

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

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PRESS RELEASE

Income Tax Department conducts searches in Tamil Nadu

The Income Tax Department conducted searches on 10/11/2020 in the case of a leading wholesale bullion and Gold Jewellery dealer doing business from Chennai. The search operation was carried out at 32 premises located in Chennai, Mumbai, Kolkata, Coimbatore, Salem, Trichy, Madurai and Tirunelveli.

The evidences unearthed include unaccounted stock maintained by the assessee at various places. Around 814 kg of excess stock valued at around Rs.400 crore was identified and would be brought to tax. Since it is a business stock, the same could not be seized as Income-tax Act, 1961 restrains seizure of business stock. The data from the system maintained by the group shows a net income of Rs.102 crore outside books for the financial year 2018-19 alone. The data for financial years 2019-20, 2020-2021 available in the system is being culled out using forensic tools. Similarly, the excess stock of 50 kg found in the business premises of related concerns was not seized, but identified for quantification of unaccounted income.

The group has been maintaining a custom made package called Jpac to cleverly conceal the true facts of the business. The goods were transported by raising bills/invoices as rough estimation, which would be destroyed on delivery of goods. The data so obtained will be used to unearth the unaccounted transactions of other parties based on the data extracted. Forensic experts using specialised tools are culling out more data to reach a final quantification of unaccounted income.

The searches, so far, have resulted in the detection of undisclosed income of more than Rs.500 crore. In fact, the assessee has made voluntary disclosure of Rs. 150 crore out of the undisclosed income detected so far. Investigation into the non-business investments of the group and use of accommodation entries to reduce profits is also in progress.

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