

**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 Guwahati

Income Tax Department started a Search and Survey action on 22.12.2020 in the cases of three leading contractors of North Eastern India. One of the groups is also into Hospitality business. The Search and Survey actions are being carried out at 14 locations in Guwahati, Delhi, Silapathar and Pathsala (Assam).

The main allegations against the three groups are that they have taken accommodation entries in the form of non genuine unsecured loans and also securities premium from dubious Kolkata based shell companies. The three groups have suppressed their net profits across the years and routed back into business the unaccounted income through entry operators based out of Guwahati and Kolkata.

During the course of Search actions, it has been established that the shell companies from which loans/ premium had been taken exist only on paper and have no real business and creditworthiness. The entry operators, on being questioned, have admitted that the unsecured loans/share premium from the shell companies to the groups are non-genuine and bogus. Evidences of the cash trail of routing of funds through Securities premium was unearthed during search. It has been established that amounts to the tune of about Rs. 65 crore were routed back into regular books involving Shell companies which actually represent unaccounted income of the group. Further investigation is on to detect the actual quantum involved in tax evasion using this modus operandi.

It has been gathered during the Search action that one of the groups engages in huge cash transactions in hospitality business of proportions as high as 50%, which is under examination. It has been further gathered that some of the entities of the groups

engage in purchases of Jewellery in cash. The source of the cash purchases are under examination.

Till now, Jewellery to the tune of Rs. 9.79 lakh has been seized. The sources of acquisition of remaining Jewellery found exceeding Rs. 2 crore are under verification. Cash of Rs 2.95 crore has also been seized. Overall, undisclosed income to the tune of approximately Rs. 100 crore has been unearthed so far during the Search and Survey operation. One locker has been found, which is yet to be operated.

Further investigations are under progress.

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