

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

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PRESS RELEASE

Income Tax Department conducts search on prominent metal processing and financing group in Tamil Nadu

On 25-02-2020, the Income Tax Department conducted a search in the case of a prominent business group based in Chennai dealing in the business of non-ferrous metal processing in lead, copper and aluminium and Money Lending activities. The group is said to have reported a turnover of more than a thousand crore and engaged in a number of businesses such as plastic manufacture and financing activities.

The highlight of the search is the discovery of hidden cloud servers other than the servers regularly used by the group for accounting, containing unaccounted transaction details often referred by the group as “kaccha” accounts. Similarly, large amount of encrypted data was retrieved from a pen drive which was tracked and obtained from a third party premise. The pen drive and the database was decrypted to gather information about the unaccounted capital accumulated by the group. Evidences were also gathered for the introduction of unaccounted funds as bogus share premium in one of the group companies.

Large number of property documents, Promissory notes, post dated cheques taken as collateral security etc in the money lending business were recovered during the search and have been seized. As per evidence detected during the search, the search action resulted in cash seizure of Rs. 1 crore and detection of unaccounted income exceeding Rs. 400 crore. The investigations are still ongoing and the Department is in the process of finalizing the proceedings.

(Surabhi Ahluwalia)
Commissioner of Income Tax
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Official Spokesperson, CBDT.