

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

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PRESS RELEASE

Income Tax searches lead to detection of undisclosed foreign assets of more than Rs. 1000 crore

Taking forward the mission of the Government against black money, particularly undisclosed foreign assets, the Income Tax Department conducted searches on 19th January, 2020, on a group which has been on their radar for having substantial undisclosed foreign assets. The operation covered 13 premises in NCR.

The group is a leading member of the hospitality industry, running a hotel abroad and a chain of luxury hotels under a prominent brand name, situated at various locations in India.

The search operation has so far resulted in seizure of unaccounted assets valued at **Rs. 24.93 crore** (*cash of Rs. 71.5 lakh, jewellery worth Rs.23 crore and expensive watches valued at Rs.1.2 crore*).

Evidence seized during the search reveals that a large amount of black money was stashed abroad by the group, through the mechanism of Trusts, formed in **early 1990s** in tax havens.

Such foreign holdings of the main persons have remained hidden for decades beneath complex multi layered structures, located in different countries, ensuring secrecy. Search action further revealed that one of the close relatives of the promoter family was intentionally introduced as a front to ostensibly escape the provisions of domestic tax laws.

The investigation has successfully lifted the veil, leading to detection of undisclosed foreign assets of more than **Rs. 1000 crore**, apart from domestic tax evasion of more than **Rs. 35 crore** which may, *inter alia*, lead to consequences under the Black Money Act, 2015, as also, action under the Income-tax Act, 1961 respectively. Foreign assets include investment in a Hotel in UK, immovable properties in UK and UAE and deposits with foreign banks. Further investigations are in progress.

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