crore. Moreover, the group has also indulged in unaccounted sales of agro and textile items over Rs. 150 crore. Hand written diaries containing cash transactions have also been found and seized, which have been duly corroborated by statements of some of the counterparties/beneficiaries covered under the search action.

Searches were also conducted in case of another group which is involved in providing accommodation entry. This group is found to be operating and controlling various concerns including LLPs, companies and proprietorship concerns through which accommodation entry of sale and purchase of cut and polished diamond as well as shares are given in the guise of genuine business. The main persons of the group have admitted in their statement under oath, about arranging accommodation entries pertaining to expenses and unsecured loans for various beneficiaries, against cash. A preliminary analysis of few years of such transactions shows that accommodation entries in the nature of bogus loans and expenses exceeding few hundred crore have been provided through these entities.

Unaccounted cash of Rs. 1.4 crore has been seized during the search operation.

Further investigations are in progress.

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