

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

New Delhi, 17th June, 2022

PRESS RELEASE

Income Tax Department conducts searches in J&K and Delhi

Income Tax Department carried out search and seizure operations on 15.06.2022 on a leading manufacturer and seller of Jamawar Shawls, Pashmina and Kashmiri Shawls. The search operation covered more than 15 premises spread across Srinagar, Anantnag and Delhi.

During the course of the search operation, a large number of incriminating evidences including hard copy documents and digital evidences have been found and seized. A preliminary analysis of the seized documents indicates that substantial portion of sales have been made in cash, which have not been found recorded in the regular books of account. The search action has also revealed that the Group has resorted to large scale tax evasion through undervaluation and under-reporting of stocks. Unaccounted stock of more than Rs. 4 crore has been detected in Delhi alone.

The group is also showing exports from India to its various concerns located in Saudi Arabia and the UAE. However, the business in the UAE is found to be carried out in the name of third parties, with informal profit sharing arrangement.

The group is found to have made huge unaccounted investment in large number of immovable properties not only in India, but also abroad. Investigations have further revealed the group's investment in a luxury hotel which is not fully disclosed in the regular books of account.

The search action has led to the seizure of unaccounted cash of more than Rs. 46 lakh.

Further investigations are in progress.

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