

**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 Delhi and Mumbai

Income Tax Department carried out a search and seizure operation on 07.07.2022 on a Delhi and Mumbai based group, engaged in the business of hospitality, marble, lights trading and real estate. A total of 18 premises across Delhi, Mumbai and Daman were covered during the search action.

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. These evidences indicate that the group has parked its undisclosed money abroad in certain low tax jurisdictions. The group, through Malaysia based web of companies, has finally invested the funds in its hospitality business in India. It is estimated that quantum of such funds exceeds Rs. 40 crore.

The evidence gathered indicates that the group has invested in a few companies abroad, which have been incorporated specially for commodity trading. The net worth of one such company including its profits earned has not been disclosed by the group in its ITRs for the relevant period. Further, it has been detected that the promoter of the group has invested in an immovable property in foreign jurisdiction which has also not been disclosed in his Income tax return. Besides these, certain offshore entities, set up for commodity trading, have been identified, which have also not been declared.

The search action also revealed that the group was involved in out-of-books cash sales in its India operations. In its trading business of marble and lights, seized evidences indicate unaccounted cash sales to the extent of 50% to 70% of the total sales. Undisclosed excess stock of Rs.30 crore has also been found.

In its hospitality business, unaccounted sales have been detected more specifically in banquet division.

So far, undeclared jewellery valued at Rs. 2.5 crore has been seized.

Further investigations are in progress.

(Rakesh Gupta)
Commissioner of Income Tax
(Media & Technical Policy)
Official Spokesperson, CBDT