

**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 Tamil Nadu and Puducherry  
Region**

Income Tax Department conducted search & seizure action in the cases of two groups, primarily running educational institutions engaged in professional courses, on 05.10.2023. These groups are also carrying out other businesses such as distillery, pharmaceuticals, hospitals and hotels, etc. About 100 premises were covered during the search action in Tamil Nadu and Puducherry.

A large number of incriminating evidences in the form of loose sheets, hard copy of documents, and digital data have been found and seized. The modus-operandi of tax evasion detected in running such educational institutions includes concealment of fee receipts, bogus claim of disbursement of scholarships, etc.

Large scale evidences about receipt of fee which are unrecorded in the books of account and claim of non-genuine disbursement of scholarships have been seized. The preliminary analysis, so far, has resulted in collecting evidences for such unaccounted fee receipts of more than Rs. 400 crore and incorrect claim of disbursement of scholarship to the tune of Rs. 25 crore. In one of the groups, seized evidence indicates that trust was utilizing the services of agents for garnering students, for which unaccounted commission payment of about Rs. 25 crore has been made.

In the distillery business run by one of the groups, it has been found that bogus expenditure has been claimed for about Rs. 500 crore towards purchase of inputs such as, bottles, flavours, Extra Neutral Alcohol and freight charges, etc. Such purchases are not corroborated with purchase invoices or entries in stock registers. Several evidences have been recovered showing that cheques have been issued to various non-existent entities and the same have been received back in the form of cash for making unaccounted investments and for other expenditure which are not allowable as business expenses.

The seized documents suggest that amount exceeding Rs. 300 crore has been diverted from trusts either for personal expenses of the trustees or for deployment in diverse businesses. It includes payments made by one of the groups for acquiring an industrial entity in Andhra Pradesh.

So far, the searches have resulted in seizure of unaccounted cash amounting to Rs. 32 crore and gold bullion of Rs. 28 crore, thereby aggregating to Rs. 60 crore.

Further investigations are in progress.

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Pr. Commissioner of Income Tax  
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Official Spokesperson, CBDT