

**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

The Income Tax Department carried out search and seizure operations on 23.09.2021 on two private Syndicate Financing groups based in Chennai. The search operation was carried out at 35 premises located in Chennai.

The evidence found in the premises of the financiers and their associates revealed that these groups have lent to various big corporate houses and businesses in Tamil Nadu, a substantial portion of which is in cash. During the search, it was detected that they are charging high rate of interest, a part of which is not offered to tax. The modus operandi adopted by the groups revealed that most of the interest payments by borrowers are received in dummy bank accounts and the same has not been disclosed for tax purposes. Further, the unaccounted monies are disguised and brought into the books of account of the groups as unsecured loans, sundry creditors, etc.

Other evidence found during the course of the search revealed numerous undisclosed property investments and other income suppression by these persons.

The searches, so far, have resulted in the detection of undisclosed income of more than Rs. 300 crore. Unaccounted cash of Rs. 9 crore has been seized so far.

Further investigations are in progress.

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