

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

New Delhi, 17th March, 2021

PRESS RELEASE

Income Tax Department conducts searches in Tamil Nadu

The Income Tax Department carried out searches on 11.03.2021 in the case of a group of individuals who are involved in handling huge amount of cash and routing unaccounted money through foreign entities and bank accounts of their related concerns. The search operation was carried out at 20 premises located in Chennai, Coimbatore, Salem, Virudhunagar and Theni.

The evidences found in the searched premises revealed that cash deposits of more than Rs. 100 crore were made through various entities in the guise of sale and purchase of agricultural commodities whereas no such activity exists and no stock was found. The sale and purchase invoices were found to be fabricated by their employees. Further, sales and stock were circulated among group entities to manipulate the turnover to obtain bank loans. Many of these entities had not filed any tax return so far.

While Rs. 150 crore was received by a group entity through a debenture issue from a foreign entity, the evidences found during the search revealed that this was a sham transaction and all the money went to the personal accounts of these individuals.

Further, the group entities imported spices wherein they over-invoiced the import cost to about Rs. 25 crore. To this extent, money was siphoned-off from India and diverted to their personal accounts in other countries.

During the search, evidence was also found which showed that numerous immovable properties have been purchased in the last 3-4 years in the prime locations of Chennai and other towns of Tamil Nadu at a value even lesser than circle rates. Many of these properties were also not disclosed in the IT returns.

More than 25 luxury cars were found during the search, and many were unaccounted. Evidence has also been found of the existence of undisclosed foreign bank accounts, foreign credit cards and investments in foreign entities.

Unaccounted cash of Rs. 50 lakh, jewellery worth Rs. 3 crore and 9 luxury vehicles worth Rs. 12.5 crore have been seized so far.

The searches, so far, have resulted in the detection of undisclosed income of around Rs. 400 crore. Relevant investigations under the Black Money Act will also be carried out.

Further investigations are in progress.

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