

**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 Hyderabad

The Income Tax Department carried out a search and seizure action on 07.01.2021 based on investigation in income tax evasion using bogus sub-contractors/shell entities along with enquiries made relating to entities flagged for providing fake Input Tax credit.

The search was carried out on a prominent civil contractor working in Telangana, generating cash through the use of bogus sub-contracts and bogus billers. The search has been conducted on 19 premises across Hyderabad. The search has also covered a network of individuals running the racket of entry operation and generation of huge cash through fake billing.

Several shell entities/firms were used by the searched entry operators for layering of unaccounted money and cash withdrawals against fake bills issued wherein bogus Input Tax Credit(ITC) was passed on. Statements of such entry operators, their dummy partners/employees, the cash handlers of the beneficiaries have also been recorded, clearly validating the entire money trail.

The search has led to seizure of evidences of bogus sub-contracts being given through intermediaries operating shell entities. Evidence of the use of this modus to generate huge unaccounted cash was found along with details of the entire network of the entry operators, intermediaries, cash handlers, beneficiaries and the firms and companies involved. Forensic analysis of digital data including pen drive, retrieved mails has given clinching evidences in this regard.

So far, documents evidencing accommodation entries of more than Rs. 160 crore have already been found and seized. The assessee company has also admitted the same in its statement.

Further investigations are in progress.

(Surabhi Ahluwalia)
Commissioner of Income Tax
(Media & Technical Policy)
Official Spokesperson, CBDT